Dundee Sustainable Technologies Inc.

(Formerly known as Nichromet Extraction Inc.)

Management's Discussion and Analysis

Years ended December 31, 2014 and 2013

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BACKGROUND

This Management Discussion and Analysis (the "MD&A") of Dundee Sustainable Technologies Inc. (formerly known as Nichromet Extraction Inc.) ("DST" or the "Corporation") constitutes management's review of the factors that affected the Corporation's financial and operating performance for the years ended December 31, 2014 and 2013. This MD&A should be read in conjunction with the Corporation's audited consolidated financial statements for the years ended December 2014 and 2013, prepared in accordance with the International Financial Reporting Standards ("IFRS"). Unless otherwise noted, all figures are in Canadian dollars, the presentation and functional currency.

INCORPORATION AND NATURE OF OPERATIONS

Incorporation
DST was incorporated under the Canada Business Corporations Act on July 22, 1997. On January 8, 2014, the following amendments to the articles of the Corporation became effective.

a) to change the name of the Corporation to "Dundee Sustainable Technologies Inc." in the English language and "Dundee Technologies Durables Inc." in the French language;

b) to change the designation of the common shares to "subordinate voting shares" and change the rights, privileges, restrictions and conditions attaching thereto; and

c) to create and authorize the issuance of an unlimited number of multiple voting shares, each multiple voting share having 10 votes.

Amalgamation and ownership
On April 1, 2014, the Corporation completed a three cornered amalgamation with Creso Exploration Inc. ("Creso"), a mineral resource company with its principal mining exploration holdings located at the Shining Tree mining camp in northern Ontario, following which the Corporation indirectly acquired all of the issued and outstanding common shares of Creso that it did not already own.

On April 8, 2014, the subordinate voting shares of the Corporation began trading on the Canadian Securities Exchange (CSE: DST).

Dundee Corporation ("Dundee") retains multiple voting shares of the Corporation, which are convertible, at the option of Dundee, into subordinate voting shares of the Corporation, for no additional consideration. The multiple voting shares of the Corporation are not listed on a stock exchange.

At December 31, 2014, Dundee owned 128.1 million subordinate voting shares and 50.0 million multiple voting shares of the Corporation giving Dundee a 63% equity interest and an 86% voting interest in the Corporation.

Nature of Operations
Since 2006, the Corporation has developed proprietary hydrometallurgical processes (the "Processes") for the extraction of base and precious metals from ores, concentrates and tailings, which cannot be exploited with conventional processes because of metallurgical or environmental issues.

The Processes are based on a chloride leach technology, a method of treating and extracting gold and/or silver and other base metals by extracting the metallic values as soluble chloride species. The approach developed at pilot level is very broad and can involve either oxide or sulfide ores. It enables the extraction of precious metals from refractory ores with content of sulfides and arsenic.

With successful pilot results completed in 2012, the next stage is to finalize the development of the technology at an industrial scale. This requires the construction of a demonstration plant operating on a continuous production basis. The demonstration plant commenced with the engineering phase in June 2013 and the commissioning of the plant is expected to be performed during the second quarter of 2015.

The processes developed by DST have been recognized as a "green technology", for which it has been awarded a $5.7 million grant for the construction of a demonstration plant ($0.7 million from the Government of Quebec and $5.0 million from the Government of Canada through its Sustainable Development Technology Fund ("SDTC")).

These Processes are subject to all technology development inherent risks and may require significant additional development, testing and investments prior to final commercialization. There can be no assurance that such technologies will be successfully further developed, or that output from any use of the Corporation's technologies could be produced at a commercial level at reasonable costs or successfully marketed. To date, the Corporation has not earned significant revenues and is considered to be in the development stage.

CORPORATE OVERVIEW

Metallurgy Processes Development

Cyanidation, a commonly used way of processing gold, produces a large amount of highly contaminated tailings. DST has developed a cyanide-free approach for the recovery of base and precious metals from two broad categories of ores namely the oxides (metals combined with oxygen) and the sulfides (metals combined with sulfur). In addition to environmental benefits, the cyanide-free process allows the exploitation of gold deposits that are facing metallurgical issues with conventional methods. The primary benefits of this new technology are shorter processing times; a reduced environmental footprint related to the inert and stable characteristics of the tailings and reduced emissions due to lower energy consumption.

The piloting of the oxide ores has been a fruitful exercise for the valuation of the sulfide ores which started in 2009. The DST process applied to the sulfide ores includes an oxidation stage in order to remove the sulfur and other impurities such as arsenic in the starting sulfide ore. The completion of this oxidative step transforms the sulfide into an oxide with the removal of the sulfur from the metal and its replacement by oxygen. When this transformation is completed, the newly formed oxide is submitted to the DST treatment, using acid leaching to collect base metals (Copper and Zinc) and hypochloride to collect the precious metals (Gold and Silver). The piloting of the sulfides (batch size of 1 ton per day ("TPD") was completed in 2012.

Business Strategy

The current stage of DST's chlorination extraction technology is the result of 15 years of efforts in combined laboratory development and pilot plant scale validation. The results obtained at a laboratory scale led to the construction of a pilot plant in 2011 and 2012 in order to pursue the development of DST's chlorination extraction technology. With successful pilot results, the next stage is to finalize the development of the technology at an industrial scale. This first requires the construction of a demonstration plant operating on a continuous production basis.

Subsequently, the demonstration plant will be processing commercial material, allowing DST to achieve positive cash flows by processing high grade gold concentrate material. When operating at full capacity, the demonstration plant will process approximately 5,000 tons of concentrate per year. The Corporation has been actively looking for various concentrate feed sources which can be processed in the demonstration plant. DST entered into preliminary agreements with identified partners to secure concentrate feed material for the demonstration plant in 2016.

In the short term, the business model encompasses the implementation of its technology in collaboration with mine owners. DST is actively pursuing negotiation and testing in view of future implementation of its technology on new mine projects.

Cyanide has been banned for usage by many countries and there are many gold ore bodies that are lying idle for lack of a process that can extract the gold without cyanide and that may represent potential users of the DST technology. The technology is of particular interest for gold mining companies and the price of gold will be a significant factor in the Corporation's future business development. Refer to "Risks and Uncertainties" section.

Research and development activities at both laboratory and pilot levels are carried out in house except for the verification of certain results which are referred to independent laboratories and in parallel with the construction of the demonstration plant.

Intellectual Property

DST's technology is protected by patents filed during the development of the technology to reinforce the level of protection. To date, DST has obtained patents on 13 different processes for its technologies. The Corporation has 33 patents granted or published in 14 countries and 32 patents pending or filed in 20 countries. The patents to which the Corporation currently has rights expire between 2022 and 2032.

CONSTRUCTION OF THE DEMONSTRATION PLANT AND PROCESSING

Construction phase

The demonstration plant will have a capacity of 15 TPD in order to assess on an industrial scale DST's chlorination extraction technology under continuous operating conditions. The demonstration plant will offer the first test of DST's chlorination extraction technology in an operating environment with industrial conditions. The scale-up factor is in the order of 15:1 compared to the pilot installation. Although the size of the demonstration plant seems modest according to references in the mining industry, it is large enough to establish the credibility of the process on an industrial scale. This demonstration plant will serve as reference for the establishment of full scale plants operating with the same technology.

The construction and operation of the demonstration plant, which commenced in June 2013, is now budgeted at $25 million from the original budget of $27 million. This budget includes a contingency of approximately 15%. At present, the construction has been conducted according to the plan with no major issues and the contingency has not been used. The important savings are related to the acquisition cost of equipment due to successful negotiation of the quotation terms for construction with contractors and to a close follow-up of the construction costs.

The commissioning of the demonstration facilities is scheduled for completion in the second quarter of 2015. At December 31, 2014, the Corporation has expended $11 million towards the construction of the demonstration plant and the following milestones have been achieved:

Year ended December 31, 2014

- As part of the Contribution Agreement, the Corporation received in 2014, $3.2 million from the SDTC.

- Construction of the demonstration plant completed at 85%:
  - Completion of the structural engineering and building reinforcement;
  - Modification of warehouse for loading-unloading station and products storage;
  - Installation of the major pieces of equipment such as scrubbers, filter, bag house, reactors, fluid bed, bucket elevator, holding tanks, feeding bins, etc.
  - Completion of the construction and commissioning of the effluent treatment plant;
  - Completion of the construction and commissioning of the plant services such as compressed air, chiller, process water, cooling water;
  - Construction of the electrical room, the control room and wiring of most of the electrical components;
  - Installation of the instrumentation and control panels;
  - Programing of the automation system;
  - Completion of the commissioning for the oxidation circuit;
  - Approval and start-up of the burner system in the fluid bed roaster;
  - Curing of the refractory material in the fluid bed roaster; and
  - Development of the operation procedures and operation manual.

Development work in the laboratory of the Corporation has been dedicated to the following aspects during the year 2014:

- Optimisation of the arsenic vitrification technology with flue dusts from Namibia;
- Detailed engineering of the arsenic vitrification pilot;
- Optimisation of a process for recovering Zinc, Silver and Copper in a high arsenical material from Northern Ontario;
- Development of a new technique for recovering silver in high grade Mexican ores;
- Development and filing a patent for cost savings in the DST gold extraction process, by replacement of sodium by calcium;
- Successful gold extraction from amalgamation tailings from Nicaragua;
- Successful gold extraction in high grade material from Peru and Colorado;
- Copper recovery from Chelopech pyrite tailings by electrodeposition;
- Successful application of sonochemistry for nickel extraction with dilute sulfuric acid on laterites from Guatemala, Cuba, the USA and the Dominican Republic;
- Filing a patent for nickel extraction using sonochemistry;
- Successful application of sonochemistry for production of various fertilizers: Potassium-magnesium sulfate, Magnesium sulfate from serpentine tailings, Potassium phosphate and Potassium-ammonium phosphate from apatite;
- Filing a patent for fertilizer production using sonochemistry;
- Development of an approach to extract precious metals and to stabilize toxic elements from Baja California mine tailings;
- Development and testing of a process to extract lithium from spodumene using sonochemistry;
- Testing methods for stabilizing arsenic from acid solutions;
- Development of flotation methods for oxide ores; and
- Development of sulfurization methods of oxide ores in order to concentrate by standard flotation.

Year ended December 31, 2013

- As part of the Contribution Agreement, the Corporation received $0.7 million from SDTC.
- Engineering for the fluidized bed for the demonstration plant;
- Beginning of the engineering of the demonstration plant; and
- Activities in the pilot plant: analysis of the gold absorption system over carbon in relation with bromine recycling; modelisation of the process; deposition of gold on silica; silver extraction from complex ore; vitrification of arsenic containing other toxic elements and recovery of precious metals from waste electronic products.

Consortium Agreements

In order to establish the proof of concept of the Corporation's Processes, the Corporation signed consortium agreements with SDTC, Dundee Precious Metals Inc. ("DPM") and Creso in June 2013. SDTC agreed to financially assist the Corporation in developing and demonstrating its technology by contributing up to $5 million upon meeting certain conditions.

DPM agreed to supply up to 3,000 tons of pyrite concentrate at its own cost to the Corporation. In 2014, the Corporation was supplied with 600 tons of such concentrate. The bulk sample from Bulgaria was extracted at DPM's cost, the concentrate was shipped to DST in 2014 and the extracted metals will be given back to DPM. The processing of materials from DPM is scheduled during the first four month period of operations.

Creso also signed a consortium agreement with the Corporation to develop the Minto gold deposit using DST's technology.

The Project will use an open pit mining method to extract a 30,000 tonne bulk sample, at a projected rate of 1,200 TPD. Crushing and stockpiling for processing will be done onsite. The modular processing plant to be constructed or acquired by the Corporation will include grinding and flotation and is planned to operate at a rate of 300 TPD. The concentrate product will be transported to the Corporation's demonstration plant in Thetford Mines. The construction or acquisition of the concentrator and the processing at an estimated cost of $4.4 million is part of the demonstration plant budget whereas the extraction cost is not part of the budget.

Originally, this operation was scheduled to begin once the permitting process was completed, and was anticipated to last for approximately eight months, during which time, the site was to be prepared, a concentrator was to be built and the bulk sample mined and processed.

The Corporation delayed the Minto project to allow some time for the evaluation of a concentrator owned by Dundee in Mexico. In 2014, DST performed a mechanical inspection of the concentrator and concluded that the equipment is in conformity with DST's design requirement but it requires refurbishment. At present, the Corporation is evaluating this option as opposed to the acquisition of a new concentrator. DST would like to acquire this equipment or new equipment for its own usage as part of the overall demonstration plant budget. The acquisition and refurbishment of the concentrator is subject to securing a financing.

Considering the difficult market conditions in the mining sector, the Corporation decided to stop the permitting process of the Minto bulk sampling and is evaluating other projects in order to de-risk the extraction cost of the bulk sampling. The Corporation is in discussions with several mining companies that are willing to cover the extraction cost.

INFORMATION ON EQUITY

On January 8, 2014, the amendments to the articles of the Corporation became effective. Following the amendments, the authorized capital of the Corporation consists of an unlimited number of subordinate voting shares and multiple voting shares, without nominal or par value. The holders of subordinate voting shares are entitled to one vote for each subordinate voting share and the holders of multiple voting shares are entitled to ten votes for each multiple voting share. The holders of subordinate voting shares and multiple voting shares shall be entitled to receive and to participate equally as to dividends, share for share, in an equal amount on all the subordinate voting shares and multiple voting shares at the time outstanding. The holder of multiple voting shares shall be entitled at any time and from time-to-time to have any or all of the multiple voting shares converted into subordinate voting shares on the basis of one subordinate voting share for each multiple voting share. In all other respects, the holders of subordinate voting shares and multiple voting shares shall rank equally and the same rights and restrictions.

	March 24, 2015
Subordinate voting shares issued	231,706,201
Options	22,152,500
Warrants	50,000,000
Total – fully diluted subordinate voting shares	**303,858,701**
Multiple voting shares issued (each multiple voting shares have 10 votes)	**50,000,000**

(1) At March 24, 2015, Dundee owned 128,068,497 subordinate voting shares of the Corporation (55%), all of the outstanding multiple voting shares and 50,000,000 warrants at an exercise price of $0.10 until July 9, 2015.

STOCK OPTION PLAN

The Board of Directors of the Corporation has full and final discretion to designate the persons who are to be granted options and to determine such number of options as well as their exercise price and vesting period. The exercise price shall not be less than that permitted under the rules of any stock exchange on which the subordinate voting shares are listed. The purpose of the stock option plan is to serve as an incentive for the directors, officers, employees and service providers who will be motivated by the Corporation's success as well as to promote ownership of common shares of the Corporation by these people. There is no performance indicator relating to profitability or risk attached to the plan.

FINANCING ACTIVITIES

Private placements

Year ended December 31, 2014

Short term loan (Refer to the *Subsequent Events* section)
On January 8, 2014, Dundee agreed to loan $3,000,000 to the Corporation (the "First Bridge Loan"). The funds from this loan were disbursed on January 31, 2014. The First Bridge Loan is secured by the Corporation's assets, bears interest at the rate of 12.68% per annum and matures on November 14, 2014.

On July 3, 2014, Dundee agreed to make available, under certain conditions, an additional $3,000,000 to the Corporation (the "Second Bridge Loan") under the same terms as the First Bridge Loan. An initial advance of $500,000 was made on July 4, 2014. An additional advance of $1,500,000 was made on August 13, 2014.

On July 10, 2014, Dundee sold, transferred, assigned and conveyed the First and Second Bridge Loans to its wholly-owned subsidiary, Dundee Resources Limited.

Exercise of warrants and options
Following the exercise of warrants, the Corporation received proceeds of $82,400. In addition, options were exercised for proceeds of $275,000.

Year ended December 31, 2013

Private placement
On July 9, 2013, the Corporation closed a non-brokered private placement with Dundee for gross proceeds of $5,000,000. The financing consisted of the issuance of 50,000,000 units at a price of $0.10 per unit. Each unit comprises one common share and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share at a price of $0.10 for a two-year period following closing.

Exercise of warrants and options
Following the exercise of warrants by Dundee, the Corporation received proceeds of $1,425,000. In addition, options were exercised for proceeds of $30,000.

INVESTING ACTIVITIES

Acquisition of Creso
On July 9, 2013, Dundee and a company controlled by an executive of Dundee sold to the Corporation 19,779,000 common shares of Creso and 9,500,000 common share purchase warrants of Creso and in exchange, the Corporation issued 9,889,510 of its common shares. On April 1, 2014, the Corporation completed a three cornered amalgamation with Creso, following which the Corporation indirectly acquired all of the issued and outstanding common shares of Creso that it did not already own.

In addition, promissory notes in the principal amount of $700,000, disbursed in 2013, were receivable as at December 31, 2013 from Creso. The unsecured notes were due on July 10, 2014 and bore an annual interest rate of 6% payable at maturity. Following the acquisition of Creso, all intercompany transactions, including the promissory notes, have been eliminated in the 2014 consolidated financial statements.

Transaction costs in the amount of $278,408 incurred in connection with the acquisition of Creso consisted mainly of legal and auditors' fees, and trustee fees. These costs were originally capitalized in the "Other Assets" ($157,881 – December 31, 2013) and were considered as part of the purchase price paid on April 1, 2014.

Exploration and evaluation assets
The Corporation's mineral exploration holdings, consisting of 100% owned Minto, Tyranite, Duggan and Mann properties, are located in the Shining Tree mining camp of Northern Ontario.

DST's accounting policy is to capitalize the exploration and evaluation ("E&E") costs of non-producing mineral properties. E&E assets are comprised of mineral properties and deferred E&E expenditures. From the acquisition date of Creso on April 1, 2014 until December 31, 2014, DST incurred E&E expenditures of $160,006 on its Shining Tree properties consisting of assays ($3,658), geology ($4,788), logistic expenditures ($102,235), bulk sampling ($5,667) and depreciation charges related to camp and infrastructure assets ($43,658).

As at December 31, 2014, the Corporation recorded an impairment of $22.2 million representing all costs on the Shinning Tree properties. These properties were acquired as part of the acquisition of Creso with the intent of using the mineral extracted from the properties to further advance the testing of its proprietary technological processes and for future processing. The Corporation has subsequently decided to foreclose any further investment or funding of the properties in order to de-risk the extraction cost and is in the process of arranging for alternative means to obtain the minerals needed to complete the testing.

Accordingly, the recoverable amount of the undeveloped properties was determined to be nil. The fair value less costs to sell for these properties is estimated to be a nominal amount considering the depressed market conditions and that substantial expenditures are required in order to delineate mineral resources. The value-in-use is also estimated to be nominal considering the properties' current stage of advancement.

LIQUIDITY AND WORKING CAPITAL

On December 31, 2014, the working capital of the Corporation was at negative $7,414,126 ($2,370,127 as at December 31, 2013). This working capital deficiency includes a $6,105,473 short-term loan (principal and accrued interest) from Dundee. Management estimates that the Corporation will not have sufficient funds to meet its obligations and budgeted expenditures through to December 31, 2015. The Corporation will therefore periodically have to raise additional funds to continue operations. The Corporation is pursuing financing alternatives to fund its operations and to continue its activities as a going concern. Although there is no assurance that the Corporation will be successful in these actions, management is confident that it will be able to secure the necessary financing through the issuance of debt or new equity in public or privately negotiated equity offering. While it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. Refer to the "Subsequent Events" and "Outlook for 2015" Section.

DISCUSSION AND ANALYSIS OF OPERATIONS

The Corporation reported a loss of $31,178,787 in 2014 versus a loss of $3,986,403 in 2013.

Reflective of its current stage of development, the Corporation does not report any revenue.

The Corporation's total operating expenses, including the impairment of $22.2 million, amounted to $30,887,431 in 2014 as compared to $6,170,356 in 2013. The major components of the operating expenses are as follows:

Research and development

Following are the details of research and development expenses:

	2014	2013
	$	$
Wages and compensation	1,403,289	1,088,762
Contractors	1,258,990	1,314,777
Building maintenance	659,722	410,576
Equipment	4,146,332	1,234,466
Consumables	278,960	261,168
Other	570,127	481,161
Research and development expenses	**8,317,420**	**4,790,910**
Government assistance and tax credits	(2,344,507)	(902,612)
Research and development expenses, net	**5,972,913**	**3,888,298**

The Corporation has spent in total $10,934,486 for the construction of the demonstration plant from which a total of $3,077,533 was incurred in 2013 and the difference of $7,856,953 was incurred in 2014. The remaining expenses relate to research activities conducted in the pilot plant.

Government assistance consisting mainly of the SDTC contribution amounted to $2,124,417 in 2014 ($656,543 in 2013).

Tax credits amounted to $220,090 in 2014 ($246,069 in 2013) and relate to the Quebec reimbursable scientific research and experimental development tax credits.

Professional and consulting fees

Following are the details of professional and consulting fees:

	2014	2013
	$	$
Legal	251,328	247,737
Audit, audit related work and tax compliance	162,693	243,660
Accounting	343,075	49,936
Consulting administration	184,236	198,873
Consulting geology	149,635	129,456
Business development	280,975	84,060
Professional and consulting fees	**1,371,942**	**953,722**

Legal fees include corporate secretarial services and other legal fees relating to the operations and business development activities.

In addition to the fees relating to the audit of the annual consolidated financial statements, the audit fees in 2013 include an audit requirement generated by the agreement reached with the SDTC (e.g. audit of the twelve-month period ended December 2012 and 2011), the audit of the nine-month period ended September 30, 2013 for the listing of DST's subordinate voting shares on the CSE, the audit related work and tax compliance services of R&D credit claims and other services related to the SDTC grant.

Accounting: Remuneration of the newly appointed Chief Financial Officer in March 2014 is paid to a private company controlled by him. In addition his company charges fees for support staff in respect of accounting, bookkeeping and administration fees (Please refer to the section entitled Related Parties Transactions for more details). The employment of the former Controller was terminated at the end of March 2014. His remuneration recorded under "Wages and compensation" in the statement of comprehensive loss includes a termination payment of $75,000 in 2014. From April to December 31, 2014, he provided services for the transition at a cost of $55,175.

Consulting administration fees are fees and expenses paid to a company controlled by the former CEO and President of the Corporation. Please refer to the section entitled "Related Parties Transactions" for more details.

Consulting geology fees consist of services rendered in relation with the testing of minerals from Central America.

Business development expenses relate mainly to development activities in Central and South America.

Administrative expenses

Following are the details of the administrative expenses:

	2014	**2013**
	$	**$**
Insurance	119,789	89,378
Rent	117,592	70,487
Website and technical support	51,404	34,392
Telecommunications	45,290	22,639
Transportation and accommodation	125,186	11,728
Others	86,186	41,832
Administrative expenses	**545,447**	**270,456**

Subsequent to the acquisition of Creso, the Corporation began consolidating the operating results, cash flows and net assets of Creso effective April 1, 2014. The increase in administrative expenses is mainly due to the consolidation of Creso's results and in particular insurance and rent.

Transportation and accommodation expenses in 2014 relate mainly to business development activities conducted in Central and South America and financing efforts to raise capital in Europe, Asia and North America.

Additional expenses were incurred relating to trustee fees, registration fees, investor relation and promotion following the listing of the Corporation on the Exchange in April 2014.

Share-based payments
The total share-based payment expense totalled $211,575 in 2014 as compared to $759,047 in 2013.

In 2014, the Corporation granted a total of 1,502,500 stock options to its directors, officers, employees and a consultant and 500,000 to consultants performing investor relation activities. These options are exercisable at $0.20 per share and vested at the grant date except for the options granted to the consultants performing investor relations activities which will vest in stages over 12 months. These options expire on the fifth anniversary of their date of issuance.

In 2013, the Corporation granted a total of 700,000 stock options exercisable at $0.20 per share and 12,550,000 stock options exercisable at $0.10 per share and expiring on the fifth anniversary of their date of issuance. All options vested on the date of the grant.

Impairment of exploration and evaluation assets
As at December 31, 2014, the Corporation recorded impairment charges of all costs on the Shinning Tree properties. These properties were acquired as part of the acquisition of Creso with the intent of using the mineral extracted from the properties to further advance the testing of its proprietary technological processes and for future processing. The Corporation has subsequently decided to foreclose any further investment or funding of the properties in order to de-risk the extraction cost and is in the process of arranging for alternative means to obtain the minerals needed to complete the testing.

Accordingly, the recoverable amount of the undeveloped properties was determined to be nil. The fair value less costs to sell for these properties is estimated to be a nominal amount considering the depressed market conditions and that substantial expenditures are required in order to delineate mineral resources. The value-in-use is also estimated to be nominal considering the properties' current stage of advancement.

Other gains and losses
A realized gain of $143,109 was recorded in 2014 on the investment in Creso (an unrealized gain of $2,126,184 in 2013). This gain reflects the change in the fair value of the Creso common shares and warrants already owned by the Corporation from December 31, 2013 ($2,770,654) to April 1, 2014, date on which control was obtained by the Corporation ($2,913,763).

Interest expense relates to the Dundee First and Second Bridge Loans.

SELECTED ANNUAL INFORMATION

The following table sets forth selected historical financial information for the Corporation for the years ended December 31, 2014, 2013 and 2012.

	2014	2013	2012
	$	$	$
Total revenue	Nil	Nil	Nil
Net loss and comprehensive loss	31,178,787	3,986,403	3,802,431
Basic and diluted net loss per share	(0.12)	(0.02)	(0.03)
Total assets	5,413,918	10,505,439	6,287,825
Total non-current financial liabilities	Nil	Nil	Nil
Distribution cash dividend	Nil	Nil	Nil

Total assets in 2013 include investments in Creso of $2,770,654. Following the acquisition of Creso, this subsidiary is consolidated in 2014. The variation in Net loss and comprehensive loss is mainly attributable to the level of research and development activities over the years and to the impairment charge of the E&E assets of $22,245,407 in 2014. In addition, a gain of $143,109 and $2,126,184 was recorded in 2014 and 2013 respectively on the investments in Creso.

SELECTED QUARTERLY INFORMATION

The following table sets forth selected historical financial information for the Corporation from the last eight quarters. Such information is derived from the Corporation's interim unaudited financial statements prepared in accordance with IFRS.

	Q4-14	Q3-14	Q2-14	Q1-14
	$	$	$	$
Total revenue	Nil	Nil	Nil	Nil
Net loss and comprehensive loss	23,966,684	2,599,094	3,357,515	1,255,494
Basic and diluted net loss per share	0.093	0.009	0.012	0.006

	Q4-13	Q3-13	Q2-13	Q1-13
	$	$	$	$
Total revenue	Nil	Nil	Nil	Nil
Net loss and comprehensive loss	1,171,143	948,613	786,548	1,080,099
Basic and diluted net loss per share	0.005	0.005	0.005	0.007

The variation in Net loss and comprehensive loss is attributable to the level of research and development activities from one quarter to the other. In addition, an unrealized loss of $1 million in Q2-2014 and a gain of $1.1 million, $0.3 million and $1.8 million was recorded in Q1-2014, Q3-2013 and Q4-2013 respectively on the investment in Creso. In Q4-2014, an impairment charge of the E&E assets of $22,245,407 was recorded in Q4-2014.

FOURTH QUARTER

Operating activities
The Corporation reported a loss of $24.0 million for the fourth quarter of 2014 ("Q4-2014") compared to a loss of $1.2 million the same period last year ("Q4-2013"). The main reasons for the variance are:

a) An impairment of E&E charge of $22.2 million relating to the Shining Tree mining assets;
b) During Q4-2014, research and development expenses totalled $0.8 million, mainly including $1.2 million of costs for the demonstration plant, and the tax credit amounted to $0.4 million. During Q4-2013, the research and development expenses totalled $2.4 million, mainly including $2.0 million of costs for the demonstration plant, and the tax credit amounted to $0.4 million. The remaining expenses relate to research activities conducted in the pilot plant.
c) Share-based payment expenses of $0.2 million ($0.7 million in Q4-2013) were recorded in Q4-2014 following the grant of options in October 2014.
d) An unrealized gain of $1.8 million was recorded in Q4-2013 on the investment in Creso.

Financing activities
The Corporation did not complete a financing in Q4-2014 and Q4-2013. During Q4-2014, the Corporation received total cash proceeds of $250,000 (Nil in Q4-2013) on exercise of options and $650,000 as a Bridge Loan from Dundee (Nil in Q4-2013).

Investing activities
On December 20, 2013, the Corporation advanced $200,000 to Creso under the same conditions as the unsecured note of $500,000 advanced on July 10, 2013. The unsecured notes were due on July 10, 2014 and bore an annual interest rate of 6% payable at maturity.

OUTLOOK FOR 2015

The construction of the demonstration plant, which commenced in June 2013, is now scheduled for completion in May 2015. The oxidation circuit is completed at 95% and the gold extraction circuit is completed at 85%. The remaining costs to complete the construction and operation of the demonstration phase are as follows:

	Budget ($ million)	**Target date**
Construction of the demonstration plant	2.0	Q2-2015
Plant optimization for commercial operation	1.6	Q4-2015
Processing of materials	3.0	In Q3 and Q4-2015
Concentrator acquisition and refurbishment	4.4	In Q3 and Q4-2015
Total	**11.0**	

The processing of materials from DPM or other parties is scheduled during the first four-month period of operations. The processing of these materials is to establish the proof of concept of the Corporation's hydrometallurgical processes.

Management estimates that the Corporation will have to raise additional money to fund its operations and to continue its activities in 2015 as follows:

	Amount ($ million)	
Short-term Loan from Dundee	2.0	Secured in February 2015
Financing by Loan or equity	7.6	Discussions in progress
Government assistance and tax credits	1.4	SDTC contribution and tax credits
Total	**11.0**	

Although there is no assurance that the Corporation will be successful in these actions, management is confident that it will be able to secure the necessary financing through the issuance of debt or new equity in public or privately negotiated equity offering. While it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

OFF BALANCE SHEET ARRANGEMENTS

The Corporation did not enter into any off-balance sheet arrangements in 2014 and 2013.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The contractual obligations of the Corporation include lease payments for the Thetford Mines facilities and the head office in Montreal.

The aggregate annual payments due over the following periods are as follows:

	2014
	$
Less than 1 year	239,355
Between 1 and 5 years	864,589
More than 5 years	799,490

In addition, at December 31, 2014, the Corporation has firm purchase commitments of equipment and services relating to the demonstration plant totalling $369,101 ($1,706,804 in 2013).

RELATED PARTY TRANSACTIONS

In addition to the transactions discussed in the financing and investing sections, details of related party transactions with the officers and directors of the Corporation and companies they control are as follows:

	2014	2013
	$	$
Professional and consulting fees		
Administration(1)	165,000	180,000
Legal(2)	126,639	148,732
Accounting (3)	274,397	-
Geology(4)	99,912	100,468
Professional(5)	109,394	56,756
Research and development(6)	181,440	172,200
	956,782	**658,156**

(1) Fees paid to a private company controlled by Pierre Gauthier, former President and Chief Executive Officer ("CEO"). Mr. Gauthier's employment was terminated on December 8, 2014.
(2) Fees paid to a private company controlled by Luce Saint-Pierre, Corporate Secretary for a total amount of $95,154 ($124,206 in 2013) and an amount of $31,485 ($24,526 in 2013) in legal fees paid to a law firm of which a director is a counsel.
(3) Starting in March 2014, remuneration of Vatche Tchakmakian, the newly appointed Chief Financial Officer, in the amount of $131,513 was paid to a private company controlled by him. In addition his company charged fees of $142,884 for support staff in respect of accounting, bookkeeping and administrative services.
(4) Fees paid to a company controlled by Salvador Brouwer, the President of Nichromet Dominicana and Nichromet Guatemala for his services in relation with the testing of minerals from Central America.
(5) Fees paid to Alfredo Galvez, the General Manager of Nichromet Guatemala for business development in Central America.
(6) Fees paid to a company controlled by a Jean-Marc Lalancette, Vice-President, Research and Development.

SUBSEQUENT EVENTS AFTER DECEMBER 31, 2014

Short-term loan
On February 19, 2015, the principal amount of the Second Bridge Loan was increased to $4,650,000 and the maturity dates of the First and Second Bridge Loans were extended to the earlier of November 30, 2015 and the date at which the Corporation raises the sum of $10,000,000 or greater by way of debt or equity. An additional advance of $900,000 was made on the same date and an amount of $800,000 was advanced on March 17, 2015.

ACCOUNTING POLICY CHANGES, CRITICAL ESTIMATES, JUDGMENTS AND ASSUMPTIONS

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. There is a full disclosure and description of the Corporation's critical accounting policies, estimates, judgments, assumptions in the financial statements as at December 31, 2014 in notes 1, 2 and 3.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Corporation is exposed to various financial risks resulting from both its operations and its investments activities. The Corporation does not enter into financial instrument agreements including derivative financial instruments for speculative purposes. The Corporation's main financial risk exposure and its financial risk management policies are disclosed in Note 18 to the annual consolidated financial statements for the years ended December 31, 2014 and 2013.

RISKS AND UNCERTAINTIES

The technology is new and the Corporation has limited history of operations that, to date has consisted primarily of research and development. The Corporation has generated no revenue from its technology and does not have experience in selling or marketing the technology. The technology has not gained significant market exposure or demonstrable market acceptance as yet. Whether the Corporation can successfully manage the transition to a commercial enterprise will depend upon a number of factors, including expanding the sales and marketing capabilities, as well as establishing relationships with strategic partners. Given the absence of clear market acceptance with respect to this line of products, there can be no assurance as to the achievability of projected market penetration rates and associated sales revenues.

There has been no independent evaluation of the Process.

While the Corporation's research with respect to the technology has, in the opinion of management, been validated in various applications and while various third parties (without limitation Dundee Precious Metals) have carried out due diligence procedures to their satisfaction, there has been no independent evaluation of the Process. There can be no assurance that we will be able to achieve our growth strategy and bring the Process to commercialization. Our inability to bring the process to commercialization will have a material adverse effect on our operations.

Intellectual Property

The Corporation relies on patents, trade secrets, trademarks and copyright laws to protect its intellectual property. The patents to which the Corporation currently has rights expire between 2022 and 2032. The Corporation's present or future-issued patents may not protect the Corporation's technological leadership, and the Corporation's patent portfolio may not continue to grow at the same rate as it has in the past. Moreover, the Corporation's patent position is subject to complex factual and legal issues that may give rise to uncertainty as to the validity, scope and enforceability of a particular patent. Accordingly, there is no assurance that: (a) any of the patents owned by the Corporation will not be invalidated, circumvented, challenged, rendered unenforceable; or (b) any of the Corporation's pending or future patent applications will be issued with the breadth of claim coverage sought by the Corporation, if issued at all. In addition, effective patent, trade secret, trademark and copyright protection may be unavailable, limited or not applied for in certain countries.

The Corporation also seeks to protect its proprietary intellectual property, including intellectual property that may not be patented or patentable, in part by confidentiality agreements and, if applicable, inventors' rights agreements with strategic partners and employees. The Corporation can provide no assurance that these agreements will not be breached, that the Corporation will have adequate remedies for any breach, or that such persons or institutions will not assert rights to intellectual property arising out of these relationships.

Management does not believe the processes infringe on the proprietary rights of third parties. There can be no assurance, however, that third parties will not claim such infringement by the Corporation with respect to current or future products or processes. Dealing with any such claims, with or without merit, could be time consuming, result in costly litigation, or require the Corporation to enter into further royalty or licensing agreements, which may or may not be available on terms acceptable to the Corporation. The failure to do any of the foregoing may have a material adverse effect on the Corporation.

Competition

The Corporation competes with other companies to develop products and services designed to extract precious and base metals. Many of these other companies have substantially greater technical and financial resources than we do. There can be no assurance that developments by others will not materially adversely affect the competitiveness of the Corporation.

The mining industry is characterized by extensive research efforts and is going through a period of rapid technological change. Competition can be expected to increase as technological advances are made and commercial applications for extraction products and services increase. Competitors of the Corporation may use different technologies or approaches to develop products and services similar to products and services which the Corporation is seeking to develop, or may develop new or enhanced products and services that may be more effective, less expensive, safer or more readily available before the Companies obtain approval of their products and services. There can be no assurance that the Corporation's products and services will compete successfully or that research and development will not render the Companies' products and services obsolete or uneconomical.

Impact of unfavourable economic and political conditions and other developments and risks.

Unfavourable global, domestic or regional economic or political conditions and other developments and risks could negatively affect the Corporation's business. For example, unfavourable changes related to interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, consumer credit availability, consumer debt levels, tax rates and policy, unemployment trends, commodity prices, oil prices, and other matters that influence, confidence and spending could adversely impact our business and results of operations. In addition, unstable political conditions or civil unrest, including terrorist activities and worldwide military and domestic disturbances and conflicts, may disrupt commerce and could have a material adverse effect on our business and results of operations.

Key personnel

The Corporation's management team of seasoned and committed industry veterans has achieved success in developing the Corporation's business. The Corporation's continued success and the execution of its growth strategy will depend, in part, on the continued service of this management team.

The Corporation's management team is composed of a relatively small group of senior executive officers. The loss of the technical knowledge, management expertise and knowledge of the Corporation's operations of one or more members of the team could result in a diversion of management resources, as the remaining members of management would need to cover the duties of any senior executive who leaves the Corporation and would need to spend time usually reserved for managing the Corporation's business to search for, hire and train new members of management. The loss of some or all of the Corporation's management team could negatively affect the Corporation's ability to develop and pursue its growth strategy, which could adversely affect its business and financial condition.

In addition, the market for key personnel in the industry in which the Corporation competes is highly competitive, and the Corporation may not be able to attract and retain key personnel with the skills and expertise necessary to manage its business.

Ability to attract and retain quality employees.

The Corporation's business is dependent upon attracting and retaining quality employees. If the Corporation were unable to hire, train and retain employees capable of developing the technology, the Corporation may not be able to maintain its competitive strength and realize on its growth strategy. The Corporation may be unable to commercialize its technology.

The Corporation's ability to meet its labour needs while controlling the costs associated with hiring and training new employees is subject to external factors such as unemployment levels, prevailing wage rates, minimum wage legislation and changing demographics. Changes that adversely impact the Corporation's ability to attract and retain quality employees could adversely affect its business.

Material disruption in computer systems

The Corporation relies extensively on its computer systems to process transactions, collect and summarize data and manage its business. Computer systems are subject to damage or interruption from power outages, computer and telecommunications failures, computer viruses, security breaches, catastrophic events such as fires, floods, earthquakes, tornadoes, hurricanes, acts of war or terrorism, and usage errors by our employees. If the Corporation's computer systems are damaged or cease to function properly, the Corporation may have to make a significant investment to fix or replace them, and may suffer loss of critical data and interruptions or delays in operations in the interim. Any material interruption in the computer systems could adversely affect the Corporation's business or results of operations and reputation.

Regulations

The Corporation is subject to customs, environmental and other laws. Although the Corporation undertakes to monitor changes in these laws, if these laws change without the Corporation's knowledge, it could be subject to fines or other penalties under the controlling regulations, any of which could adversely affect its business.

Insurance related risks.

The Corporation maintains directors and officers insurance, liability insurance, and property insurance. However, there is no guarantee that the insurance coverage will be sufficient, or that insurance proceeds will be timely paid to the Corporation. In addition, there are types of losses we may incur but against which the Corporation cannot be insured or which management believes are not economically reasonable to insure, such as losses due to acts of war and certain natural disasters. If the Corporation incurs these losses and they are material, the Corporation's business, operating results and financial condition may be adversely affected. Also, certain material events may result in sizable losses for the insurance industry and materially adversely impact the availability of adequate insurance coverage or result in significant premium increases. Accordingly, the Corporation may elect to self-insure, accept higher deductibles or reduce the coverage.

Environment

The Corporation could be liable for environmental damages resulting from its research, development operations.

The Corporation's business is exposed to the risk of harmful substances escaping into the environment, resulting in personal injury or loss of life, damage to or destruction of property, and natural resource damage. Depending on the nature of the claim, the Corporation's current insurance policies may not adequately reimburse us for costs incurred in settling environmental damage claims, and in some instances, we may not be reimbursed at all.

Commodity risk

Commodity price risk is the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The price of gold and precious metals may affect the profitability of the Corporation. Historically, such prices have fluctuated and are affected by numerous factors outside of the Corporation's control, including, but not limited to: industrial and retail demand, central bank lending, forward sales by producers and speculators, levels of worldwide production, short-term changes in supply and demand because of speculative hedging activities and other factors such as significant mine closures.

Going concern

Management estimates that the Corporation will not have sufficient funds to meet its obligations and budgeted expenditures through to December 31, 2015. The Corporation will therefore periodically have to raise additional funds to continue operations. The Corporation is pursuing financing alternatives to fund its operations and to continue its activities as a going concern. Although there is no assurance that the Corporation will be successful in these actions, management is confident that it will be able to secure the necessary financing through the issuance of debt or new equity in a public or private equity offering. While it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

Although the referenced consolidated financial statements have been prepared using IFRS applicable to a going concern, the above-noted facts and circumstances cast significant doubt on the Corporation's ability to continue as a going concern.

The referenced consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, to the reported expenses and to the financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

FORWARD LOOKING STATEMENTS

DST's public communications may include written or oral forward looking statements. Statements of this type are included in this MD&A, and may be included in other filings with the Canadian regulators, stock exchanges or in other communications. All such statements constitute forward looking information within the meaning of securities law and are made pursuant to the "safe harbour" provisions of applicable securities laws. Forward looking statements may include, but are not limited to, statements about anticipated future events or results including comments with respect to the Corporation's objectives and priorities for 2015 and beyond, and strategies or further actions with respect to the Corporation, its products and services, business operations, financial performance and condition. Forward looking statements are statements that are predictive in nature, depend upon or refer to future events or conditions or include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates" or similar expressions concerning matters that are not historical facts. Such statements are based on current expectations of the Corporation's management and inherently involve numerous risks and uncertainties, known and unknown, including economic factors and those affecting the technology and resources industries generally. The forward looking information contained in this MD&A is presented for the purpose of assisting shareholders in understanding business and strategic priorities and objectives as at the periods indicated and may not be appropriate for other purposes.

A number of risks, uncertainties and other factors may cause actual results to differ materially from the forward looking statements contained in this MD&A, including, among other factors and without limitation, those referenced in the section above entitled "Risks and Uncertainties". The preceding list is not exhaustive of all possible risk factors that may influence actual results, and is compiled based upon information available as of the issuance date of this MDA.

Forward looking statements contained in this MD&A are not guarantees of future performance and, while forward looking statements are based on certain assumptions that the Corporation considers reasonable, actual events and results could differ materially from those expressed or implied by forward looking statements made by the Corporation. Prospective investors are cautioned to consider these and other factors carefully when making decisions with respect to the Corporation and not place undue reliance on forward looking statements. Circumstances affecting the Corporation may change rapidly. Except as may be required by applicable law, the Corporation does not undertake any obligation to update publicly or revise any such forward looking statements, whether as a result of new information, future events or otherwise.

INFORMATION CONCERNING DUNDEE SUSTAINABLE TECHNOLOGIES

Additional information relating to Dundee Sustainable Technologies, may be found on SEDAR at www.sedar.com and the Corporation's website at www.dundeetechnologies.com.

March 24, 2015

(s) John Mercer
John Mercer
President and CEO

(s) Vatche Tchakmakian
Vatche Tchakmakian
CFO