

# Dundee Sustainable Technologies Inc.

Management's Discussion and Analysis

For the nine months ended September 30, 2022

2000 Peel Street, Suite 860, Montréal, QC, H3A 2W5  
Tel.: 514.866 6001 / [www.dundeetechnologies.com](http://www.dundeetechnologies.com)

# DUNDEE SUSTAINABLE TECHNOLOGIES INC.

## TABLE OF CONTENT

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

---

BACKGROUND .....	3
INCORPORATION AND NATURE OF OPERATIONS .....	3
OPERATIONS DURING Q3 2022 .....	5
BUSINESS STRATEGY.....	6
INFORMATION ON EQUITY .....	7
STOCK OPTION PLAN.....	7
FINANCING ACTIVITIES.....	7
INVESTING ACTIVITIES .....	8
LIQUIDITY, GOING CONCERN AND WORKING CAPITAL.....	8
SELECTED QUARTERLY INFORMATION.....	11
OUTLOOK FOR 2022 .....	11
OFF BALANCE SHEET ARRANGEMENTS.....	12
CONTRACTUAL OBLIGATIONS AND COMMITMENTS.....	12
ACCOUNTING POLICY CHANGES, CRITICAL ESTIMATES, JUDGMENTS AND ASSUMPTIONS .....	12
FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS.....	13
RISKS AND UNCERTAINTIES.....	13
FORWARD LOOKING STATEMENTS.....	13
ADDITIONAL INFORMATION CONCERNING DST .....	14

# DUNDEE SUSTAINABLE TECHNOLOGIES INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

---

### 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 nine months ended September 30, 2022.

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, 2021 (the "2021 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 nine months ended September 30, 2022 (the "September 2022 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.

This MD&A takes into account all material events that took place up until November 10, 2022, the date on which the Corporation's Board of Directors approved this MD&A. Unless otherwise noted, all figures are in Canadian dollars, the presentation and functional currency.

Additional information regarding the Corporation is available on Sedar at [www.sedar.com](http://www.sedar.com) and on the Corporation's website at [www.dundeetechnologies.com](http://www.dundeetechnologies.com).

### 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 2000 Peel, Suite 860, Montréal, Quebec, Canada, H3A 2W5.

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.

As at September 30, 2022, Dundee owns 49.5 million subordinate voting shares and all of the 2.5 million multiple voting shares of the Corporation giving Dundee an 77% equity interest and an 84% voting interest in the Corporation. In addition, Dundee was owed \$11.9 million in debt, including accrued interest.

#### *Overview*

The Corporation is a leader 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 permanently stabilizing contaminants such as arsenic, antimony and cadmium. These complex mineral resources may not otherwise be extracted with conventional processes because of metallurgical issues, cost, or environmental considerations.

The Corporation's main focus is the commercialization of its two innovative and patented processes (the "Technologies"). As part of the commercialization process, the Corporation has branded these technologies as the CLEVR Process™ (cyanide-free gold extraction) and the GlassLock Process™ (permanent arsenic sequestration in glass).

# DUNDEE SUSTAINABLE TECHNOLOGIES INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

---

### ***GlassLock Process™***

DST has designed, built, and patented a method for the permanent stabilization of arsenic from numerous sources, including, but not limited to, arsenopyrite, enargite, cobaltite, flue dusts and environmental remediation. This process is an attractive technique to permanently stabilize arsenic and does so at a significantly lower cost than current alternatives, such as crystalline ferric arsenate or scorodite. This presents the Corporation with numerous opportunities to process materials considered too toxic or uneconomic to be exploited or stabilized using conventional processing methods.

### ***CLEVR Process™***

DST has also developed an advanced proprietary process for the extraction of precious and base metals using sodium hypochlorite to provide a cyanide-free alternative for the exploitation of gold deposits. The primary benefit of this innovative technology is a significantly shorter processing time (1-2 hours) as compared to the cyanide (24-48 hours). In addition, the CLEVR Process™ operates in a fully closed-loop. A key benefit of the closed loop operation is the elimination of the need for costly and environmentally risky tailing ponds. It also provides a reduction of the environmental footprint and produces a dry stacked, inert and stable cyanide-free tailing.

The Corporation has protected its intellectual property by filing patents during the development of its technologies. To date, the Corporation has applied or has been granted patents on 16 different processes, and it has 35 patents granted, published, pending or filed in 18 different countries. These patents expire between 2022 and 2036. The Corporation is in the process of expanding its patent portfolio for both processes and additional jurisdictions as warranted.

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 commercialized, or that output from any use of the Corporation's processes could be produced at a commercial scale at reasonable costs or successfully marketed.

### ***Technical Services***

The Corporation also uses its state-of-the-art laboratory and processing facility in Thetford Mines, Quebec to assist other companies with metallurgical services or complete small to industrial scale processing campaigns and testing.

## **RESPONSE TO COVID-19 SITUATION**

The year 2020 was marked by the severity of the coronavirus global outbreak. After safety practices were put in place, the Corporation has not experienced any major disruptions. The Corporation is monitoring developments and has taken appropriate actions in order to mitigate the risk, including safety procedures and contingency plans to continue operations at its plant in Thetford Mines.

# DUNDEE SUSTAINABLE TECHNOLOGIES INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

---

### OPERATIONS DURING Q3 2022

#### ***GlassLock Process™***

DST's primary driver in the coming years is expected to be its GlassLock Process™, followed by higher upside from its CLEVR Process™. Using its GlassLock Process technology, arsenic, which is a significant and dangerous waste product from the mining industry, can be safely and permanently vitrified in a glass form for disposal at the mine site, smelter or in remediation situations. DST completed the successful demonstration of its GlassLock Process onsite an operating base metal smelting facility in Africa. While the client has experienced recent operating challenges with the operation of the smelter, a decision to proceed with the construction of a full-scale plant is expected to be made in 2023. This project is facing delays due to general smelting challenges, but the commitment to the GlassLock technology remains strong and is one of the Corporation's most significant projects.

In addition to the above-mentioned development, the Corporation has made significant progress with its GlassLock Process commercialization project in Ghana. This project, with a top-tier gold producer, has been approved by the investment committee of the Client. In September 2022, the Client has communicated Dundee Technologies that the local Environmental Protection Agency ("EPA") has completed its review process and granted its approval, representing a significant milestone for the project. The project has now moved into the development of the execution plan which is expected to begin in the fourth quarter of 2022 leading up to the detailed engineering and EPCM phase.

Finally, in addition to the two projects mentioned above, both located in Africa, DST made significant advances on two other North American projects. The most important in terms of level of advance is located in Abitibi where the Client has inherited a legacy arsenic issue on its gold property that is containing about 4.6Moz of gold resources. In order to continue the development of the project, the Client now needs to execute a remediation project for the legacy material and DST was selected as the best technology for this project. As such, DST has completed a program in laboratory that demonstrated the amenability of the material for its technology. In addition, an engineering study was performed including environmental stability characterization and leaching tests on the final product that also confirmed the meeting of the environmental regulation. At this point in time, DST is working with the Client to fine-tune the business orientations of the project and is supporting their actions in preparation for the permitting process of the project.

#### ***CLEVR Process™***

DST is also commercializing its CLEVR Process to address the growing pressure from communities and governmental authorities over the use of cyanide in gold extraction. This proprietary process for the extraction of precious and base metals uses a relatively benign reagent, sodium hypochlorite, as opposed to the more toxic cyanide as an alternative for the exploitation of gold deposits. The primary benefit of this innovative technology is a significantly shorter processing time (1-2 hours) as compared to the cyanide (24-48 hours). In addition, the CLEVR Process operates in a fully closed-loop. A key benefit of the closed-loop operation is the elimination of the need for costly and environmentally risky tailing ponds. It also reduces the environmental footprint by producing a dry stacked, inert and stable cyanide-free tailing. DST is working with customers that seek alternative processes that can extract gold without the environmental liabilities associated with cyanide, while still maintaining control over the deleterious elements such as arsenic, mercury and antimony. DST offers a competitive alternative to the cyanidation process.

DST has completed a technology transfer with Newmont Corporation ("Newmont") so that their group in Colorado can reliably duplicate the CLEVR process at laboratory scale. This is part of a technology transfer agreement with Newmont that was renewed for 2022 calendar year.

# DUNDEE SUSTAINABLE TECHNOLOGIES INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

---

DST has worked with Newmont Corporation ("Newmont") on a selected project in a jurisdiction where cyanide has been banned. Newmont is the owner of a gold project with significant resources that cannot go into production due to cyanide restrictions. DST is currently developing a project with Newmont in which DST would provide a pilot plant to be transported to site for an on-site demonstration of the technology. The approval of such piloting program with the biggest producer of gold, and in a jurisdiction that has banned the use of cyanide, would represent a break-through for the CLEVR Process™ and could significantly accelerate other commercialization opportunities.

### ***Technical Services***

DST continues to build its technical services business and under the terms of these contracts, the Corporation will provide technical services in markets such as aluminum by-products, fertilizers, lithium, cobalt, nickel, magnesium, graphite and gold. Contributions from these contracts will help to offset developmental and operating costs related to its primary Technologies. The Corporation continued the project of processing 3,800 tonnes of material with its plant in Thetford Mines. This project is expected to generate about CDN\$3.5 million in revenues over the next 2-3 years. This project will remain the most significant revenue generator for the Corporation in 2022 and thus provide an inflow of cash to support the Corporation while the Technologies are being commercialized.

### **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. Technologies are at the forefront of the mining industry's innovative extraction processes and cater 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 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 Technologies 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 Technologies. DST has identified over 100 gold projects that could face significant concerns due to cyanide use, environmental and/or metallurgical constraints. The commercialization of the Corporation's technologies would enable mining companies to advance those projects which are currently constrained because of the refractory or toxic nature of their deposits. Discussions are ongoing with a number of mining companies to help advance these otherwise stranded deposits.

# DUNDEE SUSTAINABLE TECHNOLOGIES INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

### 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.

	<b>November 10, 2022</b>
Subordinate voting shares issued	64,195,774
Options	4,173,750
Warrants	4,242,063
<b>Total – fully diluted subordinate voting shares</b>	<b>72,611,587</b>
<b>Multiple voting shares issued (each multiple voting share has 10 votes)</b>	<b>2,500,000</b>

- (1) At November 10, 2022, Dundee owned 49.5 million subordinate voting shares of the Corporation (77.18%) 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

#### **Nine months ended September 30, 2022**

##### *Promissory note from a Related Party*

On January 4, 2022 and August 3, 2022, the Corporation signed two promissory notes in the principal amount of \$450,000 and \$500,000 respectively, payable to a wholly owned subsidiary of Dundee. The promissory notes have a maturity date of July 13, 2023 along with interest at a rate of 8% per annum. As at September 30, 2022, the principal amount of the promissory notes totaled \$1,950,000.

##### *IQ Innovation Loan*

On July 15, 2020, the Corporation received a loan offer from IQ for a total amount of \$1,107,500. The loan has been granted under IQ's Support for Innovation Program and will be used by the Corporation to apply against business development expenses (the "IQ Innovation Loan"). IQ advanced \$428,100 on December 14, 2020, \$296,806 on August 9, 2021 and \$359,956 on June 6, 2022. The IQ Innovation Loan will mature nine years since the initial disbursement and will bear interest at a rate of 3.04% per annum. The Corporation will benefit from a 24-month moratorium period on the repayment of capital since the first disbursement, after which, the capital will be reimbursed in 48 monthly installments. The Financing is secured by a second-degree hypothec over all of the Corporation's property other than the intellectual property.

# DUNDEE SUSTAINABLE TECHNOLOGIES INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

---

### *Contribution Agreement*

In 2016, the Corporation received from Canada Economic Development for Quebec Regions ("CED") a \$397,000 repayable contribution (the "CED Contribution"). During the nine months ended September 30, 2022, the Corporation repaid a total of \$42,534 of the principal amount (\$42,534 for the same period of last year)

### *Convertible Debenture*

On July 31, 2020, the Corporation entered into a debt settlement agreement with IQ, with respect to the settlement of a portion of the debt by the issuance of subordinated voting shares in the capital of the Corporation to IQ. The principal amount of the debenture amounts to \$4,000,000 with a maturity date to July 13, 2023. As part of the agreement, in August 2022, the Corporation made a partial payment to the capital in the amount of \$100,000.

### **Nine months ended September 30, 2021**

### *Promissory note from a Related Party*

On September 8, 2021, the Corporation signed a promissory note in the principal amount of \$550,000, payable to a wholly owned subsidiary of Dundee. The promissory note has a maturity date of July 13, 2023 along with interest at a rate of 8% per annum. As at September 30, 2021, the principal amount of the promissory note totaled \$1,000,000.

### *Convertible Debenture*

On July 31, 2020, the Corporation entered into a debt settlement agreement with IQ, with respect to the settlement of a portion of the debt by the issuance of subordinated voting shares in the capital of the Corporation to IQ. The principal amount of the debenture amounts to \$4,000,000 with a maturity date to July 13, 2023. As part of the agreement, in August 2021, the Corporation made a partial payment to the capital in the amount of \$50,000.

### *IQ Innovation Loan*

On July 15, 2020, the Corporation received a loan offer from IQ for a total amount of \$1,107,500. The loan has been granted under IQ's Support for Innovation Program and will be used by the Corporation to apply against business development expenses (the "IQ Innovation Loan"). IQ advanced \$428,100 on December 14, 2020, and \$296,806 on August 9, 2021. The IQ Innovation Loan will mature nine years since the initial disbursement and will bear interest at a rate of 3.04% per annum. The Corporation will benefit from a 24-month moratorium period on the repayment of capital since the first disbursement, after which, the capital will be reimbursed in 48 monthly installments. The Financing is secured by a second-degree hypothec over all of the Corporation's property other than the intellectual property.

## **INVESTING ACTIVITIES**

No investing activities were performed during the nine months ended September 30, 2022.

## **LIQUIDITY, GOING CONCERN AND WORKING CAPITAL**

On September 30, 2022, the working capital position of the Corporation was a negative \$15,804,926 (a negative \$227,844 as at December 31, 2021). This working capital includes \$400,000 of accrued liabilities payable to Dundee. Management estimates that the Corporation will not have sufficient funds to meet its obligations and budgeted expenditures through the twelve months ended September 30, 2023. The above-noted facts and circumstances cast significant doubt on the Corporation's ability to continue as a going concern. The Corporation will periodically have to raise additional funds to continue operations. The Corporation is pursuing financing alternatives to fund its operations and working towards developing its activities to operate 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 and commercial activities, that it will be able to secure the necessary financing. Financings could be completed 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.

# DUNDEE SUSTAINABLE TECHNOLOGIES INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

### DISCUSSION AND ANALYSIS OF OPERATIONS

#### Revenues

During the nine months ended September 30, 2022, the Corporation processed material for a number of customers, including major gold producers, for testing of ores and concentrates using the Corporation's Technologies. As well, exploration and development companies in other commodities such as aluminum, nickel, graphite and lithium utilized the Corporation's facilities and highly skilled personnel for the advancement of their projects.

The Corporation 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 CLEVR Process for precious metal extraction and/or its GlassLock Process. The technical services may serve to demonstrate the efficiency of the Corporation's facilities and technical staff 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.

Revenues totaled \$3,051,304 during the nine months ended September 30, 2022, with related costs of \$2,311,043 recorded under operating expenses related to these services. The Corporation reported revenues of \$3,239,896 with related costs of \$2,564,949 in the same period of the prior year. Revenues by line of business were as below:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
	\$	\$	\$	\$
GlassLock Process	232,417	415,431	515,685	1,352,716
CLEVR Process	67,947	9,608	91,722	142,319
Other service revenues	686,945	749,498	2,443,897	1,744,861
	<b>987,307</b>	<b>1,174,537</b>	<b>3,051,304</b>	<b>3,239,896</b>

The increase in revenue in other service revenues was generated mainly by a fertilizer project and by the processing of 3,800 tonnes of material, under the technical services line of business.

#### Operating expenses

The major components of the operating expenses are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Labour	262,576	313,454	918,416	945,397
Consultants	112,816	195,101	344,622	805,921
Consumables	33,015	31,626	99,875	150,755
Plant overhead	203,999	396,054	948,130	662,876
	<b>642,046</b>	<b>936,235</b>	<b>2,311,043</b>	<b>2,564,949</b>

#### Technology development

During the nine months ended September 30, 2022, the Corporation incurred technology development costs of \$805,893 (\$784,708 in the same period of 2021). These costs relate to research activities at the laboratory, patent maintenance and plant overhead.

The Corporation periodically receives reimbursement of project expenses generated under collaboration agreements and financial assistance under government incentive programs. These compensate the Corporation for expenses incurred and 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 amounted to \$753,946 (\$615,803 in the same period of 2021).

# DUNDEE SUSTAINABLE TECHNOLOGIES INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Plant expenses	306,576	120,592	737,902	717,231
Patent maintenance	23,611	22,039	66,991	67,477
Technology development	330,187	142,631	805,893	784,708
Tax credit and other government subsidies	54,827	(81,566)	(51,947)	(168,905)
<b>Technology development expenses, net</b>	<b>385,014</b>	<b>61,065</b>	<b>753,946</b>	<b>615,803</b>

### *Professional and consulting fees*

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Legal	37,113	-	40,963	7,070
Audit, audit related work and tax compliance	-	-	124,857	113,593
Accounting	11,010	-	14,015	-
Other	16,056	8,531	50,835	63,618
	<b>64,179</b>	<b>8,531</b>	<b>230,670</b>	<b>184,281</b>

### *Administrative expenses*

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Insurance	52,153	53,196	165,175	147,048
Rent and lease operating expenses	8,784	8,286	25,754	22,857
Website and technical support	5,445	7,367	31,550	17,621
Travel and accommodations	10,769	1,323	11,116	1,670
Telecommunications and others	8,363	5,510	23,317	20,464
	<b>85,514</b>	<b>75,682</b>	<b>256,912</b>	<b>209,660</b>

The increase in website and technical support expense was due to some improvements to the network and information technology services of the Corporation.

### *Wages and compensation*

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Employees	49,409	73,500	267,163	317,860
Officer compensation	53,437	10,347	79,675	50,584
Director fees	6,000	9,000	21,000	25,000
	<b>108,846</b>	<b>92,847</b>	<b>367,838</b>	<b>393,444</b>

Employees' wages expense decreased was mainly due to a reduction of employees from the head office in Montreal. Some of the functions have been replaced by other consultants and legal firms.

# DUNDEE SUSTAINABLE TECHNOLOGIES INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

### Other (Gains) and Losses

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Interest expenses on:				
Dundee loans and Dundee promissory notes	237,264	182,932	677,788	537,376
Dundee accretion expense	79,209	57,986	219,901	162,053
IQ loan	101,090	91,303	290,006	263,410
IQ loan accretion expense	52,857	40,300	147,356	110,282
CED Contribution accretion expense	6,558	7,395	20,324	22,764
Interest expense on leases	27,174	30,633	84,214	94,231
Other interest expense	138	696	1,698	5,421
Finance income on debt valuation	(13,654)	-	(33,211)	-
Other income	(67,712)	(29,404)	(76,068)	(40,440)
	<b>422,924</b>	<b>381,841</b>	<b>1,332,008</b>	<b>1,155,097</b>

### 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 consolidated financial statements prepared in accordance with IFRS.

	Q3-22	Q2-22	Q1-22	Q4-21
	\$	\$	\$	\$
Total revenue	987,307	987,306	1,076,691	1,109,727
Operating income (loss)	(524,995)	(546,100)	(343,230)	(221,744)
Net income (loss) and comprehensive income (loss)	(918,942)	(1,007,511)	(774,172)	(599,892)
Basic and diluted net income (loss) per share	(0.01)	(0.02)	(0.01)	(0.01)
	Q3-21	Q2-21	Q1-21	Q4-20
	\$	\$	\$	\$
Total revenue	1,174,537	1,352,206	713,153	834,817
Operating income (loss)	(593,036)	(339,401)	(657,514)	109,628
Net income (loss) and comprehensive income (loss)	(965,265)	(754,283)	(1,069,215)	1,044,845
Basic and diluted net income (loss) per share	(0.02)	(0.01)	(0.02)	0.02

For the quarter ended September 30, 2020, net loss and comprehensive loss was overstated by \$1,347,626 as a result of a gain on debt settlements which should have been accounted for during the three months period ended on September 30, 2020, rather than in the last quarter. For the year ended December 31, 2020, the Gain on debt settlements is adequately accounted for.

### OUTLOOK FOR 2022

The Corporation 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 numerous initiatives that it will execute to ensure success.

## **DUNDEE SUSTAINABLE TECHNOLOGIES INC.**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

---

#### ***Glasslock Process™***

After completing the delivery of the industrial demonstration GlassLock plant onsite on an operating base metal smelting facility in Africa in 2019, the Corporation then received a mandate from the client to perform the basic engineering phase for a full-scale implementation on site. A decision was made to proceed with complementary engineering study that will be required to support the detailed engineering and the permitting phases of the project. A decision from the client to proceed with the construction of a full-scale plant is not expected until 2023. While this project is facing delays due to general smelting challenges, the commitment for the GlassLock technology remains strong and is still high on the list of the Corporation's most significant projects.

In addition, the Corporation was awarded a mandate for metallurgical testwork and basic engineering report for another industrial implementation of its Glasslock Process in Ghana. The Client of this project is a top tier gold producer, and the execution of an arsenic stabilization project is part of their legal obligation to maintain their mining permit. This site contains legacy flue dusts contaminated by arsenic but also contains recoverable gold. The Corporation successfully demonstrated its ability to extract gold and stabilize the arsenic using its Glasslock Process. After the approval of the project by the local Environmental Protection Agency ("EPA") The project has now moved into the development of the execution plan which is expected to be completed during the fourth quarter of 2022 leading up to the detailed engineering and EPCM phase.

#### ***CLEVR Process™***

Since completing the second of two CLEVR Process industrial demonstration campaigns, the Corporation has continued to work with major and mid-tier gold producers to test the applicability of the CLEVR Process on dedicated gold deposits and to deliver technical & economic studies, designed with the objective of building the first commercial plant in partnership with a strategic partner. The demonstration campaigns established the proof of concept of the Corporation's CLEVR Process for different ore and concentrate streams. DST has been engaged for metallurgical testing programs and flow sheet development for gold customers for the application of the CLEVR Process on deposits under development. The Corporation is working with several properties in Asia, South America, Africa and Canada to test their ores and concentrates using the CLEVR Process.

#### ***Technical Services***

The Corporation owns a state-of-the-art mineral processing and metallurgical (hydro & pyro) facilities which is being made available for test programs ranging from laboratory (kg-scale) to the industrial scale (+1,000 tons). The Corporation is working on two significant technical services projects that will result in revenues of \$3.5 million over the next two years. Management is constantly in discussions with numerous parties with respect to projects that will maximize the value of its Thetford Mines facility.

#### **OFF BALANCE SHEET ARRANGEMENTS**

The Corporation did not enter into any off-balance sheet arrangements during the nine months ended September 30, 2022 and 2021.

#### **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 5 to the consolidated financial statements for the years ended December 31, 2021).

#### **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 consolidated financial statements as at December 31, 2021 in notes 1, 2 and 3.

# **DUNDEE SUSTAINABLE TECHNOLOGIES INC.**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

---

### **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 16 to the annual consolidated financial statements for the years ended December 31, 2021 and 2020.

### **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 2021, MD&A of the Corporation, including the risk of the COVID-19 situation. 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 2022 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.

# DUNDEE SUSTAINABLE TECHNOLOGIES INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

---

### ADDITIONAL INFORMATION CONCERNING DST

Additional information relating to Dundee Sustainable Technologies may be found on SEDAR at [www.sedar.com](http://www.sedar.com) and the Corporation's website at [www.dundeetechnologies.com](http://www.dundeetechnologies.com).

November 10, 2022

*(s) Jean-Philippe Mai*

\_\_\_\_\_  
Jean-Philippe Mai  
President and CEO

*(s) Arved Marin*

\_\_\_\_\_  
Arved Marin  
CFO