Dundee Sustainable Technologies Inc.

Management's Discussion and Analysis

For the six months ended June 30, 2015

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BACKGROUND

This Management's Discussion and Analysis ("MD&A") of Dundee Sustainable Technologies Inc. ("DST" or the "Corporation") has been prepared with an effective date of August 3, 2015 and provides an update on matters discussed in, and should be read in conjunction with the Corporation's audited consolidated financial statements, including the notes thereto, as at and for the year ended December 31, 2014 (the "2014 Audited Consolidated Financial Statements"), together with the accompanying MD&A for the year then ended, and with the unaudited condensed interim consolidated financial statements of the Corporation as at and for the six months ended June 30, 2015 (the "June 2015 Interim Consolidated Financial Statements"), all of which have been prepared using International Financial Reporting Standards ("IFRS"). All amounts in this MD&A are in Canadian dollars unless otherwise specified.

INCORPORATION AND NATURE OF OPERATIONS

Incorporation
The Corporation was incorporated under the Canada Business Corporations Act on July 22, 1997. Its articles of incorporation were amended on January 8, 2014, to change the name of the Corporation, formerly known as Nichromet Extraction Inc., to "Dundee Sustainable Technologies Inc" in the English language and "Dundee Technologies Durables Inc." in the French language. The Corporation's head office is located at 600 De Maisonneuve Boulevard West, Suite 2750, Montréal, Quebec, Canada, H3A 3J2.

The authorized capital of the Corporation consists of an unlimited number of subordinate voting shares and multiple voting shares, each multiple voting share having 10 votes.

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 June 30, 2015, Dundee owned 128.1 million subordinate voting shares and 50.0 million multiple voting shares of the Corporation giving Dundee a 60% equity interest and an 84% 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 basis. The construction of the plant commenced with the engineering phase in June 2013 and was completed in June 2015. The commissioning of the plant is expected to be completed within weeks.

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 or environmental permitting 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 2010. 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 and operation of a pilot plant between 2010 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 required the construction of a demonstration plant operating on a continuous basis.

Subsequently, the demonstration plant will be 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 patents granted or published on 10 different processes for its technologies. The Corporation has 32 patents granted or published and 43 patents pending or filed in 25 countries. The patents to which the Corporation currently has rights expire between 2022 and 2033.

CONSTRUCTION OF THE DEMONSTRATION PLANT AND PROCESSING

Construction phase

The demonstration plant will have a capacity of 15 TPD of concentrate 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. 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 construction of the plant was completed in June 2015 and its commissioning is expected to be completed within weeks.

At June 30, 2015, the Corporation has expended $13.4 million towards the construction of the demonstration plant and the following milestones have been achieved during the second quarter of 2015:

- Finalisation of the construction of the oxidation circuit (roaster, calcine handling and gas treatment);
- Finalisation of the construction of the chlorination circuit for gold extraction;
- Finalisation of the construction and start-up of the utilities (boiler, cooling water, process water, etc);
- Finalisation of the warehouse facilities for reception of chemicals and storage of products;
- Preparation work in term of equipment, procedure and training in prevision of supporting the operation of the demonstration plant.

Development work in the laboratory of the Corporation has been dedicated to the following aspects during the second quarter of 2015:

- Application of the chlorination process on samples from Chile, Argentina and Peru;
- Continuation work for the optimisation technology relating to the arsenic vitrification process;
- Development work on a novel arsenic removal process for copper/gold concentrates;

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 Exploration Inc. ("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, from its Bulgarian mining operations, at its own cost. In 2014, the Corporation was supplied with 600 tons of such concentrate and the extracted metals shall 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 plan was to use an open pit mining method to extract a 30,000 tonne bulk sample. 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.

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 and is in the process of arranging for alternative means to obtain the minerals needed to complete the testing.

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.

	August 3, 2015 (1)
Subordinate voting shares issued	297,090,816
Options	21,277,500
Total – fully diluted subordinate voting shares	**318,368,316**
Multiple voting shares issued (each multiple voting shares have 10 votes)	**50,000,000**

(1) At August 3, 2015, Dundee owned 178,068,497 subordinate voting shares of the Corporation (60%) and all of the outstanding multiple voting shares.

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

Six months ended June 30, 2015
Private placement
In May 2015, the Corporation completed a $5 million financing with Investissement Quebec ("IQ") consisting of a secured convertible loan (the IQ Loan") in an amount of up to $4 million and the issuance of 15,384,615 subordinate voting shares at a price of $0.065 per share, for proceeds to the Corporation of $1 million (the "Private Placement"). The financing will be used to fund completion and operation of its demonstration plant, the installation of a concentrator and for working capital purposes.

Issuance cost of $64,876 relating to the Private Placement consisted mainly of legal fees.

IQ Loan
The IQ Loan, which is evidenced by a secured convertible debenture, will mature in five years, bears interest at a rate of 8% per annum, payable quarterly, and can be converted after one year at the holder's option into subordinate voting shares of the Corporation at a conversion price equal to the closing market price of the shares on the day prior to conversion. After the first anniversary of the IQ Loan, the Corporation has the right to redeem the IQ Loan subject to a 10% premium.

IQ will advance this loan to the Corporation in a maximum of four instalments, during the construction and operation by the Corporation of its demonstration plant, based on the Corporation's liquidity needs, subject to a number of conditions. IQ advanced $1.9 million in July 2015. Refer to the "Subsequent Events" Section.

The IQ Loan is secured by a hypothec over all of the Corporation's property other than its intellectual property and is guaranteed by Dundee, in an amount of up to $1.5 million.

In connection with the IQ financing, the Corporation has entered into an agreement with IQ granting IQ the right to appoint one member of the Board of Directors of the Corporation.

Transaction costs in the amount of $89,856 incurred in connection with the IQ loan consist mainly of legal fees. These costs are originally capitalized in the "Other Assets" until the loan is disbursed.

Short-term loan with a related party
In 2014, Dundee Resources Limited, a wholly-owned subsidiary of Dundee, agreed to loan (the "Short-term Loan") up to $6,000,000 to the Corporation. In February 2015, the aggregate amount of the loan facility was increased by $1,650,000. During the first six months of 2015, an amount of $2 million was advanced bringing the total advance to $7,650,000 as at June 30, 2015.

The loans are secured by the Corporation's assets, pari passu with the IQ hypothec, bear interest at the rate of 12.68% per annum and mature on the earlier of November 30, 2015 and the date at which the Corporation raises the sum of $10 million or greater by way of debt or equity.

Bridge loan
In April 2015, an unsecured bridge loan, payable on demand, of $200,000 was advanced to the Corporation. The loan was reimbursed in May 2015.

In June, 2015, an unsecured bridge loan, payable on demand, of $300,000 was advanced to the Corporation. The loan was reimbursed in July 2015. Refer to the "Subsequent Events" Section.

Six-months ended June 30, 2014

Short term loan with a related party

During the first six months of 2014, an amount of $3 million was advanced by Dundee as per the conditions described above.

Exercise of warrants and options

Following the exercise of 112,000 warrants to purchase the same number of subordinated voting shares, the Corporation received proceeds of $22,400. In addition, 250,000 options were exercised for proceeds of $25,000.

LIQUIDITY AND WORKING CAPITAL

On June 30, 2015, the working capital of the Corporation was at negative $10,214,146 (negative $7,414,126 as at December 31, 2014). This working capital deficiency includes a $8,538,590 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 June 30, 2016. 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.

In July 2015 and while there is doubt as to the Corporation's ability to meet its commitments, the Corporation issued new equity for cash in the amount of $5 million following the exercise by Dundee of all its warrants in DST and secured a $0.9 million non-interest bearing and repayable contribution from Canada Economic Development ("CED"). Refer to the "Subsequent Events" and "Outlook for 2015" Section. 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.

DISCUSSION AND ANALYSIS OF OPERATIONS

The Corporation reported a loss of $1,904,649 and $3,703,984 during the three and six months ended June 30, 2015, versus a loss of $3,357,515 and $4,613,009 in the same period of the prior year.

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

The Corporation's total operating expenses amounted to $1,658,557 and $3,253,166 during the three and six months ended June 30, 2015 as compared to $2,264,965 and $4,636,286 in the same period of 2014. The major components of the operating expenses are as follows:

Research and development

Following are the details of research and development expenses:

	Three-month period ended June 30		Six-month period ended June 30,	
	2015	**2014**	**2015**	**2014**
				$
Wages and compensation	407,258	347,812	769,001	683,058
Contractors	317,072	423,128	614,263	769,876
Building maintenance	124,665	154,915	251,394	457,681
Equipment	233,422	1,092,911	568,342	2,492,150
Consumables	113,052	69,984	178,132	152,282
Other	156,455	222,818	324,063	281,450
Research and development expenses	**1,351,924**	**2,311,568**	**2,705,195**	**4,836,497**
Government assistance and tax credits	(257,937)	(661,571)	(621,089)	(1,357,972)
Research and development expenses, net	**1,093,987**	**1,649,997**	**2,084,106**	**3,478,525**

The Corporation has spent in total $13,390,312 for the construction of the demonstration plant from which a total of $10,934,486 was incurred in 2013 and 2014; and the difference of $2,455,826 was incurred in the six months ended June 30, 2015. The remaining expenses relate to research activities conducted in the pilot plant.

During the three months ended June 30, 2015, research and development expenses of $1,195,295 relate to the cost of the demonstration plant. The remaining expenses relate to research activities conducted in the pilot plant.

Government assistance consisting of the SDTC contribution amounted to $621,137 in the six months ended June 30, 2015 ($1,222,746 in the same period of prior year).

Tax credits amounted to $135,226 in the six months ended June 30, 2014 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:

	Three-month period ended June 30		Six months ended June 30,	
		2014		**2014**
	2015		**2015**	**$**
Legal	27,263	87,170	39,376	146,754
Audit, audit related work and tax compliance	50,000	12,650	160,000	101,213
Accounting	101,432	114,491	199,032	155,803
Consulting administration	82,500	45,000	120,000	94,236
Consulting geology	4,000	50,754	25,007	88,485
Business development	27,037	25,932	74,086	65,897
Professional and consulting fees	**292,232**	**335,997**	**617,501**	**652,388**

Legal fees include corporate secretarial services and other legal fees relating to the operations and business development activities. Higher legal fees in the three and six months ended June 30, 2014 as compared to the same period of this year is mainly due to the listing of the Corporation on the CSE in 2014.

Audit, audit related work and tax compliance: The increase in fees this quarter as compared to the prior year's quarter is mainly due to services required following the examination of the 2013 R&D expenditures by the tax authorities.

Accounting: Remuneration of the Chief Financial Officer, appointed 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 his regular pay and a termination payment for an aggregate amount of $100,987.

Consulting administration fees are fees paid to a company controlled by the CEO and President of the Corporation in the first six months of 2015 (the former CEO and President in the first six months of 2014). 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:

	Three-month period ended June 30		Six months ended June 30,	
	2015	**2014**	**2015**	**2014**
				$
Insurance	24,188	29,775	49,547	52,430
Rent	28,790	30,172	54,089	47,961
Website and technical support	14,695	12,607	29,624	20,989
Transportation and accommodation	21,841	7,458	64,218	19,110
Telecommunications and others	67,876	69,504	99,798	82,745
Administrative expenses	**157,390**	**149,516**	**297,276**	**223,235**

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.

Transportation and accommodation expenses relate mainly to business development activities conducted in South America.

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

Share-based payments
Share-based payment expenses totalled $23,472 for the six months ended June 30, 2015 (nil for the same period of last year) and relate to investor relations' options granted last year and vested during this period.

Other gains and losses
An unrealized loss of $1,006,477 and an unrealized gain of $143,109 were recorded in the three and six months ended June 30, 2014 on the investment in Creso. This unrealized loss or gain reflects the change in the fair value of the Creso common shares and warrants already owned by the Corporation from December 31, 2013 to April 1, 2014, date on which control was obtained by the Corporation.

For the six-months ended June 30, 2015, interest expense relates to the Dundee short-term loan ($433,123) and the bridge loan ($8,382). In the same period of the prior year, interest expense relates to the Dundee short-term loan.

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 unaudited condensed interim consolidated financial statements prepared in accordance with IFRS.

	Q2-15	**Q1-15**	**Q4-14**	**Q3-14**
	$	**$**	**$**	**$**
Total revenue	Nil	Nil	Nil	Nil
Net loss and comprehensive loss	1,904,649	1,799,335	23,966,684	2,599,094
Basic and diluted net loss per share	0.006	0.006	0.093	0.009

	Q2-14	Q1-14	Q4-13	Q3-13
	$	$	$	$
Total revenue	Nil	Nil	Nil	Nil
Net loss and comprehensive loss	3,357,515	1,255,494	1,171,143	948,613
Basic and diluted net loss per share	0.012	0.006	0.005	0.005

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, $1.8 million and $0.3 million was recorded in Q1-2014, Q4-2013 and Q3-2013 respectively on the investment in Creso. In Q4-2014, an impairment charge of the exploration and evaluation assets of $22.2 million was recorded in Q4-2014.

OUTLOOK FOR 2015

The construction of the demonstration plant, which commenced in June 2013, was completed in June 2015. The remaining costs to complete the research and development phase and start the commercial operation phase are as follows:

	Budget ($ million)	Target date
Processing of materials	2.8	In Q3 and Q4-2015
Concentrator acquisition and refurbishment	4.7	In Q3 and Q4-2015
Plant optimization for operation	0.7	Q4-2015
Total	**8.2**	

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.

With the $5 million proceeds from the exercise of the warrants in July 2015, the recent $5 million financing through IQ and the $0.9 million financial contribution from CED, management estimates that the Corporation has enough funds to cover the above-noted budgeted expenditures.

OFF BALANCE SHEET ARRANGEMENTS

The Corporation did not enter into any off-balance sheet arrangements during the six month periods ended in 2015 and 2014.

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:

	As at June 30, 2015
	$
Less than 1 year	263,143
Between 1 and 5 years	871,025
More than 5 years	688,169

In addition, at June 30, 2015, the Corporation has firm purchase commitments of equipment and services relating to the demonstration plant totalling $90,269.

RELATED PARTY TRANSACTIONS

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

	Three-month period ended June 30		**Six months ended June 30,**	
	2015	**2014**	**2015**	**2014**
			$	$
Professional and consulting fees				
Administration[(1)]	82,500	45,000	120,000	90,000
Legal[(2)]	15,193	30,263	27,107	82,872
Accounting fees[(3)]	99,868	94,578	191,042	116,868
Geology[(4)]	-	22,173	15,922	51,019
Professional[(5)]	(303)	23,520	19,519	52,040
Research and development[(6)]	-	50,497	5,040	95,855
	197,258	**266,031**	**378,630**	**488,654**

For the six months ended June 30, 2015:

(1) Fees paid to a private company controlled by John Mercer, President and Chief Executive Officer ("CEO") (In Q1-Q2 2014, fees paid to a private company controlled by Pierre Gauthier, former President and CEO).
(2) Fees paid to a private company controlled by Luce Saint-Pierre, Corporate Secretary for a total amount of $27,107 ($65,109 in Q1-Q2 2014, in addition to an amount of $17,763 in legal fees paid to a law firm of which Brahm Gelfand, a Director, is a counsel.)
(3) Remuneration of Vatche Tchakmakian, Chief Financial Officer, in the amount of $92,641 was paid to a private company controlled by him ($54,382 in Q1-Q2 2014). He was appointed CFO of the Corporation in March 2014. In addition his company charged fees of $98,400 for support staff in respect of accounting, bookkeeping and administrative services ($62,486 in Q1-Q2 2014).
(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, Director and Vice-President, Research and Development. Fees paid to Mr. Lalencette are disclosed as a related party until February 2015, date of his resignation as Director and Officer of the Corporation.

SUBSEQUENT EVENTS AFTER JUNE 30, 2015

Bridge loan
The outstanding bridge loan of $300,000 as at June 30, 2015 was reimbursed in July 2015.

Contribution Agreement
On July 8, 2015, the Corporation entered into a Contribution Agreement from Canada Economic Development for Quebec Regions ("CED") pursuant to which it will receive a $900,000 repayable contribution (the "Contribution"). The Contribution will be used by the Corporation for the refurbishing and modernization of a concentrator (the "Project") in Thetford Mines. Payments by CED will be made over of the term of the Project which must be completed at the latest on July 31, 2016. The Contribution is non-interest bearing, secured and is repayable in equal monthly installments over seven years starting three years after the end of the Project.

IQ Loan
IQ advanced $1.9 million in July 2015.

Warrants
On July 9, 2015, all of the 50,000,000 warrants held by Dundee have been exercised for an equal number of subordinate voting shares at a price of $0.10 per warrant, for aggregate proceeds to the Corporation of $5,000,000.

ACCOUNTING POLICY CHANGES, CRITICAL JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the June 30 2015 Interim Consolidated Financial Statements requires the Corporation to make judgments in applying its accounting policies and estimates and assumptions about the future. These judgments, estimates and assumptions affect the Corporation's reported amounts of assets, liabilities, revenues and other items in net earnings, and the related disclosure of contingent assets and liabilities, if any. The Corporation evaluates its estimates on an ongoing basis. Such estimates are based on historical experience and on various other assumptions that the Corporation believes are reasonable under the circumstances, and these estimates form the basis for making judgments about the carrying value of assets and liabilities and the reported amount of revenues and other items in net earnings that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

There have been no significant changes in accounting judgments, estimates and assumptions made by the Corporation in the preparation of the June 2015 Interim Consolidated Financial Statements from those judgments, estimates and assumptions disclosed in Notes 1 and 3 to the 2014 Audited Consolidated Financial Statements.

There have been no changes in the accounting policies adopted in the preparation of the Corporation's June 2015 Interim Consolidated Financial Statements from those detailed in Note 2 to the Corporation's 2014 Audited Consolidated Financial Statements.

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 Corporation's 2014 Audited Consolidated Financial Statements.

RISKS AND UNCERTAINTIES

Except as otherwise disclosed in this MD&A, there have been no significant changes to the nature and scope of the risks faced by the Corporation from those described in the 2014 MD&A of the Corporation. These business risks should be considered by interested parties when evaluating the Corporation's performance and its outlook.

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 MD&A.

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.

August 3, 2015