Dundee Sustainable Technologies Inc.

Management's Discussion and Analysis

Years ended December 31, 2017 and 2016

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BACKGROUND

This Management's Discussion and Analysis ("MD&A") of Dundee Sustainable Technologies 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, 2017 and 2016. This MD&A should be read in conjunction with the Corporation's audited consolidated financial statements for the years ended December 2017 and 2016, 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
The Corporation was incorporated under the Canada Business Corporations Act on July 22, 1997. The Corporation's head office is located at 1002 Sherbrooke West, Suite 2060, Montréal, Quebec, Canada, H3A 3L6.

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.

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, 2017, Dundee owned 178.1 million subordinate voting shares and 50.0 million multiple voting shares of the Corporation giving Dundee a 63% equity interest and an 84% voting interest in the Corporation.

Nature of Operations
The Corporation is engaged in the development and commercialization of environmentally friendly technologies for the treatment of complex materials in the mining industry. Through the development of patented, proprietary processes, DST extracts precious and base metals from ores, concentrates and tailings, while stabilizing contaminants such as arsenic, which could not otherwise be extracted or stabilized with conventional processes because of metallurgical issues, cost or environmental considerations. Currently, the Corporation is focused on two primary processes (the "Technologies")

Gold Extraction by Chlorination
At present, DST's most advanced proprietary process is associated with the extraction of precious metals using chlorination to provide a cyanide-free alternative for the exploitation of gold deposits. The primary benefits of this innovative technology are shorter processing times in a closed-loop operation which eliminate the need for costly tailing ponds, a reduction of the environmental footprint and inert and stable cyanide-free tailings.

The chlorination process developed by DST is a recognized "green technology" for which it was awarded a $5 million grant by the Government of Canada, through its Sustainable Development Technology Fund ("SDTC"), for the construction and operation of a demonstration plant. The plant serves as a demonstration platform for the chlorination process on an industrial scale and under continuous operating conditions.

The Corporation has received from Environment Canada, through the Canadian Environmental Technology Verification Program ("ETV"), an independent certification of the performance of its cyanide-free gold extraction process.

Arsenic Stabilization by Vitrification
DST has constructed a pilot plant to demonstrate its arsenic stabilization process, which is designed for the sequestration of this contaminant in a stable glass form. This process is an attractive technique to permanently segregate arsenic and presents therefore opportunities to process materials considered too toxic to be exploited or stabilized using conventional mining methods.

The Corporation has protected its intellectual property by filing patents during the development of its technologies. To date, the Corporation has patents granted or published on 13 different processes, and it has 57 patents granted, published, pending or filed in 16 different countries. These patents expire between 2022 and 2034.

Inherent in the commercialization of these processes is significant technology development risk. Each of these processes may require significant additional development, testing and investment prior to final commercialization. There can be no assurance that such technologies will be successfully developed, or that output from any use of the Corporation's processes could be produced at a commercial level at reasonable costs or successfully marketed.

OPERATIONS DURING THE FOURTH QUARTER OF 2017

Gold Chlorination Technology

During the second quarter of 2017, the Corporation completed the audit with Sustainable Technology Development Canada and finalized the project with them and received the payment of the final holdback. The intention is to initiate an independent technical-economic study, designed with the objective of building DST' first commercial plant in partnership with a strategic partner.

At December 31, 2017, Dundee Technologies had expended $19.7 million towards the construction and operation of its demonstration plant.

Arsenic Stabilization Technology

During the fourth quarter, the Corporation began construction of a demonstration scale vitrification plant that is expected to be completed in the third quarter of 2018. Commissioning will begin immediately thereafter. This plant will be financed through a collaboration arrangement with a third party and will provide proof of the arsenic technology in an operating industrial environment. The Corporation also announced that SDTC has awarded a grant of $1.25 million to offset some of the costs associated with this plant.

Arsenopyrite Process

In February 2017, Dundee Technologies entered into a contract with Radisson Mining to conduct a pilot scale program on samples from their gold project located in the Abitibi region of Quebec. Under the terms of this contract, the Corporation received a five tonne sample of representative material. The objective of the program was to confirm that complex refractory gold concentrates can undergo a pre-treatment to create an arsenic depleted mineral concentrate, and subsequently undergo gold and base metals extraction using DST's chlorination process or be sold on the concentrate market. This test program was overseen by an independent consulting firm, with the view of providing the necessary data to Radisson to update its preliminary economic assessment. DST successfully removed 92.2% of the arsenic from this refractory material.

Cobaltite Process

In December 2017, the Corporation was engaged by eCobalt Solutions Inc. for the testing of a new method for the treatment of a cobaltite concentrate. The Corporation was able to reduce the arsenic content in the concentrate from 18% to 0.15% at the laboratory scale. The tests were encouraging enough for eCobalt to begin a seven (7) tonne bulk sample that will be completed in the second quarter of 2018.

Technical Services

The Corporation continued to sign a number of technical services contracts in 2017 with companies in the graphite, cobalt, gold, magnesium and lithium spaces. This business is expected to continue to grow in 2018.

BUSINESS STRATEGY

The growing pressure from communities and government authorities over the use of cyanide in various jurisdictions around the world is forcing developing gold projects to seek alternative processes that can extract the gold without the environmental liabilities associated with cyanide, while maintaining control over the deleterious elements such as arsenic, mercury and antimony.

DST offers a competitive alternative to the cyanidation process. The technology is at the forefront of the mining industry's innovative extraction processes and caters to the worldwide growing need for extractive technologies capable of processing refractory and arsenic bearing material. This alternative provides DST leverage to access quality material including material from metallurgical or environmentally constrained deposits.

DST's business plan is focused on controlling both of its technologies and leveraging them to become a major player in the industry. The Corporation has a unique opportunity to emerge as a major stakeholder in multiple mining projects. In the immediate term, DST is focused on advancing its discussions with major gold and copper producing companies on building alternative processing and stabilization processes. The Corporation is currently processing test material for a number of customers. Assuming successful results, the next step is to negotiate the business terms with those customers for commercializing its technologies.

The technology that the Corporation has developed with respect to complex deposits will allow for the development and or advancement of mining projects that would not be viable without its patented technology. DST has identified over 100 gold projects that could face significant concerns due to cyanide use, environmental and/or metallurgical constraints. These include some of the largest gold projects on the planet. The commercialization of the Corporation's technology would enable mining companies to advance those projects which are currently constrained because of the toxic nature of their deposits and discussions have commenced with a number of mining companies to help advance these otherwise stranded deposits.

INFORMATION ON EQUITY

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 based on 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 26, 2018
Subordinate voting shares issued	311,376,530
Options	22,602,500
Warrants	14,285,714
Total – fully diluted subordinate voting shares	**348,264,744**
Multiple voting shares issued (each multiple voting share has 10 votes)	**50,000,000**

(1) At March 26, 2018, Dundee owned 178,068,497 subordinate voting shares of the Corporation (63%) 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.

On February 3, 2017, the Corporation granted a total of 13,500,000 stock options to its directors, officers, employees and a consultant. These options are exercisable at $0.05 per share, vested at the grant date and expire on the fifth anniversary of their date of issuance. The fair value of options awarded is $0.035 per share for a total based payment expenses of $460,000.

FINANCING ACTIVITIES

Year ended December 31, 2017

Issuance of shares
In November 2017, the Corporation issued 14,285,714 units at $0.035 per unit for total consideration of $500,000 pursuant to a non-brokered private placement. A unit consists of one common share and one common share purchase warrant, with each warrant entitling its holder to purchase a common share at $0.06 until November 23, 2022.

Promissory note from a Related Party
On November 6, 2017, the Corporation signed a promissory note in the principal amount of $500,000 payable on demand to a wholly-owned subsidiary of Dundee along with interest at a rate of 18% per annum.

As at December 31, 2017, the principal amount of the promissory note totalled $500,000 and the finance cost accrued amounted to $13,808.

Short-term Loans from a Related Party
In 2014, Dundee Resources Limited, a wholly owned subsidiary of Dundee, agreed to loan (the "Short-term Loans") up to $6,000,000 to the Corporation. During 2015 and 2016, the aggregate amount of the loans was increased by $1,650,000 and $500,000 respectively for a total of $8,150,000.

During 2017, an amount of $360,000 was advanced bringing the total loan to $8,310,000 as at December 31, 2017.

The secured loans bear interest at the rate of 12.68% per annum and mature on the earlier of May 31, 2018 and the date at which the Corporation raises the sum of $10 million or greater by way of debt or equity.

Contribution Agreement
Under an amended agreement dated October 12, 2016, the Corporation received from Canada Economic Development for Quebec Regions (CED) a $397,000 repayable contribution (the "CED Contribution"). The CED Contribution was used by the Corporation for the acquisition of equipment for its demonstration plant (the "Project") in Thetford Mines. The CED Contribution is non-interest bearing, secured and repayable in equal monthly installments over seven years starting three years after the end of the Project. CED advanced $324,575 in December 2016, and the balance of $72,425 in May 2017.

The CED Contribution is secured by a hypothec, pari passu with Dundee's and IQ's loans, over all of the Corporation's property other than its intellectual property.

Bridge Loan
In August 2017, an unsecured bridge loan, payable on demand, of $250,000 was advanced to the Corporation. The loan was reimbursed in October 2017 for a total amount of $250,000 including interest of $7,500.

In October 2016, an unsecured bridge loan, payable on demand, of $300,000 was advanced to the Corporation. The loan was partially reimbursed in December 2016 for a total amount of $160,000 including interest of $3,360. The outstanding bridge loan of $140,000 and accrued interest of $6,580 was reimbursed in January 2017.

In September 2016, an unsecured bridge loan, payable on demand, of $200,000 was advanced to the Corporation. The loan was reimbursed in September 2016 including interest of $3,000.

Year ended December 31, 2016

IQ loan
As part of the convertible debenture loan ("IQ Loan") approved in an amount of up to $4,000,000, IQ advanced $1,500,000 to the Corporation in April 2016 and $600,000 in September 2016 bringing the total loan to $4,000,000 as at December 31, 2016. During 2016, the Corporation paid $167,835 in interest and capitalized an additional amount of $80,568.

This loan was advanced to the Corporation during the construction and operation of its demonstration plant, based on the Corporation's liquidity needs, subject to a number of conditions.

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. Beginning October 1, 2016, interest on the loan has been capitalized.

The IQ Loan is secured by a hypothec, pari passu with Dundee's Loans and Canada Economic Development for Quebec Regions' ("CED") contribution, 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 that grants IQ the right to appoint one member of the Board of Directors of the Corporation. Consequently, at the annual general meeting of the shareholders held in July 2016, Mr. Mario Jacob was elected as new member of the Board. He is a graduate from the Faculty of Law of Laval University and a member of the Quebec Bar since 1995. Mr. Jacob has more than twenty years of corporate finance, mergers and advisory experience and has been involved as lead advisor in numerous transactions including mergers and acquisition, going public transactions, financing and governance best practices implementation. Mr. Jacob is experienced as board member of several public companies.

Short-term Loans from a Related Party
In 2014, Dundee Resources Limited, a wholly owned subsidiary of Dundee, agreed to loan (the "Short-term Loans") up to $6,000,000 to the Corporation. During 2015 and 2016, the aggregate amount of the loans was increased by $1,650,000 and $500,000 respectively for a total of $8,150,000.

During 2016, an amount of $300,000 was advanced bringing the total advance to $7,950,000 as at December 31, 2016.

The secured loans bear interest at the rate of 12.68% per annum and mature on the earlier of May 31, 2018 and the date at which the Corporation raises the sum of $10 million or greater by way of debt or equity.

Contribution Agreement
Under an amended agreement dated October 12, 2016, the Corporation shall receive from CED $397,000 repayable contribution (the "CED Contribution"). The CED Contribution will be used by the Corporation for the acquisition of equipment for its demonstration plant (the "Project") in Thetford Mines. Payments by CED will be made over the term of the Project, which must be completed at the latest by March 31, 2017. The CED Contribution is non-interest bearing, secured and repayable in equal monthly installments over seven years starting three years after the end of the Project. CED advanced $324,575 in December 2016

The CED Contribution is secured by a hypothec, pari passu with Dundee's and IQ's loans, over all of the Corporation's property other than its intellectual property.

Bridge Loan
On October 24, 2016, an unsecured bridge loan, payable on demand, of $300,000 was advanced to the Corporation. The loan was partially reimbursed in December 2016 for a total amount of $160,000 including interest of $3,360. The balance of the loan in the amount of $140,000 as at December 31, 2016, and accrued interest of $4,613 was reimbursed in January 2017.

In August 2016, an unsecured bridge loan, payable on demand, of $200,000 was advanced to the Corporation. The loan was reimbursed in September 2016 including interest of $3,000.

INVESTING ACTIVITIES

Shining Tree properties

The Shining Tree properties consist of 14 mining leases and 37 mining claims. In May 2017, the Corporation completed the sale of the mining leases and claims for an amount of $400,000.

LIQUIDITY AND WORKING CAPITAL

On December 31, 2017, the working capital of the Corporation was at negative $12,680,020 (at negative $9,693,799 as at December 31, 2016). This working capital deficiency includes a $12,220,965 ($10,299,685 as at December 31, 2016) 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, 2018. 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 believes, based on previous fund-raising experience, 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 that it will be able to do so in the future.

DISCUSSION AND ANALYSIS OF OPERATIONS

The Corporation reported a loss of $4,447,622 in 2017, compared with a loss of $4,430,172 in 2016.

The Corporation began reporting revenues starting in the second quarter of 2016. Revenues totalled $2,423,586 in 2017 with related cost of $2,404,756 recorded under other operating expenses. The Corporation reported revenues of $1,198,931 in 2016 with related cost of $612,075.

The Corporation's total operating expenses amounted to $5,365,638 in 2017 as compared to $4,313,172 in 2016.

Revenues
During 2017, the Corporation processed test material for a number of customers including major gold producers for testing of ores and concentrates using the Corporations technologies. As well, exploration and development companies in other commodities including cobalt, nickel, graphite and lithium utilized the Corporation's facilities for advancement of their projects.

DST provided its technical expertise and its facilities to these companies to evaluate the development of their projects using the Corporation's Thetford Mines facility including its chlorination process for precious metal extraction and/or its arsenic stabilization process. The technical services may serve to demonstrate the efficiency of the Corporation's technologies at the laboratory and/or pilot scales on specific projects in need of viable processing alternative and initiate engineering studies required for an industrial implementation.

Operating expenses
The major components of the operating expenses are as follows:

Research and development
During 2017, the Corporation incurred $1,776,875 ($3,779,408 in 2016) in research and development expenses in respect of its chlorination and arsenic stabilization processes. These costs relate primarily to the operation of the chlorination process demonstration plant.

Since 2013, the Corporation has spent a total of $19,660,045 for the construction and operation of the demonstration plant of which a total of $753,873 was incurred during 2017. The remaining expenses relate to research activities conducted in the arsenic technology pilot plant and the laboratory.

The Corporation periodically receives financial assistance under government incentive programs. Assistance that compensates DST for expenses incurred are normally recognized as a reduction to research and development expense on a systematic basis in the same periods in which the expenses are incurred. On a net-of-assistance basis, research and development costs represented $1,404,965 (2016 –$2,311,027).

	2017	2016
	$	$
Chlorination process	1,195,668	3,564,100
Arsenic stabilization process	581,207	215,308
Research and development expenses	1,776,875	3,779,408
Recognition of net contribution receivable	(480,517)	
Government subsidy on convertible debenture	(36,930)	(417,087)
Government assistance and tax credits	(220,000)	(1,051,294)
Research and development expenses, net	**1,039,428**	**2,311,027**

	2017		2016	
	Chlorination	Arsenic	Chlorination	Arsenic
	$	$	$	$
Wages and compensation	425,814	177,319	1,424,405	174,547
Contractors	254,296	15,490	539,157	17,025
Building maintenance	106,611	6,576	523,975	994
Equipment	8,283	380,925	452,018	13,703
Consumables	196,778	325	275,713	9,039
Other	203,886	572	348,832	-
Research and development expenses	**1,195,668**	**581,207**	**3,564,100**	**215,308**

Professional and consulting fees

	2017	2016
	$	$
Legal	43,364	107,595
Audit, audit related work and tax compliance	142,708	126,069
Accounting	53,883	178,502
Consulting administration	179,705	229,930
Professional and consulting fees	**419,660**	**642,096**

Legal expenses decreased in 2017 compared to 2016 due to the lower level of activities of the Corporation in Latin America and focused its activities on development of the arsenic vitrification plant for delivery to a customer's mineral processing facility, development of solutions for eCobalt Solutions Inc. and in technical services for customers in North America.

During 2017, the audit fees increased compared to 2016 due to procedures required by SDTC. The SDTC processed and approved the claim for the final payment of the government assistance relating to the construction and operation of a demonstration plant. To complete its assessment, the SDTC required audit procedures performed for the full cost of the full project since its beginning in 2013.

Accounting includes the remuneration of the former Chief Financial Officer that was recorded as an accounting expense and beginning in June 2017, the controller of the Corporation took the position as Chief Financial Officer and his remuneration is now recorded under Wages and Compensation.

Consulting administration fees relates to the President and Chief Executive Officer's (CEO) compensation. The remuneration of the President and CEO is based on a monthly rate of $15,833. Until August 2016, fees charged by Dundee for the compensation of the former President and CEO was a fixed amount of $20,000 per month.

Administrative expenses

	2017	2016
	$	$
Insurance	225,780	220,569
Rent	104,831	103,689
Website and technical support	72,178	70,600
Travel and accommodations	82,779	119,846
Telecommunications and others	75,326	82,388
Administrative expenses	**560,894**	**597,092**

The decrease in travel expenses in 2017, is due to current services provided to companies in Canada as compared to the same period last year with activities in Latin America.

Wages and compensation

	2017	2016
	$	$
Employees	398,149	378,414
Director fees	34,000	94,500
Administrative expenses	**432,149**	**472,914**

The variance in director fees is due to:

a) Starting in June 2017, the compensation of the Chief Financial Officer is recorded under wages and compensation as compared to professional fees in 2016
b) Non-executive and independent directors and chairs of committees incurred fees totaling $34,000 in 2017 ($94,500 in 2016);

Other Gains and Losses
During 2017, finance costs relates to interest expenses capitalized on the Dundee short-term loan ($1,047,472), the IQ Loan ($336,323 capitalized and $107,513 accretion expense), the CED contribution agreement ($20,570 accretion expense), the bridge loan interest expense ($9,467) and other ($5,390). During 2016, finance costs relates to interest expenses capitalized on the Dundee short-term loan ($972,099), the IQ Loan ($167,835 paid and $80,568 accretion expense), the bridge loan interest expense ($10,973) and other ($4,302).

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.

	Q4-17	Q3-17	Q2-17	Q1-17
	$	$	$	$
Total revenue	869,034	681,161	662,196	211,195
Net loss and comprehensive loss	742,163	1,142,908	884,541	1,678,010
Basic and diluted net loss per share	0.002	0.003	0.003	0.005

	Q4-16	Q3-16	Q2-16	Q1-16
	$	$	$	$
Total revenue	34,499	610,680	553,752	Nil
Net loss and comprehensive loss	237,461	1,068,247	1,365,395	1,759,069
Basic and diluted net loss per share	0.001	0.003	0.004	0.005

The variation in net loss and comprehensive loss is mainly attributable to the level of research and development activities from one quarter to the other.

FOURTH QUARTER

Operating Activities
The Corporation reported a loss of $742,163 for the fourth quarter of 2017 ("Q4-2017") compared to a loss of $237,461 the same period last year ("Q4-2016"). The main reasons for the variance are:

a) A reversal of impairment of exploration and evaluation expenses of $400,000 relating to the Shining Tree mining assets in Q4-2016;
b) During Q4-2017, research and development expenses totalled $272,042 ($739,357 in Q4-2016) mainly for the operation of the operating facilities and the tax credits, SDTC contribution and government subsidy amounted to Nil ($832,958 in Q4-2016).
c) Revenues of $869,034 during Q4-2017 from service contracts compared to $34,499 in Q4-2016.

Financing Activities
The financing activities of the Corporation during Q4-2017 were as follow:

a) Promissory note from a Related Party – During Q4-2017, an amount of $500,000 was advanced to the Corporation payable on demand to a wholly-owned subsidiary of Dundee along with interest at a rate of 18% per annum.
b) In November 2017, the Corporation issued 14,285,714 units at $0.035 per unit for total consideration of $500,000 pursuant to a non-brokered private placement. A unit consists of one common share and one common share purchase warrant, with each warrant entitling its holder to purchase a common share at $0.06 until November 23, 2022.;

The financing activities of the Corporation during Q4-2016 were as follow:

a) Short-term Loan from a Related Party – During Q4-2016, an amount of $300,000 was advanced bringing the total advance to $7,950,000 as at December 31, 2016;
b) Contribution Agreement – As part of the CED Contribution agreement, the Corporation received an advance of $324,575 in December 2016;
c) Bridge Loan – On October 24, 2016, an unsecured bridge loan, payable on demand, of $300,000 was advanced to the Corporation. The loan was partially reimbursed in December 2016 for a total amount of $160,000 plus interest of $3,360.

OUTLOOK FOR 2018

The Company continues to move towards the commercialization of its Technologies and seeking to maximize the value of all of its assets to accelerate this growth. The Corporation has five initiatives that it will execute to ensure success.

Chlorination Process:
The Corporation completed the second of two gold chlorination campaigns through the processing of a complex concentrate from Chile in December 2016 and the Corporation finalized the Demonstration Campaign Report during the first quarter of 2017. The processing of these materials continued to establish the proof of concept of the Corporation's chlorination process for different ore and concentrate streams. The intention is to initiate an independent technical-economic study, designed with the objective of building DST's first commercial plant in partnership with a strategic partner. The Company is in discussions with several properties to test and pilot their ores and concentrates using the chlorination technology.

Arsenic Stabilization Process:
The Corporation completed the engineering of an onsite industrial scale demonstration plant to be delivered to a third party. Construction commenced in the fourth quarter of 2017. The plant, to be funded by the third party, has an estimated cost of US$3.1 million and will be constructed in Thetford Mines and delivered to the third party's metal processing facility in 2018.

Arsenopyrite:
The Corporation has recently signed a contract to further validate its technologies on more complex ores and is pilot testing a five-tonne sample of complex refractory ore. Successful completion of this project, expected in the second quarter of 2018, will open up a number of deposits to development that were previously stranded.

Cobaltite:
In February 2018, the Corporation began processing a seven (7) tonne sample of concentrate from eCobalt Solutions Inc. The Corporations' approach to the processing of arsenic contaminated cobaltite is expected to make a significant improvement to the economics of the processing of the concentrate. In March 2018, the Company began metallurgical testing of tailings from First Cobalt Corporation's property in Cobalt, Ontario.

Technical Services:
With the completion of the two gold chlorination demonstration campaigns, the Corporation owns a state of the art crushing, grinding, mineral processing (hydrometallurgy and pyrometallurgy) facility which is being made available for test programs from the lab scale up to the thousands of tonnes scale. Management is in discussions with numerous parties with respect to specific projects that could maximize the value of our Thetford facility.

Management estimates that the Corporation will have to raise approximately $2 million to fund its operations and to continue its activities in 2018. Although there is no assurance that the Corporation will be successful in these actions, management believes, based on previous fund-raising experience, 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 that 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 2017 and 2016

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The contractual obligations of the Corporation include lease payments for the Thetford Mines facilities and the head office in Montreal (Refer to Note 19 to the annual consolidated financial statements for the years ended December 31, 2017 and 2016).

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:

	2017	**2016**
	$	$
Professional and consulting fees		
Administration(1)	179,705	229,930
Legal(2)	22,405	34,411
Accounting(3)	53,883	176,194
Directors' fees(4)	34,000	94,500
	289,993	**535,035**

(1) Fees paid to a private company controlled by Brian Howlett, President and CEO for a total amount of $179,705 (from August to December 2016, a total amount of $69,930, in addition to fees charged by Dundee for the compensation of John W. Mercer, former President and CEO until August 2016 for a total amount of $160,000).
(2) Fees paid to a private company controlled by Luce Saint-Pierre, Corporate Secretary for a total amount of $21,886 ($29,896 in 2016) in addition to an amount of $519 in legal fees paid to a law firm of which Brahm Gelfand, a Director is a counsel ($4,515 in 2016).
(3) Remuneration of Vatche Tchakmakian, former Chief Financial Officer, from January to June 2017 in the amount of $41,913 from a private company controlled by him ($144,244 in 2016). In addition, his company charged fees of $11,970 for support staff in respect of accounting, bookkeeping and administrative services ($31,950 in 2016).
(4) Directors' fees.

SUBSEQUENT EVENTS

Promissory note
On February 21, 2018, the Corporation signed a promissory note in the principal amount of $400,000 payable on demand to a wholly-owned subsidiary of Dundee along with interest at a rate of 18% per annum.

Government assistance
In January 2018, the Corporation was awarded funding in the amount of $1.25 million by the Government of Canada through SDTC fund for continued development of its patented arsenic vitrification technology. This funding will assist DST in delivering a demonstration scale arsenic vitrification plant to a metals processing facility. The construction of the plant will be completed in the third quarter of 2018 and after commissioning, will be operational in late 2018 or early 2019.

Commitments
On March 9, 2018, the Corporation entered into a lease extension for its head office until August 31, 2019. The annual rent is $51,000.

Stock options
On March 22, 2018, following the exercise of 600,000 options, the Corporation received proceeds of $30,000. The share price at the exercise date was $0.10.

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, 2017 in notes 1, 2 and 3.

ACCOUNTING STANDARDS ISSUED BUT NOT YET APPLIED

The following new standards have not been applied when preparing Corporation's consolidated financial statements for the year ended December 31, 2017. The Corporation is adopting the remaining phases of IFRS 9, Financial Instruments, and IFRS 15, Revenue from Contracts with Customers, effective January 1, 2018 and is in the process of completing its evaluation of the accounting implications on its consolidated financial statements and disclosures, internal controls and accounting policies. This evaluation performed was based on a review of industry specific technical interpretations and contracts for its significant revenue stream. The Corporation will adopt these new standards retrospectively as of January 1, 2018 without restating comparatives. The impact of applying the standards will be reflected in the opening balances as at January 1, 2018. The assessment of the impact of these new standards is set out below.

IFRS 9, "Financial Instruments"
In July 2014, the IASB issued final amendments to IFRS 9, replacing earlier versions of IFRS 9, of which the Corporation had early adopted the first aspects of classification, measurement and derecognition of financial assets and the classification and measurement of financial liabilities. These amendments to IFRS 9 introduce a single, forward-looking "expected loss" impairment model for financial assets, which will require more timely recognition of expected credit losses, and a fair value through other comprehensive income category for financial assets that are debt instruments. Other previously issued amendments to IFRS 9 that have not yet been adopted by the Corporation include a substantially reformed approach to hedge accounting and requirements to recognize gains or losses that relate to the effect of an entity's own credit risk in measuring liabilities elected to be measured at fair value outside of net income or loss.

Based on the Corporation's detailed assessment of the classification and measurement of financial assets, it does not hold debt instruments that would be classified under the fair value through other comprehensive income category. Accordingly, its financial assets will continue to be measured on the same basis and the adoption of the amendments will not have a significant impact on the classification and measurement of its financial assets.

There is no impact on the Corporation's accounting for financial liabilities, as the Corporation does not have financial liabilities designated at fair value through profit or loss.

The Corporation does not have any hedging relationships at the time of the transition.

The new impairment model requires the recognition of impairment provisions based on expected credit losses rather than only incurred credit losses and applies to financial assets measured at amortized cost or debt instruments classified under the fair value through other comprehensive income. The Corporation has not finalized its assessment of the impairment methodologies that it will apply under IFRS 9. However, the Corporation does not expect the new impairment model to have a significant impact and will therefore not have an impact on its opening deficit as at January 1, 2018 for expected credit losses.

The new standard also introduces expanded disclosure requirements and changes in presentation with respect to financial instruments, which are expected to change the nature and extent of the disclosures.

IFRS 15, "Revenue from Contracts with Customers"
In May 2014, the IASB issued IFRS 15, which supersedes IAS 18, "Revenue", IAS 11, "Construction Contracts," and other interpretive guidance associated with revenue recognition. IFRS 15 establishes the principles that an entity shall apply to report the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. IFRS 15 will also provide more informative, relevant disclosures in respect of their revenue recognition criteria, it will provide guidance for transactions that were not previously addressed comprehensively and improve guidance for multiple element arrangements. IFRS 15 is based on the general principle that revenue is recognized when control of a good or service transfers to a customer rather than when the significant risks and rewards of ownership are transferred as is the case under IAS 18.

IFRS 15 will be applied on a retrospective basis on January 1, 2018. The Corporation is in the process of completing the analysis of its revenue generating contracts but do not anticipate any significant impact on the implementation of IFRS 15 at the date of transition and on the comparative information for the 2017 fiscal year.

IFRS 2, "Share-based Payment"
In June 2016, the IASB issued amendments to IFRS 2, clarifying how to account for certain types of share-based payment transactions, including the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, accounting for share-based payment transactions with a net settlement feature for withholding tax obligations, and accounting for modifications to the terms and conditions of a share-based payment that changes the classification of the share-based payment transaction from cash-settled to equity-settled. The IFRS 2 amendments are effective for annual periods beginning on or after January 1, 2018. The implementation of IFRS 2 will not have a material impact upon adoption.

IFRS 16, "Leases"
IFRS 16, issued in January 2016, replaces IAS 17, "Leases". IFRS 16 results in most leases being reported on the balance sheet for lessees, eliminating the distinction between a finance lease and an operating lease. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Earlier adoption is permitted for entities that also adopt IFRS 15. The Corporation is currently assessing the impact of this standard on its 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 20 to the annual consolidated financial statements for the years ended December 31, 2017 and 2016.

RISKS AND UNCERTAINTIES

The technology is relatively new, and the Corporation has limited history of operations that, to date has consisted primarily of research and development. The Corporation has generated limited revenue from its core technologies and has limited experience in selling or marketing these technologies. The technology has not gained significant market exposure but is beginning to demonstrate market acceptance. 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 limited market acceptance with respect to the Corporation's technologies, there can be no assurance as to the achievability of projected market penetration rates and associated sales revenues.

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 Inc. and eCobalt Solutions Inc.) have carried out due diligence procedures to their satisfaction, there has been no independent evaluation of the Technologies. There can be no assurance that we will be able to achieve our growth strategy and bring the Technologies to commercialization. The inability to bring the Technologies to commercialization could have a material adverse effect on 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 2034. 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 believes that the Technologies do not 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 the Corporation. 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 and development 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 of 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 services 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 these systems 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, Pollution and Property and Liability Insurance. However, there is no guarantee that the insurance coverage will be sufficient, or that insurance proceeds will be paid to the Corporation in a timely manner. 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. In addition, certain material events may result in sizable losses for the insurance industry and materially adversely affect 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, 2018. 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 believes 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 that 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 2018 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 26, 2018

(s) Brian Howlett	*(s) Arved Marin*
Brian Howlett	Arved Marin
President and CEO	CFO