Dundee Sustainable Technologies Inc.

Management's Discussion and Analysis

For the three months ended March 31, 2018

1002 Sherbrooke Street West, Suite 2060, Montréal, QC, H3A 3L6
Tel.: 514.866 6001 / www.dundeetechnologies.com

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 three months ended March 31, 2018.

This MD&A 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, 2017 (the "2017 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 three months ended March 31, 2018 (the "March 2018 Interim Consolidated Financial Statements"), all of which have been prepared using 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 March 31, 2018, 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 innovative environmentally responsible 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 FIRST QUARTER OF 2018

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.

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 highly 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 the first quarter of 2018 with companies in the graphite, cobalt, gold, magnesium and lithium spaces. This business is expected to continue to grow throughout 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.

	May 7, 2018
Subordinate voting shares issued	311,976,530
Options	30,352,500
Warrants	14,285,714
Total – fully diluted subordinate voting shares	**356,614,744**
Multiple voting shares issued (each multiple voting share has 10 votes)	**50,000,000**

(1) At May 7, 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.

FINANCING ACTIVITIES

Three months ended March 31, 2018

Options Exercise
In March 2018, 600,000 options have been exercised for an equal number of subordinate voting shares at a price of $0.05 per option, for aggregate proceeds to the Corporation of $30,000.

Promissory note from a Related Party
In February 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.

As at March 31, 2018, the principal amount of the promissory note totalled $900,000 and the finance cost accrued during the period amounted to $29,885.

Three months ended March 31, 2017

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 the three months ended March 31, 2017, an amount of $200,000 was advanced bringing the total advance to $8,150,000 as at March 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.

Bridge Loan
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.

INVESTING ACTIVITIES

Shining Tree properties
The Shining Tree properties consist of 14 mining leases and 37 mining claims. The Corporation sold the mining claims for an amount of $400,000. In March 2017, the Corporation received $200,000 and the closing of the sale of the mining leases for an additional $200,000 was completed in the second quarter of 2017.

LIQUIDITY AND WORKING CAPITAL

On March 31, 2018, the working capital of the Corporation was at negative $13,628,720 (at negative $12,680,020 as at December 31, 2017). This working capital deficiency includes a $12,910,669 ($12,220,965 as at December 31, 2017) 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 March 31, 2019. 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 $1,125,218 during the three months ended March 31, 2018, compared with a loss of $1,678,010 in the same period of the prior year.

Revenues totalled $528,825 during the three months ended March 31, 2018 with related cost of $436,445 recorded under other operating expenses. The Corporation reported revenues of $211,195 with related cost of $269,707 in the same period of the prior year.

The Corporation's total operating expenses amounted to $1,216,519 during the three months ended March 31, 2018 as compared to $1,514,554 during the same period in 2017.

Revenues
During the first quarter of 2018, 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 the first three months of 2018, the Corporation incurred $1,405,181 ($379,695 in the same period of 2017) in research and development expenses in respect of its chlorination and arsenic stabilization processes. These costs relate to the construction of the arsenic demonstration plant, research activities conducted in the arsenic technology pilot plant and the laboratory. The remaining expenses relate to the operation of the chlorination process demonstration plant.

The Corporation periodically receives reimbursements of project expenses generated under collaboration agreement with a third party and financial assistance under government incentive programs. These 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 $345,872 ($261,499 during the same period in 2017).

	Three months ended March 31,	
	2018	**2017**
	$	**$**
Chlorination process	253,624	328,101
Arsenic stabilization process	1,151,557	51,594
Research and development expenses	1,405,181	379,695
Recognition of net contribution receivable	(1,059,309)	-
Government subsidy on convertible debenture	-	(59,825)
SDTC Contribution	-	(58,371)
Research and development expenses, net	**345,872**	**261,499**

	Three months ended March 31,			
	2018		**2017**	
	Chlorination	Arsenic	Chlorination	Arsenic
	$	**$**	**$**	**$**
Wages and compensation	90,524	177,534	157,328	50,157
Contractors	11,134	220,696	63,804	987
Building maintenance	76,954	18,468	3,896	450
Equipment	-	723,785	567	-
Consumables	40,150	11,074	64,460	-
Other	35,132	-	38,046	-
Research and development expenses	**253,624**	**1,152,557**	**328,101**	**51,594**

Professional and consulting fees

	Three months ended March 31,	
	2018	**2017**
	$	**$**
Legal	10,587	16,021
Audit, audit related work and tax compliance	73,640	90,000
Accounting	-	31,770
Consulting administration	47,500	37,208
Professional and consulting fees	**131,727**	**174,999**

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.

Administrative expenses

	Three months ended March 31,	
	2018	2017
	$	$
Insurance	42,469	55,833
Rent	54,158	49,422
Website and technical support	6,325	15,680
Travel and accommodations	19,707	20,821
Telecommunications and others	20,809	19,343
Administrative expenses	**143,468**	**161,099**

Wages and compensation

	Three months ended March 31,	
	2018	2017
	$	$
Employees	127,930	84,995
Director fees	8,000	9,000
Administrative expenses	**135,930**	**93,995**

Starting in June 2017, the remuneration of the Chief Financial Officer is now recorded under Wages and Compensation.

Other Gains and Losses
During the three months ended March 31, 2018, finance costs relates to interest expenses capitalized on the Dundee short-term loan ($289,703), the IQ Loan ($103,267 capitalized and $34,843 accretion expense) and the CED contribution agreement ($6,058 accretion expense). During the same period of 2017, finance costs relates to interest expenses capitalized on the Dundee short-term loan ($255,250), the IQ Loan ($80,493 capitalized and $28,656 accretion expense), the CED contribution agreement ($4,418 accretion expense), the bridge loan ($1,967) and other ($114).

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.

	Q1-18	Q4-17	Q3-17	Q2-17
	$	$	$	$
Total revenue	518,925	869,034	681,161	662,196
Net loss and comprehensive loss	1,125,218	742,163	1,142,908	884,541
Basic and diluted net loss per share	0.003	0.002	0.003	0.003

	Q1-17	Q4-16	Q3-16	Q2-16
	$	$	$	$
Total revenue	211,195	34,499	610,680	553,752
Net loss and comprehensive loss	1,678,010	237,461	1,068,247	1,365,395
Basic and diluted net loss per share	0.005	0.001	0.003	0.004

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.

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 during the three months ended March 31, 2018 and 2017

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 14 to the financial statements for the three months ended March 31, 2018).

SUBSEQUENT EVENTS

Government assistance
As part of the SDTC Contribution Agreement, the Corporation received in April 2018, $562,500 from SDTC as part of the agreement to assist with the construction and operation of the arsenic vitrification plant.

Stock options
In April 2018, the Corporation granted a total of 7,750,000 stock options to its directors, officers, employees and one consultant. These options are exercisable at $0.10 per share, vest fully at the grant date and expire on April 2023.

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.

Changes in accounting policies

Effective January 1, 2018, the following new standards have been applied when preparing the March 2018 Interim Consolidated Financial Statements. The Corporation adopted IFRS 9, Financial Instruments, and IFRS 15, Revenue from Contracts with Customers. The Corporation adopted these new standards retrospectively without restating comparatives. The impact of applying the standards is described below.

a) IFRS 9, "Financial Instruments"

In July 2014, the IASB issued final amendments to IFRS 9, replacing International Accounting Standard ("IAS") 39, Financial Instruments: Recognition and Measurement, already adopted by the Corporation. IFRS 9 introduces new requirements for the classification, measurement and impairment of financial assets and hedge accounting. It establishes two primary measurement categories for financial assets: amortized cost and fair value; establishes criteria for classification of financial assets within the measurement category based on business model and cash flow characteristics; and eliminates existing held for trading, held to maturity, available for sale, loans and receivable and other financial liabilities categories. IFRS 9 also introduces a new model for the impairment of financial assets and requires an economic relationship between the hedged item and hedging instrument.

Based on the Corporation's detailed assessment of the classification and measurement of financial assets, its financial instrument currently measured at fair value with any resulting gains or losses recognized through profit or loss would continue to be measured on the same basis under IFRS 9. Accordingly, the new standard do 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 and does not have any material debt modifications.

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

The Corporation's new accounting policies for financial instruments under IFRS 9 are as follow:

Financial instruments

Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires.

Financial assets and liabilities are initially measured and recognized at their fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and liabilities at fair value through profit or loss ("FVTPL") are added to or deducted from the fair value of the financial assets and financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in net loss.

Classification of financial instruments in the Corporation's consolidated financial statements depends on the purpose for which the financial instruments were acquired or incurred. Management determines the classification of financial instruments at initial recognition.

a) Financial assets

Financial assets are subsequently measured at amortized cost when the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and when the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets are subsequently measured at fair value unless they are measured at amortized cost. Financial instruments subsequently measured at fair value can be carried at fair value with changes in fair value recorded in profit or loss, or in other comprehensive income if they are not held for trading and are designated as such on initial recognition.

The 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. The financial asset of the Corporation measured at amortized cost are cash and accounts receivable. The Corporation elected to apply the simplified approach of impairment under IFRS 9 which accounts for the expected lifetime loss at the initial recognition of financial asset. The impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and it can be verified.

b) Financial liabilities

Financial liabilities are subsequently measured at amortized cost using the effective interest method, except for:

- Financial liabilities at FVTPL. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.
- Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognizing or when the continuing involvement approach applies.

b) 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 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.

The implementation of IFRS did not have a material impact on the Corporation's revenue recognition policy.

ACCOUNTING STANDARDS ISSUED BUT NOT YET APPLIED

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

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 2017 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 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.

May 7, 2018

(s) Brian Howlett
Brian Howlett
President and CEO

(s) Arved Marin
Arved Marin
CFO