

FORM 5

QUARTERLY LISTING STATEMENT

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

Trading Symbol: DST

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the *Securities Act*, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement 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 the CNSX Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the CNSX.ca website.

General Instructions

- (a) Prepare this Quarterly Listing Statement 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 following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.
- (b) The term "Issuer" includes the CNSX 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.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. Related party transactions – See pages 8 of the MD&A.

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

- (a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
- (b) A description of the transaction(s), including those for which no amount has been recorded.
- (c) The recorded amount of the transactions classified by financial statement category.
- (d) The amounts due to or from Related Persons and the terms and conditions relating thereto. Contractual obligations with Related Persons, separate from other contractual obligations.
- (e) Contingencies involving Related Persons, separate from other contingencies.

2. Summary of securities issued and options granted during the period.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

- (a) summary of securities issued during the period.
No securities were issued during the first quarter of 2017.

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid

- (b) Summary of options granted during the period,

On February 3, 2017, the Corporation granted a total of 13,500,000 stock options to its directors, officers, employees and a consultant. These options are exercisable at \$0.05 per share, vested at the grant date and expire on February 3, 2022. The fair value of options awarded is \$0.04 per share for a total based payment expenses of \$540,000.

3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

- (a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,
**Authorized - An unlimited number of subordinate voting shares
An unlimited number of multi-voting shares**
- (b) number and recorded value for shares issued and outstanding,-
**297,090,816 subordinate voting shares - \$50,598,972
50,000,000 multi-voting shares - \$3,963,875**
- (c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value.
see notes 10 and 12 to Condensed Interim Consolidated Financial Statements.
- and
- (d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.
27,085,275 subordinate voting shares – 7,500,000 multiple voting shares, and 1,005,000 options of the Corporation are subject to an escrow agreement and were released in April 2017.

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

Brahm Gelfand, Director
Mark Goodman, Chairman and Director
Ned Goodman, Director
Brian Howlett, President & CEO, Director
Hubert Marleau, Director
L. Geoffrey Morphy, Director
Mario Jacob, Director
Luce Saint-Pierre, Secretary
Vatché Tchakmakian, CFO

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.
The MD&A is attached hereto.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to CNSX that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNSX Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated May 9, 2017.

Luce L. Saint-Pierre
Name of Director or Senior Officer

(s) *Luce L. Saint-Pierre*

Signature

Corporate Secretary
Official Capacity

Issuer Details		
Name of Issuer	For Quarter Ended	Date of Report YY/MM/D
Dundee Sustainable Technologies Inc.	March 31, 2017	17/05/09
Issuer Address 2060 – 1002 Sherbrooke Street West		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
Montreal, Quebec H3A 3L6	514-866-6193	514-866-6001 ext. 230
Contact Name	Contact Position	Contact Telephone No.
Luce L. Saint-Pierre	Corporate Secretary	514-866-6001 ext. 230
Contact Email Address llsp@dundeetechnologies.com	Web Site Address www.dundeetechnologies.com	

Dundee Sustainable Technologies Inc.

Condensed Interim Consolidated Financial Statements (Unaudited)

As at and for the three months ended March 31, 2017
(Expressed in Canadian dollars)

The attached financial statements have been prepared by management of Dundee Sustainable Technologies and have not been reviewed by the auditor.

1002 Sherbrooke Street West, Suite 2060, Montréal, QC, H3A 3L6
Tel.: 514.866.6001 / www.dundeetechnologies.com

Dundee Sustainable Technologies Inc.
Interim Consolidated Statements of Financial Position
(Unaudited)
(Expressed in Canadian dollars)

	Note	As at March 31, 2017	As at December 31, 2016
		\$	\$
Assets			
Current assets			
Cash		239,197	526,366
Accounts receivable		101,818	44,252
Research and development tax credits and grant receivable	8	423,371	365,000
Sales taxes receivables		81,437	36,743
Exploration and evaluation assets held for sale	6	200,000	400,000
Other assets	4	81,839	411,689
Prepaid expenses and advances to suppliers		45,671	47,340
		<u>1,173,333</u>	<u>1,831,390</u>
Non-current assets			
Property, plant and equipment	5	16,450	18,800
Intangible assets	7	4,613,813	4,613,813
		<u>4,630,263</u>	<u>4,632,613</u>
Total assets		<u>5,803,596</u>	<u>6,464,003</u>
Liabilities and Deficiency			
Current liabilities			
Accounts payable and accrued liabilities		1,191,528	1,002,428
Deferred revenue		2,586	78,463
Bridge loan	10	-	144,613
Short-term loan from a related party	9	10,754,935	10,299,685
		<u>11,949,049</u>	<u>11,525,189</u>
Non-current liabilities			
Long-term debt	10	155,467	151,049
Convertible debenture	10	3,657,532	3,608,207
Total liabilities		<u>15,762,048</u>	<u>15,284,445</u>
Deficiency			
Share capital	11	54,562,847	54,562,847
Contributed surplus		7,388,232	6,848,232
Deficit		(71,909,531)	(70,231,521)
Total deficiency		<u>(9,958,452)</u>	<u>(8,820,442)</u>
Total liabilities and deficiency		<u>5,803,596</u>	<u>6,464,003</u>
Going concern	1		
Commitments	15		

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Dundee Sustainable Technologies Inc.
Interim Consolidated Statements of Comprehensive Loss
(Unaudited)
For the three months ended March 31, 2017 and 2016
(Expressed in Canadian dollars, except number of shares)

	Note	2017 \$	2016 \$
Sale of services		211,195	-
Expenses			
Research and development	14	261,499	938,766
Professional and consulting fees		174,999	236,596
Other operating expenses		269,707	-
Administrative		161,099	146,982
Wages and compensation		93,995	120,373
Investor relations and promotions		3,727	8,790
Trustee and registration fees		9,528	8,947
Depreciation of property, plant and equipment		-	608
Share-based payments	12	540,000	-
Total expenses		1,514,554	1,461,062
Operating loss		(1,303,359)	(1,461,062)
Finance cost	9, 10	(370,898)	(297,507)
Loss on foreign currency exchange		(3,753)	(500)
Net loss and comprehensive loss		(1,678,010)	(1,759,069)
Basic and diluted net loss per share		(0.01)	(0.01)
Weighted average number of shares outstanding – basic and diluted		347,090,816	347,090,816

Going concern 1

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Dundee Sustainable Technologies Inc.

Interim Consolidated Statements of Changes in Deficiency

(Unaudited)

For the three months ended March 31, 2017 and 2016

(Expressed in Canadian dollars, except number of shares)

	Note	Multiple voting shares		Subordinate voting shares		Contributed surplus	Deficit	Total deficiency
		Number	\$	Number	\$	\$	\$	\$
Balance – December 31, 2016		50,000,000	3,963,875	297,090,816	50,598,972	6,848,232	(70,231,521)	(8,820,442)
Share-based payments	12	-	-	-	-	540,000	-	540,000
Net loss and comprehensive loss for the period		-	-	-	-	-	(1,678,010)	(1,678,010)
Balance – March 31, 2017		50,000,000	3,963,875	297,090,816	50,598,972	7,388,232	(71,909,531)	(9,958,452)

		Multiple voting shares		Subordinate voting shares		Contributed surplus	Deficit	Total deficiency
		Number	\$	Number	\$	\$	\$	\$
Balance – December 31, 2015		50,000,000	3,963,875	297,090,816	50,598,972	6,848,232	(65,801,349)	(4,390,270)
Net loss and comprehensive loss for the period		-	-	-	-	-	(1,759,069)	(1,759,069)
Balance – March 31, 2016		50,000,000	3,963,875	297,090,816	50,598,972	6,848,232	(67,560,418)	(6,149,339)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Dundee Sustainable Technologies Inc.

Interim Consolidated Statements of Cash Flows

(Unaudited)

For the three months ended March 31, 2017 and 2016

(Expressed in Canadian dollars)

	Note	2017	2016
		\$	\$
Operating activities			
Net loss for the period		(1,678,010)	(1,759,069)
Adjusted for:			
Share-based payments	12	540,000	-
Depreciation of property, plant and equipment included in research and development	5	2,350	2,350
Depreciation of property, plant and equipment	5	-	608
Amortization of long-term debt discount	10	4,418	-
Convertible debenture discount	10	(59,824)	-
Amortization of convertible debenture discount	10	28,656	15,223
Finance costs accrued	9, 10	337,710	244,499
		(824,700)	(1,496,389)
Changes in non-cash operating working capital items:			
Accounts receivable		(57,566)	-
Research and development tax credits and grant receivable		(58,371)	(18,239)
Sales taxes receivables		(44,694)	63,160
Other assets		329,850	(21,075)
Prepaid expenses and advances to suppliers		1,669	6,203
Accounts payable and accrued liabilities		182,520	204,130
Deferred revenue		(75,877)	155,371
		277,531	389,550
Net cash used in operating activities		(547,169)	(1,106,839)
Investing activities			
Disposal of exploration and evaluation assets held for sale		200,000	-
Net cash used in investing activities		200,000	-
Financing activities			
Repayment of bridge loans	10	(140,000)	-
Short-term loan from a related party	9	200,000	-
Net cash provided by financing activities		60,000	-
Net change in cash		(287,169)	(1,106,839)
Cash – beginning		526,366	1,679,490
Cash – end		239,197	572,651
Going concern	1		
Supplemental information			
Finance cost paid		2,802	37,785

The accompanying notes are an integral part of these consolidated financial statements.

Dundee Sustainable Technologies Inc.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the three months ended March 31, 2017 and 2016

(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Dundee Sustainable Technologies Inc. (the "Corporation") was incorporated under the Canada Business Corporations Act on July 22, 1997. The Corporation's head office is located at 1002 Sherbrooke Street West, Suite 2060, Montréal, Quebec, Canada, H3A 3L6.

The Corporation has developed metallurgical processes based on a chlorination technology. It is a method of treating and extracting gold and/or silver and other base metals by creating a chloride with either chlorine or hydrochloric acid. The approach is very broad and can involve either oxide or sulfide ores and allows the recovery of nickel/cobalt from oxide-type ores such as serpentine, laterites and other siliceous metal-bearing ores. It also allows the extraction of precious metals from refractory ores with content of sulfides and arsenic. The Corporation has also developed a process based on an arsenic stabilization technology which is designed for the sequestration of arsenic in a stable glass form. This process involves a technique to segregate arsenic and is therefore opening up opportunities to process materials considered too toxic to be exploited or stabilized using conventional mining methods.

These technologies are subject to all risks inherent in their development and may require significant additional development, testing and investment prior to any final commercialization. There can be no assurance that such technologies will be successfully developed, or that output from any use of the Corporation's technologies could be produced at a commercial level at reasonable costs or be successfully marketed. To date, the Corporation has not earned significant revenues and is considered to be in the development stage. As at March 31, 2017, Dundee Corporation ("Dundee") was the principal and majority shareholder of the Corporation.

For the three months ended March 31, 2017, the Corporation incurred a loss of \$1,678,010 (\$1,759,069 for the three months ended March 31, 2016) and has negative working capital of \$10,775,716 (a negative working capital of \$9,693,799 as at December 31, 2016). Deficit as at March 31, 2017 amounted to \$71,909,531 (\$70,231,521 as at December 31, 2016) and cash flows used in operating activities for the three months ended March 31, 2017 amounted to \$547,169 (\$1,106,839 for the three months ended March 31, 2016).

Management estimates that the Corporation will not have sufficient funds to meet its obligations and budgeted expenditures through to March 31, 2018. The Corporation will therefore periodically have to raise additional funds to continue operations. The Corporation is pursuing financing alternatives to fund its operations and to continue its activities as a going concern. Although there is no assurance that the Corporation will be successful in these actions, management believes, based on previous fund raising experience, that the Corporation will be able to secure the necessary financing through the issuance of debt or new equity in public or privately negotiated equity offerings. While it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future.

Although these unaudited condensed interim consolidated financial statements as at and for the three months ended March 31, 2017 ("March 2017 Interim Consolidated Financial Statements") have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, the above-noted facts and circumstances cast significant doubt on the Corporation's ability to continue as a going concern.

The March 2017 Interim Consolidated Financial Statements do not reflect the adjustments to the carrying values of assets and liabilities, to the reported expenses and to the financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

On May 4, 2017, the March 2017 Interim Consolidated Financial Statements were authorized for publication by the Board of Directors.

Dundee Sustainable Technologies Inc.

Notes to Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months ended March 31, 2017 and 2016
(Expressed in Canadian dollars)

2. BASIS OF PRESENTATION

The March 2017 Interim Consolidated Financial Statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (“IASB”), and with interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) which the Canadian Accounting Standards Board has approved for incorporation into Part 1 of the CPA Canada Handbook – Accounting, as applicable to the preparation of interim financial statements, including International Accounting Standard (“IAS”) 34, “Interim Financial Reporting”. The March 2017 Interim Consolidated Financial Statements should be read in conjunction with the Corporation’s audited consolidated financial statements as at and for the year ended December 31, 2016 (“2016 Audited Consolidated Financial Statements”) which were prepared in accordance with IFRS as applicable for annual financial statements.

The March 2017 Interim Consolidated Financial Statements follow the same accounting principles and methods of application as those disclosed in Note 2 to the 2016 Audited Consolidated Financial Statements.

Accounting Standards, Interpretations and Amendments to Existing Standards not yet Effective

IFRS accounting standards, interpretations and amendments to existing IFRS accounting standards that were not yet effective as at December 31, 2016, are described in note 2 to the 2016 Audited Consolidated Financial Statements. There have been no changes to existing IFRS accounting standards and interpretations since December 31, 2016 that are expected to have a material effect on the Corporation’s financial statements.

IFRS 2, “Share-based Payment”

In June 2016, the IASB issued amendments to IFRS 2, clarifying how to account for certain types of share-based payment transactions, including the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, accounting for share-based payment transactions with a net settlement feature for withholding tax obligations, and accounting for modifications to the terms and conditions of a share-based payment that changes the classification of the share-based payment transaction from cash-settled to equity-settled. The IFRS 2 amendments are effective for annual periods beginning on or after January 1, 2018. The Corporation is in the process of evaluating the impact of adopting these amendments to its consolidated financial statements.

IFRS 9, “Financial Instruments”

In July 2014, the IASB issued final amendments to IFRS 9, replacing earlier versions of IFRS 9 already adopted by the Corporation. These amendments to IFRS 9 introduce a single, forward-looking “expected loss” impairment model for financial assets, which will require more timely recognition of expected credit losses, and a fair value through other comprehensive income category for financial assets that are debt instruments. Other previously issued amendments to IFRS 9 that have not yet been adopted by the Corporation include a substantially reformed approach to hedge accounting and requirements to recognize gains or losses that relate to the effect of an entity’s own credit risk in measuring liabilities elected to be measured at fair value outside of net income or loss. The amendments to IFRS 9 that are not yet adopted by the Corporation are effective for annual periods beginning on or after January 1, 2018 and are available for earlier adoption. The Corporation has yet to assess the full impact of the amendment to IFRS 9 on its consolidated financial statements, and it has not yet determined whether the new amendments will be adopted earlier than at the required date of implementation.

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 provides a single model to determine how and when an entity should recognize revenue, as well as requiring entities to provide more informative, relevant disclosures in respect of their revenue recognition criteria. IFRS 15 is to be applied prospectively and is effective for annual periods beginning on or after January 1, 2018, with earlier adoption permitted. The Corporation is in the process of evaluating the impact of adopting this new standard to its consolidated financial statements.

Dundee Sustainable Technologies Inc.
Notes to Condensed Interim Consolidated Financial Statements
(Unaudited)

For the three months ended March 31, 2017 and 2016
(Expressed in Canadian dollars)

2. BASIS OF PRESENTATION (CONT'D)

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.

3. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the March 2017 Interim Consolidated Financial Statements in accordance with IFRS requires the Corporation to make judgments in applying its accounting policies and estimates and assumptions about the future. These judgments, estimates and assumptions affect the Corporation's reported amounts of assets, liabilities, and items in net earnings or loss, and the related disclosure of contingent assets and liabilities, if any. The Corporation evaluates its estimates on an ongoing basis.

Such estimates are based on various assumptions that the Corporation believes are reasonable under the circumstances, and these estimates form the basis for making judgments about the carrying value of assets and liabilities and the reported amount of items in net earnings or loss that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. There have been no significant changes in accounting judgments, estimates and assumptions made by the Corporation in the preparation of the March 2017 Interim Consolidated Financial Statements from those judgments, estimates and assumptions disclosed in note 3 to the 2016 Audited Consolidated Financial Statements.

4. OTHER ASSETS

The other assets include the following items:

	As at March 31, 2017	As at December 31, 2016
Gold concentrate	\$ -	\$ 326,213
Supplies	81,839	85,476
	81,839	411,689

5. PROPERTY, PLANT AND EQUIPMENT

	Camp and infrastructure	Vehicles and equipment	Office furniture and computer equipment	Total
Gross carrying amount	\$	\$	\$	\$
Balance – January 1 and March 31, 2017	90,807	47,000	134,085	271,892
Accumulated depreciation				
Balance – January 1, 2017	90,807	28,200	134,085	253,092
Depreciation	-	2,350	-	2,350
Balance – March 31, 2017	90,807	30,550	134,085	255,442
Net carrying amount – March 31, 2017	-	16,450	-	16,450
Net carrying amount – December 31, 2016	-	18,800	-	18,800

Dundee Sustainable Technologies Inc.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the three months ended March 31, 2017 and 2016

(Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS HELD FOR SALE

	As at December 31, 2016	Disposal	As at March 31, 2017
Mineral properties	\$	\$	\$
Ontario, Canada			
Shining Tree	400,000	(200,000)	200,000
	400,000	(200,000)	200,000

Shining Tree properties

The Shining Tree properties consist of 14 mining leases and 37 mining claims. In March 2017, the Corporation sold the mining claims for an amount of \$200,000. The closing of the sale of the mining leases for an amount of \$200,000 is expected to be completed in the second quarter of 2017.

7. INTANGIBLE ASSETS

	As at March 31, 2017 and December 31, 2016
	\$
Intellectual properties – Oxide	605,000
Patent application fees – Oxide	129,474
Development cost – Oxide	5,809,233
Less: SR&ED tax credit	(1,929,894)
	4,613,813

8. GOVERNMENT ASSISTANCE

In June 2013, the Corporation entered into an agreement (the “Contribution Agreement”) with the Sustainable Development Technology Canada Foundation (“SDTC”). Upon meeting certain conditions, the SDTC agreed to financially assist the Corporation in developing and demonstrating its chlorination technology. Under the terms of the agreement, the SDTC will contribute up to the lesser of 25.30% of eligible project costs or \$5,000,000. As at March 31, 2017, the Corporation received an aggregate amount of \$4,500,000 from SDTC.

	Three months ended March 31, 2017
	\$
Grant receivable from SDTC	
Balance – beginning	280,000
Recognition of contribution through profit or loss as per eligible expenditures incurred during the period	58,371
Balance – end	338,371
Research and development tax credits receivable	85,000
	423,371

Dundee Sustainable Technologies Inc.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the three months ended March 31, 2017 and 2016

(Expressed in Canadian dollars)

9. SHORT-TERM LOAN FROM A RELATED PARTY

The short-term loans, from a wholly owned subsidiary of Dundee, bear interest at the rate of 12.68% per annum and are secured by a hypothec, pari passu with Investissement Québec's ("IQ") convertible debenture and Canada Economic Development for Quebec Regions (CED) contribution, over all of the Corporation's property other than its intellectual property. The interest is payable concurrently with the repayment of the loans. The maturity date of the loans is the earlier of May 31, 2017 and the date at which the Corporation raises the sum of \$10,000,000 or greater by way of debt or equity. The Corporation has the option to repay the loans at any time. On February 2, 2017, an additional amount of \$200,000 was advanced to the Corporation.

As at March 31, 2017, the principal amount of the loans totals \$8,150,000 (\$7,950,000 – As at December 31, 2016).

Short-term loan	Three months ended	
	2017	March 31, 2016
	\$	\$
Balance – beginning	10,299,685	9,027,586
Principal amount	200,000	-
Finance costs accrued	255,250	244,499
Balance – end	10,754,935	9,272,085

10. CONVERTIBLE DEBENTURE AND LOANS

10.1 Convertible debenture

In 2015, the Corporation completed a \$5,000,000 financing with IQ consisting of a private placement of subordinated voting shares of \$1,000,000 and a secured convertible loan in an amount of up to \$4,000,000 (the "IQ Loan"). IQ advanced \$1,900,000 in 2015 and \$2,100,000 in 2016.

The IQ Loan, which is evidenced by a secured convertible debenture, will mature in five years, bears interest at a rate of 8% per annum, payable quarterly, and can be converted after one year at the holder's option into subordinate voting shares of the Corporation at a conversion price equal to the closing market price of the shares on the day prior to conversion. After the first anniversary of the IQ Loan, the Corporation has the right to redeem the IQ Loan subject to a 10% premium. Starting October 1, 2016, interest is capitalized. During the three months ended March 31, 2017, the Corporation capitalized \$80,493 in interest.

The IQ Loan is secured by a hypothec, pari passu with Dundee's loan and CED's contribution, over all of the Corporation's property other than its intellectual property and is guaranteed by Dundee in an amount of up to \$1,500,000.

In connection with the financing, the Corporation has entered into an agreement with IQ granting IQ the right to appoint one member of the Board of Directors of the Corporation.

The fair value of the debt component advanced in 2016 and 2015 was estimated using an effective rate of 11.7% corresponding to a rate that the Corporation would have obtained for a similar non-subsidized financing. No value has been assigned to the equity conversion option, as the conversion price is equal to the closing market price of the shares on the day prior to conversion.

Dundee Sustainable Technologies Inc.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the three months ended March 31, 2017 and 2016

(Expressed in Canadian dollars)

10. CONVERTIBLE DEBENTURE AND LOANS (CONT'D)

10.1 Convertible debenture (Cont'd)

	Three months ended	
	2017	March 31, 2016
	\$	\$
Carrying amount of the liability component – beginning	3,608,207	1,578,986
Capitalized interest expense	80,493	-
Debt discounted at fair value	(59,824)	-
Accretion expense	28,656	15,223
Carrying amount of the liability component – end	3,657,532	1,594,209

10.2 CED contribution agreement

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

The fair value of the debt component advanced in December 2016 was estimated at \$149,944 using an effective rate of 11.7% corresponding to a rate that the Corporation would have obtained for a similar non-subsidized financing.

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

Long-term debt	Three months ended	
	March 31, 2017	
		\$
Balance– beginning		151,049
Accretion expense		4,418
Balance – end		155,467

10.3 Bridge loans

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. The outstanding bridge loan of \$140,000 and accrued interest of \$4,613 was reimbursed in January 2017.

Dundee Sustainable Technologies Inc.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the three months ended March 31, 2017 and 2016

(Expressed in Canadian dollars)

11. SHARE CAPITAL

On March 31, 2017 and December 31, 2016, the authorized capital of the Corporation consisted 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 10 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 outstanding at year-end. The holders 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 on the basis of 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 have the same rights and restrictions.

12. STOCK OPTION PLAN

On February 3, 2017, the Corporation granted a total of 13,500,000 stock options to its directors, officers, employees and a consultant. These options are exercisable at \$0.05 per share, vested at the grant date and expire on the fifth anniversary of their date of issuance. The fair value of options awarded is \$0.04 per share for a total based payment expenses of \$540,000.

The fair value of options at the grant date was calculated based on the Black-Scholes option pricing model, using the following weighted average assumptions:

Expected life	5 years
Risk-free interest rate	1.11%
Expected volatility	131%
Expected dividend yield	0%
Share price	\$0.05

The changes in the Corporation's outstanding and exercisable options are as follows:

	Three months ended March 31,			
	2017		2016	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		\$		\$
Balance – beginning	10,877,500	0.13	20,577,500	0.13
Granted	13,500,000	0.05	-	-
Expired	(475,000)	0.20	-	-
Balance – end	23,902,500	0.08	20,577,500	0.13

Dundee Sustainable Technologies Inc.
Notes to Condensed Interim Consolidated Financial Statements
(Unaudited)
For the three months ended March 31, 2017 and 2016
(Expressed in Canadian dollars)

12. STOCK OPTION PLAN (CONT'D)

As at March 31, 2017, outstanding and exercisable options are as follows:

Number of options	Exercise price	Expiry date
	\$	
100,000	0.20	July 23, 2017
600,000	0.20	February 6, 2018
7,400,000	0.10	December 12, 2018
602,500	0.20	October 2, 2019
13,500,000	0.05	February 3, 2022
1,700,000	0.20	November 27, 2022
23,902,500		

The residual weighted average contractual term of outstanding options was 3.75 years as at March 31, 2017.

13. ESCROW AGREEMENT

As at March 31, 2017, 27,085,275 subordinate voting shares, 7,500,000 multiple voting shares and 1,005,000 options of the Corporation are subject to an escrow agreement and were released in April 2017.

14. RESEARCH AND DEVELOPMENT

	Three months ended	
	March 31,	
	2017	2016
	\$	\$
Research and development	379,695	1,065,011
Tax credit and industrial research assistance program	-	(32,024)
R&D service contracts with third parties	-	(94,221)
SDTC contribution	(58,371)	-
Government subsidy on long-term debt and convertible debenture	(59,825)	-
	261,499	938,766

15. COMMITMENTS

15.1 Construction of a demonstration plant

In June 2013, the Corporation entered into an agreement (the "Contribution Agreement") with SDTC. Upon meeting certain conditions, SDTC agreed to financially assist the Corporation in developing and demonstrating its chlorination technology. Under the terms of the agreement, SDTC will contribute up to the lesser of 25.30% of eligible project costs or \$5,000,000.

The Corporation's objective is to finalize the development of its chlorination technology to extract precious metals (e.g. gold), at a pre-commercial stage through the construction and operation of a demonstration plant of 15 tonnes of concentrate per day that will operate on a continuous mode under industrial conditions. Construction of the plant commenced in 2013, and commissioning was successfully completed in late 2015 enabling the Corporation to proceed with the demonstration phase of the project in 2016.

Dundee Sustainable Technologies Inc.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the three months ended March 31, 2017 and 2016

(Expressed in Canadian dollars)

15. COMMITMENTS (CONT'D)

The Corporation has spent a total of \$19,136,955 in this regard, from which \$230,783 was incurred during the three months ended March 31, 2017 and is included in the consolidated statement of comprehensive loss under research and development. As at March 31, 2017, the Corporation has a firm purchasing commitment for \$20,486 towards equipment and services relating to the demonstration plant.

As at March 31, 2017, the Corporation received an aggregate amount of \$4,500,000 from SDTC corresponding to the eligible activities to be incurred by the Corporation.

15.2 Lease payments

On January 11, 2008, the Corporation entered into a three-year lease (the "Thetford Mines Lease"). The annual rent was \$100,000. In October 2010, the Corporation renewed the Thetford Mines Lease for a three-year period ending December 31, 2013 at an annual rent of \$106,000. On July 1, 2013, the Corporation renewed and modified the Thetford Mines Lease, to rent more space, for a 10-year period at an annual rent of \$204,380 that is subject to a yearly increase of 1.5%.

On April 11, 2016, the Corporation entered into a lease for its head office until August 31, 2018. The annual rent is \$49,088.

The aggregate annual payments due over the following periods are as follows:

	As at March 31, 2017
	\$
Less than 1 year	264,401
Between 1 and 5 years	914,489
More than 5 years	290,156

Dundee Sustainable Technologies Inc.

Management's Discussion and Analysis

For the three months ended March 31, 2017

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

DUNDEE SUSTAINABLE TECHNOLOGIES INC.

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DUNDEE SUSTAINABLE TECHNOLOGIES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2017

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, 2017.

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, 2016 (the "2016 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, 2017 (the "March 2017 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, 2017, Dundee owned 178.1 million subordinate voting shares and 50.0 million multiple voting shares of the Corporation giving Dundee a 66% equity interest and an 85% voting interest in the Corporation.

Nature of Operations

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

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, and a closed-loop operation, eliminating the need for costly tailing ponds and reducing the environmental footprint of the 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.

DUNDEE SUSTAINABLE TECHNOLOGIES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2017

Arsenic Stabilization by Vitrification

DST has constructed a pilot plant designed 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 2017

Gold Chlorination Technology

During the first quarter of 2017, the Corporation completed the technical report for the processing of 40 tonnes of a complex gold concentrate containing an estimated 110 g/tonne of gold, copper grades of 9.0% and mercury content in excess of 700 g/tonne. A gold extraction yield of 97.3% was achieved at the outlet of the chlorination reactor, with full environmental controls over the sulfur and mercury content, with mercury effectively removed during processing to a level of 99%. The intention is to initiate an independent technical-economic study, designed with the objective of building DST' first commercial plant in partnership with a strategic partner.

At March 31, 2017, Dundee Technologies had expended \$19.1 million towards the construction and operation of its demonstration plant.

Arsenic Stabilization Technology

The Corporation is in the final stages of completing the engineering of an onsite industrial scale demonstration plant to be delivered to a customer. DST anticipates that the construction will commence in the second quarter of 2017. This plant will be financed by the customer and will provide proof of the arsenic technology in an industrial environment.

Arsenopyrite Process

In February 2017, Dundee Technologies entered into a contract with a Canadian exploration company 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 is 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 will be overseen by an independent consulting firm, with the view of providing the necessary data to the Canadian exploration company to update its preliminary economic assessment.

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 mercury, antimony and arsenic.

DUNDEE SUSTAINABLE TECHNOLOGIES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2017

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 4, 2017
Subordinate voting shares issued	297,090,816
Options	23,902,500
Total – fully diluted subordinate voting shares	320,993,316
Multiple voting shares issued (each multiple voting shares have 10 votes)	50,000,000

(1) At May 4, 2017, Dundee owned 178,068,497 subordinate voting shares of the Corporation (60%) 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.

DUNDEE SUSTAINABLE TECHNOLOGIES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2017

On February 3, 2017, the Corporation granted a total of 13,500,000 stock options to its directors, officers, employees and a consultant. These options are exercisable at \$0.05 per share, vested at the grant date and expire on the fifth anniversary of their date of issuance. The fair value of options awarded is \$0.04 per share for a total based payment expenses of \$540,000.

FINANCING ACTIVITIES

Three months ended March 31, 2017

Short-term Loan from a Related Party

In 2014, Dundee Resources Limited, a wholly owned subsidiary of Dundee, agreed to loan (the "Short-term Loan") up to \$6,000,000 to the Corporation. During 2015 and 2016, the aggregate amount of the loan facility 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, 2017 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. The outstanding bridge loan of \$140,000 and accrued interest of \$4,613 was reimbursed in January 2017.

Three months ended March 31, 2016

The Corporation did not complete a financing during the three months period ending March 31, 2016.

LIQUIDITY AND WORKING CAPITAL

On March 31, 2017, the working capital of the Corporation was at negative \$10,775,716 (at negative \$9,693,799 as at December 31, 2016). This working capital deficiency includes a \$10,754,935 (\$10,299,685 as at December 31, 2016) short-term loan (principal and accrued interest) from Dundee. Management estimates that the Corporation will not have sufficient funds to meet its obligations and budgeted expenditures through to March 31, 2018. The Corporation will therefore periodically have to raise additional funds to continue operations. The Corporation is pursuing financing alternatives to fund its operations and to continue its activities as a going concern. Although there is no assurance that the Corporation will be successful in these actions, management believes, based on previous fund raising experience, that it will be able to secure the necessary financing through the issuance of debt or new equity in public or privately negotiated equity offering. While it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future.

DISCUSSION AND ANALYSIS OF OPERATIONS

The Corporation reported a loss of \$1,678,010 during the three months ended March 31, 2017 compared with a loss of \$1,759,069 in the same period of the prior year.

The Corporation reported revenues starting in the second quarter of 2016. Revenues totalled \$211,195 during the three months ended March 31, 2017 with related cost of \$269,707 recorded under other operating expenses.

The Corporation's total operating expenses amounted to \$1,514,554 during the three months ended March 31, 2017 as compared to \$1,461,062 in the same period of 2016.

DUNDEE SUSTAINABLE TECHNOLOGIES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2017

Revenues

During the first quarter of 2017, the Corporation has processed test material for a number of customers including major gold producers as well as exploration companies.

DST provided its technical expertise and its facilities to these companies to evaluate the development of their projects using the Corporation's Thetford 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 2017, the Corporation incurred \$379,695 (\$1,065,011 in the same period of 2016) in research and development expenses in respect of its chlorination and arsenic stabilization processes. These costs relate primarily to the operation of the chlorination process demonstration plant.

Since 2013, the Corporation has spent a total of \$19,136,955 for the construction and operation of the demonstration plant of which a total of \$230,783 was incurred during the three months ended March 31, 2017. The remaining expenses relate to research activities conducted in the pilot plant and the laboratory.

The Corporation periodically receives financial assistance under government incentive programs. Assistance that compensates DST for expenses incurred are normally recognized as a reduction to research and development expense on a systematic basis in the same periods in which the expenses are incurred. On a net-of-assistance basis, research and development costs represented \$261,499 (\$938,766 during the same period in 2016).

	Three months ended March 31,	
	2017	2016
	\$	\$
Chlorination process	328,101	993,233
Arsenic stabilization process	51,594	71,778
Research and development expenses	379,695	1,065,011
R&D service contracts with third parties	-	(94,221)
Government assistance and tax credits	-	(32,024)
SDTC Contribution	(58,371)	-
Government subsidy on long-term debt and convertible debenture	(59,825)	-
Research and development expenses, net	261,499	938,766

	Three months ended March 31,			
	2017		2016	
	Chlorination	Arsenic	Chlorination	Arsenic
	\$	\$	\$	\$
Wages and compensation	157,328	50,157	416,086	42,068
Contractors	63,804	987	132,807	14,393
Building maintenance	3,896	450	139,273	994
Equipment	567	-	134,669	5,613
Consumables	64,460	-	81,007	7,469
Other	38,046	-	89,391	1,241
Research and development expenses	328,101	51,594	993,233	71,778

DUNDEE SUSTAINABLE TECHNOLOGIES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2017

Professional and consulting fees

	Three months ended March 31,	
	2017	2016
	\$	\$
Legal	16,021	24,695
Audit, audit related work and tax compliance	90,000	102,170
Accounting	31,770	49,731
Consulting administration	37,208	60,000
Professional and consulting fees	174,999	236,596

Accounting: Remuneration of the Chief Financial Officer, in the amount of \$25,200 from a private company controlled by him (\$40,731 in Q1-2016). In addition, his company charged fees of \$6,570 for support staff in respect of accounting, bookkeeping and administrative services (\$9,000 in Q1-2016).

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

Administrative expenses

	Three months ended March 31,	
	2017	2016
	\$	\$
Insurance	55,833	51,629
Rent	49,422	30,577
Website and technical support	15,680	14,075
Transportation and accommodation	20,821	27,540
Telecommunications and others	19,343	23,161
Administrative expenses	161,099	146,982

The increase in rent is due to a timing difference in property taxes.

Wages and compensation

	Three months ended March 31,	
	2017	2016
	\$	\$
Employees	84,995	94,498
Director fees	9,000	25,875
Administrative expenses	93,995	120,373

The variance in wages and compensation is due to:

- Non-executive and independent directors and chairs of committees were paid fees for an amount of \$9,000 during the three months ended March 31, 2017 (\$25,875 during the same period in 2016);
- Cost-cutting measures were implemented during the first quarter of 2017 compared to the same period of last year.

Other Gains and Losses

During the three months ended March 31, 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). During the same period of 2016, finance costs relates to interest expenses capitalized on the Dundee short-term loan (\$244,499), the IQ Loan (\$37,785 paid and \$15,223 accretion expense).

DUNDEE SUSTAINABLE TECHNOLOGIES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2017

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.

	Q1-17	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

	Q1-16	Q4-15	Q3-15	Q2-15
	\$	\$	\$	\$
Total revenue	Nil	Nil	Nil	Nil
Net loss and comprehensive loss	1,759,069	2,257,245	1,687,264	1,904,649
Basic and diluted net loss per share	0.005	0.007	0.005	0.006

For the first time in its history, the Corporation reported revenues starting in the second quarter of 2016.

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 2017

The Company is moving towards the commercialization of its technologies and seeking to maximize the value of all of its assets to accelerate this growth. The Corporation has four initiatives that it will execute to ensure success.

Chlorination Process:

The processing of complex concentrate from Chile was completed 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' first commercial plant in partnership with a strategic partner.

Arsenic Stabilization Process:

The Corporation is in the final stages of completing the engineering of an onsite industrial scale demonstration plant to be delivered to a customer. DST anticipates that the construction will commence in the second quarter of 2017. This plant will be financed by the customer and will provide proof of the arsenic technology in an industrial environment.

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 2017, will open up a number of deposits to development that were previously stranded.

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, available for test programs at the laboratory and up to 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 2017.

DUNDEE SUSTAINABLE TECHNOLOGIES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2017

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, 2017 and 2016

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The contractual obligations of the Corporation include lease payments for the Thetford Mines facilities and the head office in Montreal (Refer to Note 15.2 to the financial statements for the three months ended March 31, 2017).

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 March 31, 2017 and December 31, 2016 in notes 1, 2 and 3.

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 18 to the annual consolidated financial statements for the years ended December 31, 2016 and 2015.

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 2016 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 2017 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.

DUNDEE SUSTAINABLE TECHNOLOGIES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2017

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 4, 2017

(s) Brian Howlett

Brian Howlett
President and CEO

(s) Vatche Tchakmakian

Vatche Tchakmakian
CFO