

TSX: DC.A

DUNDEE CORPORATION

# Investing in mining businesses to deliver long-term value

June 2021



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# Who we are

Dundee Corporation is an active investor focused on delivering long-term, sustainable value as a trusted partner in the mining sector.

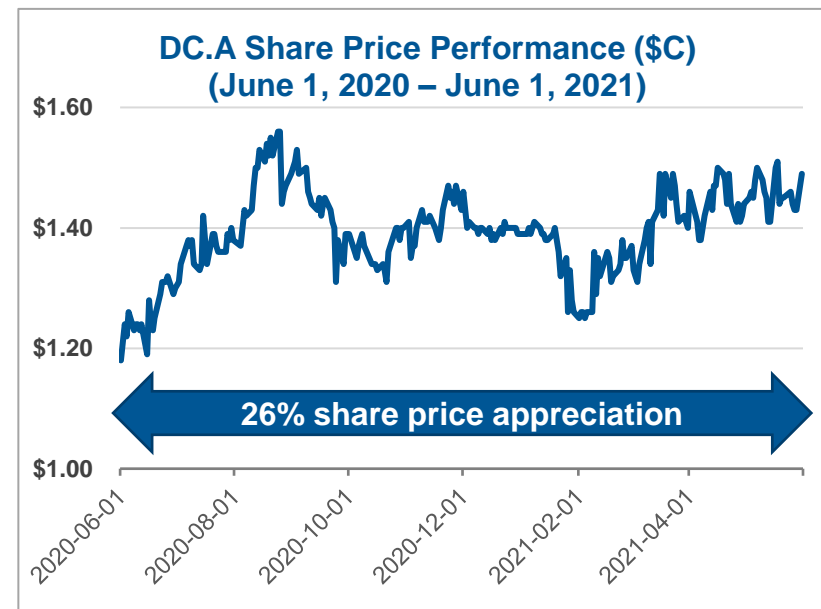
Building long-term relationships and conducting detailed due diligence are at the core of how we make investment decisions and with whom we choose to partner.

We are aligned with the interests of issuers and co-investors and bring a disciplined and collaborative investment approach to delivering value from undervalued mining assets.



# Snapshot

Share Price (DC.A) (June 21)	C\$1.48
52-week high/low	\$1.60/\$1.23
Shares outstanding	87.7M
<b>Market Capitalization (DC.A) (June 21)</b>	<b>\$129.8M</b>





# Value Proposition

## Buying into PE-style group at a discount

In \$ Millions, except per share information. Numbers as at March 31, 2021 except where otherwise indicated. Numbers rounded.

	2021
Cash (as at March 31, 2021)	\$73.9
Publicly Traded Portfolio Market Value	\$147.3
Private Investments (at Book Value)	\$106.2
Consolidated Subsidiaries	\$78.9
Warrants and Options	\$3.0
<b>TOTAL CASH AND PORTFOLIO</b>	<b>\$409.3</b>
Less Preferred Shares (at Market – June 2, 2021)	\$61.4
Total Shares Outstanding	87.7
<b>Portfolio and Cash Adjusted Book Value</b>	<b>\$347.9</b>
<b>Portfolio and Cash Adjusted Book Value / share</b>	<b>\$3.97</b>
<b>Share Price (June 21)</b>	<b>\$1.48</b>
<b>DISCOUNT PER SHARE TO ADJUSTED BOOK VALUE</b>	<b>63%</b>



# **DUNDEE 2.0:** BACK TO THE FUTURE



# Dundee 2.0: Returning to our Mining Roots

Renewing our focus on where we have been most successful

## 1991 – 2011: Highly-Successful Mining Investor

Dundee built a track record as a successful mining investor.

- High-profile wins include:
  - Homestake Mining
  - Kinross Gold
  - Repadre Capital
  - Zemex Minerals
  - Breakwater Resources
  - Dundee Precious Metals Inc.
  - Osisko Mining
- Raised \$4.3 billion in aggregate flow-through limited partnerships helping to discover some of Canada's best orebodies.

## 2011-2018: Loss of Focus

Investments expanded beyond the mining sector.

- While there were some successes, there were also ventures that did not perform well.
- Deal-making strayed from where the Company historically possessed an investment edge: mining.

## 2018-2021: Transformation to Dundee 2.0

Jonathan Goodman returned to Dundee in 2018 as Chairman and CEO to create Dundee 2.0.

**The goal of Dundee 2.0 is to re-create the culture and structure that led to Dundee's past successes in the mining business.**

# Clear Transformation Strategy

There are three key strategic components to Dundee's transformation



**Doing more private equity-style mining deals** and setting up our mining group for profitability



**Rationalizing our portfolio of legacy investments** and operating subsidiary companies



**Streamlining our capital structure and reducing run-rate Corporate G&A** and cash overheads



# Key to Dundee 2.0: Our People and Expertise

**We know mining.** We are geologists, metallurgists, mining engineers, analysts, investment bankers, and financiers with extensive industry knowledge.

- Our team has significant experience on all sides of a deal – both on the ground, and in the capital markets
- Our team has visited 750 projects in 50+ countries and reviewed thousands of projects

## **Our expertise gives us considerable competitive advantages:**

- We can identify attractive assets earlier in the project life cycle with less competition
- We can apply our know-how to properly evaluate and de-risk opportunities
- We roll up our sleeves and work with our partner companies to maximize asset value



# Dundee Corporation Team



**Jonathan Goodman, CFA, P.Eng**  
President, CEO and Portfolio Manager

- 35+ years mining investment and operating experience across all aspects of the mining business and capital markets.
- Formerly CEO and Executive Chairman of Dundee Precious Metals (TSX:DPM).



**Lila A. Manassa Murphy, CFA**  
EVP and Chief Financial Officer

- 25+ years investment industry experience with expertise in the natural resources sector in portfolio management and fundamental analysis.



**Mark Pereira**  
Corporate Secretary and  
Chief Compliance Officer

- 20+ years legal, compliance and corporate secretarial experience in the financial, wealth management and resource industries.



**Perina Montesano**  
VP, Internal Audit

- Experienced public accounting, governance and audit professional. Joined Dundee Corp. in 2006 as Head of Internal Audit

# Investment Team



**Adrian Goldstone**  
Managing Director, Technical



**Dr. Julian Barnes**  
Managing Director, Technical



**Matthew Goodman, CFA**  
VP, Portfolio Manager



**Emily Griffiths**  
Associate, CMP



**Talia Shewchuk**  
Analyst and Trader

# Investment Banking Team



**Olav Langelaar, P.Eng**  
Managing Director, DGMP



**Robert Dixon**  
Managing Director, DGMP



**Rob Klassen, P.Eng**  
Managing Director, DGMP



**Rick Cohen**  
Managing Director, DGMP



**Naman Shah**  
Analyst



# Demonstrating Progress on Transformation Strategy

Dundee is advancing all three strategic components

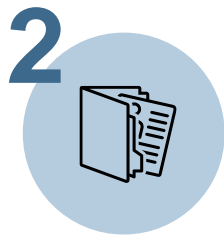


## **Doing more private equity-style mining deals** and setting up our mining group for profitability

- Our mining team is actively engaged on transactions and advisory mandates
- Acquired significant positions in eight different mining companies over past five quarters
- Recognizing financial services revenue consisting of advisory fees and finder's fees

# Demonstrating Progress on Transformation Strategy

Dundee is advancing all three strategic components



## **Rationalizing our portfolio of legacy investments and operating subsidiary companies to be purely focused on mining**

- Engineering orderly, professional exits from business lines not aligned with Company's long-term strategy
- Advancing discussions with potential buyers for non-core businesses

# Demonstrating Progress on Transformation Strategy

Dundee is advancing all three strategic components



## **Streamlining our capital structure and reducing run-rate Corporate G&A and cash overheads**

- Reduced Class A shares outstanding by 14.3% through SIB completed in Q1 2021
- Launched NCIB to purchase up to 10% of public float on three share classes (Class A, Series 2 Prefs, Series 3 Prefs)
- Strongly committed to reducing cash overheads to more sustainable levels
- Reduced Q1 G&A costs at head office (excluding stock-based compensation) by 9.6% in 2020 year-over-year
- The Company's interests are aligned squarely with that of shareholders

# DUNDEE 2.0: BACK TO THE FUTURE





# Why Mining?

- Mining has a critical role to play in the future of the world's economy
- Gold is a hedge against inflation and rising debt levels
- Mined metals are integral to building green infrastructure and a low-carbon future
- In addition to strong fundamentals, we see many attractive investment opportunities in the mining space for undervalued assets



# ESG: Doing Well by Doing Good

ESG affects all parts of the mining business.  
If you don't do ESG well, you won't have a mine.

We are purpose-driven to help the next generation of mining companies build and operate mines with the best available operational, technical, environmental, social, and governance practices. We work with investee companies to mitigate risks and optimize the ESG process.

Dundee only invests in companies with a demonstrated commitment to ESG, who focus on mitigating their environmental impact and building lasting and mutually-beneficial community relationships.

One of our key investment criteria is that our investee companies have best-in-class governance practices, to ensure that every aspect of the business is executed with consideration of all stakeholders throughout the entire project life cycle.

We are a signatory of the Principles for Responsible Investment (PRI) and will only invest in companies that meet globally-recognized ESG standards.



# Our Investment Philosophy

There is a better way to invest  
in the mining sector.

**We are focused on the long-term**, relying on a team of technical and financial experts who know mining inside and out.

**We employ a disciplined capital allocation strategy** that is aligned with investors and expect shareholders to be treated like owners

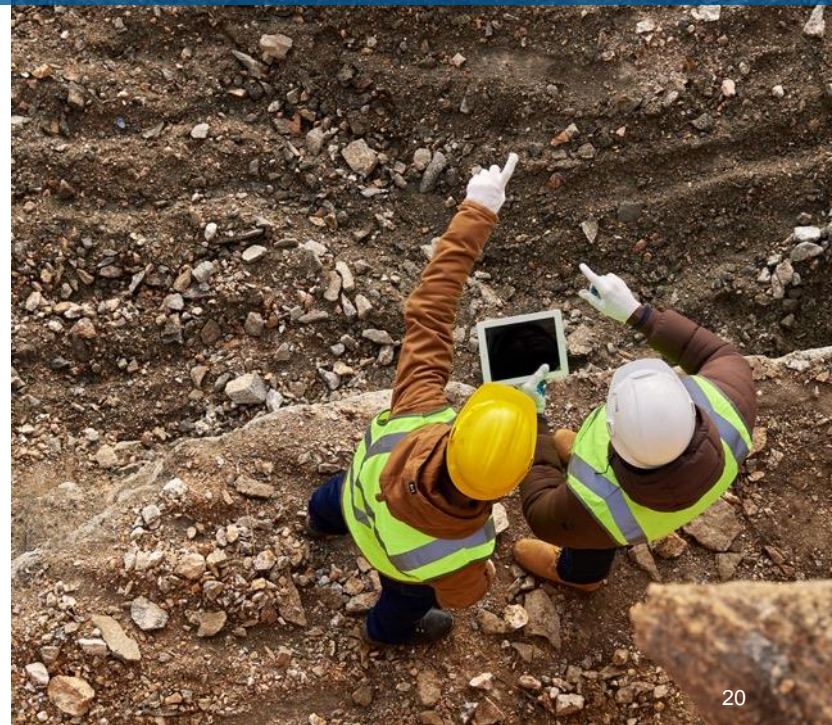
**We conduct thorough technical due diligence** to evaluate mining investment opportunities. Our due diligence and de-risking approach focuses on all aspects of the mining business





# Our Investment Approach

- We invest in **undervalued mining companies**
- We look to invest in **high-quality assets** that can be **profitable at any point in the cycle**
- We **de-risk investments** through a **comprehensive due diligence** methodology – analyzing geological, technical, social, business and political risks
- We make **informed, disciplined, long-term investment decisions**, and do not take exorbitant fees on the deals we structure





# Dundee's Mining Businesses

Dundee operates three mining investment businesses that give us tremendous deal flow and mining intelligence

1

**CMP – Flow-through fund** raises money from Canadians who need tax deductions generated from mineral exploration & management of third-party capital.

**Dundee Global Resource Fund** is a middle market, mining-focused fund.

2

**New Venture Equities Fund –** Venture capital-style fund focused on making small investments in select companies.

3

**Private equity-style mining investments –** The technical team that does the detailed work and makes larger investments.

Between these businesses and our teams' relationships, we see virtually everything that is happening in the global mining business.

# Current private equity-style mining investments



# Maritime Resources

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**Ownership stake:** 19.9%<sup>(1)</sup>

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**Key asset:** Hammerdown gold deposit, NL

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**Stage:** Development

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- Expected Upside/Reason for Investment:
  - High-margin brownfields deposit
  - Located close to existing infrastructure
    - Existing gold circuit at Nugget Pond processing plant
  - Low start-up capital cost
  - Quick payback
  - Significant exploration upside
  - Excellent management team in place



(1) Ownership as at May 13, 2021

# Big River Gold

**Ownership stake:** 19.38%<sup>(1)</sup>

**Key asset:** Borborema gold deposit, Borborema, Brazil

**Stage:** Development

- Expected Upside/Reason for Investment:

- Fully-permitted with relatively low technical risk
- Mineral Reserve<sup>(2)</sup>: 1.61 Moz gold
- Mineral Resource (M+I+I)<sup>(2)</sup>: 2.43 Moz gold
- Excellent infrastructure and location (power, water, highway, workforce)
- Experienced board and management
- Government and local support
- Currently re-casting feasibility numbers to take into account expanding from 2 to 4 million tonnes per year early in mine life

(1) Ownership as at May 13, 2021

(2) Mineral Reserves and Mineral Resources JORC-compliant





# Centaurus Metals

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**Ownership stake:** 5.1%<sup>(1)</sup>

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**Key asset:** Jaguar nickel sulfide project, Carájas, Brazil

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**Stage:** Development

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- Expected Upside/Reason for Investment:
  - High-grade nickel sulphide deposit in world-class mining region
  - Mineral Resource<sup>(2)</sup>: 58.6Mt @ 0.95% nickel (557,800 tonnes contained nickel) with potential to grow
  - Deposit hosts in-situ value of +US\$10B at current nickel prices
- Results of recently-completed a scoping study:
  - 54% IRR
  - 1.9 year project payback
  - US\$178 capital cost

(1) Ownership as at Mar 31, 2021

(2) Mineral Resources JORC-compliant



# Summary

**Significant progress on transforming into an active investor focused solely on the mining sector**

**Compelling value proposition for today, building for tomorrow.**

**Discount per share to Adjusted Book Value: 63%**

## **Executing on all key strategic initiatives:**

- Continuing to do **more deals in the mining space**
- **Advancing sale** of non-core legacy investments
- **Streamlining** capital structure and laser-focused on driving down cash G&A run-rate

## **Current Corporate priorities:**

- **Accelerate rationalization** of non-mining legacy investment portfolio
- **Reduce run-rate corporate G&A expenses** and bring down cash overheads to more closely align the interests of management with shareholders
- Raise more money for the **CMP** structure
- Do more **private equity-style mining deals** and bring in steady **cash flow**





For more Information:

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# Moneta Porcupine Mines

**Ownership stake:** 7%<sup>(1)</sup>

**Key asset:** Tower Gold project, Timmins, Ontario

**Stage:** Exploration

- Expected Upside/Reason for Investment:
  - One of North America's largest undeveloped gold projects
  - Exciting deposit in established Timmins, Ontario mining camp with regional scale potential
  - 100% interest in six core gold projects and a 50% JV with Kirkland Lake Gold located along the Destor Porcupine Fault Zone corridor, in Ontario's Abitibi Greenstone belt
  - Mineral Resource<sup>(2)</sup>: 8.4 million ounces gold
  - Re-rate opportunity towards advanced developer
  - Excellent infrastructure (roads, water, electricity, mills)

(1) Ownership as at May 13, 2021

(2) Mineral Resources NI 43-101-compliant





# Saturn Metals

**Ownership stake:** 18.3%<sup>(1)</sup>

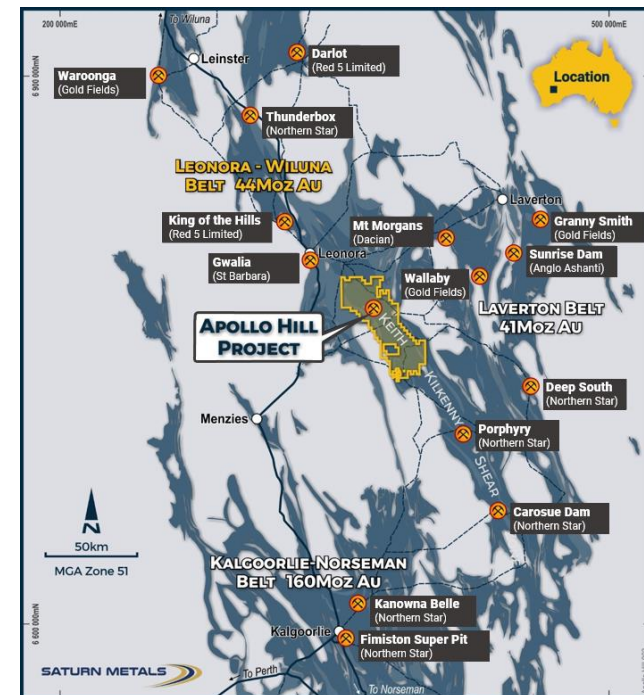
**Key asset:** Apollo Hill gold project, Western Australia

**Stage:** Exploration

- Expected Upside/Reason for Investment:
  - Highly-prospective gold project in world-class gold province
    - (approx. 1,600 km<sup>2</sup> land package in Western Australia's Eastern Goldfields)
  - Continuous, near-surface, low-grade deposit exhibits potential to be long-lived asset at low operating cost
    - Expansive gold mineralized system (400m-500m wide)
  - Mineral Resource (Indicated+Inferred)<sup>(2)</sup>: 35.9Mt @ 0.8 g/t Au (944,000 ounces contained Au) with potential to grow
    - Open for further expansion; published Resource constrained to maximum 250m depth
  - Metallurgical testwork shows excellent characteristics for recovery

(1) Ownership as at May 13, 2021

(2) Mineral Resources JORC-compliant



# Ausgold Limited

**Ownership stake:** 9.9%<sup>(1)</sup>

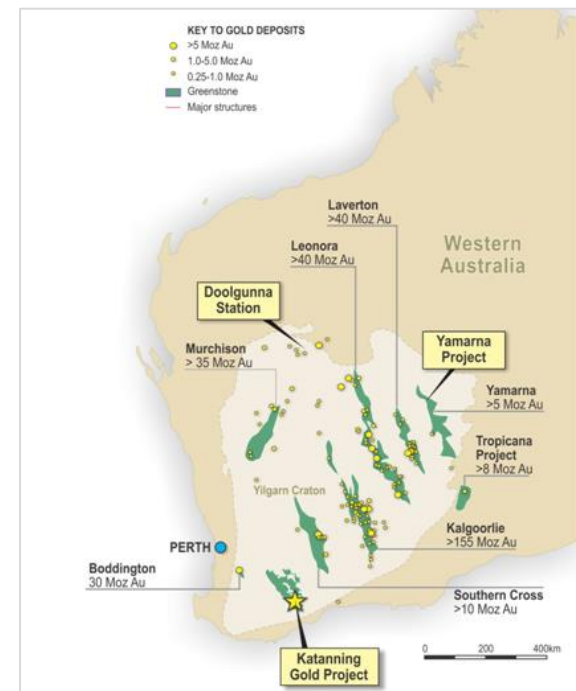
**Key asset:** Katanning gold project, Western Australia

**Stage:** Exploration

- Expected Upside/Reason for Investment:
  - Major optionality with highly-prospective gold and copper exploration in Western Australia (+4,000 km<sup>2</sup> landholding)
  - Mineral Resource<sup>(2)</sup>: 1.54 million ounces contained gold
  - Resource supports a standalone +100koz/yr operation
  - Potential for larger scale
  - Large exploration program underway to unlock significant value
  - Access to excellent infrastructure

(1) Ownership as at May 13, 2021

(2) Mineral Resources JORC-compliant



# Magna Mining

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**Ownership stake:** 10.5%<sup>(1)</sup>

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**Key asset:** Shakespeare project, Sudbury, Ontario

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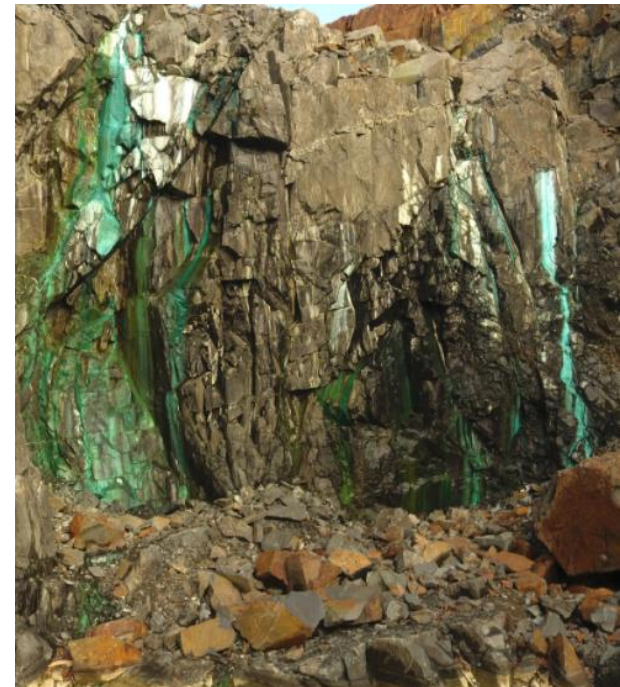
**Stage:** Exploration and Development

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- Expected Upside/Reason for Investment:
  - Large, underexplored land package in world-class Sudbury mining district
  - Highly-prospective for nickel, copper and PGMs
  - Major permits in place for construction of 4,500 tpd mill and recommencement of open pit mining
  - Mineral Resource (Indicated)<sup>(2)</sup>: 14.4Mt @ 0.63% Ni Eq.
  - Mineral Resource (Inferred)<sup>(2)</sup>: 1.7Mt @ 0.54% Ni Eq.
  - Excellent proximity to infrastructure

(1) Ownership as at May 13, 2021

(2) Mineral Resources NI 43-101-compliant



# Atico Mining

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**Ownership stake:** 7%<sup>(1)</sup> (convertible debentures)

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**Key asset:** El Roble copper-gold project,  
Carmen de Atrato, Colombia

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**Stage:** Producing

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- Expected Upside/Reason for Investment:
  - 90% ownership of producing, cash generating El Roble mine
  - Underexplored, large land package
  - Strategy to build a mid-tier copper-gold producer by acquiring advanced-stage projects with potential for high-margin operations and sustainable organic growth
  - Recent evaluations by Atico have identified high-grade mineralization below the lowest production levels at El Roble
  - With deposit open at depth and along strike, the 6,355 hectare project supports management's objective of scaling-up production.



(1) Ownership as at May 13, 2021



## APPENDIX: CMP

Profitable flow-through and middle market, mining-focused roll over investment fund business. Restructured and poised to grow.

**CMP** is a tax-sheltered limited partnership that raises money from Canadians who need tax deductions generated from mineral exploration.

Dundee has raised over **\$4.3 billion** since its creation in 1984.

Since 2018, Dundee has restructured this division:

- ✓ **Brought in** new management team
- ✓ **Sold off** legacy bad investments
- ✓ **Restructured** tax incentives for the buyer
- ✓ Dramatically **improved** performance
- ✓ **Fostered** a culture of teamwork with the Company to provide the opportunity to generate better returns in the long-term.

**CMP raised \$21.2 million** through successful launch of CMP 2021 Resource Limited Partnership<sup>(1)</sup>

(1) As at March 31, 2021

# APPENDIX: Venture Capital + Private Equity

## New Venture Equity Fund

- A venture capital-style investment fund investing in public and private mining companies
- Fund serves as an incubator and can lead to larger, private equity-style investments
- Since being launched March 31, 2020, fund has appreciated 77% to \$22.5 million<sup>(1)</sup>



## Private equity-style mining investing

- Our technical team does detailed due diligence work leading to larger, long-term investments
- Once due diligence is complete, we work closely with the Merchant Banking team to structure the deal, building in a commission
- The team currently has a healthy pipeline of investment opportunities in their portfolio they are evaluating

(1) As at March 31, 2021