

## FORM 7

### MONTHLY PROGRESS REPORT

Name of CNSX Issuer: Dundee Sustainable Technologies Inc. (the "Issuer" or "DST").

Trading Symbol: DST

Number of Outstanding Listed Securities 312,926,530

Date: July 5, 2018

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

#### **General Instructions**

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

#### **Report on Business**

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

**DST is engaged in the development and commercialization of environmentally responsible technologies for the treatment of complex materials from 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, bismuth, antimony and cadmium which**

could not otherwise be extracted or stabilized with conventional processes because of metallurgical issues or environmental considerations.

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 most advanced proprietary process is the extraction of precious metals using a chlorination process which provides a cyanide-free alternative for the exploitation of gold deposits. DST's Thetford facility is a state of the art crushing, grinding, mineral processing (hydrometallurgy and pyrometallurgy) facility which is available for test programs from the lab scale up to the thousands of tonnes scale, as shown by the completion of two gold chlorination demonstration campaigns.

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. The 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.

DST's business plan is focused on controlling both 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.

In June 2018, DST has completed the construction of an industrial scale plant (the "Plant") using DST's proprietary arsenic stabilization technology (the "DST Arsenic Technology"). The cold commissioning of the Plant has started and is scheduled to be completed in the beginning of July 2018. Upon completion of the cold commissioning, the Plant will be dismantled and delivered to the customer's metal processing facility (the "Facility") where will begin a 12-month operation campaign. The objective of the project is to confirm, at the industrial scale, the amenability of the DST Technology for the treatment of flue dusts produced by the Facility.

2. Provide a general overview and discussion of the activities of management.

**Regular activities of management.**

On June 14, 2018, the annual and general meeting of shareholders was held for the purposes of, among other matters, receiving the audited annual financial statements, electing the directors of the Corporation, appointing the auditors and

**re-approving the stock option plan. All resolutions passed in accordance with management's recommendations.**

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law. **N/A**
4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned. **N/A**
5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship. **N/A**
6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced. **N/A**
7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship. **N/A**
8. Describe the acquisition of new customers or loss of customers. **N/A**
9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks. **N/A**
10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs. **N/A**
11. Report on any labour disputes and resolutions of those disputes if applicable. **N/A**
12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings. **N/A**
13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness. **N/A**
14. Provide details of any securities issued and options or warrants granted.  
**In June 2018, the Corporation granted of 500,000 stock options to an employee. The options vest immediately, expire in five years and are exercisable at \$0.10 per share.**
15. Provide details of any loans to or by Related Persons.  
**On January 8, 2014, Dundee Corporation ("Dundee") agreed to loan \$3,000,000 to the Corporation (the "First Loan"). The funds from the Loan were disbursed on January 31, 2014. The First Loan is secured by the Corporation's assets (the "Security"), bears interest at the rate of 12.68% per annum. The interest is payable concurrently with the repayment of the First Loan.**

On July 3, 2014, Dundee agreed to make available, under certain conditions, an additional \$3,000,000 to the Corporation (“the “Second Loan”) under the same terms as the First Loan of January 8, 2014. From July 4 to December 31, 2014 an aggregate of \$2,650,000 was advanced by Dundee to the Corporation.

On July 10, 2014, Dundee sold, transferred, assigned and conveyed the Bridge Loans to its wholly-owned subsidiary, Dundee Resources Limited.

On February 19, 2015, the principal amount of the Second Loan was increased to \$4,650,000 and the maturity dates of the First and Second Loans were extended to the earlier of November 30, 2015 and the date at which the Corporation raises the sum of \$10,000,000 or greater by way of debt or equity. An additional advance of \$2,000,000 was advanced to the Corporation during the six months ended June 30, 2015.

In January 2016, the principal amount of the First Loan was extended to the earlier of May 31, 2016 and the date in which the Corporation raises the sum of \$10,000,000 or greater by way of debt of equity, excluding any investments by Investissement Quebec, Dundee Resources or any of its affiliated companies.

In May 2016, the principal amount of the First Loan was extended to the earlier of November 30, 2016 and the date in which the Corporation raises the sum of \$10,000,000 or greater by way of debt of equity, excluding any investments by Investissement Quebec, Dundee Resources or any of its affiliated companies.

In November 2016, the principal amount of the First Loan was increased to \$5,150,000 and the maturity date was extended to the earlier of May 31, 2017 and the date in which the Corporation raises the sum of \$10,000,000 or greater by way of debt of equity, excluding any investments by Investissement Quebec, Dundee Resources or any of its affiliated companies.

In December 2016, Dundee Resources Limited advanced \$150,000 to the Corporation following the terms of the Second Loan and the amendment of November 2016. On February 2, 2017, an additional amount of \$200,000 was advanced to the Corporation. In May 2017, an additional amount of \$160,000 was advanced to the Corporation.

In May 2018, the maturity date of the First and Second Loan was extended to the earlier of November 30, 2018 and the date in which the Corporation raises the sum of \$10,000,000 or greater by way of debt or equity, excluding any investments made by Investissement Quebec, Dundee Resources or any of its affiliated companies.

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.

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.

On May 23, 2018, 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.

16. Provide details of any changes in directors, officers or committee members. **N/A**
17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends. **N/A**



<b>Issuer Details</b> Name of Issuer Dundee Sustainable Technologies Inc.	For June 2018 Month End	Date of Report YY/MM/DD 18/07/05
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