



ANNUAL INFORMATION FORM

MARCH 31, 2011

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EXPLANATORY NOTES

Unless otherwise indicated, the information appearing in this annual information form ("AIF") is stated as of December 31, 2010 and all amounts are in Canadian dollars. As a result of a material change in Dundee Corporation's (the "Company") business resulting from the sale of DundeeWealth Inc. on February 1, 2011, certain information presented in this AIF is stated as at February 28, 2011.

FORWARD-LOOKING INFORMATION

Dundee Corporation's public communications may include written or oral forward-looking statements. Statements of this type are included in this AIF, and may be included in other filings with the Canadian and United States securities regulators, stock exchanges or in other communications. All such statements are made pursuant to the "safe harbour" provisions of applicable Canadian and U.S. Securities laws. 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 2011 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 management of the Company and inherently involve numerous risks and uncertainties, known and unknown, including economic factors and those affecting the financial services industry generally. The forward-looking information contained in this AIF 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 AIF, including, among others, those referenced in the Risk Factors section of this AIF on page 44 and in the section entitled "Managing Risk" in the Company's Management's Discussion and Analysis for the year ended December 31, 2010 which section is incorporated by reference herein. These risks include: general economic and market conditions, our ability to execute our strategic plans and meet financial obligations, the performance of the Company's principal subsidiaries and the Company's ability to raise additional capital; our ability to create, attract and retain assets under management and assets under administration; risks relating to trading activities and investments; competition faced by the Company; regulation of the Company's businesses; risks associated with the Company's real estate and resources businesses and the Company's investment holdings in general, including risks associated with oil and gas and mining exploration, development and processing activities, environmental risks, inflation, changes in interest rates, commodity prices and other financial exposures; the maintenance of minimum regulatory capital requirements for certain of the Company's subsidiaries 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 are identified based upon information available as of March 31, 2011.

Assumptions about the future performance of the Canadian, United States and European economies were material factors considered by management when setting the Company's priorities and objectives, and when determining our financial targets. In determining our expectations for economic growth in the real estate and resource sectors, we considered historical economic data provided by the Canadian government and its agencies and current market and general economic conditions.

Forward-looking statements contained in this AIF are not guarantees of future performance and 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. 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.

THE COMPANY

GENERAL

Dundee Corporation (the “Company” or “Dundee Corporation”) is an independent publicly traded Canadian asset management company. During 2010, the Company’s core focus area was asset management, including wealth management, real estate, and resource investments. The Company’s asset management activities were primarily conducted through DundeeWealth Inc. (“DundeeWealth”), Ned Goodman Investment Counsel Limited (formerly Ravensden Asset Management Inc.) (“NGIC”), Dundee Real Estate Asset Management (“DREAM”), the asset management division of Dundee Realty Corporation (“Dundee Realty”), and Dundee Resources Limited (“Dundee Resources”).

On February 1, 2011, the Company sold all of its shares of DundeeWealth to The Bank of Nova Scotia (“Scotiabank”) in exchange for 18,599,029 common shares, and 14,897,209 3.70% five year rate reset preferred shares, of Scotiabank (the “DundeeWealth Transaction”). DundeeWealth also distributed to each of the shareholders of DundeeWealth, including the Company, an equity interest in Dundee Capital Markets Inc. (“DCM”), a newly established public company listed on the Toronto Stock Exchange (“TSX”), and a special distribution in the amount of \$2.00 per share of DundeeWealth (the “Special Distribution”).

Details regarding the DundeeWealth Transaction including the terms of Scotiabank’s offer (“Offer”) and the factors considered by the board of directors of the Company in recommending that its shareholders approve the DundeeWealth Transaction, are described in the Company’s Management Information Circular dated December 15, 2010, which is available on SEDAR at www.sedar.com and which is incorporated herein by reference. For further information regarding the sale of DundeeWealth, see *“Development of the Business – Sale of DundeeWealth Inc.”*.

The Company retains its objective of building its asset management business, specifically in resources real estate and infrastructure, both for its own account and for third parties. New vehicles will be created for public participation outside of the traditional mutual fund arena for which the Company is subject to a non-competition agreement for the next three years.

The Company now primarily conducts its asset management activities through NGIC, DREAM and DCM:

- NGIC is a registered investment fund manager in the Province of Ontario, a portfolio manager and exempt market dealer in each Canadian province and territory, and a registered investment adviser in the United States under the U.S. Advisers Act of 1940, as amended (the “U.S. Advisers Act”).
- Dundee Securities Ltd. (“DSL”), a wholly-owned subsidiary of DCM, is registered as an investment dealer and an investment fund manager in Ontario. In addition to its investment banking, brokerage and research activities, DSL acts as the manager of the CMP Gold Trust and the CMP and Canada Dominion Resources flow-through limited partnerships, which invest in a diversified portfolio of flow through shares of resource companies, as well as CMP Gold Trust. The business of DCM is principally conducted through DSL.
- Dundee Realty, which is an owner and developer of residential and recreational properties in North America, carries out the Company’s real estate operations. Real estate operations also include an interest in Dundee Real Estate Investment Trust (“Dundee REIT”), a Canadian real estate investment trust.

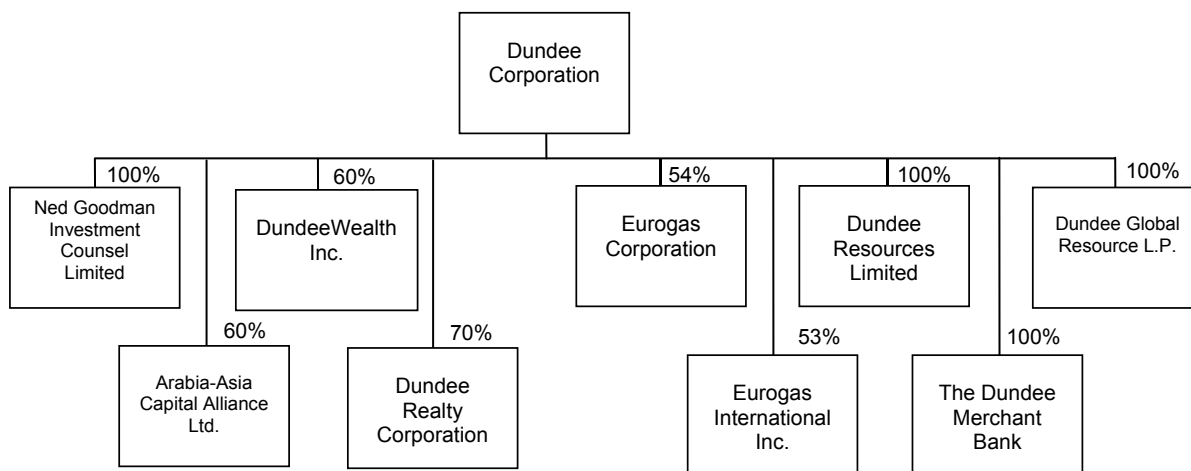
Resource activities include the activities of Dundee Resources, a wholly-owned subsidiary of the Company, as well as the Company’s interest in Eurogas Corporation (“Eurogas”), a company that holds

interests, both directly and indirectly, in: (i) the largest accumulation of producing oil and natural gas assets in Ontario; (ii) the development of an offshore gas storage facility in Spain; and (iii) Eurogas International Inc. (“Eurogas International”), a company involved in oil and gas exploration offshore Tunisia. The Company’s resources segment also includes its interests in Dundee Precious Metals Inc. (“Dundee Precious”) and Breakwater Resources Ltd. (“Breakwater”).

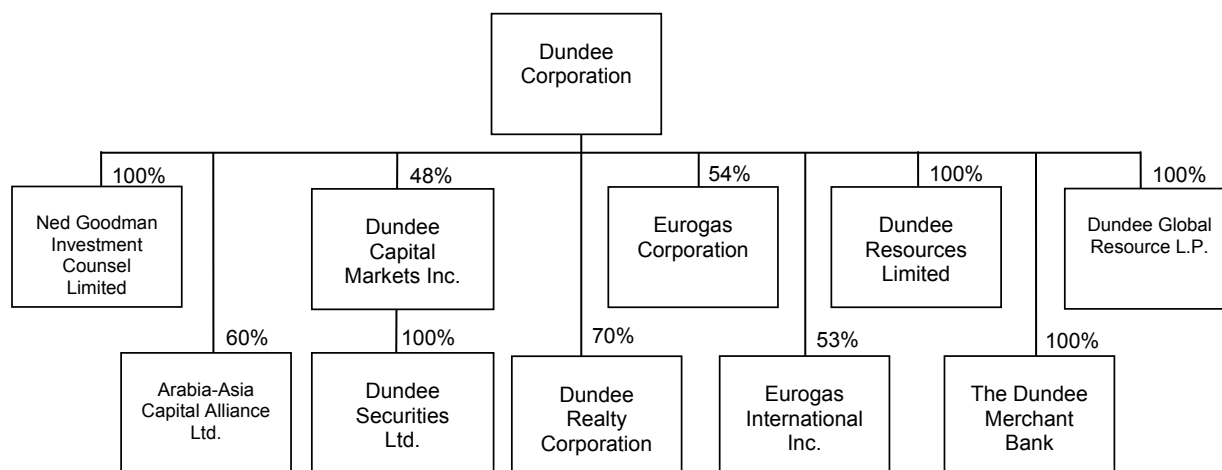
The registered and head office of the Company is located at Dundee Place, 1 Adelaide Street East, 28th Floor, Toronto, Ontario, M5C 2V9. The Company is listed on the TSX under the symbols (TSX – DC.A, DC.PR.A, DC.PR.B and DC.DB). The Company has 36 employees.

CORPORATE STRUCTURE

The following simplified corporate chart sets out the main subsidiaries of Dundee Corporation as of December 31, 2010 that are referenced in this AIF. The voting interests of Dundee Corporation in such subsidiaries reflects both the direct and indirect voting interests of the Company as of December 31, 2010.



The following simplified corporate chart sets out the main subsidiaries of Dundee Corporation as of February 28, 2011 and subsequent to the completion of the DundeeWealth Transaction. The voting interests of Dundee Corporation in such subsidiaries reflects both the direct and indirect voting interests of the Company as of February 28, 2011.



INCORPORATION AND ORGANIZATION

The Company was incorporated under the laws of the Province of Ontario by articles of incorporation effective November 2, 1984. The Company changed its name to Dundee Bancorp Inc. by articles of amendment effective July 26, 1991 and changed its name to its present form by articles of amendment effective December 14, 2004. The Company's current share capital structure was created by articles of amendment effective October 10, 1991, October 24, 1991, October 29, 1991, March 17, 1993 and June

22, 2006. The stated capital of the Company was reduced by articles of amendment effective August 4, 1992. The Company was inactive prior to October 31, 1991, at which time it became a public company pursuant to articles of arrangement effective October 30, 1991. The articles of amendment dated June 21, 2007 subdivided the Class A Subordinate Voting Shares (the "Subordinate Voting Shares") and the Class B Common Shares (the "Common Shares") of the Company on a 3-for-1 basis, effective as of the close of business on July 6, 2007. On September 14, 2009, Articles of Amendment were filed authorizing a fifth series and sixth series of First Preference Shares, designated as first preference shares, series 2 and first preference shares, series 3, respectively. On January 1, 2010, in connection with an internal reorganization, Dundee Corporation amalgamated with its subsidiaries, 1255895 Ontario Limited, 1175885 Ontario Limited, DCC Equities Limited and Dundee Global Resource GP Inc. On January 1, 2011, in connection with an internal reorganization, Dundee Corporation amalgamated with its subsidiaries, 3031831 Ontario Limited and Dundee Capital Corporation. See "Description of Share Capital".

INTER-CORPORATE RELATIONSHIPS

Principal Subsidiaries of the Company as of December 31, 2010

The principal subsidiaries of the Company, the corresponding jurisdictions of incorporation and the Company's percentage interest in such subsidiaries as of December 31, 2010 are set forth in the table below:

Name	Percentage Voting Interest held Directly or Indirectly by the Company	Jurisdiction of Incorporation/ Formation
Dundee Capital Corporation ⁽¹⁾	100%	Ontario
Dundee Realty Corporation ⁽²⁾	70%	British Columbia
DundeeWealth Inc. ⁽³⁾	60%	Ontario

Notes:

- (1) A number of investments of the Company were held through Dundee Capital Corporation. Dundee Corporation held 8,700 common shares of Dundee Capital Corporation.
- (2) Dundee Corporation holds its interest in Dundee Realty Corporation directly and indirectly through 0764704 B.C. Ltd. The Company holds shares representing 70% of the votes of Dundee Realty Corporation. The principal subsidiaries of Dundee Realty Corporation are 630276 Saskatchewan Ltd., Dundee Castle Keep Limited Partnership, Dundee Evansridge Limited Partnership, Dundee Realty Holdings 1 Limited Partnership and LDL Properties. See "Business of the Company – Real Estate".
- (3) Dundee Corporation owned, directly and indirectly, 69,940,415 common shares of DundeeWealth Inc. and 5,453,668 first preference shares, series X of DundeeWealth Inc. Dundee Corporation had voting control over 997,626 common shares of DundeeWealth Inc. that were held in escrow. All of the outstanding special shares, series C and special shares, series D of DundeeWealth Inc. were held in escrow and were to be released from escrow and converted into common shares pursuant to regulatory requirements, initially on a one-for-one basis, subject to adjustment in certain circumstances. While the special shares, series C, and special shares, series D were held in escrow, they were to be voted in the same manner as the shares of DundeeWealth Inc. held by the Company are voted at all meetings of the shareholders of the Company. Assuming the conversion of the first preference shares, series X, this represented a direct and indirect equity ownership of 48% and a direct and indirect or control over a 60% voting interest by the Company in DundeeWealth Inc. on a non-diluted basis.

On February 1, 2011, the Company sold all of its shares of DundeeWealth Inc. to The Bank of Nova Scotia. See "Corporate Transactions – Acquisition and Disposition of Assets – Sale of DundeeWealth Inc.".

Principal Subsidiaries of DundeeWealth Inc. as of December 31, 2010

The Company's most significant holding was its 48% direct and indirect equity ownership and 60% voting control of DundeeWealth. DundeeWealth carries on its business primarily through its wholly-owned subsidiary DWM Inc. ("DWM") and through the operating subsidiaries of DWM. The following table sets forth the name and jurisdiction of incorporation of each of the principal subsidiaries of DundeeWealth and DWM as of December 31, 2010:

Name	Percentage Interest held Directly or Indirectly by DWM	Jurisdiction of Incorporation/ Formation
Dundee Private Investors Inc. ⁽¹⁾	100%	Ontario
Dundee Securities Corporation ⁽²⁾	100%	Ontario
Goodman & Company, Investment Counsel Ltd. ⁽³⁾	100%	Ontario

Notes:

- (1) Dundee Private Investors Inc. is a principal subsidiary of DundeeWealth Inc. DPPI Holding Corp., an Ontario company, owns 100% of the outstanding common shares of Dundee Private Investors Inc. DWM Inc. holds 100% of the shares of DPPI Holding Corp.
- (2) Dundee Securities Corporation is a principal subsidiary of DundeeWealth Inc. DSC Holding Corp., an Ontario company, owns 100% of the outstanding shares of Dundee Securities Corporation. DWM Inc. holds 100% of the shares of DSC Holding Corp.
- (3) Goodman and Company, Investment Counsel Ltd. is a principal subsidiary of DundeeWealth Inc. DMFL Holding Corp., an Ontario company, owns 100% of the outstanding shares of Goodman & Company, Investment Counsel Ltd. DWM Inc. holds 100% of the shares of DMFL Holding Corp.

Principal Subsidiaries of the Company as of February 28, 2011

The principal subsidiaries of the Company, the corresponding jurisdictions of incorporation and the Company's percentage interest in such subsidiaries as of February 28, 2011 are set forth in the table below:

Name	Percentage Voting Interest held Directly or Indirectly by the Company	Jurisdiction of Incorporation/ Formation
Dundee Capital Markets Inc. ⁽¹⁾	48%	Ontario
Dundee Realty Corporation ⁽²⁾	70%	British Columbia
Dundee Resources Limited	100%	Ontario
Eurogas Corporation ⁽³⁾	54%	Canada
Ned Goodman Investment Counsel Limited	100%	Ontario

Notes:

- (1) Although Dundee Capital Markets Inc. does not qualify as a legal subsidiary of Dundee Corporation, as Dundee Corporation holds less than a 50% voting interest in Dundee Capital Markets Inc., disclosure is included in this section on the basis that Dundee Corporation's interest in Dundee Capital Markets Inc. represents more than 10% of Dundee Corporation's assets and/or revenues on a consolidated basis. Dundee Securities Ltd. is a principal subsidiary of Dundee Capital Markets Inc.

- (2) Dundee Corporation holds its interest in Dundee Realty Corporation directly and indirectly through 0764704 B.C. Ltd. Dundee Corporation holds shares representing 70% of the votes of Dundee Realty Corporation. The principal subsidiaries of Dundee Realty Corporation are 630276 Saskatchewan Ltd., Dundee Castle Keep Limited Partnership, Dundee Evansridge Limited Partnership, Dundee Realty Holdings 1 Limited Partnership and LDL Properties. See *"Business of the Company - Real Estate"*.
- (3) Dundee Corporation holds its interest in Eurogas Corporation directly and indirectly through The Garda Corporation.

DEVELOPMENT OF THE BUSINESS

The following is a summary of key developments in each of the Company's areas of business and in the Company's corporate and other activities.

SALE OF DUNDEEWALTH INC.

On February 1, 2011, the Company completed the sale of its shares of DundeeWealth, comprised of 69,940,415 common shares and 5,453,668 First Preference shares, Series X, to Scotiabank, pursuant to the terms of Scotiabank's Offer and in accordance with the terms of the Lock-up Agreement (as defined below).

As part of the DundeeWealth Transaction, DundeeWealth also agreed to consummate the spinout of its capital markets business as previously conducted through its subsidiary, Dundee Securities Corporation and operating under the "Dundee Capital Markets" brand, and certain other assets, by way of distribution to all holders of DundeeWealth Shares (the "Spinout Transaction"). See *"Business of the Company – Dundee Capital Markets Inc."*

In accordance with the terms of Scotiabank's Offer, the Company received 18,599,029 common shares and 14,897,209 3.70% preferred shares of Scotiabank. In addition, the Company received an aggregate cash dividend of \$149 million from DundeeWealth and 74,484,956 common shares of DCM, representing an approximate 48% interest in DCM.

On November 22, 2010, the Company, Dundee Capital Corporation, Mr. Ned Goodman and Mr. David Goodman (collectively, the "Locked-up Shareholders") entered into a lock-up agreement (the "Lock-up Agreement") with Scotiabank. Pursuant to the Lock-up Agreement, Scotiabank agreed to make an offer for all of the issued and outstanding shares of DundeeWealth, other than the First Preference Shares, Series 1 (the shares subject to the Offer, the "DundeeWealth Shares"). The Company and the other Locked-up Shareholders agreed to deposit all of their DundeeWealth Shares to the Offer, subject to certain conditions including, among others, the approval of at least 66⅔% of the votes cast at a special meeting of the Company's shareholders (the "Special Meeting"), receipt of all necessary regulatory approvals, completion of arrangements to complete the Spinout Transaction, and the declaration of the Special Distribution.

Pursuant to the Lock-up Agreement, Scotiabank agreed to make the Offer by way of a take-over bid in consideration of: (i) 0.2497 of one common share of Scotiabank ("BNS Share"); and (ii) at the election of the holder, either \$5.00 in cash, or 0.2 of one \$25 principal amount 3.70% five year rate reset preferred share in the capital of Scotiabank ("BNS Preferred Share"), for each DundeeWealth Common Share, Special Share, Series C and Special Share, Series D; AND (i) 0.2081 of one BNS Share; and (ii) at the election of the holder, either \$4.17 in cash, or 0.1667 of one BNS Preferred Share, for each First Preference Share, Series X. Further, the Company agreed to elect to receive BNS Preferred Shares rather than cash. As a result of the sale of DundeeWealth, since February 1, 2011, the Company's largest investment is comprised of two classes of shares of Scotiabank.

At the Special Meeting, holders of First Preference Shares, Series 1, First Preference Shares Series 2, Class A Subordinate Voting Shares and Class B Common Shares, which were all of the classes of shares of the Company entitled to vote at such meeting, voted overwhelmingly in favour of the sale of all of the Company's shares of DundeeWealth to Scotiabank. Pursuant to the Offer and in accordance with

the terms of the Lock-up Agreement, of the 353,739,216 votes cast at the Special Meeting, 99.9% voted in favour of the DundeeWealth Transaction.

Additional information relating to the terms of the DundeeWealth Transaction, including the Offer, the factors that the board of directors of the Company considered in recommending the DundeeWealth Transaction to the shareholders of the Company, and the terms of the Lock-up Agreement are described in detail in the Management Information Circular of the Company dated December 15, 2010, which is available on SEDAR at www.sedar.com.

The Company evaluates its portfolio of assets on an ongoing basis with a view to maximizing value for its shareholders. As a result, the Company expects that the composition of its assets may change from time to time and evolve in response to future opportunities as they arise, and the Company will consider economic conditions, strategic opportunities, costs of acquisitions and dispositions of assets, financing alternatives and other considerations in connection with its evaluation of each such future opportunity.

NED GOODMAN INVESTMENT COUNSEL LIMITED

On May 14, 2010, NGIC was granted registration in the category of Investment Fund Manager in the province of Ontario and also in the category of Exempt Market Dealer in each Canadian province and territory. Such registrations broaden the scope of NGIC's permitted securities related activities from those permitted under the category of Portfolio Manager which was granted in September, 2009 in each Canadian province and territory.

Effective February 11, 2011, NGIC was also registered as an Investment Adviser under the U.S. Advisers Act.

See *"Business of the Company – Asset Management – Ned Goodman Investment Counsel Limited"* and *"Interest of Management and Others in Material Transactions – Sub-Advisory Agreements"*.

EUROGAS CORPORATION ACQUISITION OF LAKE ERIE ASSETS

On June 29, 2010, Dundee Energy Limited Partnership ("DELP"), a wholly-owned limited partnership of Eurogas, acquired a 95% working interest in 65,000 acres of onshore oil properties and a 65% working interest in 902,000 acres of offshore gas properties, all located in and around Lake Erie in Ontario (the "Lake Erie Assets"). As of February 28, 2011, the Company owned, directly and indirectly, a 54.21% interest in Eurogas. See *"Business of the Company – Eurogas Corporation"*.

DUNDEE CORPORATION CREDIT FACILITY

In November 2010, the Company terminated its existing credit facility and entered into a credit agreement to establish a new revolving term credit facility with a Canadian chartered bank. See *"Corporate Transactions – Company Credit Facility"*.

ARABIA-ASIA CAPITAL ALLIANCE LTD.

In 2010, Arabia-Asia Capital Alliance Ltd. ("Arabia-Asia"), a 60% subsidiary of Dundee Corporation, received approval from the Dubai Financial Services Authority to arrange for asset gathering for the Company and others in the Middle East and North Africa (MENA) region. Arabia-Asia has entered into a distribution and marketing agreement with Dundee Global Resource GP Ltd. to promote the Dundee Global Resource L.P. and solicit investors for the fund in the MENA region.

BUSINESS STRATEGY

Dundee Corporation's strategy is to continue to shelter its valuation from future global inflation by investing for third parties and for its own account in high quality assets and businesses that demonstrate

multi-opportunities to achieve sustained growth in core sectors and high returns on invested capital while increasing asset management fee revenues over the long term. The Company intends to continue to achieve growth and return through cash flows and value created, by acquiring direct ownership, as well as fiduciary positions in assets, and by expanding its assets under management in core sectors, with a particular focus on resources, real estate and infrastructure assets.

With the completion of the DundeeWealth Transaction in February 2011, the Company is well positioned to execute upon its strategic plan. The Company's balance sheet currently reflects, among other holdings, approximately \$1.5 billion of Scotiabank common and preferred shares, its credit facilities have been repaid in full and it holds approximately \$120 million in cash.

While the Company remains, as previously, an asset management company focused on the resource, real estate and infrastructure sectors, through our 48% interest in DCM, Dundee Corporation plans to help build DCM in our areas of expertise to achieve a meaningful position in the global capital markets industry.

Currently, the Company is overseeing a significant reorganization of the business focus of DCM as well as the people with the ability to execute its business mission. As described in greater detail below, the business of DCM as carried out by its wholly-owned subsidiary, DSL, encompasses investment banking, equity research and investment advisory services and includes 48 retail advisors holding approximately \$3.2 billion of assets under administration and approximately \$877 million of assets under management as at February 28, 2011. DSL also provides advice to corporations relating to acquisitions, divestitures, mergers and fund raising and are supported by experts in institutional sales in the Company's core sectors. The third component of the DCM business is its acquisition of the management contracts relating to CMP Gold Trust and the CMP and Canada Dominion Resource flow through businesses, with total assets under management of approximately \$539 million as at February 28, 2011. This is complemented by NGIC's continued role as subadvisor to the DMP Resource Class and Dynamic Focus + Resource Fund, reflecting assets under management of approximately \$1.5 million as at February 28, 2011.

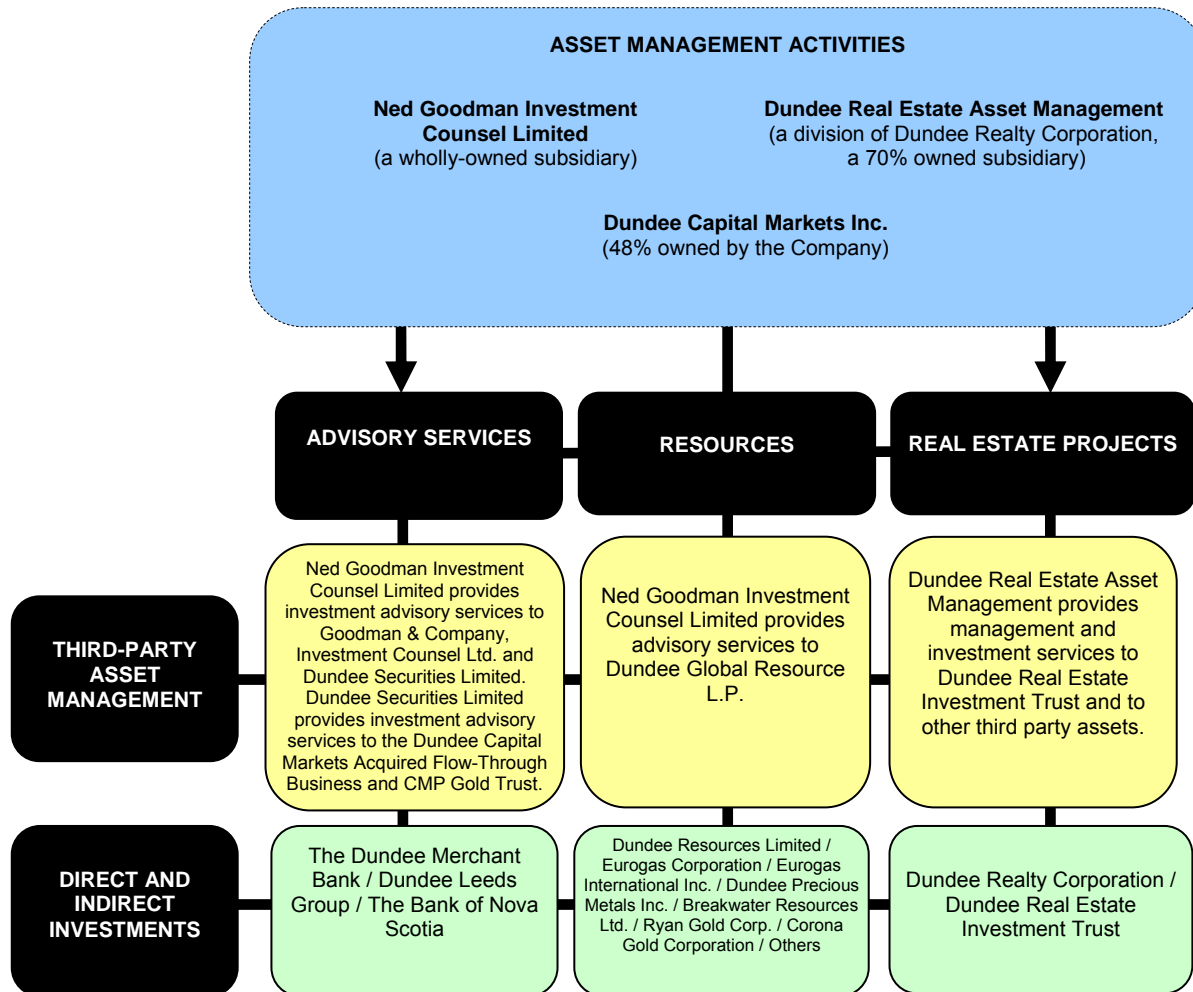
The Company's overall mission for 2011 and beyond is to build out DCM along with Dundee Corporation into an investment banker which has the ability to invest for its own account on any investment that meets its investment requirements. By using the financial advantage that comes from the liquid position of publicly traded securities held by the Company, Dundee Corporation is able to support any equity or debt issue that DCM is retained to position.

BUSINESS OF THE COMPANY

OVERVIEW

Prior to the DundeeWealth Transaction, the Company's wealth management activities were carried out primarily by DundeeWealth. In 2010, DundeeWealth continued to focus on: (1) investment management; (2) the development, production and distribution of investment products; (3) the provision of advisory services to institutional and retail clients; and (4) capital markets. As of December 31, 2010, DundeeWealth had approximately \$83.3 billion in fee earning assets.

Following the DundeeWealth Transaction, the asset management activities of the Company are represented graphically in the following chart:



As an asset manager, the Company raises, invests and manages capital on its own behalf and on behalf of its co-investors, and it develops and maintains operating platforms that enable it to effectively manage these assets and enhance their values over time. In line with the Company's business strategy, management directed significant effort in 2010 towards expanding this segment of the Company's operations, primarily through the activities of NGIC and DREAM, and with the technical support of industry professionals at Dundee Realty, Dundee Resources and DCM. The Company also owns and continues to take direct interests in these types of assets. The Company believes that this strategy builds upon its existing operating platforms and expertise, enabling it to pursue a broader range of opportunities, resulting in higher returns on invested capital.

The Company's asset management activities include the management of assets, both domestic and international, consisting of:

1. physical assets, primarily resource, real estate and infrastructure assets that are owned or co-owned within our core operating entities and managed on behalf of the Company and its co-investors; and
2. securities, which include significant positions in companies engaged in financial services, resource and real estate activities, and represent investments in physical assets such as those described above. Such securities are held on behalf of the Company and its clients and are managed by dedicated teams of investment professionals within the Dundee group of companies.

The Company's asset management business continued to expand in 2010. Management fees earned on asset management activities were \$48.6 million in 2010 compared with \$26.3 million earned in 2009.

In addition to the information provided about the Company's operations in this AIF, subsidiaries and investee companies of Dundee Corporation which are reporting issuers have filed public disclosure documents containing detailed information specific to their respective operations. Copies of these documents may be obtained on SEDAR at www.sedar.com. A description of the Company's operations in its core sectors follows.

ASSET MANAGEMENT

Ned Goodman Investment Counsel Limited

At December 31, 2010, NGIC provided sub-advisory and investment services to approximately \$2.5 billion of assets under management.

On May 14, 2010, NGIC was granted registration in the category of Investment Fund Manager in the province of Ontario and also in the category of Exempt Market Dealer in each Canadian province and territory. Such registrations broaden the scope of NGIC's permitted securities related activities from those permitted under the category of Portfolio Manager which was granted in September 2009 in each Canadian province and territory.

Effective February 11, 2011, NGIC was also registered as an Investment Adviser under the U.S. Advisers Act.

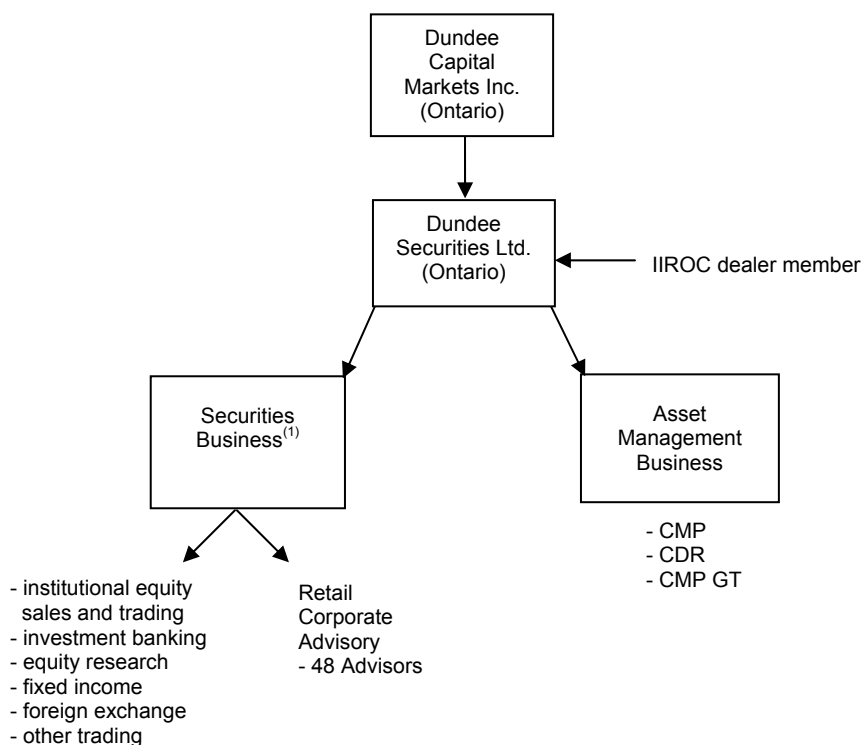
NGIC was acquired by the Company in 2008 and, throughout 2010, provided investment advice directly and in a sub-advisory role to institutional and individual clients and investment funds. NGIC entered into a sub-advisory agreement with Goodman & Company, Investment Counsel Ltd. ("GCICL") pursuant to which, throughout 2010, NGIC acted as a sub-advisor for certain funds managed by GCICL, including Canada Dominion Resources Limited Partnerships, CMP Resource Limited Partnerships, DMP Resource Class, CMP Gold Trust and Dynamic Focus+ Resource Fund (the "GCICL Sub-advisory Agreement"). In addition, NGIC is the investment advisor for Ravensden Alternative Group, a private trust established in

2009 with approximately \$24.4 million in assets under management as at December 31, 2010. In 2010, NGIC earned revenues of \$28 million, including performance fee revenues of \$23.1 million.

Following the completion of the Spinout Transaction, the management contracts for certain funds previously managed by GCICL were assigned to DSL. Concurrent with such assignment, NGIC entered into a new sub-advisory agreement with DSL (on substantially the same terms as the GCICL Sub-advisory Agreement) in relation to CMP Gold Trust and the Canada Dominion Resource and CMP limited partnerships. Under the GCICL Sub-advisory Agreement, NGIC continues to provide sub-advisory services to GCICL in respect of the DMP Resource Class and Dynamic Focus+ Resource Fund. See *“Interests of Management and Others in Material Transactions – Sub-Advisory Agreements”*.

Dundee Capital Markets Inc.

As a result of the Spinout Transaction, DCM and its wholly-owned subsidiary, DSL, were incorporated to acquire, indirectly, through a series of reorganization transactions certain assets of DundeeWealth and its subsidiaries (the “DSL Reorganization”). Following the completion of the Spinout Transaction in January 2011, DCM has three business lines: (i) capital markets; (ii) retail corporate advisory; and (iii) asset management. DCM is structured as follows:



Notes:

(1) Including Dundee Securities Inc., a FINRA and SEC registrant.

The business of DCM is principally conducted through DSL, an entity incorporated to hold and operate the regulated business of DCM. DSL is a member of the Investment Industry Regulatory Organization of Canada (“IIROC”) and the Canadian Investor Protection Fund. DCM, through DSL (and one or more other wholly-owned subsidiaries), now carries on: (i) the business formerly carried on by Dundee Securities Corporation and its subsidiaries under the “Dundee Capital Markets” brand (other than the independent retail advisory business and back office operations, which remained part of DundeeWealth), including the capital markets business and the retail corporate advisory business; (ii) the flow-through limited partnership business formerly carried on by DundeeWealth and its subsidiaries, consisting of the origination and management of flow-through limited partnerships under the “CMP”, “CDR” and “Canada Dominion Resources” brands (the “DCM Acquired Flow-Through Business”); and (iii) the management of CMP Gold Trust (“CMP GT”), a closed-end fund, pursuant to a management contract which was acquired by DSL pursuant to the DSL Reorganization. As of February 28, 2011, the DCM Acquired Flow-Through Business and CMP GT had assets under management valued at approximately \$539 million.

DCM’s other capital markets activities consist of investment banking, institutional equity sales and trading, and equity research. DSL has aligned its principal focus into specific sector coverage, namely, resources, real estate and infrastructure, diversified industries and special situations. The resources sector comprises mining, energy, forestry, fertilizers and agriculture. The capital markets group focuses on new ideas and the analysis of companies within these sectors to provide innovative research, trading strategies and opportunities for its institutional and retail clients.

As of February 28, 2011, DCM had 183 employees.

Investment Banking

DSL’s investment banking group provides a variety of financial services to corporate clients, including underwriting the sale of securities to the public, private placements of securities and advisory services related to mergers and acquisitions (“M&A”), divestitures, reorganizations and restructurings and stock exchange listings. The investment banking group earns revenue from investment banking activities principally through underwriting fees and commissions and M&A advisory fees. The majority of the fees are usually received in the form of cash, but occasionally may include stock and/or warrants. The investment banking group has industry knowledge and insight, technical expertise, transaction experience and specialized capabilities in its core sectors.

Underwriting

DSL’s underwriting business consists primarily of raising equity financing for public and, to a lesser extent, private issuers by providing them access to the capital markets. The underwriting business may involve originating and executing transactions on behalf of corporate clients by distributing offered securities to institutional and retail clients. DSL’s role in such transactions is either as a lead underwriter (often in combination with a syndicate of investment dealers managed by it), where DSL manages and executes the transaction or as a co-manager, where DSL participates as a member in a syndicate of investment dealers. DSL participates in these transactions either as an underwriter where securities are purchased from the issuer and re-sold to investors or as an agent, where DSL intermediates the sale between the issuer and investors but generally does not put its own capital at risk. When acting as an underwriter, DSL’s capital is at risk for the period between entering into the underwriting commitment and completing the re-sale of the securities to investors. DSL generates revenue from providing these services primarily through underwriting fees or commissions, which are generally contingent on the completion of the financing.

Advisory Services

DSL provides advisory services to private and public issuers, financial and other investors in connection with a wide variety of transactions, including M&A, reorganizations and restructurings and stock exchange listings. These services, in addition to strategic and general capital markets advice, often include the

preparation of professional opinions to be used by the boards of directors of clients. DSL is generally compensated for its advisory services through success-based fees, with the bulk payable upon transaction completion, and in some instances there will be work fees or milestone payments that are credited against any success fee. For providing professional opinions, DSL is generally compensated through fixed fees, the majority of which are payable upon completion of specific stages of the mandate. During 2010, DSL's predecessor Dundee Securities Corporation was engaged on M&A mandates in all of its core industry sectors as a larger focus has been put on providing advisory services to clients as part of the overall investment banking business. As M&A mandates are often unpredictable and complex and there is often a long lead-time between engagement and completion, these revenues can vary significantly from period to period.

Institutional Equities Sales and Trading

The primary focus of the institutional equity sales and trading group is the selling, purchasing and trading of equity and equity-related securities on behalf of institutional clients, including mutual funds, hedge funds, pension funds, banks and insurance companies, generally involving trading of listed and over-the-counter securities. DSL earns commissions from institutional clients for acting as agent in executing these trades on their behalf. This trading is primarily done on an agency basis, but DSL may also take select long or short positions as principal to facilitate the execution of institutional client trading in what is known as liability trading. DSL utilizes its own capital for liability trading, both for its own account as well as to improve liquidity and facilitate institutional client transactions, which also assists DSL in generating commissions. The losses DSL incurs as a result of liability trading are treated as a cost of earning commission revenue.

Investment Research

The research group provides retail investment advisors and institutional clients with actionable ideas through reports and opinions on companies in our core industry sectors to assist them in investment decisions and opportunities. As of February 28, 2011, the research group had a total of 13 professionals providing research coverage on 171 specific companies with a principal focus on its core sectors of resources, real estate and diversified industries.

Retail Corporate Advisory

The retail corporate financial advisory group is comprised of 48 retail investment advisors, 14 of whom are licensed portfolio managers. These advisors are employees of DSL and are located in the Company's corporate offices in Montreal, Toronto, Calgary and Vancouver. This group had assets under administration valued at approximately \$3.2 billion and had assets under management valued at approximately \$877 million as at February 28, 2011 and is focused on portfolio management and investments for clients in equity and debt securities as well as providing a retail distribution pipeline for investment products originated by DSL's investment banking group.

Wealth Management Products and Services

The wealth management products and services offered by DSL include:

- Equity securities including new issue and private issues of securities;
- Fixed income products;
- Closed end investment products;
- Tax assisted investment products;
- Alternative investments;

- Fee based accounts;
- Financial, tax and estate planning;
- Insurance;
- Self directed registered accounts;
- Margin accounts;
- Discretionary portfolio management;
- Foreign Exchange.

As a result of the acquisition by DSL of the DCM Acquired Flow-Through Business, DSL acts as manager of, and receives fees in its capacity as manager of the flow-through limited partnerships comprising the DCM Acquired Flow-Through Business' and CMP GT, including any limited partnerships and closed end funds that DSL or its subsidiaries may originate and/or manage in the future. NGIC provides sub-advisory services to DSL in respect of the DCM Acquired Flow-Through Business and CMP GT, in addition to funds managed by GCICL. See *"Interest of Management and Others in Material Transactions – Sub-Advisory Agreements"*.

DCM generated earnings of \$32.1 million in 2010.

REAL ESTATE

Dundee Corporation's real estate activities consist of, as of February 28, 2011: (i) the operations of its 70% owned subsidiary, Dundee Realty, a private company with operating activities in the land and housing business in Canada and the United States, and in a portfolio of select income generating properties; and (ii) the Company's approximate 8.24% interest in Dundee REIT.

DUNDEE REALTY CORPORATION

Dundee Realty is involved in a wide spectrum of activities in the real estate sector including the acquisition, sale, and development of commercial and residential real estate. Dundee Realty has also established DREAM, which 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.

As of February 28, 2011, Dundee Realty had 99 employees.

Land

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

Dundee Realty continues to benefit from increased activity in all markets including Calgary, where two recently acquired projects generated substantial revenues in the fourth quarter of 2010: a 53 acre land holding in west Calgary acquired for \$14.0 million and a 150 acre land holding in north Calgary acquired for \$35.0 million.

During 2010, Dundee Realty sold 2,117 lots (2009 - 854 lots) at an average selling price of \$131,000 per lot (2009 - \$105,000 per lot) and 96 parcel acres (2009 - 42 parcel acres) at an average price of \$594,000 per acre (2009 - \$419,000 per acre).

Development costs on land were approximately \$122.8 million in 2010, mainly in western Canada. Dundee Realty estimates that it will spend in excess of approximately \$200 million on development activity in western Canada in 2011. Funding will be provided from operating cash as well as borrowings pursuant to Dundee Realty's credit facilities.

Housing and Condominiums

Revenue from sales of housing and condominiums increased to \$110.9 million in 2010 from \$90.1 million in 2009.

During 2010, Dundee Realty sold 202 housing units in western Canada, at an average selling price of \$391,000 per unit. In Toronto, Dundee Realty completed a further 235 home closings and 128 condominium occupancies through its joint venture arrangements, generating sales revenue of approximately \$38.8 million. The sale of 17 units in Colorado generated \$6.9 million in revenue in 2010, although the average selling price per unit decreased from \$694,000 per unit in the prior year to \$408,000 per unit in the current year, reflecting discounts offered under a new marketing plan. There were three additional units under contract in Colorado as at the end of 2010 and new pricing programs are in place for the remaining 35 units. As well, the Red Sky ranch, a significant property in Colorado was sold for \$2.0 million in 2010.

Dundee Realty is progressing with several projects in Toronto:

- Development of the southeast corner of the Distillery site is ongoing. Construction on Phase One of the project, the 347 unit Clear Spirit tower, commenced in September 2009. The project is 97% pre-sold at December 31, 2010, with anticipated closings in 2012. Phase Two of the project, the Gooderham tower, is 89% pre-sold and construction is expected to commence in the first quarter of 2011.
- Occupancies have commenced for Phase One of Dundee Realty's Corktown project, with closings anticipated in the first quarter of 2011. Phase Two construction, which is 89% pre-sold, has already started and closings are expected to occur in 2011.
- Two Gladstone Avenue, a 54 unit condominium project is 81% pre-sold with construction having commenced in the first quarter of 2010 and occupancies expected to occur in late 2011.

During 2010, Dundee Realty also acquired:

- An interest in SYNC, a 98 unit condominium project for \$2.7 million. The project is now 79% pre-sold and construction is scheduled for the beginning of 2011;
- An interest in Trinity Lofts, an 82 unit condominium project for \$1.8 million. The project is now 80% pre-sold and construction is also scheduled for the beginning of 2011; and
- The King Edward Hotel in downtown Toronto on March 8, 2010 for a total purchase price of \$49.0 million. Dundee Realty paid \$8.3 million for its 17% interest in the project, of which \$6.7 million was allocated to hotel operations and \$1.6 million to condominium development. It is developing over 100,000 square feet of vacant space located on the third, fourth and fifth floors of the King Edward Hotel into approximately 145 condominium units. The project is now 96% pre-sold. Construction commenced in January 2011 with project completion scheduled for December 2012.

In Western Canada, Dundee Realty also had 126 housing units under construction at December 31, 2010 of which 84 units are pre-sold.

Renewable Energy Projects

Dundee Realty completed its first renewable energy project in 2010. Dundee Realty holds a 20% interest in RMS Dalhousie Mountain ("RMS"), a wind farm located in Pictou County, Nova Scotia. The RMS wind farm consists of thirty-four 1.5 megawatt ("MW") wind turbine generators that provide 51 MW of nameplate capacity power. RMS supplies power to Nova Scotia Power Incorporated through a power purchase agreement for renewable energy at a fixed rate over a period of 25 years. Power generation was initiated in December 2009, with commercial operations commencing on February 11, 2010. The project was substantially completed on April 29, 2010 and since that date RMS has achieved an availability rate of 98.4%. The combination of availability and wind speeds experienced in 2010 allowed the plant to exceed its expected output.

Dundee Realty also has an 18.8% interest in Xeneca Limited Partnership ("Xeneca"), which is one of Ontario's largest developers of renewable energy. Xeneca was awarded 19 Feed-In-Tariff ("FIT") contracts by the Ontario Power Authority to develop 73 MW of waterpower at 19 sites. Ontario's FIT program is North America's first comprehensive guaranteed pricing structure for renewable electricity production and offers stable prices under long term contracts for energy generated from renewable sources. The lead time for each project is approximately five years and involves environmental assessment, public consultation, engineering and civil construction. Dundee Realty currently has invested \$2.7 million in Xeneca and expects to invest a further \$4.5 million in 2011. As at December 31, 2010, the environmental assessment has been completed for one of the 19 sites, with engineering and construction expected to commence in the first half of 2011.

Other Revenue Properties

Dundee Realty, in conjunction with two partners, jointly acquired a vacant office building in Toronto for a total purchase price of \$11.0 million. Dundee Realty paid \$4.9 million for its 45% interest in the project. The building is to be redeveloped, leased and marketed for sale on completion.

In Colorado, Dundee Realty spent \$4.7 million at its Arapahoe Basin ski operation that includes the ski area's first 4-person detachable chairlift, the Black Mountain Express. The new chairlift was completed in early October 2010 to coincide with the start of the 2010/2011 ski season.

DUNDEE REAL ESTATE ASSET MANAGEMENT

At December 31, 2010, DREAM managed third-party assets with an estimated value of \$4.2 billion (2009 - \$3.3 billion).

DREAM earns asset management revenue in respect of projects in which Dundee Realty has invested capital, including Dundee Realty's investments in real estate and infrastructure projects. Asset management revenues generated by DREAM increased to \$17.0 million in 2010 (2009 - \$11.8 million) and reflect substantial acquisitions of real estate property by entities for which DREAM provides real estate asset management services.

DUNDEE REAL ESTATE INVESTMENT TRUST

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 December 31, 2010, Dundee REIT's portfolio consisted of approximately 12.3 million square feet of gross leasable area across Canada.

Since December 2009, Dundee REIT successfully raised approximately \$593 million in equity financings, including \$115.3 million completed in the fourth quarter of 2010. The arrangements facilitated the acquisition of 29 properties, enhancing Dundee REIT's real estate portfolio by over 4.9 million square feet of office and industrial space in Toronto, Edmonton, Regina, Ottawa, Montreal, Vancouver and Halifax.

The benefit of these acquisitions is reflected in improved revenue and net operating income during 2010, which increased by 45% and 43%, respectively, compared with the same period of 2009.

The Company's share of earnings from its investment in Dundee REIT for the year ended December 31, 2010 was \$2.9 million. The Company also recognized a dilution gain of \$9.7 million following the equity issuances completed by Dundee REIT as it did not participate in these offerings. This compares with net equity losses of \$1.2 million during the same period of 2009.

Dundee Corporation received distributions from Dundee REIT of \$9.8 million in 2010 (2009 - \$9.5 million), of which \$2.1 million were reinvested in Dundee REIT as part of its dividend reinvestment program (2009 - \$nil).

At December 31, 2010, Dundee Corporation held, directly and indirectly, a 9% interest in Dundee REIT. At December 31, 2010, the market value of the Company's investment in Dundee REIT was \$134.5 million.

Pursuant to Dundee REIT's declaration of trust, the Company has the right to appoint up to one less than a majority of the trustees, provided that the Company and its affiliates continue to beneficially own, in the aggregate, at least 2,000,000 Dundee REIT Units, Series A (or securities exchangeable into Dundee REIT Units, Series A). The declaration of trust also provides the Company with pre-emptive rights on the issuance of Dundee REIT Units, Series A or any securities convertible into or exchangeable for Dundee REIT Units, Series A to maintain its proportionate interest in Dundee REIT.

RESOURCES

The Company's resource activities are carried out primarily through its wholly-owned subsidiary Dundee Resources, its 54% owned subsidiary Eurogas as well as its 53% owned subsidiary Eurogas International. The resource segment also includes various other portfolio holdings, including the Company's ownership interests in Dundee Precious, Breakwater, Odyssey Resources Limited, Ryan Gold Corp. and Corona Gold Corporation.

DUNDEE RESOURCES LIMITED

Dundee Resources is a wholly-owned subsidiary of the Company that provides technical support to Dundee Corporation and certain of its subsidiaries in evaluating potential investments in companies engaged in the mining and energy sectors, preparing due diligence and research reports in connection with such investments, and monitoring the ongoing performance of the Company's portfolio of investments.

As of February 28, 2011, Dundee Resources had 7 employees.

EUROGAS CORPORATION (TSX: EUG)

Eurogas is a Canadian-based company whose common shares currently trade on the TSX under the symbol "EUG". Eurogas is focused on creating long term value through the development and acquisition of high impact energy projects. Eurogas holds interests, both directly and indirectly, in: (i) the largest accumulation of producing oil and natural gas assets in Ontario, being the Lake Erie Assets; (ii) the development of an offshore gas storage facility in Spain, being the Castor Project; and, (iii) a preferred share interest in Eurogas International. As of February 28, 2011, the Company owns, directly and indirectly, a 54.21% interest in Eurogas. As of February 28, 2011, Eurogas has two employees and DELP, the operator of the Company's Lake Erie Assets has 46 employees.

TSX Listing

On February 2, 2011, Eurogas announced that the TSX had approved the listing of its common shares. The listing of the common shares on the TSX under the symbol EUG occurred at the opening of trading on February 4, 2011. Prior to February 4, 2011, Eurogas' common shares traded on the TSX-V.

Acquisition of the Lake Erie Assets

On June 29, 2010, DELP acquired a 95% working interest in 65,000 acres of onshore oil properties and a 65% working interest in 902,000 acres of offshore gas properties, all located in and around Lake Erie in Ontario (the "Lake Erie Acquisition"). As part of the Lake Erie Acquisition and through the ownership of DELP, Eurogas also acquired a 65% interest in certain other assets, including an offshore fleet of drilling and completion barges, three gas plants and three compressor stations located onshore, and a 100% interest in onshore oil facilities. The Lake Erie Acquisition also provides for ownership or licensing of 14,680 km of 2-D seismic and 431 km² of 3-D seismic data.

At the date of the Lake Erie Acquisition, net production volumes from these assets was estimated to be 706 bpd of 42° API oil and condensate as well as 11.6 MMcf/d of natural gas. Combined, this production is expected to generate approximately \$25 million of estimated cash flows per annum.

Management of DELP, together with independent qualified reserves evaluators and engineers estimated 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 at the date of acquisition. These reserves supply Eurogas with a stable foundation of high netback production with low risk development potential.

The Lake Erie Acquisition further 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. Importantly, the Lake Erie Acquisition has provided Eurogas with the potential for the development of gas storage reservoirs, the feasibility of which will require further evaluation.

Eurogas paid approximately \$131.7 million for the acquisition of the Lake Erie Assets, net of closing adjustments. Approximately \$67.8 million of the purchase price was funded using Eurogas' working capital. The remaining \$63.9 million of the purchase price was provided by drawing against an \$80 million credit facility from a banking syndicate, as discussed below.

Demand Revolving Credit Facility

On June 29, 2010, and concurrent with the Lake Erie Acquisition, Eurogas arranged for an \$80 million credit facility for the benefit of DELP, established for the purpose of acquiring and operating the assets acquired in the Lake Erie Acquisition. 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%.

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 2010, Escal issued shares from treasury with a par value of €7,000. 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\$3,000). In order to meet the equity ratios as required by the project financing, ACS also contributed an issuance premium of €20.4 million and issued €5.5 million in subordinated loans. CLP has not recognized the benefit of its 33% interest in the issuance premium and in the subordinated loans 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.

Relationship with Eurogas International Inc.

In July 2008, Eurogas restructured its business and distributed its then 100% interest in Eurogas International as a dividend-in-kind to shareholders of Eurogas (the “Restructuring”), such that each shareholder of Eurogas received one newly issued common share of Eurogas International for every five shares of Eurogas held. As part of the Restructuring, Eurogas exchanged its previous interest in the common shares of Eurogas International for 32,150,000 newly issued Series A Preference Shares, having an aggregate value equal to the fair market value of Eurogas International, being the Preferred Shares, and 31,143,635 newly issued common shares of Eurogas International, having an aggregate value of \$1.00. The newly issued common shares of Eurogas International were then distributed to shareholders of Eurogas at nominal value as part of the Restructuring.

The Series A Preference Shares issued by Eurogas International rank in priority to the common shares of Eurogas International as to the payment of dividends and the distribution of assets on dissolution, liquidation or winding-up of Eurogas International and entitle Eurogas, as the holder thereof, to a fixed preferential cumulative dividend at the rate of 4% per annum. The Series A Preference Shares may be redeemed, at the option of either Eurogas International or Eurogas, at any time, at a price equal to their face value of \$32.15 million. Eurogas has indicated to Eurogas International that it does not intend to exercise its redemption entitlement until December 2011. Eurogas may, if requested by Eurogas International, reinvest any cash received in respect to dividend payments into common shares of Eurogas International, subject to regulatory approval.

EUROGAS INTERNATIONAL INC. (CNSX: EI)

Eurogas International is an independent oil and gas company, incorporated under the *Companies Act* (Barbados), engaged in exploration and evaluation on its extensive landholdings offshore Tunisia, targeting large scale oil and natural gas reserves. Currently it holds a 45% interest, and is the non-operating partner, in the Sfax offshore exploration permit (the "Sfax Permit") covering 1 million acres located in the shallow Mediterranean waters in the Gulf of Gabes, offshore Tunisia and southeast of the city of Sfax.

On January 18, 2011, Eurogas International announced that, together with its joint venture partner, Atlas Petroleum Exploration Worldwide Ltd., it had declared a condition of a Force Majeure with respect to the Sfax Permit and the related Ras-El-Besh concession located offshore Tunisia. The joint venture partners believe that the current political uncertainty and civil unrest in Tunisia, which have resulted in the collapse of the government, a declaration of a state of emergency and serious civil disturbance, adversely affects their ability to continue their exploration and evaluation activities in Tunisia. Eurogas International believes that the declaration of a Force Majeure will allow the joint venture to temporarily suspend their activities while the conditions resulting in the Force Majeure continue. Once the situation in Tunisia is resolved, the joint venture partners will resume their exploration and evaluation activities.

DUNDEE PRECIOUS METALS INC. (TSX: DPM)

Dundee Precious is a Canadian based, international mining company engaged in the acquisition, exploration, development and mining of precious metals properties. Its primary interests include a 100% ownership in the Bulgarian-based Chelopech mine, a producer of gold, copper and silver concentrate, a 100% ownership of Namibia Custom Smelters (Pty) Ltd., a copper concentrate processing facility located in Tsumeb, Namibia, and a 100% interest in Deno Gold Mining Company CJSC, its principal asset being the Kapan mine, a gold, copper, zinc and silver concentrates producer located in southern Armenia.

DPM's interests also include a 100% interest in the Krumovgrad development stage gold property located in south-eastern Bulgaria near the town of Krumovgrad, through its wholly-owned subsidiary Balkan Mineral and Mining EAD, and certain exploration and exploitation properties in Serbia. Dundee Precious also holds a 50.9% controlling interest in Avala Resources Ltd., a TSX Venture Exchange listed company (TSXV:AVZ) focused on the exploration and development of the Timok and Potoj Cuka copper and gold projects in Serbia.

At December 31, 2010, Dundee Corporation held approximately 28.3 million shares and 3.9 million warrants of Dundee Precious with an aggregate market value of \$288 million, representing a 23% interest. 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.

BREAKWATER RESOURCES LTD. (TSX: BWR)

Breakwater is a mining, exploration and development company which produces zinc, copper, lead and gold concentrates. During 2010, Breakwater concentrate production was derived from mines located in Canada, Chile and Honduras. Breakwater also owns base metal and gold exploration properties in these same countries.

Breakwater's principal product is zinc concentrate. It also produces copper, lead and gold concentrates and silver by-products. Breakwater sells concentrates to smelters located in Canada, Europe, Asia and South America and to resellers who sell the concentrates to smelters throughout the world. Breakwater sells a portion of the concentrate it produces under long term supply agreements. A portion is also sold by tender as well as into the spot market.

On November 2, 2008, Breakwater temporarily suspended operations at its Langlois Mine in Quebec due

to the unforeseen decline in commodity prices and the general deterioration of the economic outlook globally. During 2010, Breakwater invested \$6.5 million on ramp and mine development net of a government training subsidy of \$0.8 million at Langlois. During the fourth quarter of 2010, Breakwater increased the rate of mine development at Langlois in preparation for a production restart in the first quarter of 2012.

On April 1, 2010, Breakwater closed a flow-through share private placement consisting of 1,111,200 common shares at a price of \$4.50 per common share for gross proceeds of \$5.0 million. Dundee Corporation did not participate in this offering.

On December 30, 2010, Breakwater closed a bought deal offering for net proceeds of \$41.4 million. A total of 7 million common shares were issued at a price of \$6.30 per common share. Dundee Corporation purchased 475,000 common shares under the offering representing 6.8% of the total offering.

At December 31, 2010, Dundee Corporation held 17.6 million shares of Breakwater with a market value of \$113.2 million, representing a 23% interest. In addition, Dundee Corporation owns 29 million warrants (BWR.WT.A) which, at December 31, 2010, had a market value of approximately \$14.8 million.

Equity earnings from the Company's investment in Breakwater for the year ended December 31, 2010 were \$30.9 million (2009 – \$4.1 million).

RYAN GOLD CORP. (FORMERLY VALDEZ GOLD INC.) (TSXV: RYG)

Ryan Gold Corp. ("Ryan Gold"), formerly Valdez Gold Inc. ("Valdez") is a publicly traded, gold exploration company with a number of properties in the Yukon Territory in northern Canada.

On December 24, 2010, Valdez completed the acquisition of Ryan Gold by way of a three-cornered amalgamation between Ryan Gold and Valdez. Prior to the amalgamation, Ryan Gold was a privately owned company that held mineral interests on properties located 90 kilometres east of Dawson City, Yukon and five other exploration properties located east and west of Dawson City.

Subsequent to year end, Ryan Gold announced that it had entered into an agreement to acquire an additional package of exploration properties in the Yukon in return for \$7.5 million in cash and 7.5 million shares of Ryan Gold, plus a net smelter royalty on the properties. In total, the properties acquired cover 134,174 hectares and 11 major project areas in various geological terrains that are thought to be prospective for precious metals. The effect of this acquisition, which is expected to be completed in mid 2011, will reduce the Company's interest in Ryan Gold to 11%.

At December 31, 2010, Dundee Corporation held 9.5 million shares of Ryan Gold, representing a 12% voting interest, with a market value of \$20.4 million. The Company also had voting control over 6.6 million shares of Ryan Gold representing an 8% voting interest in Ryan Gold. Equity earnings from the Company's investment in Ryan Gold for the year ended December 31, 2010 were \$2.8 million (2009 – losses of \$0.5 million).

CORONA GOLD CORPORATION (TSX: CRG)

Corona Gold Corporation is a resource focused exploration, development and investment company that has historically been involved in the exploration of geologically attractive properties for precious and base metals in Canada. At February 28, 2011, the Company owned 4,971,197 common shares of Corona Gold Corporation, representing approximately a 26.4% ownership interest.

OTHER INVESTMENTS

The Company's other investments include investments in both publicly listed and private companies in a variety of sectors as well as investments in highly liquid securities such as mutual funds.

DESCRIPTION OF SHARE CAPITAL

The Company is authorized to issue an unlimited number of Subordinate Voting Shares, an unlimited number of Common Shares, an unlimited number of first preference shares, issuable in series (“First Preference Shares”), an unlimited number of second preference shares, issuable in series (“Second Preference Shares”) and an unlimited number of third preference shares, issuable in series (“Third Preference Shares”). The following is a summary of the rights, privileges, restrictions and conditions attached to each class of shares of the Company.

As of December 31, 2010, the Company had the following securities outstanding:

Subordinate Voting Shares	67,545,747
Common Shares	3,119,269
First Preference Shares, Series 1 Shares	6,000,000
First Preference Shares, Series 2 Shares	5,200,000
5.85% Exchangeable Unsecured Subordinated Debentures	9,545

SUBORDINATE VOTING SHARES AND COMMON SHARES

Holders of Subordinate Voting Shares and Common Shares are entitled to one vote and 100 votes, respectively, for each such share held on all votes taken at meetings of the shareholders of the Company. As of December 31, 2010, there were issued and outstanding 67,545,747 Subordinate Voting Shares and 3,119,269 Common Shares and such outstanding Subordinate Voting Shares represented an aggregate of 17.8% of the votes entitled to be voted at a meeting of holders of Subordinate Voting Shares and holders of Common Shares. Subject to the rights of holders of First Preference Shares, Second Preference Shares, Third Preference Shares and other shares of the Company ranking prior to the Subordinate Voting Shares and Common Shares, the Subordinate Voting Shares and Common Shares participate equally, share for share, as to dividends. The Common Shares are convertible into Subordinate Voting Shares on a one-for-one basis at any time, subject to adjustment.

In the event an offer to purchase Common Shares is made which must, by reason of applicable securities legislation or the requirements of a stock exchange on which the Common Shares are then listed, be made to all or substantially all of the holders of Common Shares residing in any province of Canada, each Subordinate Voting Share will be convertible at the option of the holder into one Common Share, subject to adjustment, at any time from the day the offer is made until: (a) in the case of an offer other than an offer made through the facilities of a stock exchange, the latest time for deposit of Common Shares under the offer; and (b) in the case of an offer made through the facilities of a stock exchange on which the Common Shares are listed, 12:30 p.m., Toronto time, on the business day immediately preceding the last date upon which holders of Common Shares may accept the offer. The right of conversion into Common Shares will not come into effect in the event that an identical offer in terms of price per share, percentage of shares to be taken up and other essential terms is made to purchase Subordinate Voting Shares concurrently with the offer to purchase Common Shares. All Subordinate Voting Shares so converted into Common Shares will be automatically reconverted into Subordinate Voting Shares: (a) in the case of Common Shares taken up and purchased under the offer, immediately after the Common Shares are taken up and purchased under the offer; or (b) in the case of Common Shares not taken up and purchased under the offer, immediately after such Common Shares are released to the holder thereof.

Each Subordinate Voting Share will be automatically converted into a Common Share in the case of an exempt take-over bid for Common Shares at a price per Common Share exceeding 115% of the trading price of the Subordinate Voting Shares by an offeror acquiring shares of the Company such that the offeror holds voting shares of the Company having attached thereto 50% or more of the votes attached to all of the then outstanding shares of the Company. Other than as set out above, holders of Subordinate Voting Shares and Common Shares rank equally in all respects.

Subject to the rights of holders of First Preference Shares, Second Preference Shares, Third Preference Shares and other shares of the Company ranking prior to the Subordinate Voting Shares and Common Shares, holders of Subordinate Voting Shares and Common Shares are entitled to participate equally in the property and assets of the Company available to such holders in the event of the liquidation, dissolution or winding-up of the Company.

The listing agreement between the Company and the TSX provides that, prior to the issue from treasury of any Common Shares; the separate approval of holders of Subordinate Voting Shares is required in addition to any shareholder approvals which might otherwise be required by the TSX or any other exchange on which such shares are listed. This restriction does not apply to the issue of Common Shares upon conversion of Subordinate Voting Shares in accordance with the rights thereof or pursuant to the declaration of stock dividends on the Common Shares payable in Common Shares provided that such stock dividends do not result in the issue in any calendar year of more than 5% of the Common Shares issued and outstanding as at the last day of the immediately preceding calendar year.

FIRST PREFERENCE SHARES

Each series of First Preference Shares, with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Company, will rank on a parity with the First Preference Shares of every other series and senior to the Subordinate Voting Shares, Common Shares, Second Preference Shares and Third Preference Shares.

Except in accordance with any voting rights which may be attached to any series of First Preference Shares, the holders of First Preference Shares are not entitled, as such, to receive notice of, or to attend, any meeting of shareholders of the Company, nor are they entitled to vote at any such meeting; provided that such holders shall be entitled to receive notice of any meetings of shareholders of the Company called for the purpose of authorizing the dissolution of the Company or the sale, lease or exchange of all or substantially all of its property. The approval of holders of First Preference Shares as a class to any matters which, by law, require such approval, may be given by the affirmative vote of holders of not less than two-thirds of the First Preference Shares represented and voted at a meeting called and held for such purpose.

Series 1 Shares

There are 6,900,000 First Preference Shares, Series 1 ("Series 1 Shares") authorized to be issued. As of December 31, 2010, there were 6,000,000 Series 1 Shares outstanding.

Voting Rights

Holders of Series 1 Shares are not entitled to any voting rights (except as otherwise provided by law or in the conditions attaching to the First Preference Shares as a class). However, if at any time the Company is in arrears for eight quarterly dividends in respect of the Series 1 Shares, whether or not consecutive or declared, and whether or not there are any monies of the Company properly applicable for the payment of such dividends, the holders of Series 1 Shares shall be entitled, together with all other shares of the Company, to receive notice of all meetings of shareholders of the Company and thereat to vote one vote for each share held, except for meetings at which only holders of another class or series are entitled to vote, until such arrears for such dividends shall have been paid.

Redemption Rights

The Series 1 Shares are redeemable at the option of the Company for a cash price of:

- \$26.25 per Series 1 Share, if redeemed prior to June 30, 2011;
- \$26.00 per Series 1 Share, if redeemed on or after June 30, 2011 and prior to June 30, 2012;
- \$25.75 per Series 1 Share, if redeemed on or after June 30, 2012 and prior to June 30, 2013;
- \$25.50 per Series 1 Share, if redeemed on or after June 30, 2013 and prior to June 30, 2014;
- \$25.25 per Series 1 Share, if redeemed on or after June 30, 2014 and prior to June 30, 2015; and
- \$25.00 per Series 1 Share, at any time on or after June 30, 2015,

together with all accrued and unpaid dividends thereon; provided that redemptions prior to June 30, 2011 shall be limited to circumstances where notice of such redemption was given, in accordance with the articles of the Company, prior to, or within 10 days after a meeting of shareholder of the Company is held at which the Series 1 Shares are entitled to vote separately as a class or series and for what a record date has been established.

Prior to June 30, 2016, a holder of Series 1 Shares cannot require the Company to redeem any Series 1 Shares. On or after June 30, 2016, a holder of Series 1 Shares may require the Company to redeem such shares for a cash price of \$25.00 per share, together with all accrued and unpaid dividends thereon.

Conversion Rights

Subject to compliance with all applicable laws, including receipt of all necessary regulatory approvals, the Series 1 Shares are convertible, at the option of the Company, into Subordinate Voting Shares at any time prior to June 30, 2016; provided that any such conversion prior to June 30, 2011 shall only be permitted if notice of such conversion was given, in accordance with the articles of the Company within 10 days after the date on which a meeting of the shareholders of the Company was held at which the Series 1 Shares were entitled to vote separately as a series or as part of a class, or prior thereto if the record date for such meeting has been established.

The number of Subordinate Voting Shares into which each Series 1 Share may be so converted will be determined by dividing the then applicable redemption price per Series 1 Share, together with all accrued and unpaid dividends up to but excluding the date fixed for conversion, by the greater of: (i) \$2.00; and (ii) 95% of the weighted average trading price of the Subordinate Voting Shares on the TSX for the 20 consecutive trading days ending on the fourth day prior to the date specified for conversion or, if such fourth day is not a trading day, the immediately preceding trading day. The Company does not currently intend to convert the Series 1 Shares.

Repurchase Rights

The Company may purchase for cancellation all or any part of the then outstanding Series 1 Shares on the open market by private agreement or otherwise.

Dividends

The holders of Series 1 Shares are entitled to receive quarterly fixed cumulative preferential cash dividends, if, as and when declared by the board of the directors of the Company, in an amount equal to \$1.25 per share per annum (less any tax required to be deducted and withheld by the Company from payments to non-residents) to accrue daily from and including the original date of issue, payable on the

last day of March, June, September and December in each year.

Winding Up, Dissolution

In the event of the liquidation, dissolution or winding up of the Company, holders of Series 1 Shares are entitled to receive from the assets of the Company an amount equal to \$25.00 per Series 1 Share, together with an amount equal to all accrued but unpaid dividends thereon, before any amount shall be paid by the Company to holders of any Shares ranking junior as to capital to the Series 1 Shares.

Series 2 Shares

There are 5,200,000 Cumulative 5-Year Rate Reset First Preference Shares, Series 2 (the "Series 2 Shares") authorized to be issued. As of December 31, 2010, there were 5,200,000 Series 2 Shares outstanding.

Voting Rights

Holders of Series 2 Shares are not entitled to any voting rights (except as otherwise provided by law). However, if at any time the Company is in arrears for eight quarterly dividends in respect of the Series 2 Shares, whether or not consecutive or declared, and whether or not there are any monies of the Company properly applicable for the payment of such dividends, the holders of Series 2 Shares shall be entitled, together with all other shares of the Company, to receive notice of all meetings of shareholders of the Company and thereat to vote one vote for each share held, except for meetings at which only holders of another class or series are entitled to vote, until such arrears for such dividends shall have been paid.

Redemption Rights

The Series 2 Shares are redeemable, in whole or in part, on September 30, 2014 and on September 30 every fifth year thereafter, at the option of the Company for a cash price of \$25.00 per share, together with all accrued and unpaid dividends to, but excluding, the redemption date.

If at any time, under applicable law or in the circumstances described in the Final Short Form Prospectus dated September 30, 2009 of the Company, the Series 2 Shares become entitled to vote separately as a class with all other first preference shares or separately as a series, the Company may at its option redeem all or any number of the then outstanding Series 2 Shares upon payment in cash of:

- \$26.00 per Series 2 Share, if redeemed prior to September 30, 2011;
- \$25.75 per Series 2 Share, if redeemed on or after September 30, 2011 and prior to September 30, 2012;
- \$25.50 per Series 2 Share, if redeemed on or after September 30, 2012 and prior to September 30, 2013;
- \$25.25 per Series 2 Share, if redeemed on or after September 30, 2013 and prior to September 30, 2014; or
- \$25.00 per Series 2 Share, if redeemed on or after September 30, 2014,

together with all accrued and unpaid dividends to the date fixed for redemption.

Conversion Rights

The holders of Series 2 Shares shall have the right on September 20, 2014 and each September 30 every fifth year thereafter (each a "Series 2 Conversion Date") to convert all or any of their Series 2 Shares into Series 3 Shares on the basis of one Series 3 Share for each Series 2 Share, upon written notice to the Company that is not less than 15, and not more than 30 days prior to the applicable Series 2 Conversion Date. The Company shall not more than 60 and not less than 30 days prior to each Series 2 Conversion Date, provide notice of such conversion right to the holders of Series 2 Shares, together with the applicable form of conversion notice, and the Company shall provide the applicable information regarding the dividend rates applicable to Series 3 Shares upon such conversion on the 30th day prior to the applicable Series 2 Conversion Dates.

If, after having taken into account all Series 2 Shares tendered for conversion into Series 3 Shares and all Series 3 Shares tendered for conversion into Series 2 Shares, there would remain less than 500,000 Series 2 Shares outstanding, then all of the remaining outstanding Series 2 Shares will be converted into Series 3 Shares on the basis of one Series 3 Share for each Series 2 Share on the applicable Series 2 Conversion Date. Notwithstanding the foregoing: (i) holders of Series 2 Shares shall not be entitled to such conversion right if after having taken into account all Series 2 Shares tendered for conversion into Series 3 Shares and all Series 3 Shares tendered for conversion into Series 2 Shares there would remain less than 500,000 Series 3 Shares outstanding; and (ii) the conversion rights of holders of Series 2 Shares, and the rights of such holders to receive notice from the Company of dividend rates and conversion rights, shall terminate if the Company gives notice to the holders of the Series 2 Shares of the redemption of all Series 2 Shares by the Company.

The Company is entitled, at its option, upon conversion of Series 2 Shares into Series 3 Shares, to pay any holders of Series 2 Shares that the Company, or the transfer agent of the Company, believes is not a resident of Canada cash in lieu of Series 3 Shares which the holder would have otherwise been entitled to receive, in accordance with the articles of the Company.

Repurchase Rights

The Company may purchase for cancellation all or any part of the then outstanding Series 2 Shares on the open market by private agreement or otherwise.

Dividends

The holders of Series 2 Shares are entitled to receive quarterly fixed, cumulative, preferential cash dividends, if, as and when declared by the board of the directors of the Company, in an amount equal to \$1.6875 per Series 2 Share per annum (less any tax required to be deducted and withheld by the Company from payments to non residents), which shall accrue daily from and including the original date of issue, and shall be payable on the last day of March, June, September and December in each year.

Winding Up, Dissolution

In the event of the liquidation, dissolution or winding up of the Company, holders of Series 2 Shares are entitled to receive from the assets of the Company an amount equal to \$25.00 per Series 2 Share, together with an amount equal to all accrued but unpaid dividends thereon, before any amount shall be paid by the Company to holders of any Shares ranking junior as to capital to the Series 2 Shares.

Series 3 Preference Shares

There are 5,200,000 Series 3 First Preference Shares, Series 3 ("Series 3 Shares") authorized to be issued. As of December 31, 2010, there were no Series 3 Shares outstanding.

Voting Rights

Holders of Series 3 Shares are not entitled to any voting rights (except as otherwise provided by law). However, if at any time the Company is in arrears for eight quarterly dividends in respect of the Series 3 Shares, whether or not consecutive or declared, and whether or not there are any monies of the Company properly applicable for the payment of such dividends, the holders of Series 3 Shares shall be entitled, together with all other shares of the Company, to receive notice of all meetings of shareholders of the Company and thereat to vote one vote for each share held, except for meetings at which only holders of another class or series are entitled to vote, until such arrears for such dividends shall have been paid.

Redemption Rights

The Series 3 Shares are redeemable, in whole or in part, at any time; at the option of the Company, for a cash price of: (i) \$25.50 per share, together with all accrued and unpaid dividends to, but excluding, the redemption date, if such Series 3 shares are redeemed after September 30, 2014 on a date that is not a Series 3 Conversion Date (as defined below). If at any time, under applicable law or in the circumstances described in the Final Short Form Prospectus dated September 30, 2009 of the Company, the Series 3 Shares become entitled to vote separately as a class with all other First Preference Shares or separately as a series, the Company may at its option redeem all or any number of the then outstanding Series 3 Shares upon payment in cash of \$25.00 per share, together with all accrued and unpaid dividends to, but excluding, the redemption date; and (ii) \$25.00, if such Series 3 Shares are redeemed on a Series 3 Conversion Date, together with all accrued and unpaid dividends to, but excluding, the redemption date.

Conversion Rights

The holders of Series 3 Shares shall have the right on September 30, 2019 and each September 30 every fifth year thereafter (each a "Series 3 Conversion Date") to convert all or any of their Series 3 Shares into Series 2 Shares on the basis of one Series 2 Share for each Series 3 Share, upon written notice to the Company that is not less than 15, and not more than 30 days prior to the applicable Series 3 Conversion Date. The Company shall not more than 60 and not less than 30 days prior to each Series 3 Conversion Date, provide notice of such conversion right to the holders of Series 3 Shares, together with the applicable form of conversion notice, and the Company shall provide the applicable information regarding the dividend rates applicable to Series 2 Shares upon such conversion on the 30th day prior to the applicable Series 3 Conversion Dates.

If, after having taken into account all Series 3 Shares tendered for conversion into Series 2 Shares and all Series 2 Shares tendered for conversion into Series 3 Shares, there would remain less than 500,000 Series 3 Shares outstanding, then all of the remaining outstanding Series 3 Shares will be converted into Series 2 Shares on the basis of one Series 2 Share for each Series 3 Share on the applicable Series 3 Conversion Date. Notwithstanding the foregoing: (i) holders of Series 3 Shares shall not be entitled to such conversion right if after having taken into account all Series 3 Shares tendered for conversion into Series 2 Shares and all Series 2 Shares tendered for conversion into Series 3 Shares there would remain less than 500,000 Series 2 Shares outstanding; and (ii) the conversion rights of holders of Series 3 Shares, and the rights of such holders to receive notice from the Company of dividend rates and conversion rights, shall terminate if the Company gives notice to the holders of the Series 3 Shares of the redemption of all Series 3 Shares by the Company.

The Company is entitled, at its option, upon conversion of Series 3 Shares into Series 2 Shares, to pay any holders of Series 3 Shares that the Company, or the transfer agent of the Company, believes is not a resident of Canada cash in lieu of Series 2 Shares which the holder would have otherwise been entitled to receive, in accordance with the articles of the Company.

Repurchase Rights

The Company may purchase for cancellation all or any part of the then outstanding Series 3 Shares on the open market, by private agreement or otherwise.

Dividends

The holders of Series 3 Shares are entitled to receive a quarterly floating rate dividend, as and when declared by the board of the directors of the Company, equal to the then current three-month Government of Canada Treasury Bill Yield plus 4.10%. Holders of the Series 3 Shares may convert their Series 3 Shares into Series 2 Shares, subject to certain conditions and the Company's right to redeem the Series 3 Shares, on September 30, 2019 and on September 30th every fifth year thereafter.

Winding Up, Dissolution

In the event of the liquidation, dissolution or winding up of the Company, holders of Series 3 Shares are entitled to receive from the assets of the Company an amount equal to \$25.00 per Series 3 Share, together with an amount equal to all accrued but unpaid dividends thereon, before any amount shall be paid by the Company to holders of any shares ranking junior as to capital to the Series 3 Shares.

SECOND PREFERENCE SHARES

Each series of Second Preference Shares, with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Company, will rank junior and subordinate to the First Preference Shares, on a parity with Second Preference Shares of every other series, and senior to the Subordinate Voting Shares, Common Shares and Third Preference Shares.

Except in accordance with any voting rights which may be attached to any series of Second Preference Shares, the holders of Second Preference Shares are not entitled, as such, to receive notice of, or to attend, any meeting of shareholders of the Company, nor are they entitled to vote at any such meeting provided that such holders shall be entitled to receive notice of any meetings of shareholders of the Company called for the purpose of authorizing the dissolution of the Company or the sale, lease or exchange of all or substantially all of its property. The approval of holders of Second Preference Shares as a class to any matters which, by law, require such approval, may be given by the affirmative vote of holders of not less than two-thirds of the Second Preference Shares represented and voted at a meeting called and held for such purpose.

As of December 31, 2010, there were no Second Preference Shares authorized or outstanding.

THIRD PREFERENCE SHARES

Each series of Third Preference Shares, with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Company, will rank junior and subordinate to the First Preference Shares and the Second Preference Shares, on a parity with the Third Preference Shares of every other series and senior to the Subordinate Voting Shares and Common Shares. Except in accordance with any voting rights which may be attached to any series of Third Preference Shares, the holders of Third Preference Shares are not entitled to receive notice of, or to attend, any meeting of shareholders of the Company, nor are they entitled to vote at any such meeting (except for a meeting called for the purpose of authorizing the dissolution of the Company or the sale, lease or exchange of all or substantially all of its property). The approval of holders of Third Preference Shares as a class to any matters which, by law, require such approval, may be given by the affirmative vote of holders of not less than two-thirds of the Third Preference Shares represented and voted at a meeting called and held for such purpose.

As of December 31, 2010, there were no Third Preference Shares authorized or outstanding.

DEBENTURES

5.85% Exchangeable Unsecured Subordinated Debentures

The Company originally issued \$100 million principal amount of 5.85% exchangeable unsecured subordinated debentures (the “5.85% Debentures”) pursuant to a trust indenture (the “5.85% Trust Indenture”) dated as of June 22, 2005 between the Company and Computershare Trust Company of Canada, as trustee. As of December 31, 2010, approximately \$9.5 million of the 5.85% Debentures remained outstanding. The 5.85% Debentures are direct, unsecured, subordinated obligations of the Company, bear interest at the rate of 5.85% per annum and mature on June 30, 2015. The 5.85% Debentures are exchangeable at the holders’ option for Series A Units (“Series A Units”) of Dundee REIT held by the Company or its subsidiaries at any time prior to the earlier of the maturity date and the date fixed for redemption at an exchange price of \$29.75 per Unit (being a ratio of 33.6134 Series A Units per \$1,000 principal amount of 5.85% Debentures), subject to customary adjustment events.

On and after June 30, 2009 and prior to June 30, 2011, the 5.85% Debentures may be redeemed in whole or in part from time to time at the Company’s option, provided that the market price for the Series A Units is not less than 125% of the exchange price. On and after June 30, 2011, the 5.85% Debentures may be redeemed in whole or in part from time to time at the Company’s option at a price equal to their principal amount plus accrued interest. In the event of a change of control of Dundee REIT at any time, the 5.85% Debentures may be redeemed, at the option of either the holder thereof or the Company, at a price of 101% of the principal amount thereof (if redeemed by the holder), and at a price which is a specified percentage of the principal amount thereof (if redeemed by the Company), (being 101% during the 12 month period commencing June 30, 2010, and at par thereafter). The Company may satisfy its obligation to repay the principal amount of the 5.85% Debentures on redemption (including upon a change of control of Dundee REIT) or at maturity, in whole or in part by delivering that number of Series A Units equal to the amount due divided by 95% of the market price for the Series A Units at that time, plus accrued interest in cash.

Subsidiaries of the Company have pledged and deposited with the trustee sufficient securities which are themselves exchangeable for Series A Units in order to permit full exchange of the 5.85% Debentures (the “Pledged Units”). Payment of the principal amount of, and interest (and premium, if any) on the 5.85% Debentures is subordinated in right of payment, in the circumstances set forth in the 5.85% Trust Indenture, to “Senior Indebtedness”, as defined therein. The 5.85% Trust Indenture does not limit the Company’s ability to incur additional indebtedness, including indebtedness that ranks senior to the 5.85% Debentures, or from mortgaging, pledging or charging real or personal property or properties of the Company to secure any indebtedness (other than security over the Pledged Units). Material modifications and amendments of the 5.85% Trust Indenture (including the waiver of events of default) require the approval of the holders of 66 $\frac{2}{3}$ % of the principal amount of the then outstanding 5.85% Debentures present at a meeting or represented by proxy or rendered by instruments in writing signed by the holders of not less than 66 $\frac{2}{3}$ % of the principal amount of the then outstanding 5.85% Debentures.

DIVIDEND POLICY

The current practice of the Company is to pay dividends to the holders of its Series 1 Shares and Series 2 Shares. The Company has not established a dividend policy with respect to the Subordinate Voting Shares or the Common Shares of the Company instead using its normal course issuer bid to purchase Subordinate Voting Shares for cancellation. The dividend policy with respect to all of the shares of the Company is reviewed by the directors of the Company on a quarterly basis and any future determination to pay dividends is in the discretion of the directors of the Company and will depend upon the financial condition, results of operations and capital requirements of the Company and such other factors as the directors of the Company consider relevant.

The following table discloses the dollar amount of cash dividends declared per share for the Series 1 Shares and Series 2 Shares of the Company outstanding during the financial years ended December 31, 2010, 2009 and 2008:

Dividends per Outstanding Share	2010	2009	2008
Series 1 Shares	\$1.25	\$1.25	\$1.25
Series 2 Shares	\$1.6875	\$0.49469	N/A

MARKET FOR SECURITIES

SUBORDINATE VOTING SHARES

The Subordinate Voting Shares are currently listed and posted for trading on the TSX under the symbol DC.A. The Common Shares are not listed. The following table sets forth information relating to the price range and volume traded for the Subordinate Voting Shares on a monthly basis for each month in the fiscal year ended December 31, 2010:

Month	High Price (Cdn. \$)	Low Price (Cdn. \$)	Close Price (Cdn. \$)	Traded Volume
January 2010	14.19	12.07	13.35	3,082,594
February 2010	13.68	12.72	13.28	2,201,408
March 2010	13.93	12.59	13.84	2,703,144
April 2010	14.23	13.45	14.00	2,761,317
May 2010	14.06	12.00	13.40	5,259,485
June 2010	13.99	11.91	12.17	6,080,611
July 2010	12.84	11.60	12.07	2,739,762
August 2010	12.49	10.86	11.27	7,955,717
September 2010	13.84	11.36	13.63	5,001,431
October 2010	15.66	13.39	15.20	2,317,625
November 2010	21.48	15.10	19.74	4,085,545
December 2010	20.85	19.70	20.45	3,927,305

5.85% DEBENTURES

The 5.85% Debentures, as defined in “*Description of Share Capital – Debentures*”, are currently listed and posted for trading on the TSX under the symbol DC.DB.

The following table sets forth information relating to the price range and volume traded for the 5.85% Debentures on a monthly basis for each month in the fiscal year ended December 31, 2010:

Month	High Price (Cdn. \$)	Low Price (Cdn. \$)	Close Price (Cdn. \$)	Traded Volume
January 2010	102.00	99.00	99.00	870
February 2010	99.25	97.01	97.50	550
March 2010	105.00	100.00	100.00	1,470
April 2010	100.50	100.50	100.50	680
May 2010	101.00	100.00	101.00	320
June 2010	102.50	102.50	102.50	30
July 2010	101.00	100.00	100.00	400
August 2010	101.05	100.28	101.05	340
September 2010	107.00	102.05	107.00	690
October 2010	101.05	101.05	101.05	150
November 2010	104.00	102.02	104.00	490
December 2010	102.00	100.00	102.00	480

SERIES 1 SHARES

The Series 1 Shares are currently listed and posted for trading on the TSX under the symbol DC.PR.A.

The following table sets forth information relating to the price range and volume traded for the Series 1 Shares on a monthly basis for each month in the fiscal year ended December 31, 2010:

Month	High Price (Cdn. \$)	Low Price (Cdn. \$)	Close Price (Cdn. \$)	Traded Volume
January 2010	24.65	21.98	24.25	160,455
February 2010	24.26	24.00	24.05	77,145
March 2010	24.35	23.61	23.81	166,977

Month	High Price (Cdn. \$)	Low Price (Cdn. \$)	Close Price (Cdn. \$)	Traded Volume
April 2010	23.85	23.14	23.85	148,740
May 2010	24.36	23.66	24.17	34,936
June 2010	24.68	24.05	24.11	73,560
July 2010	24.96	23.59	24.59	262,097
August 2010	25.00	24.25	24.86	91,516
September 2010	25.39	24.87	25.00	72,855
October 2010	25.20	24.90	25.01	81,873
November 2010	26.07	25.02	25.75	74,346
December 2010	25.80	24.98	25.10	46,634

SERIES 2 SHARES

The Series 2 Shares are currently listed and posted for trading on the TSX under the symbol DC.PR.B.

The following table sets for the information relating to the price range and volume traded for the Series 2 Shares on a monthly basis for each month in the fiscal year ended December 31, 2010:

Month	High Price (Cdn. \$)	Low Price (Cdn. \$)	Close Price (Cdn. \$)	Traded Volume
January 2010	28.23	26.21	27.15	349,323
February 2010	27.48	26.48	26.99	157,850
March 2010	27.28	26.31	26.35	98,254
April 2010	26.66	26.24	26.25	84,664
May 2010	26.51	25.63	26.13	105,500
June 2010	26.90	26.13	26.44	84,707
July 2010	27.08	25.81	27.05	95,716
August 2010	27.10	26.60	27.00	85,821
September 2010	27.39	26.48	27.25	90,843
October 2010	27.37	26.87	27.15	55,786
November 2010	27.61	26.80	27.26	127,128
December 2010	27.42	26.43	26.98	53,159

RATINGS

Credit ratings are intended to provide investors with an independent measure of credit quality of an issue of securities. A description of the rating categories of each of the rating agencies that have rated the 5.85% Debentures, Series 1 Shares and Series 2 Shares follows. The credit rating accorded by each rating agency to the 5.85% Debentures, Series 1 Shares and Series 2 Shares is not a recommendation to buy, sell or hold the 5.85% Debentures, Series 1 Shares and Series 2 Shares and does not address the market price or suitability of a specific security for a particular investor. Credit ratings may not reflect the potential impact of all risks on the value of such securities. Credit ratings may be subject to revision or withdrawal at any time by the applicable rating agency and there can be no assurance that a rating will remain in effect for any given period of time or that a rating will not be revised or withdrawn entirely by a rating agency in the future. Real or anticipated changes in the ratings assigned to such securities may affect the market value of these securities.

Ratings from 'AA' to 'CCC' may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories. Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies Canada Corporation ("S&P") has a rating outlook which assesses the potential direction of a long term credit rating over the intermediate term (typically six months to two years). In determining a rating outlook, consideration is given to any changes in the economic and/or fundamental business conditions. An outlook is not necessarily a precursor of a rating change. The S&P rating outlooks have the following meanings: (a) "positive" means that a rating may be raised; (b) "stable" means that a rating is not likely to change; (c) "developing" means that a rating may be raised or lowered; and (d) "negative" means that a rating may be lowered. S&P has assigned the Company with a counterparty credit rating of BBB- Stable.

DBRS has indicated that the Company's credit rating is "Under Review with Positive Implications" and S&P has the Company on "CreditWatch Developing" pending an assessment by each of such rating agencies of the impact of the DundeeWealth Transaction on the Company's future business strategy.

5.85% Debentures

According to S&P, its long term credit ratings are based, in varying degrees, on the following considerations: likelihood of payment; capacity and willingness of the obligor to meet its financial commitment on an obligation in accordance with the terms of the obligation; nature of and provisions of the obligation; and protection afforded by, and relative position of, the obligation in the event of bankruptcy, reorganization, or other arrangement under the laws of bankruptcy and other laws affecting creditors' rights. The 5.85% Debentures were assigned a rating of BB by S&P. An obligation rated BB by S&P indicates that it is less vulnerable in the near term than other lower-rated obligors. However, it faces major ongoing uncertainties or exposure to adverse business, financial or economic conditions which could lead to the obligor's inadequate capacity or willingness to meet its financial commitment on the obligation. The BB rating is the twelfth highest rating of 22 rating levels assigned by S&P for long term issues.

Series 1 Shares and Series 2 Shares

DBRS

The Series 1 Shares and Series 2 Shares have been given a rating of Pfd-3 (low) by DBRS. Pfd-3 (low) is the ninth highest of sixteen ratings used by DBRS for preferred shares. According to DBRS, preferred shares rated Pfd-3 are of adequate credit quality and, while protection of dividends and principal is still considered acceptable for such preferred shares, the issuing entity of preferred shares with a Pfd-3 rating is considered to be more susceptible to adverse changes in financial and economic conditions, there may be other adverse conditions present which detract from debt protection.

S&P

The Series 1 Shares and Series 2 Shares have been given a global scale preferred stock rating of BB with a Canadian scale preferred stock rating of P-3, by S&P. Such P-3 rating is the tenth highest of twenty ratings used by S&P in its Canadian Preferred share rating scale. According to S&P, such a P-3 rating indicates that although the obligation is considered to be less vulnerable in the near term than other lower-rated obligors, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions which could lead to the obligor's inadequate capacity or willingness to meet its financial commitment on the obligation.

DIRECTORS AND OFFICERS

The following table sets forth the name and place of residence, position held with the Company and principal occupation of each of the directors and officers of the Company as of December 31, 2010. Directors of the Company hold office until the next annual meeting of shareholders of the Company or until their successors are elected or appointed.

Name and Place of Residence	Position Held in the Company	Director Since	Principal Occupation
Directors			
Normand Beauchamp ^{(1) (2)} Québec, Canada	Director	1991	President, Capital NDSL Inc., an investment company
Michael Cooper Ontario, Canada	Director	2009	President and Chief Executive Officer, Dundee Realty Corporation, a real estate company
David Goodman Ontario, Canada	Director	2009	President and Chief Executive Officer, DundeeWealth Inc., a wealth management company
Jonathan Goodman Ontario, Canada	Director	1996	President and Chief Executive Officer, Dundee Precious Metals Inc., an operating mining company
Ned Goodman Ontario, Canada	President, Chief Executive Officer and Director	1991	President and Chief Executive Officer and director, Dundee Corporation and Ned Goodman Investment Counsel Limited
Harold P. Gordon ^{(2) (3)} Florida, U.S.A.	Chairman and Director	2000	Chairman, Dundee Corporation
Ellis Jacob ⁽¹⁾ Ontario, Canada	Director	2008	President and Chief Executive Officer, Cineplex Inc., an entertainment company
Dr. Frederick H. Lowy ⁽³⁾ Québec, Canada	Director	1999	President, Concordia University
Garth A. C. MacRae ⁽¹⁾ Ontario, Canada	Director	1991	Professional Corporate Director

Name and Place of Residence	Position Held in the Company	Director Since	Principal Occupation
Robert McLeish ⁽¹⁾ Ontario, Canada	Director	2002	Independent Consultant
K. Barry Sparks ⁽¹⁾ Ontario, Canada	Director	1993	President, Torvan Capital Group, a corporate advisory and management company
Harry R. Steele ⁽²⁾⁽³⁾ Nova Scotia, Canada	Director	1991	Chairman, Newfoundland Capital Corporation Limited, a communications company
Non-Director Officers			
Sivan Fox Ontario, Canada	Vice President, Legal	N/A	Vice President, Legal, Dundee Corporation
Lili Mance Ontario, Canada	Corporate Secretary	N/A	Corporate Secretary, Dundee Corporation
Perina Montesano Ontario, Canada	Vice President, Internal Audit	N/A	Vice President, Internal Audit, Dundee Corporation
Kevin Ng Ontario, Canada	Vice President, Taxation	N/A	Vice President, Taxation, Dundee Corporation
Lucie Presot Ontario, Canada	Vice President and Chief Financial Officer	N/A	Vice President and Chief Financial Officer, Dundee Corporation

Notes:

- (1) Member of Audit Committee
- (2) Member of Compensation Committee
- (3) Member of Corporate Governance Committee

Each of the foregoing individuals has held his or her present principal occupation or other executive offices with the same company or its predecessors or affiliates for the past five years, except for: Sivan Fox, who prior to August 2006, was a corporate and securities lawyer at Osler, Hoskin & Harcourt LLP and Perina Montesano, who prior to August 2006, was Vice President, Control Division at Canadian Imperial Bank of Commerce. Mr. Gordon was a director of Great Northern Paper, Inc., a private U.S. corporation, until June 3, 2002, approximately seven months before such corporation filed for an arrangement under Chapter 11 of the U.S. Bankruptcy Code on January 9, 2003, followed by liquidation on May 22, 2003 pursuant to Chapter 7 of such Act. Mr. Beauchamp was a director of CINAR Corporation, a company which was, among other things, the subject of a cease trade order. Mr. Steele was a director of Canada 3000 Inc. between May 16, 2000 and November 10, 2001, a company that sought protection under the *Companies Creditors Arrangement Act* (Canada) on November 11, 2001. Jonathan Goodman was a director of Tahera Diamond Corporation (“Tahera”) from August 2003 to September 29, 2008, which company filed for protection under the *Companies’ Creditors’ Arrangement Act* (Canada) (“CCAA”) with the Ontario Superior Court of Justice on January 16, 2008. On February 6, 2009, Tahera announced that it had made an application for the voluntary suspension of trading of its common shares on the TSX and on February 9, 2009 the TSX announced the voluntary suspension to be effective immediately and indicated the voluntary suspension would remain in effect until further notice.

As of December 31, 2010, the directors and senior officers of the Company as a group beneficially owned, directly or indirectly, or exercised control over, 5,105,477 Subordinate Voting Shares, representing approximately 7.6% of the outstanding Subordinate Voting Shares, and 3,087,456 Common Shares, representing approximately 99% of the outstanding Common Shares, in the aggregate

representing approximately a 11.6% equity interest and approximately a 82.7% voting interest in the Company. As of December 31, 2010, Mr. Ned Goodman owned Subordinate Voting Shares and Common Shares representing approximately an 82% voting interest in the Company (which holdings are included in the aggregate holdings of the directors and officers of the Company noted above).

As of December 31, 2010, the directors and senior officers of the Company as a group beneficially owned, directly or indirectly, or exercised control over 88,017,795 common shares of Eurogas, representing approximately a 56.4% ownership interest in Eurogas. Of this 56.4% ownership interest, the Company owned, directly or indirectly, a 54.2% ownership interest in Eurogas on a non-diluted basis.

As of December 31, 2010, the directors and senior officers of the Company as a group beneficially owned, directly or indirectly, or exercised control over 17,223,295 common shares of Eurogas International, representing approximately a 55.3% ownership interest in Eurogas International. Of this 55.3% ownership interest, the Company owned, directly or indirectly, a 53.4% ownership interest in Eurogas International on a non-diluted basis.

CORPORATE TRANSACTIONS

ACQUISITION AND DISPOSITION OF ASSETS

Sale of DundeeWealth Inc.

On February 1, 2011, the Company completed the sale of all of its shares in DundeeWealth, comprised of 69,940,415 Common Shares and 5,453,668 First Preference Shares, Series X, to Scotiabank, pursuant to Scotiabank's offer dated December 15, 2010 (the "Offer").

In accordance with the Offer, the Company received 18,599,029 common shares of Scotiabank and 14,897,209 3.70% preferred shares of Scotiabank. In addition, the Company received a cash dividend of \$149 million from DundeeWealth and 74,484,956 common shares of DCM, pursuant to distributions made by DundeeWealth. The terms of the Offer, as well as the factors that the board of the directors of the Company considered in recommending the DundeeWealth Transaction to the shareholders of the Company are described in detail in the Management Information Circular of the Company dated December 15, 2010, which is available on SEDAR at www.sedar.com. For additional information on the attributes of the shares of Scotiabank and DCM held by the Company, shareholders of the Company are invited to review Scotiabank's and DCM's respective public disclosure documents available on SEDAR at www.sedar.com. The Company and its directors are not responsible for the contents of Scotiabank's or DCM's public disclosure documents and such documents are not incorporated by reference into this AIF.

The Company and Mr. Ned Goodman, the President and Chief Executive of the Company, each entered into a non-competition and non-solicitation and confidentiality agreement with Scotiabank effective as of February 1, 2011 (the "Non-Competition and Non-Solicitation Agreement"), which, among other things, restricts each of them for a period of three years from competing, directly or indirectly, with the business of DundeeWealth being: (a) the retail mutual fund business, including the creation, distribution and/or management (including sub-advisory) of retail mutual funds (which comprise open end mutual funds governed by National Instrument 81-102, ETFs, insurance guaranteed mutual funds (commonly called segregated funds) or PPNs linked to any open-end fund); (b) the management of individual segregated managed accounts in a manner substantially similar to the business currently conducted by Dundee Wealth Investment Counsel (formerly Goodman Private Wealth Management); (c) the mutual fund advisory business, being the sale of mutual funds and other products as described above by licensed advisors (but excluding the IROC advisors in DCM); and (d) the insurance brokerage business; in each case carried on from time to time in Canada by or on behalf of DundeeWealth. Mr. David Goodman, a director of the Company and an employee of DundeeWealth, entered into a similar non-competition and

non-solicitation agreement with Scotiabank for a period ending on the later of: (i) one year after the date on which his employment with DundeeWealth or Scotiabank is terminated; and (ii) February 1, 2014.

As part of the DundeeWealth Transaction, the Company transferred to Scotiabank all of the Company's interest in the trademarks used in the operation of DundeeWealth's business, with the exception of trademarks used in the operation of the Company's business, including the trademarks that include the words "Dundee" and "Goodman". The Company entered into a series of royalty free licensing agreements with Scotiabank and DundeeWealth granting them the right to use designated trademarks owned by the Company for varying transition periods, including: (i) a license to use the trademark "DundeeWealth" for a period not exceeding three years after February 1, 2011; and (ii) a licence to use the name "Goodman" for a transitional period which will not exceed one year after February 1, 2011.

Specifically incorporated by reference and forming a part of this AIF are the Company's material change reports dated December 1, 2010 and February 8, 2011, copies of which have been filed with the applicable securities regulatory authorities in Canada and can be found on SEDAR at www.sedar.com under the Company's profile.

Prior to the sale of DundeeWealth, the Company was the principal shareholder of DundeeWealth. As of December 31, 2010, the Company owned, directly or indirectly, 69,940,415 common shares and 5,453,668 first preference shares, series X of DundeeWealth (which were convertible into common shares of DundeeWealth on a 1.2 for 1 basis), and had voting control over 997,626 common shares of DundeeWealth that were held in escrow.

At any point in time, Dundee Corporation may be involved in various stages of discussions and/or negotiations to complete one or more transactions including acquisitions or dispositions directly or through its wholly or partially-owned subsidiaries which carry on certain of the Company's activities and investments. These prospective transactions may be with respect to companies operating within existing businesses or business channels not yet identified or pursued by Dundee Corporation. In respect of any potential acquisition, the purchase price may be paid in cash, through the issue of securities of the Company or of a subsidiary of the Company or through a combination thereof and may be financed through debt, equity or internally financed. There can be no assurance that any of the transactions being discussed or negotiated will be completed. The Company may increase or decrease its interest in certain of its holdings, may combine or restructure certain of its holdings into new investment products or new stand-alone entities or may entirely dispose of certain of its holdings in the future. Accordingly, during any period, the market value of the Company's holdings will vary and the amounts that are recorded as investment gains and losses may fluctuate significantly.

For additional information relating to the Company's business, please see the information under the heading "*Operating Segments*" in the Company's Management's Discussion and Analysis for the year ended December 31, 2010 (the "2010 MD&A"), which is incorporated by reference herein and is available on SEDAR at www.sedar.com.

FINANCINGS

The Company may seek additional financing with one or more financial institutions or in the capital markets from time to time. The Company did not complete any public financings in 2010.

COMPANY CREDIT FACILITY

In November 2010, the Company terminated its existing credit facility and entered into a credit agreement to establish a new revolving term credit facility ("Credit Facility") with a Canadian chartered bank. The new facility in the amount of \$200 million expires on November 11, 2011. The Credit Facility bears interest, at the Company's option, at a rate per annum equal to either the bank's prime lending rate for loans plus 1.25% or at the then prevailing bankers' acceptance rate of the London Inter-Bank Offer Rate plus 2.25%. The Company is subject to a standby fee of 0.5625% on unused amounts under the facility.

The Credit Facility is subject to certain covenants, including a pledge by the Company of such number of Scotiabank common shares required to maintain at least a 2:1 ratio of the market value of such pledged shares to amounts borrowed under the Credit Facility and, in the event that such ratio falls below the 2:1 ratio, a commitment to pledge additional shares to maintain a minimum share ownership to bank indebtedness ratio. Additional covenants include: restrictions on the existence of secured indebtedness, restrictions on the redemption, purchase or repayment of the 5.85% Debentures and restrictions on the prepayment and payment of interest on the 5.85% Debentures.

EUROGAS CORPORATION CREDIT FACILITY

In connection with the acquisition of the Lake Erie Assets in June 2010, Eurogas arranged for the establishment of an \$80.0 million credit facility, including a \$20.0 million operating facility. The credit facility was issued as a direct obligation of DELP, and was placed with a banking syndicate led by a Canadian chartered bank. The credit facility is structured as a revolving demand loan, and is subject to a tiered interest rate structure that varies based on the net debt to cash flow ratio generated from the Lake Erie Assets. The interest rate on the credit facility is initially set at prime plus 3% for loans and letters of credit or, for bankers' acceptances, at the bankers' acceptance rate plus 4%.

As of December 31, 2010, Eurogas had borrowed \$62.4 million under the credit facility and, as required by statute, it had issued a letter of credit for \$3.3 million in favour of the Ministry of Natural Resources in connection with future abandonment costs.

DUNDEE REALTY CORPORATION CREDIT FACILITY

Dundee Realty's credit facility is structured as 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% as at December 31, 2010 and expires on November 30, 2011. 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 December 31, 2010, Dundee Realty had drawn \$115.5 million against its revolving term credit facility, including \$29.5 million in the form of letters of credit.

Subsequent to the year end, the facility was amended and renewed until November 30, 2012, with interest rates decreasing from prime plus 3% to prime plus 1.75% and bankers' acceptance rates decreasing from bankers' acceptance rates plus 4.25% to bankers' acceptance rates plus 3%.

NORMAL COURSE ISSUER BID

On March 30, 2010, the Company announced the renewal of its normal course issuer bid for a maximum of 12 months commencing April 1, 2010 pursuant to which the Company was entitled to purchase up to a maximum of 5,411,197 Subordinate Voting Shares, in aggregate, representing approximately 10% of its public float. As of February 28, 2011, the Company had purchased an aggregate of 5,411,197 Subordinate Voting Shares for cancellation through the facilities of the TSX under this normal course issuer bid.

On March 30, 2011, the Company announced the renewal of its normal course issuer bid for a maximum of 12 months commencing April 1, 2011 pursuant to which the Company will be entitled to purchase up to a maximum of 4,207,351 Subordinate Voting Shares, in aggregate, representing approximately 10% of its public float. Any Subordinate Voting Shares purchased will be made in accordance with the policies and rules of the TSX and the price paid will be the market price at the time of purchase. Purchases will be made at such times as the Company believes that the market price of the Subordinate Voting Shares does not reflect their underlying value.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

RELATIONSHIP WITH THE BANK OF NOVA SCOTIA

On September 28, 2007, DundeeWealth completed the sale of Dundee Bank of Canada to Scotiabank for \$260 million in cash. In a related transaction, Scotiabank acquired 300,000 common shares and 27,000,000 non-voting special shares, Series F of DundeeWealth representing an 18% interest in DundeeWealth.

In connection with Scotiabank's investment in DundeeWealth, the Company, Dundee Capital Corporation and Scotiabank entered into a shareholders' agreement dated as of September 28, 2007 (the "Shareholders' Agreement") providing for their respective rights and interests as shareholders of DundeeWealth. Effective upon completion of the DundeeWealth Transaction, as of February 1, 2011, the Company is no longer a party to the Shareholders' Agreement. See *"Corporate Transactions – Acquisition and Dispositions of Assets – Sale of DundeeWealth Inc."*.

SUB-ADVISORY AGREEMENTS

On December 1, 2008, GCICL and NGIC entered into the GCICL Sub-Advisory Agreement pursuant to which NGIC provided, throughout 2010, sub-advisory services to GCICL in respect of certain portfolio assets (including investment funds, limited partnerships, hedge funds, closed end funds and Goodman Private Wealth managed accounts).

Following consummation of the Spinout Transaction, DSL now acts as manager of the DCM Acquired Flow-Through Business and CMP GT. On January 28, 2011, concurrent with the closing of the Spinout Transaction, DSL and NGIC entered into an agreement (the "DSL Sub-Advisory Agreement") pursuant to which NGIC provides sub-advisory services to DSL in respect of the DCM Acquired Flow-Through Business and CMP GT.

NGIC continues to provide discretionary investment management services to GCICL in respect of the portfolio assets it sub-advised throughout 2010 which GCICL continues to manage following the Spinout Transaction, namely DMP Resource Class and Dynamic Focus+ Resource Fund. Other than changes to the portfolio set out therein, the terms of the GCICL Sub-Advisory Agreement remain unchanged.

NGIC is a wholly-owned subsidiary of the Company and, prior to the DundeeWealth Transaction, was an affiliate of GCICL. On March 9, 2010, the Company announced the name change of Ravensden Asset Management Inc. to Ned Goodman Investment Counsel Limited, in order to better emphasize the direct involvement of Mr. Ned Goodman as President, Chief Executive Officer and lead portfolio manager of NGIC.

BENEFIT PLAN SHARE EXCHANGE

On October 29, 2009, Mr. Ned Goodman, President and Chief Executive Officer of the Company, entered into a private share exchange agreement with the Company's Executive Benefit Plan Trust. The transaction allowed for Mr. Ned Goodman's registered retirement plan to exchange 500,805 Subordinate Voting Shares for 500,805 Common Shares of the Company which were previously under option. The transaction was overseen and approved by the independent Compensation Committee of the board of the directors of the Company who received a third party opinion.

PRIOR DISTRIBUTION ARRANGEMENTS WITH GOODMAN & COMPANY, INVESTMENT COUNSEL LTD.

In certain years ending in or prior to 1996, GCICL appointed the Company as a distributor of the units of the mutual funds managed by GCICL from time to time. As distributor of these mutual fund units, the Company, from time to time, funded sales commissions paid to brokers and dealers on the sale of mutual fund units acquired on a deferred sales charge basis. In consideration thereof, the Company received the related redemption revenues associated with the commissions paid to such brokers and dealers. As additional consideration, the Company was also entitled to an annual distribution fee of 0.50% of the fair market value of the outstanding mutual fund units distributed by the Company, such fee to be calculated and paid monthly for a period of 15 years from the date on which the Company initially funded the sales commission. As such, the final annual distribution fee is due in 2011.

DUNDEE REALTY CORPORATION

2010 Reorganization of Dundee Realty Corporation

On February 5, 2010, Dundee Realty completed an internal reorganization. Prior to the reorganization, Mr. Michael Cooper, the President of Dundee Realty indirectly owned, through a personal holding company ("Holdco") 50.002 Class E Preferred Shares ("DR Class E Shares") of Dundee Realty which were convertible in accordance with their terms into 50.002 non-voting Common Shares ("DR non-voting Common Shares") and 50.002 voting Class C Preferred Shares ("DR Class C Shares") of Dundee Realty at a conversion price of \$107,000 per DR non-voting common share and \$0.01 per DR Class C Share, based on a vesting schedule that permitted conversion in equal tranches over a period of seven years. As part of the reorganization, the articles of Dundee Realty were amended effective February 5, 2010 to allow for accelerated conversion of the DR Class E Shares into DR non-voting Common Shares and DR Class C Shares of Dundee Realty. Prior to the conversion, the directors of Dundee Realty declared a special dividend on the DR Class E Shares in the aggregate amount of \$5,350,143.17. The entire amount of this dividend was immediately reinvested by Holdco to exercise the conversion rights under the DR Class E shares to acquire DR non-voting Common Shares and DR Class C Shares of Dundee Realty. Following this conversion, Holdco owns DR Class C Shares representing 30% of the voting interest in Dundee Realty, with the balance being held by the Company.

Intercompany Loans

The Company extended a loan to DRC Holding Corporation in 2003 in connection with the completion of the acquisition of Dundee Realty by the Company. Dundee Realty and DRC Holding Corporation subsequently amalgamated on December 31, 2003 to continue as Dundee Realty. The loan is a revolving demand loan secured by the assets of Dundee Realty, which bears interest at a rate per annum equal to a Canadian chartered bank's prime lending rate plus 1%. As of December 31, 2010, the outstanding amount of the loan was \$64.5 million, including interest accruals and other related business transactions.

In connection with a prior reorganization of Dundee Realty, Dundee Corporation loaned \$36.4 million to Dundee Realty, which is secured by the assets of Dundee Realty, bears interest at a rate per annum of 6.26% and matures on December 31, 2011, subject to earlier prepayment at the option of Dundee Realty. Effective as of December 31, 2010, Dundee Realty had repaid the full amount of such loan to the Company.

Dundee Realty conducts its real estate activities independently, as well as through joint ventures with third party partners. The Company is contingently liable for the obligations of the other owners of certain unincorporated joint ventures in the amount of \$40.3 million as at December 31, 2010. In the event of a default of a joint venture partner, the Company will be entitled to satisfy any outstanding obligations with the share of the assets held by its joint venture partners.

TRADEMARKS

Prior to the DundeeWealth Transaction, the Company was the owner of the trademarks used in the operation of the business of DundeeWealth. DundeeWealth and its operating subsidiaries licensed these trademarks under a master trademark license agreement with the Company, which provided for use of the trademarks on a non-exclusive basis with no set term. Licensed trademarks included, among others, DundeeWealth®, Dynamic Funds®, Dundee Securities®, Dundee Private Investors® and Dundee Resources®. Pursuant to the master trademark license agreement, licensees were permitted to enter into arrangements for the sublicensing of the trademarks to third parties, in each case subject to the prior approval of the Company.

As part of the DundeeWealth Transaction, the Company transferred to Scotiabank all of the Company's interest in the trademarks used in the operation of DundeeWealth's business, with the exception of trademarks used in the operation of the Company's business, including the trademarks that incorporate the words "Dundee" and "Goodman". The Company entered into a series of royalty free licensing agreements with Scotiabank and DundeeWealth granting them the right to use designated trademarks owned by the Company for varying transition periods, including: (i) a license to use the trademark "DundeeWealth" for a period not exceeding three years after February 1, 2011; (ii) a license to use the name "Goodman" for a transitional period which will not exceed one year after February 1, 2011; and (iii) a 10 year license for the trademarks "DundeeWealth" and "Gestion de Patrimoine Dundee" for use in connection with DundeeWealth's independent advisory network. At the same time, the Company entered into a licensing arrangement with DCM and DSL, for the licensing of certain marks used in the operation of such businesses. The Company continues to license to its other subsidiaries the right to use all of the trademarks retained by the Company following the DundeeWealth Transaction under an amended and restated master trademark license agreement effective February 1, 2011. The trademarks are important elements in differentiating the Company's brand, products and services from those of competitors and in marketing such products and services.

CONFLICTS OF INTEREST

Certain officers and directors of the Company are officers and directors of, or are associated with, other public and private companies. Such associations may give rise to conflicts of interest with the Company from time to time. The OBCA requires, among other things, the officers and directors of the Company to act honestly and in good faith with a view to the best interest of the Company, to disclose any personal interest which they may have in any material contract or transaction which is proposed to be entered into with the Company and, in the case of directors, to abstain from voting as a director for the approval of any such contract or transaction.

OTHER INTERESTS

Except as described above and in the section entitled "*Related Party Transactions*" in the 2010 MD&A, no director or executive officer of the Company or any shareholder holding, on record or beneficially, directly or indirectly, more than 10% of the outstanding Subordinate Voting Shares or Common Shares, or any of their respective associates or affiliates, had any material interest, directly or indirectly, in any transaction within the three most recently completed financial years or during the current financial year which has materially affected or would materially affect the Company.

RISK FACTORS

MANAGING RISK

The following risk factors relating to Dundee Corporation are most likely to influence an investor's decision to buy, sell or hold securities of the Company.

ASSET MANAGEMENT

Exposure to Fluctuations in Value of Equity Interests

As an asset manager, the Company may hold proprietary positions in various entities, and the value of these holdings will be subject to market conditions, movements in stock prices and other conditions beyond the control of the Company.

Following completion of the DundeeWealth Transaction, the Company's principal investment is comprised of two classes of shares of Scotiabank. The value of the Company's equity interest in Scotiabank is subject to market conditions based on the financial performance of Scotiabank, movements in the price of publicly traded bank stocks and general market conditions. Any decrease in the market prices of Scotiabank shares will reduce the value of these shares which can be realized.

Market Influences and Current Financial Conditions

Negativity in domestic and international capital markets may create challenges for the Company's asset management subsidiaries. The volatility of capital markets is beyond the control of the Company and its subsidiaries, but may impact the Company's overall profitability. Revenues from the Company's asset management segment are based on the market values of assets under management generally determined using trading values of underlying securities in global markets. Any decline in the financial markets or lack of sustained growth in such markets may result in a corresponding decline in performance and may adversely affect assets under management and assets under administration, fees and/or revenues and the market value of proprietary holds, which would reduce cash flow to the Company. The state of the capital markets in general and the unpredictability of the global economy may also affect clients' willingness to actively trade in capital markets, impacting commission revenues as well as trading and corporate finance activities of DCM.

Performance Based Fee Arrangements May Increase Volatility of Revenues

A portion of the Company's advisory and fee revenues may potentially be derived from performance fees. If the investment return of a particular fund or portfolio does not meet or exceed the investment return benchmark for a specific period no performance fees will be generated, and, if the performance fee is based on cumulative returns, the Company's ability to earn performance fees in the future may be impaired.

Market Risk in Trading Activities and Investments

Market risk is the potential for loss from an adverse movement in the value of a financial instrument. The Company incurs market risks in its trading positions, underwriting activities and in its portfolio of investment securities. DSL engages in various capital markets activities that are very sensitive to price fluctuations. These include active positioning of trading securities in anticipation of price movements and

commitments to underwrite the issuance of securities. The Company's portfolio of corporate investments is also exposed to market risk from fluctuations in fair values.

The Company and designated affiliates manage market risk as part of their risk management framework, which comprises various controls and procedures to ensure that the risk exposures are monitored closely and that positions taken are duly authorized. These procedures and controls include:

- procedures for the mark to market valuation of positions to measure risk exposure, including procedures to assess market prices of positions which are not actively traded;
- setting of trading exposure limits and loss limits at DSL in compliance with its approved trading strategies, taking into account its trading experience, market volatility, the liquidity of the position, interest rates and its tolerance for market risk; and
- procedures to identify significant market risk concentration and risk exposure and to escalate the reporting of these risk positions to senior management and risk personnel for monitoring.

There can be no assurance that these controls and procedures will be effective or sufficient to manage or mitigate these market risks.

Competition

The Company operates in a highly competitive environment that includes other providers of asset and wealth management products and services such as banks, investment fund companies, financial advisors, investment dealers and insurance companies, some of which have greater financial or other resources than the Company. Competition is based on a wide range of factors including brand recognition, investment performance, the types of products offered by the competitor, business reputation, financial strength, continuity of institutional, management and sales relationships and quality of service. In order to remain competitive, the Company will continue to be innovative in the development of financial products and solutions, to monitor its investment performance and to provide the highest level of service to clients.

In addition, there may be competitive pressures from time to time to lower the fees that are charged for the Company's products and services. While the Company believes that its current fee structures are competitive with industry peers, changes to management fees, sub-advisory fees and performance rates, will affect the operating results. There can be no assurance that the Company will maintain its current standing in the market or its current market share, and the business, financial condition and operating results of the Company may be adversely affected should circumstances change.

Regulatory and Litigation Risk

The regulatory operating environment for asset management and financial services operations in Canada continues to expand, becoming more extensive, onerous and complex. The Company supports regulatory changes that enhance the integrity and reputation of the industry and that protect the interests of its client base. Compliance personnel participate in the development of new legislation and regulations. New regulatory requirements, however, may involve changes to the way the Company currently conducts business or may increase the cost and associated profitability of its business. Laws and regulations applied at the national and provincial levels generally grant governmental agencies and self regulatory bodies broad administrative discretion over the activities of the Company's subsidiaries, including the power to limit or restrict such business activities. Possible sanctions include the revocation or imposition of conditions on licenses or registrations to operate certain businesses, the suspension or expulsion from a particular market of any of the Company's business segments or their key personnel or financial advisors, and the imposition of fines. There is also the potential that the laws or regulations governing the Company's operations or particular investment products or services could be amended or interpreted in a manner that is adverse to business activities. The Company believes that its ability to

comply with all applicable laws and regulations, including emerging changes, is dependent upon the establishment, implementation and maintenance of extensive compliance policies and procedures.

Regardless of its effectiveness in monitoring and administering established compliance policies and procedures, the Company, and any of its directors, officers, employees and agents, may be subject to liability or fines that may limit our ability to conduct business. The Company maintains various types of insurance to cover certain potential risks and continuously evaluates the adequacy of this coverage. In recent years, the cost of obtaining insurance has increased while the number of insurance providers has decreased. As a result of the introduction of the secondary market civil liability regime, the ability to obtain insurance on reasonable economic terms may be even more difficult in the future.

Commitment of Key Personnel and Financial Advisors

The Company's strategic focus is dependent on the abilities, experience and efforts of the members of its executive team. Accordingly, the recruitment and retention of competent personnel and continuous training and transfer of knowledge are key activities that are essential to the Company and its subsidiaries' performance.

Capital Requirements

NGIC, DSL and Dundee Securities Inc. operate in regulated environments and are subject to minimum regulatory capital requirements. Accordingly, they may be required to keep sufficient cash and other liquid assets on hand to maintain capital requirements. Although each regulated entity currently has sufficient capital, growth of the business may necessitate additional capital requirements and the failure to maintain required regulatory capital may subject the relevant registrant to fines, suspension or revocation of registration or could prohibit the Company from expanding. In certain instances, regulatory capital requirements may increase due to a change in the market value of securities held, some of which are beyond our control. The Company monitors the level of regulatory capital required in each of its business units on an ongoing basis to ensure minimum requirements are met.

Operational Risk

Operational risk is generally regarded as the risk of loss resulting from insufficient or failed internal processes, people and systems or external events. Operational risk is inherent in the activities of financial institutions, and includes incorrect or unauthorized trade execution, failed settlement and transaction processing, documentational errors, fiduciary breaches, improper disclosures involving securities and investment management activities, theft and fraud. The impact of any of these can result in significant financial loss, reputational harm, and regulatory censure and penalties. While operational risks cannot be eliminated, they can be managed with proper internal control processes and procedures and the deployment of qualified personnel. The Company has established a framework for operational risk management that includes procedures and control measures, the deployment of qualified and competent compliance and audit personnel, a process for regular review of controls by senior management and the use of external insurance coverage where appropriate.

Business Infrastructure

The Company and its business units rely on third-party service providers for key components of their respective business infrastructure, including the brokerage accounting system in its investment dealer operations, the unit holder and fund accounting systems in its investment management business, as well as critical data connections for trade execution and business communications. A failure of any key component of its infrastructure could result in significant disruptions to the business and could have a materially adverse effect on results of operations. While the Company has addressed this risk by instituting various procedures and plans for business continuity and redundancy, there can be no assurance that material disruptions can be averted in the event of a failure of a key component.

Credit Risks in Securities Transactions

The Company is exposed to the risk that third parties owing cash, securities or other assets, may not fulfill their obligations, due to lack of liquidity, bankruptcy, operational failure or other causes. These parties include trading counterparties, customers, clearing agents, exchanges, clearing houses, other financial intermediaries and issuers whose securities are held by the Company or its subsidiary. Credit risks associated with customers include amounts loaned in margin accounts. While DSL reviews its credit exposure to specific clients, counterparties and other debtors, default risk may arise from events or circumstances that are otherwise difficult to detect. DSL also reviews the type and value of securities held as collateral for margin loans. An unexpected decline in the value of any such securities held as collateral may expose DSL to additional credit losses.

Risks of Underwriting Activities

The underwriting business operated by DSL involves both economic and regulatory risks. Underwriting activities may decline for a number of reasons, impacting our revenues. An underwriter may incur losses if it is unable to resell the securities it is committed to purchase or if it is forced to liquidate its commitment at less than the agreed purchase price. DSL may also be subject to liability for material misstatements or omissions in prospectuses and other communications with respect to underwritten offerings and may be exposed to claims and litigation arising from such offerings.

Sales Taxes

On July 1, 2010, Ontario and British Columbia introduced a Harmonized Sales Tax ("HST"), which combined the Goods and Services Tax ("GST") with Provincial Sales Tax ("PST") to achieve a single sales tax. As a result, investment fund management fees are now subject to provincial taxation. There are a variety of possible outcomes to the introduction of the HST including, but not limited to, the application of GST/HST to investors of pooled investment products and reduced competitiveness of investment funds versus similar products on which sales taxes are not applied.

REAL ESTATE

Real Estate Ownership

Real estate ownership is generally subject to numerous risks, including changes in general economic conditions such as the availability and cost of mortgage funds, local economic conditions such as an oversupply of office, industrial and retail properties or a reduction in demand for real estate in the area, the attractiveness of properties to potential tenants or purchasers, the ability of tenants to meet their lease obligations, competition for available space and other factors.

Illiquidity of Real Estate Investments

An investment in real estate is relatively illiquid. Such illiquidity will tend to limit our ability to vary our real estate portfolio promptly in response to changing economic or investment conditions. In recessionary times it may be difficult to dispose of certain types of real estate. The costs of holding real estate are considerable and, during an economic recession, we may be faced with ongoing expenditures with a declining prospect of incoming receipts. If we are unable to refinance our mortgages on acceptable terms, or at all, we may need to dispose of one or more of our real estate assets. In such circumstances, it may be necessary for us to dispose of properties at lower prices in order to generate sufficient cash for operations on a timely basis. Additionally, financial or operating difficulties of other owners resulting in distress sales could depress asset values in the markets in which we operate in times of illiquidity. These conditions could reduce our ability to respond to changes in the performance of our real estate investments and accordingly, could adversely affect the financial condition and results of operations of our real estate subsidiaries.

Market Influences

As a result of market conditions, Dundee Realty may not be able to, or may not wish to develop its land holdings. Development of land holdings and properties that are to be constructed are subject to a variety of risks, not all within the Company's control. Such risks include lack of funding, variability in development costs and unforeseeable delays.

Regulatory and Environmental Risks

As an owner of real estate property, Dundee Realty is subject to various federal, provincial and state laws relating to environmental matters. Such laws provide that it could be liable for the costs of removal and remediation of certain hazardous, toxic substances released on or in its properties or disposed of at other locations, as well as potentially significant penalties. Dundee Realty has insurance and other policies and procedures in place to review and monitor environmental exposure, which it believes mitigates these risks to an acceptable level. Some of the properties owned by Dundee Realty or Dundee REIT currently have or have had tenants that use hazardous substances or create waste. Such uses can potentially create environmental liabilities. A few issues have been identified through site assessments, including the need to remediate or otherwise address certain contaminations. These issues are being carefully managed with the involvement of professional consultants. Where circumstances warrant, designated substance surveys and/or environmental assessments are conducted. Although environmental assessments provide some assurance, Dundee Realty may become liable for undetected pollution or other environmental hazards on its properties against which it cannot insure, or against which it may elect not to insure where premium costs are disproportionate to Dundee Realty's perception of relative risk. Dundee Realty does not currently anticipate material expenditures in respect of any required remediation.

Credit Risk

Real estate investments are often made as joint ventures or partnerships with third parties. These structures involve certain additional risks, including the possibility that the co-venturers/partners may, at any time, have economic or business interests inconsistent with Dundee Realty's, the risk that such co-venturers/partners could experience financial difficulties which could result in additional financial demands on Dundee Realty or Dundee REIT to maintain and operate such properties or repay debt in respect of such properties, and the need to obtain the co-venturers'/partners' consents with respect to certain major decisions in respect of such properties. Dundee Realty attempts to mitigate these risks by performing due diligence procedures on potential partners and contractual arrangements, and by closely monitoring and supervising the joint venture or partnership.

Development Risks

In connection with its real estate operations, Dundee Realty must comply with extensive regulations affecting the real estate development process. In particular, governmental authorities regulate such matters as zoning and permitted land uses, levels of density, and building standards. Dundee Realty must obtain approvals from various governmental authorities and comply with local provincial and federal laws, including laws and regulations concerning the protection of the environment in connection with such development projects. Obtaining such approvals and complying with such laws and regulations may result in delays which cause Dundee Realty to incur additional costs which impact the profitability of a development project, or may restrict development activity altogether with respect to a particular project.

As well, the Company's real estate operations are impacted by its ability to hire and retain sufficient skilled and experienced contractors required to develop its real estate projects in a cost effective and timely manner. An inability to hire or retain skilled workers or changes in the relationship with its workforce could result in work stoppages which may have a material adverse effect on the profitability of its real estate development activities.

The Company's real estate development activities are also sensitive to the credit and financial stability of

counterparties. The Company's earnings would be adversely affected if purchasers of real estate properties or land and housing holdings were to become unable or unwilling to meet their obligations to Dundee Realty or if Dundee Realty was unable to close the sale of a significant number of units in a development project on economically favourable terms. This could have an adverse impact on Dundee Realty's liquidity and could reduce its ability to pursue further acquisitions or meet other financial obligations. If there are significant adverse changes in economic or real estate market conditions, Dundee Realty may have to sell properties at a loss or hold undeveloped land or developed properties in inventory longer than planned. Inventory carrying costs can be significant and may result in losses in a poorly performing project or market.

Operational Risk

Dundee Realty's revenue properties and Dundee REIT's portfolio of properties generate income through rent received from tenants. Upon the expiry of any lease, there can be no assurance that the lease will be renewed or the tenant replaced. Certain significant obligations, including property taxes, maintenance costs, mortgage payments, insurance costs and related charges must be made regardless of whether or not a property is producing sufficient income to pay such expenses. Upon the expiry of the term of the financing of any particular property, refinancing may not be available or may not be available on reasonable terms. Distributions from Dundee REIT are not guaranteed and may fluctuate with its financial performance.

Capital Requirements

Our real estate assets may be financed through debt. Upon the expiry of the term of the financing of any particular property, refinancing may not be available or may be available only on terms less favourable to us than existing financing. Our real estate segment, including Dundee REIT, may require additional financing in order to grow and expand our real estate operations.

RESOURCES

The Resources Industry

The resources industry is highly competitive and involves a number of risks. Revenues and profits depend on market prices for resource commodities, which can fluctuate materially. Adverse fluctuations can have a significant negative effect on our revenues and profitability and the revenues and profitability of our resource investees. Resource mining and exploration involve a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. These risks include environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins and flooding that could result in damage to life or property, environmental damage and possible legal liability. It is also highly capital intensive and the ability to complete a development or exploration project may be dependent on the entity's ability to raise additional capital. Adverse global markets may impact our ability and that of our resource based subsidiaries and equity accounted investees, to obtain equity or debt financing in the future and, if obtained, on favourable terms. In certain cases, this may be achieved only through joint ventures or other relationships that would reduce the entity's ownership interest in the project. There is no assurance that additional resources or reserves in commercial quantities will be discovered, or that development operations will prove successful.

In addition, many of our equity accounted investments are early stage resource exploration and development issuers that require significant upfront capital to extract resources. They are dependent upon equity markets to fund their activities, and attracting such funding tends to be dependent upon posting positive results from exploration activities. Consequently, our equity investments in such early stage exploration and development issuers are subject to significant uncertainty, market risk and price volatility.

Risks Relating to the Oil and Gas Operations of the Company's Subsidiaries

Oil and natural gas operations involve many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The long term commercial success of the Company's investment in Eurogas and Eurogas International depends on its ability to find, acquire, develop and commercially produce oil and natural gas reserves. There is no certainty that the expenditures incurred on such exploration properties will result in discoveries of commercial quantities of oil or gas. Without the continual addition of new reserves, existing reserves and the production therefrom will decline over time as existing reserves are exploited. Future increases in Eurogas' reserves will depend not only on its ability to explore and develop any properties it may have from time to time, but also on its ability to select and acquire suitable producing properties or prospects. No assurance can be given that it will be able to continue to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, management of the Corporation may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic.

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. These evaluations include many factors and assumptions such as historical production from the properties, production rates, ultimate recovery of reserves, timing and amount of capital expenditures, marketability of oil and gas, royalty rates, future prices of oil and natural gas, operating costs and the assumed effects of regulation by governmental agencies, all of which may vary materially from actual results and many of which are beyond our control. For those reasons, estimates of the economically recoverable oil and natural gas reserves attributable to any particular group of properties, classification of such reserves based on risk of recovery and estimates of future net revenues associated with reserves prepared by different engineers, or by the same engineers at different times, may vary. Actual production, revenues, taxes and development and operating expenditures with respect to its reserves will vary from estimates thereof and such variations could be material.

Competition

The resources industry is competitive in all its phases. The Company's resource investees compete with numerous other participants in the search for the acquisition of mining and oil and natural gas properties and in the marketing of the resulting products. A resource investee's ability to increase reserves in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable producing properties or prospects for exploratory drilling. Competitive factors in the distribution and marketing of resource products include price and methods of reliability of delivery. Competition in the resources industry includes companies which have greater financial resources, staff and facilities than those of the Company's investees. Our investees may not be fully insured against all risks relating to their operations and some of those risks may not be insurable.

Insurance

Resource operations are subject to all the risks and hazards typically associated with such operations, including hazards such as fire, explosion, blowouts, cratering and oil spills, each of which could result in substantial damage to production facilities or other property and the environment, or in personal injury. As is the case with other participants in the resources industry, the Company's resource investees are not fully insured against all of these risks, nor are all such risks insurable. Although the Company's resource investees maintain liability insurance in an amount which they consider adequate and consistent with industry practice, the nature of these risks is such that liabilities could exceed policy limits, in which event the investees could incur significant costs that could have a material adverse effect upon its financial condition.

Political and Regulatory

Many of our resource investees operate in jurisdictions which cause their operations to be subject to business risks inherent in those jurisdictions, in addition to the business risks which are generally characteristic of the resources industry. Varying government policies, receipt and maintenance of necessary permits and title to properties, imposition of special taxes or similar charges by regulatory bodies, foreign exchange rate fluctuations and controls, access to capital markets, civil disturbances, deprivation or unenforceability of contract rights or the taking of property without fair compensation, lack of adequate infrastructure and credit risk may impact these operations. It is important that the entities operating in foreign jurisdictions maintain good relationships with the governments of such jurisdictions. This may not be possible if the government of a country changes.

Certain regions in which our investee companies operate have historically been subject to political and economic instability. The increased levels of instability and civil unrest in the middle east and north Africa in recent months highlights the potential risks associated with the foreign operation of the Company, its subsidiaries and equity investees. Operating in foreign jurisdictions may necessitate capital expenditures being denominated in several different currencies, while the Company is reporting in Canadian dollars. Fluctuations in the rates of exchange may affect the ability of investee companies to carry out their exploration and development programs. Future development costs may be higher than currently envisioned due to unforeseen events such as currency fluctuations.

Environmental, Health and Safety Regulations

Environmental, health and safety legislation affects nearly all aspects of the Company's and its resource investees' resource operations including mine development, worker safety, waste disposal, emission controls and protection of endangered and protected species. Compliance with environmental, health and safety legislation can require significant expenditures and failure to comply with environmental, health and safety legislation may result in the imposition of fines and penalties, the temporary or permanent suspension of operations, clean-up costs arising out of contaminated properties, damages and the loss of important permits. Exposure to these liabilities arises not only from existing operations, but from operations that have been closed or sold to third parties. The companies engaged in resource activities may be required to reclaim properties after mining is completed and specific requirements vary among jurisdictions. In some cases, financial assurances as security for reclamation costs may be required which may exceed estimates for such costs. The Company and its resource investees may also be held liable for worker exposure to hazardous substances and for accidents causing injury or death. There can be no assurances that the Company or its resource investees will at all times be in compliance with all environmental, health and safety regulations or that the steps to achieve compliance would not have a materially adverse effect on our business.

Environmental, health and safety laws and regulations are evolving in all jurisdictions where the Company operates. The Company is not able to determine the specific impact that future changes in environmental, health and safety laws and regulations may have on our resource operations and activities, and our resulting financial position; however, we anticipate that capital expenditures and operating expenses will increase in the future as a result of the implementation of new and increasingly stringent environmental, health and safety regulations. For example, emissions standards are expected to become increasingly stringent as are laws relating to the use and production of regulated chemical substances. Further changes in environmental, health and safety laws, new information on existing environmental, health and safety conditions or other events, including legal proceedings based upon such conditions or an inability to obtain necessary permits, could require increased financial reserves or compliance expenditures or otherwise have a material adverse effect on the Company's resource investees.

Commodity Prices

Commodity prices, including oil and natural gas prices, are unstable and subject to fluctuations. Any material decline in prices could result in a reduction in the revenues of our resource investees. The

economics of producing from some wells may change as a result of lower prices. From time to time, resource investees may enter into agreements to fix prices on their production to mitigate these risks; however, this will not permit them to benefit from future increases in commodity prices. The market prices of securities of resource companies have experienced volatility in the past, often based on factors unrelated to the financial performance or prospects of the underlying company, which include general economic conditions and cycles and macroeconomic developments.

Accounting Write Downs as a Result of GAAP

The Company and its resource investees use the full cost method of accounting for oil and natural gas properties. Under this accounting method, capitalized costs are reviewed for impairment to ensure that the carrying amount of these costs is recoverable based on expected future cash flows. To the extent that such capitalized costs (net of accumulated depreciation and depletion) less future taxes, exceed the present value of estimated future net cash flows from proved oil and natural gas reserves, those excess costs would be required to be charged to operations.

Canadian GAAP requires that management apply certain accounting policies and make certain estimates and assumptions which affect reported amounts in our consolidated financial statements. The accounting policies may result in non-cash charges to net earnings and write downs of net assets in the consolidated financial statements. Such non-cash charges and writedowns may be viewed unfavourably by the market and may result in an inability to borrow funds and/or may result in a decline in the price of our Subordinate Voting Shares, or in the common shares of our resource investees.

Skilled Labour, Reliance on Operators and Availability of Equipment

The resources industry involves risks regarding labour and employment matters. The Company is generally not the operator in the resource projects in which it currently has an interest. To the extent that the Company is not the operator, the Company will be dependent on such operator for the timing of activities related to such projects and will largely be unable to direct or control the activities of the operator. The Company's success will therefore be dependent, in part, upon the performance of its joint venture partners, key managers, service providers and consultants. Currently, the mining industry is generally facing a shortage of skilled labour as well as a lack of availability of suitable mining equipment. If resource companies are unable to hire and retain sufficient skilled employees, the ability to operate optimally will be impaired. As a consequence of the Company's dependence on the services of senior management and a small number of highly skilled and experienced executives and personnel, the loss of such key personnel could have a material adverse effect on the Company's resource operations. Adverse changes in the scheme of labour relations which may be introduced by governmental authorities may also have a material effect on the business, results of operations and financial condition.

Resource activities are also dependent on the availability of drilling and related equipment in the particular areas where such activities will be conducted. Demand for such limited equipment or access restrictions may affect the availability of such equipment to the Company's resource investees and may delay exploration and development activities. In addition, equipment failures may occur which could result in injuries and/or exploration and development delays. To the extent that the Company's resource investee is not the operator of its resource properties, it will be dependent on such operators for the timing of activities related to such properties and will be largely unable to direct or control the activities of the operators.

GENERAL BUSINESS RISKS

Risk of Sustained Economic Downturn

Despite recent improvements in global capital markets, fears of a sustained economic downturn remain, characterized by higher unemployment, lower commodity prices, lower family incomes and corporate earnings, lower consumer spending and business investment, which could have a myriad of effects on

the Company's business, including reduced demand for investment products; decreased demand for real estate properties and decreases in resource prices. Moreover, these economic conditions, if realized, will impact the risk profile of many of the other financial and market risks described below.

A prolonged economic downturn may also give rise to a higher level of strategic risks including those associated with industry restructuring, new competitive dynamics and significant changes in the legal, regulatory and tax regimes in which the Company's businesses operate.

Reputational Risk

Reputational risk is the potential that adverse publicity, whether true or not, will or may cause a decline in earnings, liquidity, share price or client base due to its impact on our corporate image. Reputational risk is inherent in virtually all of our business transactions, even when the transaction is fully compliant with legal and regulatory requirements. Reputational risk cannot be managed in isolation, as it often arises as a result of operational, regulatory and other risks inherent to our business. For these reasons, our framework for reputational risk management is integrated into all other areas of risk management and is a key component of the codes of business conduct and ethics of which our employees are expected to observe. We place a high emphasis on safeguarding our reputation, as once compromised, it can be difficult to restore.

Investing in a Variety of Industry Sectors

Our investments are in a variety of industry sectors and therefore, each investment will be subject to specific risks inherent in the unique business environment in which it operates. In the case of equity accounted investments, we are required to record our share of income or loss from these investments and related dilutions and accordingly, our earnings are affected by these amounts. Further, to the extent that the investment is a public company, the investment is subject to market forces which may fluctuate beyond our control. Certain of our private company holdings are illiquid and disposition may be difficult. We may realize lower proceeds of disposition in the event that we are required to dispose of an investment at a point in time when market prices are low.

Capital Requirements

The Company and/or its subsidiaries may be required to raise additional debt or equity funds through public or private financing, strategic relationships or other arrangements for a variety of purposes, including business acquisitions, to capitalize on unanticipated opportunities, as well as to respond to competitive pressures. Continued disruption in the financial markets may limit the Company's access to capital in the event that the Company is required to seek additional liquidity to operate its business. Additional equity funding in investee companies may reduce the percentage ownership interest of the Company in such investee companies and may cause the Company to lose its majority or significant influence stake. Additional equity funding of the Company may reduce the percentage ownership of the existing shareholders of the Company and may dilute net book value per share. It is also possible that any such equity funding may involve securities which have rights or privileges senior to those of existing shareholders or that any debt financing, if available, may involve restrictive covenants with less desirable terms or maturities which could decrease future profitability and financial flexibility. There can be no assurance that such additional funding, if needed, will be available on economic terms, or at all. These developments may also impair the Company's ability to renew its current credit facility on favourable terms, resulting in increased costs to the Company.

Compliance with Debt Covenants

The Company and its subsidiaries' current credit facilities contain restrictive covenants that may limit the discretion of the Company with respect to certain business matters. These covenants place restrictions on, among other things, the ability of the Company and certain of its subsidiaries to create liens or other encumbrances, to make certain other payments, loans and guarantees and to sell or otherwise dispose of

assets and merge or consolidate with another entity. In addition, the credit facility contains a number of financial covenants that require the Company to meet certain ratios and financial condition tests. A failure to comply with the obligations in the Company's credit facility could result in a default which, if not cured or waived, could result in an acceleration of the relevant indebtedness.

Corporate Insurance

Regardless of our effectiveness in monitoring and administering established compliance policies and procedures, the Company, and any of its directors, officers, employees and agents, may be subject to liability or fines which may limit the ability of each to conduct business. We maintain various types of insurance to cover certain potential risks and continuously evaluate the adequacy of this coverage. In recent years, the cost of obtaining insurance has increased significantly. In addition, because of a reduction in the number of insurance providers as a result of a number of companies exiting the market, there can be no assurance that certain insurance coverage will be obtainable on economic terms in the future. As a result of the introduction of the secondary market civil liability regime, the ability to obtain insurance on reasonable economic terms may be even more difficult in the future. To date, we have chosen not to obtain directors' and officers' insurance.

Foreign Country Risk

The Company has or may establish foreign operations, including the United States, Europe, Africa, Asia and the Middle East. International operations are subject to certain risks inherent in doing business abroad, including:

- political and economic instability;
- tax risks;
- currency exchange rates and currency controls;
- insufficient infrastructure;
- restrictions on foreign investment; and
- increases in working capital requirements related to foreign operations.

Expanding our business in emerging markets is an important element of our business strategy and as a result, our exposure to foreign country risk described above may be greater in the future. The likelihood and potential effects on the Company varies from country to country and is unpredictable; however, any such occurrences could have an adverse effect on our profitability.

Credit Ratings

The credit ratings currently assigned to the Company by DBRS and Standard & Poor's, or that may in the future be assigned to the Company by other rating agencies, are subject to change in accordance with criteria established by such rating agencies. There is no assurance that any rating assigned to the Company will remain in effect for any given period of time or that any rating will not be revised or withdrawn by a rating agency in the future. A downgrade in the credit ratings assigned to the Company by one or more rating agencies could increase our cost of borrowing or impact our ability to renegotiate loans made to us, which could have an adverse effect on our profitability.

The Ability to Execute Business Plans, Integration and Management of Growth

The Company's growth strategy has relied in part on acquisitions and the associated realization of operating synergies. A successful acquisition requires the Company to identify suitable candidates for

purchase on acceptable terms and the acquired business to be successfully integrated in a timely and non-disruptive manner designed to minimize the risk of loss of client business. Even with the investment of management and financial resources, an acquisition may not produce the anticipated revenue, earnings or business synergies anticipated at the time of acquisition. In addition, acquisitions can involve non-recurring charges and if not successful, the write-off of amounts of goodwill and other intangible assets that could have an adverse effect on the financial results of the Company. Management performs an extensive review of the value of goodwill and other intangible assets on an ongoing basis. There can be no assurance that the Company will not incur significant costs in the future in connection with such potential liabilities.

The Company may also be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Litigation Risk

Litigation risk is inherent in each of the business lines of the Company as well as in operations that may be acquired by the Company. Litigation risk cannot be eliminated, even if there is no legal cause of action. The legal risks facing the Company, its directors, trustees, officers or employees in this respect include the potential liability for violations of securities laws, breach of fiduciary duty and misuse of investors' funds. In addition, the existence of the secondary market and the civil liability regime in certain jurisdictions may facilitate dissatisfied shareholders to make claims against the Company.

Controlling Shareholder Risk

The Company's business and affairs are controlled by Mr. Ned Goodman, who directly or indirectly, owns shares representing approximately 99% of the votes attached to the Class B Common Shares and approximately 82% of the votes attached to all of the Company's shares in aggregate. Accordingly, Mr. Ned Goodman may be able to cause the Company to effect corporate transactions without the consent of the minority shareholders or to cause or prevent a change of control of the Company. Under Canadian law, any offer to purchase the Common Shares, regardless of the offered price, would not necessarily result in an offer to purchase the Subordinate Voting Shares. Holders of the Subordinate Voting Shares do not have a right to participate if a takeover bid is made for the Common Shares.

Possible Volatility of Stock Price

The market price of the Company's shares has been, and may in the future be, subject to significant fluctuation in response to numerous factors, including variations in the annual or quarterly financial results of its subsidiaries or their competitors, the timing of announcements of acquisitions by its subsidiaries or their competitors, conditions in the economy in general or in the financial services, real estate, or resources sectors in particular, changes in applicable laws and regulations, rumours and speculation, and other factors. Moreover, from time to time, the stock market experiences significant price and volume volatility that may affect the market price of the Company's shares for reasons unrelated to the performance of the Company or its subsidiaries. No prediction can be made as to the effect, if any, that future sales of shares or the availability of shares for future sale (including shares issued under share based compensation arrangements) will have on the market price of the shares existing from time to time. Sales of substantial quantities of such shares or the perception that such sales could occur, could adversely affect the price of the shares.

Information System Risk

The Company depends on a variety of information systems to operate effectively. A failure of any one of the information systems or a failure among the systems could result in operational difficulties, damage or

loss of data, productivity losses or result in unauthorized knowledge and use of information.

Taxation

The Company may be subject to taxation in the jurisdictions in which it operates. Any changes in tax legislation and practice in these jurisdictions could adversely affect the Company.

Potential Conflicts of Interest

Certain of the directors or officers of the Company and its subsidiaries are also directors or officers of companies that are in competition with the interests of the Company. No assurances can be given that opportunities identified by such board members will be provided to the Company.

Other

The Company cautions that the preceding discussion of factors that may affect future results is not exhaustive. The Company's performance may also be affected by other specific risks that may be highlighted from time to time in public filings of the Company or its subsidiaries which may be available on the Canadian Securities Administrators' website at www.sedar.com. Investors and others should carefully consider these factors, as well as other uncertainties, assumptions and industry and company specific factors that may adversely affect future results. The Company assumes no obligation, except as required by law, to update or revise its risk disclosure to reflect new events or circumstances.

MATERIAL CONTRACTS

Other than contracts eligible for the ordinary course of business filing exemption, the only material contracts entered into by the Company in the fiscal year ended December 31, 2010 or prior to 2010 but after 2001 which remain in effect are as follows:

1. the 5.85% Trust Indenture, as described under *"Description of Share Capital – Debentures – 5.85% Exchangeable Unsecured Subordinated Debentures"*;
2. the Shareholders' Agreement, as described under *"Interest of Management and Others in Material Transactions – Relationship with Scotiabank"*;
3. the Lock-up Agreement, as described under *"The Company – Development of the Business – Sale of DundeeWealth Inc."*; and
4. the Underwriting Agreement dated August 28, 2009 pertaining to the Company's public offering of Series 2 Shares.

In addition, on February 1, 2011, in connection with the DundeeWealth Transaction, the Company entered into the Non-Competition and Non-Solicitation Agreement, as described under *"Corporate Transactions – Acquisition and Disposition of Assets – Sale of DundeeWealth Inc."*.

Copies of the above material contracts are available for inspection on SEDAR at www.sedar.com.

TRANSFER AGENT AND REGISTRAR

The Company's registrar and transfer agent is Computershare Investor Services Inc., Toronto, Ontario.

EXPERTS

The financial statements for the financial year ended December 31, 2010 have been audited by PricewaterhouseCoopers LLP, the Company's auditors who are independent in accordance with the auditors' rules of professional conduct in Canada.

AUDIT COMMITTEE

COMPOSITION OF AUDIT COMMITTEE

As at December 31, 2010, the audit committee of the directors of the Company (the "Audit Committee") was composed of the following persons:

K. Barry Sparks (Chairman)

Normand Beauchamp

Garth A. C MacRae

Robert McLeish

Ellis Jacob

The directors of the Company have determined that each of the members of the Audit Committee is independent and financially literate within the meaning of Multilateral Instrument 52-110 Audit Committees. Financial literacy is defined as the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

RELEVANT EDUCATION AND EXPERIENCE OF AUDIT COMMITTEE MEMBERS

The education and experience of each Audit Committee member that is relevant to such member's responsibilities as a member of the Audit Committee are set out below:

K. Barry Sparks

Mr. K. Barry Sparks, B. Comm., FICB, has served as a director of the Company since April 1993. Mr. Sparks commenced his career in corporate finance with the Royal Bank of Canada where he served until 1984, leaving as Vice President, Government and Business, Ontario. Since then he has provided corporate advice and management services through several companies. Mr. Sparks is President of Torvan Capital Group which, during 2005, became a division of Ashley Park Enterprises Inc. Mr. Sparks

is also President and a director of Cencotech Inc. and has been the chief financial officer of a private Canadian operating corporation for the past 18 years. Mr. Sparks has been Chairman of the Audit Committee since 1998.

Normand Beauchamp

Mr. Normand Beauchamp has served as a director of the Company since its inception in October 1991. Since 1960, he has been active in different areas of the Canadian broadcasting industry, operating and developing radio and television stations and networks. In 1985, he acquired Radiomutuel Inc., a publicly traded communications company, and became President, Chairman and Chief Executive Officer. Mr. Beauchamp is now President of Capital NDSL Inc., an investment company, and is also a trustee of BTB Real Estate Investment Trust.

Garth A. C. MacRae

Mr. Garth A. C. MacRae, Chartered Accountant, has served as a director of the Company since its inception in October 1991 and served as Vice Chairman from June 1993 until March 2004. Mr. MacRae has also served as a director of DundeeWealth since its inception in November 1998 until January 31, 2011. Mr. MacRae has over 18 years of public accounting experience and has held executive positions with Hudson Bay Mining, Brinco Limited and Denison Mines Limited. Mr. MacRae is currently a director and member of the audit committee of Breakwater Resources Ltd., Dundee Capital Markets Inc., Dundee Precious Metals Inc., Eurogas Corporation, GeneNews Limited, Torque Energy Inc. and Uranium Participation Corporation.

Robert McLeish

Mr. Robert McLeish, B. Comm. and CFA, has served as a director of the Company since March 2002. Mr. McLeish is a consultant who has over 40 years of experience in the investment business. Mr. McLeish has been a member of various committees of the TSX, including the Conflicts of Interest Committee. Mr. McLeish is currently a director and member of the audit committee of Dundee Capital Markets Inc., a director of Airboss of America Corp. and is also a former director of the Juvenile Diabetes Research Foundation.

Ellis Jacob

Mr. Ellis Jacob, C.M., FCA, CMA, MBA, has served as a director of the company since June 2008. Mr. Jacob has 24 years of experience in the motion picture exhibition industry, is President and Chief Executive Officer of Cineplex Inc. and its subsidiaries. Prior to his current role, he was President and Chief Executive Officer of Galaxy Entertainment Inc., which he co-founded in 1999. Mr. Jacob is a director and member of the audit committee of Dundee Capital Markets Inc., a director and Chairman of the audit committee of Husky Injection Molding Systems Ltd., a director and Chairman of the finance and audit committee of Baycrest Hospital and has been a member of several company boards and audit committees. In December 2010, Mr. Jacob was appointed a Member of the Order of Canada.

AUDIT COMMITTEE CHARTER

The responsibilities and duties of the Audit Committee are set out in the Audit Committee's charter, the full text of which is attached as Appendix "A" hereto.

PRE-APPROVAL POLICY

In November 2003, the directors of the Company, upon the recommendation of the Audit Committee, approved a formal policy which provides for the pre-approval by the Audit Committee or one of its members of all permitted non-audit services to be performed by the external auditor of the Company. Requests for pre-approval for permitted non-audit services are considered by the Audit Committee at its

regularly scheduled meetings and by the Chairman of the Audit Committee between Audit Committee meetings, in which case, such matters are subsequently reported thereon at the next scheduled Audit Committee meeting. Since the implementation of this policy, all permitted non-audit services have been pre-approved in accordance with the provisions of the policy.

EXTERNAL AUDITOR SERVICE FEES

During 2010 and 2009, the Company (and its subsidiaries that were audited by the Company's external auditor) paid the following fees to the Company's external auditors, for the following fee categories:

Fee Category	2010 (\$)	2009 (\$)
Audit Fees	2,456,346	2,540,412
Audit-Related Fees	509,250	620,550
Tax Services Fees	643,042	201,775
Other Fees	65,209	Nil
TOTAL	3,673,847	3,362,737

Audit Fees

Audit fees include all fees paid to the Company's external auditor for the audit of the Company's consolidated financial statements and other required statutory/regulatory audits and filings of the Company and certain of its subsidiaries.

Audit-Related Fees

Audit-related fees include all fees paid to the Company's external auditor for audit-related services including the review of the Company's interim financial statements, preparation and/or review of certain filings with Canadian securities regulators, including comfort and consent letters, and accounting consultations on matters addressed during the audit and interim reviews.

Tax Services Fees

Tax services fees include all fees paid to the Company's external auditor for tax-related advice including tax return preparation and/or review and tax planning advice.

Other Fees

Other Fees include fees for products and services provided by the Company's auditors other than the services included in "Audit Fees", "Audit-Related Fees" and "Tax Services Fees".

ADDITIONAL INFORMATION

Additional information with respect to the Company, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, and securities authorized for issuance under equity compensation plans, if applicable, is contained in the Company's management information circular for its most recent annual meeting of shareholders. Additional financial information is provided in the Company's audited consolidated comparative financial statements and notes to the audited consolidated financial statements and the Company's 2010 MD&A. Additional information relating to the Company has been filed with the securities regulators in Canada and may be accessed on SEDAR at www.sedar.com.

APPENDIX "A"

AUDIT COMMITTEE CHARTER

ORGANIZATION

This Charter governs the operations of the Audit Committee. The Board of Directors shall appoint an Audit Committee (the "Committee") of at least three members, consisting entirely of independent directors of the Board, and shall designate one member as chairperson or delegate the authority to designate a chairperson to the Committee. For purposes hereof, members shall be considered independent as long as they satisfy all of the independence requirements for Board Members as set forth in the applicable stock exchange listing and securities commission standards.

Each member of the Committee shall be financially literate, or become financially literate within a reasonable period of time.

The Committee shall meet at least quarterly in addition to a meeting for audit planning purposes. The Committee shall meet separately and periodically with management, internal audit and with the independent auditors. The Committee shall report regularly to the Board of Directors with respect to its activities.

PURPOSE

The purpose of the Committee shall be to:

- Provide assistance to the Board of Directors in fulfilling its oversight responsibility to the shareholders, potential shareholders, the investment community, and others relating to: (i) the integrity of the Company's financial statements; (ii) the Company's compliance with legal and regulatory requirements; and (iii) the independent auditors' qualifications and independence;
- Provide the Audit Committee report that Canadian securities laws require to be included in the Company's annual information form.

The Committee shall retain and compensate such outside legal, accounting, or other advisors, as it considers necessary in discharging its oversight role.

In fulfilling its purpose, it is the responsibility of the Committee to maintain free and open communication between the Committee, independent auditors, internal audit and management of the Company, and to determine that all parties are aware of their responsibilities.

DUTIES AND RESPONSIBILITIES

The Committee has the responsibilities and powers set forth in this Charter. Management is responsible for the preparation, presentation, and integrity of the Company's financial statements, for the appropriateness of the accounting principles and reporting policies that are used by the Company and for implementing and maintaining internal control over financial reporting. The independent auditors are responsible for auditing the Company's financial statements and for reviewing the Company's unaudited interim financial statements. The Company's internal auditor will report to the Chief Financial Officer on a day to day basis but will also have a direct reporting line to the Chair of the Committee. The Committee shall approve the internal auditor's mandate which shall be reviewed annually.

The Company believes that, in carrying out the Committee's responsibilities, its policies and procedures should remain flexible, in order to best react to changing conditions and circumstances. The Committee will

take appropriate actions to set the overall corporate “tone” for quality financial reporting and ethical behaviour.

The following shall be the principal duties and responsibilities of the Committee. These are set forth as a guide with the understanding that the Committee may supplement them as appropriate.

- The Committee shall be responsible to advise the Board, for the Board’s recommendation to shareholders, in respect of the appointment, compensation and retention of the independent auditors
- The Committee shall be directly responsible for the oversight of the work of the independent auditors (including resolution of disagreements between management and the auditors regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review, or attest services for the listed issuer, and the independent auditors must report directly to the Committee.
- At least annually, the Committee shall obtain and review a report by the independent auditors describing all relationships between the independent auditors and the Company (to assess the auditors’ independence).
- After reviewing the foregoing report and the independent auditors’ work throughout the year, and after receiving written confirmation from the auditors declaring their independence, the Committee shall evaluate the auditors’ qualifications, performance and independence. Such evaluation shall include the review and evaluation of the lead partner of the independent auditors and take into account the opinions of management and the Company’s personnel responsible for the internal audit function.
- The Committee shall determine that the independent audit firm has a process in place to address the rotation of the lead audit partner and other audit partners serving the account as required under Canadian independence standards.
- The Committee shall pre-approve all audit and non-audit services provided by the independent auditors and shall only engage the independent auditors to perform non-audit services permitted by law or regulation. The Committee may delegate pre-approval authority to a member of the Audit Committee. The decisions of any Committee member to whom pre-approval authority is delegated must be presented to the full Committee at its next scheduled meeting.
- The Committee shall discuss with the independent auditors the overall scope and plans for their respective audits, including the adequacy of staffing and compensation.
- The Committee shall regularly review with the independent auditors any audit problems or difficulties encountered during the course of the audit work, including any restrictions on the scope of the independent auditors’ activities or access to requested information, and management’s response. The Committee shall review any accounting adjustments that were noted or proposed by the auditors but were “passed” (as immaterial or otherwise); any communications between the audit team and the audit firm’s national office relating to problems or difficulties encountered with respect to significant auditing or accounting issues; and any “management” or “internal control” letter issued, or proposed to be issued, by the audit firm to the Company.
- The Committee shall review and approve the quarterly financial statements, for submission to the Board of Directors, including Management’s Discussion and Analysis of Financial Condition and Results of Operations, with management and the independent auditors prior to the filing of the Company’s Quarterly Report. Also, the Committee shall discuss the results of the quarterly review and any other matters required to be communicated to the Committee by the independent auditors under generally accepted auditing standards. The Committee shall discuss and review with management the quarterly certification process.
- The Committee shall review and recommend approval of the annual audited financial statements, to the Board of Directors, including Management’s Discussion and Analysis of Financial Condition and Results

of Operations, with management and the independent auditors prior to the filing of the Company's financial statements and Management's Discussion and Analysis. The Committee's review of the financial statements shall include: (i) major issues regarding accounting principles and financial statement presentation, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of the Company's internal controls and any specific remedial actions adopted in light of material control deficiencies; (ii) discussions with management and the independent auditors regarding significant financial reporting issues and judgments made in connection with the preparation of the financial statements and the reasonableness of those judgments; (iii) consideration of the effect of regulatory accounting initiatives, as well as off-balance sheet structures on the financial statements; (iv) consideration of the judgment of both management and the independent auditors about the quality of accounting principles; and (v) the clarity of the disclosures in the financial statements. Also, the Committee shall discuss the results of the annual audit and any other matters required to be communicated to the Committee by the independent auditors under professional standards. The Committee shall discuss and review with management the annual certification process.

- The Committee shall receive and review a report from the independent auditors, prior to the filing of the Company's Annual Report, on all critical accounting policies and practices of the Company; all material alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, including the ramifications of the use of such alternative treatments and disclosures and the treatment preferred by the independent auditors; and other material written communications between the independent auditors and management.
- The Committee shall review and approve all related party transactions not in the ordinary course of business in the absence of a special committee of the Board of Directors designated for such function.
- The Committee shall review earnings press releases for recommendation to the Board.
- The Committee shall discuss with management, internal audit and the independent auditors the adequacy and effectiveness of internal control over financial reporting, including any significant deficiencies or material weaknesses identified by internal audit and management of the Company in respect of Canadian securities law requirements, including any proposed securities laws.
- The Committee shall review with management the Company's compliance systems with respect to legal and regulatory requirements.
- The Committee shall review periodically with management and internal audit the risk of fraud with respect to the organization and the controls in place to manage those risks.
- The Committee shall ensure that the Company establish appropriate policies and procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- The Committee shall ensure that the Company has in effect clear hiring policies for employees or former employees of the independent auditors that meet Canadian independence standards and stock exchange listing standards.
- The Committee shall, with the assistance of management, determine the appropriate funding needed by the Committee for payment of: (1) compensation to the independent audit firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review, or attest services for the Company; (2) compensation to any advisers employed by the Committee; and (3) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.
- To the extent the Company maintains an internal audit function, the Committee shall meet with the internal auditor(s), discuss the overall scope and plans for the internal audit function, including approval

of its mandate on an annual basis, and discuss the adequacy and effectiveness of internal control with the internal auditor(s).

- The Committee shall ensure that the policies established pursuant to the Charter are communicated and to the best of its ability shall ensure that they are implemented by the audit committees of subsidiary companies where appropriate and the Committee shall ensure that the necessary follow-up is undertaken with such other audit committees.
- The Committee shall perform an evaluation of its performance at least annually to determine whether it is functioning effectively.
- The Committee shall review and reassess the Charter at least annually and obtain the approval of the Board of Directors.