

# Dundee Sustainable Technologies Inc.

---

## NEWS RELEASE

### DST ANNOUNCES MAJOR IMPROVEMENT TO ITS BALANCE SHEET AND REFINANCING OF ITS DEBT

MONTREAL, QUEBEC, July 31, 2020 – Dundee Sustainable Technologies Inc. (“**DST**” or the “**Corporation**”) (CSE: DST) is pleased to announce that it has entered into two debt settlement agreements (the “**Debt Settlement Agreements**”) with Dundee Resources Limited (“**DRL**”) and Investissement Quebec (“**IQ**” and collectively with DRL the “**Creditors**”), with respect to the settlement of a portion of various debts of the Corporation by the issuance of subordinated voting shares in the capital of the Corporation (the “**Consideration Shares**”) to the Creditors. The Debt Settlement Agreements are designed to improve the financial position and will result in a healthier balance sheet for the Corporation.

The settlement of various debts in the capital of the Corporation, include various unsecured promissory notes issued to DRL and two term loans dated respectively January 7, 2014 and July 3, 2014 (the “**DRL Loans**”), as amended from time to time, and which are secured by movable hypothecs against certain assets of the Corporation. According to the terms of the Debt Settlement Agreement, DRL has agreed to convert \$13,405,521.97 of its debt in exchange for 40,622,794 Consideration Shares in the capital of the Corporation and IQ has agreed to convert \$1,418,368.27 of its debt in exchange for 4,298,082 Consideration Shares in the capital of the Corporation, both using a conversion price based on the 20-days VWAP of the Shares.

The entering into of the Debt Settlement Agreement is considered a “related party transaction” within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transaction* (“**MI 61-101**”), as DRL is considered an insider of DST. In order to conduct such transactions, the Corporation is relying on exemptions granted by MI 61-101 from: (i) the formal valuation requirements, as no securities of DST are listed on any of the stock exchanges listed in Section 5.5(b) of MI 61-101, and (ii) the minority approval requirements based on the “financial hardship” exemption, as a Special Committee formed by two independent directors of the Corporation has determined that the Corporation is in serious financial difficulty, which has been confirmed unanimously by the board of directors of the Corporation. The Debt Settlement Agreements are intended to improve the financial position of the Corporation and the terms of the Debt Settlement Agreements are reasonable in the circumstances of the Corporation.

As part of the Debt Settlement Agreements: (i) the remaining portion of the debt owed to DRL by the Corporation, totaling an amount of \$8,484,534 has been consolidated and will bear revised repayment terms, notably the reduction of the interest from 12.68% to 8% per annum, and the extension of the maturity date to July 13, 2023; and (ii) the remaining debt owed to IQ, totaling an amount of \$4,000,000 pursuant to a convertible debenture dated May 15, 2015 issued to IQ has been amended providing, among other things, the extension of the maturity date to July 13, 2023 (collectively, the “**Loans Extension**”). Similarly to the Debt Settlement Agreements, the Loans Extension are designed to improve the financial position and balance

sheet of the Corporation and the terms of such Loans Extension are reasonable in the circumstances of the Corporation.

Following the completion of the Debt Settlement Agreements, there will be a total of 60,667,997 subordinate voting shares and 2.5 million multi-voting shares of the Corporation issued and outstanding. Under applicable securities legislation, the Consideration Shares issued to DRL are subject to a four-month hold period, expiring on December 1, 2020.

As a result of the Debt Settlement Agreements and of the Loans Extension, the remaining debt with the Creditors was considerably reduced and refinanced at more advantageous terms. The Corporation's President and CEO, Mr. David Lemieux commented: "This financial restructuring was an essential step for DST. After years of research and development, DST is now in the commercialization phase of its technologies and it was therefore a good time to review our capital structure by reducing and refinancing our debts. This necessary step will be beneficial for future growth for our shareholders by leveraging our technologies to position DST advantageously into projects where we can unlock value."

### **About Dundee Sustainable Technologies, a corporation controlled by Dundee Corporation**

The Corporation is engaged in the development and commercialisation of environment-friendly technologies for the treatment of materials in the mining industry. Through the development of patented, proprietary processes, DST extracts precious and base metals from mineralised material, concentrates and tailings, while stabilising contaminants such as arsenic, which could not otherwise be extracted or stabilised with conventional processes because of metallurgical issues or environmental considerations.

DST has filed, published and was granted patents for the GlassLock Process™ and CLEVR Process™ in numerous countries.

### **FOR FURTHER INFORMATION PLEASE CONTACT:**

Mr. David Lemieux  
President and CEO  
Dundee Sustainable Technologies Inc.  
Tel: (418) 423-7247 # 227  
Cell: (418) 331-0486  
[info@dundeetechnologies.com](mailto:info@dundeetechnologies.com)

**FORWARD LOOKING STATEMENTS:** This press release contains forward-looking statements that address future events and conditions, which are subject to various risks and uncertainties. Actual results could differ materially from those anticipated in such forward-looking statements as a result of numerous factors, some of which may be beyond the Corporation's control. These factors include general market and industry conditions, risks related to continuous operations and to commercialization of new technologies and other risks disclosed in the Corporation's filings with Canadian Securities Regulators.

Forward-looking statements are based on the expectations and opinions of the Corporation's management on the date the statements are made. The assumptions used in the preparation of such statements, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The Corporation expressly disclaims any intention or obligation to update or revise

any forward-looking statements whether as a result of new information, future events or otherwise, except as required by applicable law.

*Neither the CSE nor its Regulation Services Provider (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.*