

FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed 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 Exchange 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 Exchange 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 Listed 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 Note 8 of the *Financial Statements*.

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.
- (e) Contractual obligations with Related Persons, separate from other contractual obligations.
- (f) 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 period.

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

No options were granted during the period.

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,
314,942,521 subordinate voting shares - \$51,093,798
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, and

Warrants

14,285,714 0.06 November 23, 2022
Carrying value - \$200,000

As at March 31, 2019, outstanding options are as follows:

400,000	0.09	June 7, 2019
302,500	0.20	October 2, 2019
10,450,000	0.05	February 3, 2022
1,700,000	0.20	November 27, 2022
7,100,000	0.10	April 18, 2023
500,000	0.10	April 26, 2023
500,000	0.10	June 18, 2023
20,952,5000		

- (d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.
50,000,000 multi-voting shares are subject to restriction on transfer.

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

Brian Howlett, President & CEO, Director

Mario Jacob, Director

John Lindsay, Director

Hubert Marleau, Director

L. Geoffrey Morphy, Chairman & Director

David Lemieux, Executive Vice President

Arved Marin, Chief Financial Officer

Jean-Philippe Mai, Vice President, Business Development

Luce Saint-Pierre, Secretary

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 the Exchange 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 Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated May 10, 2019

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

(s) Luce L. Saint-Pierre
Signature

Corporate Secretary
Official Capacity

Issuer Details		For Quarter Ended	Date of Report YY/MM/D
Name of Issuer		March 31, 2018	19/05/10
Dundee Sustainable Technologies Inc.			
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		Web Site Address	
llsp@dundeetechnologies.com		www.dundeetechnologies.com	

Dundee Sustainable Technologies Inc.

Condensed Interim Consolidated Financial Statements (Unaudited)

As at and for the three months ended March 31, 2019
(Expressed in Canadian dollars)

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

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

Dundee Sustainable Technologies Inc.

Condensed Interim Consolidated Statements of Financial Position

(Unaudited)

(Expressed in Canadian dollars)

	Note	As at March 31, 2019 \$	As at December 31, 2018 \$
Assets			
Current assets			
Cash		302,187	116,185
Accounts receivable	4	561,897	1,247,700
Sales tax receivable		27,935	-
Other assets		62,291	65,568
Prepaid expenses		17,763	9,000
		<u>972,073</u>	<u>1,438,453</u>
Non-current assets			
Investment in a related company		59,250	59,250
Property, plant and equipment	5	1,336,645	-
Intangible assets	6	4,383,122	4,498,468
		<u>5,779,017</u>	<u>4,557,718</u>
Total assets		<u>6,751,090</u>	<u>5,996,171</u>
Liabilities and Deficiency			
Current liabilities			
Accounts payable and accrued liabilities		1,523,705	1,715,721
Sales tax payable		-	49,896
Contract liabilities		18,706	61,199
Promissory notes from a related party	8	3,851,340	2,950,905
Short-term loans from a related party	8	13,020,684	12,760,865
		<u>18,414,435</u>	<u>17,538,586</u>
Non-current liabilities			
Lease liability	2	1,356,034	-
Long-term debt	9	239,229	232,430
Convertible debenture	9	4,718,489	4,582,124
Total liabilities		<u>24,728,187</u>	<u>22,353,140</u>
Deficiency			
Share capital	10	55,057,673	55,057,673
Contributed surplus		8,068,668	8,068,668
Deficit		(81,103,438)	(79,483,310)
Total deficiency		<u>(17,977,097)</u>	<u>(16,356,969)</u>
Total liabilities and deficiency		<u>6,751,090</u>	<u>5,996,171</u>
Going concern	1		
Commitments	14		
Subsequent events	17		

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

Dundee Sustainable Technologies Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Unaudited)

For the three months ended March 31, 2019 and 2018

(Expressed in Canadian dollars, except number of shares)

	Note	2019	2018
		\$	\$
Sale of services		172,836	518,925
Expenses			
Operating expenses related to services		145,544	436,445
Research and development	13	549,121	345,872
Professional and consulting fees	16	77,146	131,727
Administrative		120,849	143,468
Wages and compensation	16	184,766	135,930
Shareholder communication	16	22,663	23,077
Amortization of intangible assets		115,345	-
Total expenses		1,215,434	1,216,519
Operating loss		(1,042,598)	(697,594)
Finance cost	8,9	(580,280)	(433,871)
Gain (loss) on foreign currency exchange		2,750	6,247
Net loss and comprehensive loss		(1,620,128)	(1,125,218)
Basic and diluted net loss per share		-	-
Weighted average number of shares outstanding – basic and diluted		364,942,521	361,429,863

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

Dundee Sustainable Technologies Inc.

Condensed Interim Consolidated Statements of Changes in Deficiency

(Unaudited)

For the three months ended March 31, 2019 and 2018

(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, 2018	50,000,000	3,963,875	314,942,521	51,093,798	8,068,668	(79,483,310)	(16,356,969)
Net loss for the period	-	-	-	-	-	(1,620,128)	(1,620,128)
Balance – March 31, 2019	50,000,000	3,963,875	314,942,521	51,093,798	8,068,668	(81,103,438)	(17,977,097)

Note	Multiple voting shares		Subordinate voting shares		Contributed surplus	Deficit	Total deficiency
	Number	\$	Number	\$	\$	\$	\$
Balance – December 31, 2017	50,000,000	3,963,875	311,376,530	50,898,972	7,508,232	(74,679,143)	(12,308,064)
Exercise of options	12	-	600,000	50,444	(20,444)	-	30,000
Net loss for the period	-	-	-	-	-	(1,125,218)	(1,125,218)
Balance – March 31, 2018	50,000,000	3,963,875	311,976,530	50,949,416	7,487,788	(75,804,361)	(13,403,282)

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

Dundee Sustainable Technologies Inc.

Condensed Interim Consolidated Statements of Cash Flows

(Unaudited)

For the three months ended March 31, 2019 and 2018

(Expressed in Canadian dollars)

	Note	2019 \$	2018 \$
Operating activities			
Net loss for the period		(1,620,128)	(1,125,218)
Adjusted for:			
Depreciation of property, plant and equipment included in research and development		34,272	2,350
Amortization of intangible assets	6	115,346	-
Amortization of long-term debt discount	9	6,799	6,058
Amortization of convertible debenture discount	9	42,054	34,844
Finance cost accrued	8,9	490,564	392,970
		(931,093)	(688,996)
Changes in non-cash operating working capital items:			
Accounts receivable		685,803	(538,556)
Sales taxes receivables		(77,831)	(27,577)
Other assets		3,277	6,216
Prepaid expenses		(8,763)	1,034
Accounts payable and accrued liabilities		(192,016)	705,677
Contract liabilities		(42,493)	33,333
Lease liability		(14,882)	-
Deferred payment		-	(113,547)
		353,095	66,580
Net cash used in operating activities		(577,998)	(622,416)
Financing activities			
Exercise of options	12	-	30,000
Promissory note from a related party	8	764,000	400,000
Net cash provided by financing activities		764,000	430,000
Net change in cash during the period		186,002	(192,416)
Cash – beginning of period		116,185	494,799
Cash – end of period		302,187	302,383
Going concern	1		
Supplemental information	15		

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

Dundee Sustainable Technologies Inc.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the three months ended March 31, 2019 and 2018

(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Dundee Sustainable Technologies Inc. (“DST” or 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 is commercializing two primary metallurgical processes for the treatment of complex and refractory material from mining operations. DST’s processes are applied for the extraction of precious metals and for the removal and stabilization of contaminants, such as arsenic, from ores and concentrates. The Corporation provides environmentally friendly, viable and efficient processes capable of handling ores which may not be processed with conventional approaches due to metallurgical issues or environmental considerations. The precious metal recovery process now called the CLEVR Process™ uses sodium hypochlorite with a catalytic amount of sodium hypobromite in acidic conditions to put the gold into solution. The efficiency of the process, coupled with its closed-loop operating conditions, plant size and construction material allow for competitive operating and capital costs. When dealing with arsenic bearing ores often associated with copper, gold, silver or polymetallic deposits, the Corporation has developed new processes to remove and incorporate arsenic into a highly stable glass matrix. The Corporation refers to this technology as the GlassLock Process™. The costs of sequestering the arsenic using DST’s GlassLock Process™ are lower than those of conventional approaches, such as the formation of scorodite, and produces a stable, insoluble glass residue meeting environmental requirements.

While these technologies are currently being commercialized, they are subject to all risks inherent in their ongoing development and adoption. They may require significant additional development, testing and investment prior to any final acceptance by the market. 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 a reasonable cost or be successfully marketed. To date, the Corporation has not earned significant revenues from its patented technologies. However, since the Corporation is in advanced discussions with several gold companies about including the CLEVR Process™ as part of new projects, management has made the decision to begin amortizing the intangible assets as at October 1, 2018. As at March 31, 2019, Dundee Corporation (“Dundee”) was the principal and majority shareholder of the Corporation.

For the three months ended March 31, 2019, the Corporation incurred a loss of \$1,620,128 (\$1,125,218 for the three months ended March 31, 2018) and has negative working capital of \$17,442,362 (2017 – \$16,100,133). Deficit as at March 31, 2019 amounted to \$81,103,438 (2017 – \$79,483,310) and cash flows used in operating activities for the three months ended March 31, 2019 amounted to \$577,998 (\$622,416 for the three months ended March 31, 2018).

Management estimates that the Corporation will not have sufficient funds to meet its obligations and budgeted expenditures for the next twelve months through to March 31, 2020. 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, 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 condensed 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.

These condensed 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 9, 2019, these consolidated financial statements were approved by the Board of Directors.

Dundee Sustainable Technologies Inc.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the three months ended March 31, 2019 and 2018

(Expressed in Canadian dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these condensed interim consolidated financial statements are described below.

2.1 Basis of presentation

These condensed 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". These condensed 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, 2018 which were prepared in accordance with IFRS as applicable for annual financial statements.

The condensed interim consolidated financial statements follow the same accounting principles and methods of application as those disclosed in Note 2 to the audited consolidated financial statements as at and for the year ended December 31, 2018.

2.2 Changes in accounting policies

Effective January 1, 2019, the following new standard have been applied when preparing these condensed interim consolidated financial statements. The Corporation adopted IFRS 16, *Leases*. The Corporation adopted this new standard retrospectively. The impact of applying the standard is described below.

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 requires lessees to recognize a right of use ("ROU") asset and a lease liability calculated using a prescribed methodology, except for short-term leases and leases with low-value underlying assets. In addition, the nature and timing of expenses related to leases has changed, as IFRS 16 replaces the straight-line operating leases expense with the depreciation expense for the ROU assets and interest expense on the lease liabilities. Effective January 1, 2019, the Corporation adopted IFRS 16 and the impact of the transition is shown below. The Corporation's new accounting policy under IFRS 16 is as follows:

Leases

At the beginning of a lease contract, the Corporation assesses if the contract gives the right to control the identified asset for a period of time in exchange for a consideration. A ROU asset and a lease liability is recognized at the beginning of the lease contract. The ROU is initially recognized at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received.

The ROU asset is depreciated using the straight-line method from the beginning to the end of the lease term, including any option to extend the lease if the Corporation is reasonably certain to exercise that option. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the future lease payments. These payments are discounted using the Corporation's incremental borrowing rate. The lease liability is subsequently measured at amortized cost using the effective interest method whereby the balance is increased by interest expense and decreased by lease payments. It is remeasured when there is a change in future lease payments, or if the Corporation changes its assessment of whether it will exercise a extension or termination option.

Dundee Sustainable Technologies Inc.
Notes to Condensed Interim Consolidated Financial Statements
(Unaudited)
For the three months ended March 31, 2019 and 2018
(Expressed in Canadian dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Changes in accounting policies (Cont'd)

The Corporation recognizes ROU assets within property, plant and equipment and lease liabilities in non-current liabilities in the consolidated balance sheets

Transition

At the transition date, the Corporation only had one long-term lease classified as operating leases under IAS 17. A lease liability was measured at the present value of the remaining lease payments discounted at the incremental borrowing rate as at January 1, 2019. ROU assets were measured at their carrying amount, discounted using the incremental borrowing rate as at January 1, 2019. The Corporation's incremental borrowing rate applied is 11.7%. On transition to IFRS 16, the Corporation recognized \$1.4 million of ROU assets and its related lease liabilities.

3. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the condensed interim consolidated financial statements for the three months ended March 31, 2019, 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 these condensed interim consolidated financial statements from those judgments, estimates and assumptions disclosed in note 3 to the audited consolidated financial statements as at and for the year ended December 31, 2018.

4. ACCOUNTS RECEIVABLE

The accounts receivable includes the technical services, unbilled services and other receivables. Technical services receivable is generated from customers to evaluate processing alternatives using the Corporation's processing facility. Other receivables are the reimbursements of project expenses generated under the collaboration agreement with a related party (note 7).

	As at March 31, 2019	As at December 31, 2018
	\$	\$
Technical services	322,416	768,857
Unbilled revenues	12,960	50,380
Other receivables	226,521	428,463
	561,897	1,247,700

As at March 31, 2019, accounts receivable from related parties amounted to \$264,260 (2018 – \$455,847).

Dundee Sustainable Technologies Inc.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the three months ended March 31, 2019 and 2018

(Expressed in Canadian dollars)

5. PROPERTY, PLANT AND EQUIPMENT

	Vehicles and equipment	Right to use asset	Total
Gross carrying amount	\$	\$	\$
Balance – January 1, 2019	47,000		47,000
Initial asset recognition IFRS 16	-	1,370,917	1,370,917
Balance – March 31, 2019	47,000	1,370,917	1,417,917
Accumulated depreciation			
Balance – January 1, 2019	47,000	-	47,000
Depreciation	-	34,272	34,272
Balance – March 31, 2019	47,000	34,272	81,272
Net carrying amount – March 31, 2019	-	1,336,645	1,336,645
Net carrying amount – December 31, 2018	-	-	-

6. INTANGIBLE ASSETS

	Intangible assets
Gross carrying amount	\$
Balance – January 1 and March 31, 2019:	
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
Accumulated amortization	
Balance – January 1, 2019	115,345
Amortization	115,346
Balance – March 31, 2019	230,691
Net carrying amount – March 31, 2019	4,383,122
Net carrying amount – December 31, 2018	4,498,468

7. GOVERNMENT ASSISTANCE

In September 2017, the Corporation entered into a collaboration agreement with a related party for the construction and operation of an onsite demonstration plant using the Corporation's proprietary arsenic stabilization technology (the "Arsenic demo plant"). The Arsenic demo plant, to be funded by this related party, has an estimated capital cost of US\$3.1 million and was erected at the related party's metals processing facility. As at March 31, 2019, the commissioning of the Arsenic demo plant was completed.

In January 2018, the Corporation was awarded funding by the Government of Canada through the Sustainable Development Technology Canada Foundation ("SDTC") for continued development of its patented GlassLock Process™. This funding will assist the Corporation in constructing and operating the Arsenic demo plant for metals processing facility. The construction of the Arsenic demo plant was completed in the fourth quarter of 2018, and it has started operations in the first quarter of 2019. Under the terms of the agreement, the SDTC will contribute up to the lesser of 20.7% of eligible project costs or \$1.25 million.

As part of the SDTC contribution agreement, the Corporation has received a total of \$734,155 in 2018 from the SDTC to assist with the construction and operation of the arsenic vitrification plant. The contribution was recognized through comprehensive loss.

Dundee Sustainable Technologies Inc.
Notes to Condensed Interim Consolidated Financial Statements
(Unaudited)
For the three months ended March 31, 2019 and 2018
(Expressed in Canadian dollars)

8. PROMISSORY NOTES AND SHORT-TERM LOANS FROM A RELATED PARTY

8.1 Promissory notes

The Corporation signed six promissory notes payable on demand to a wholly owned subsidiary of Dundee along with interest at a rate of 18% per annum. As at March 31, 2019, the principal amount of the promissory note totals \$3,439,000 (2017 – \$2,675,000) and the finance cost accrued during the three months ended March 31, 2019 amounted to \$136,435 (\$29,885 during the same period of last year) (note 17).

Promissory notes	Three months ended	
	March 31,	
	2019	2018
	\$	\$
Balance – beginning of period	2,950,905	513,808
Principal amount	764,000	400,000
Finance costs accrued	136,435	29,885
Balance – end of period	3,851,340	943,693

8.2 Short-term loans

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. In 2018, the maturity date of the loans was extended to the earlier of November 30, 2019 and the date at which the Corporation raises the sum of \$10,000,000 or greater by way of issuing debt or equity. The Corporation has the option to repay the loans at any time.

As at March 31, 2019, the principal amount of the loans totaled \$8,310,000 (2018 – \$8,310,000).

Short-term loans	Three months ended	
	March 31,	
	2018	2018
	\$	\$
Balance – beginning of period	12,760,865	11,707,157
Finance costs accrued	259,817	259,819
Balance – end of period	13,020,684	11,966,976

9 CONVERTIBLE DEBENTURE AND LOANS

9.1 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, is 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. The Corporation has the right to redeem the IQ Loan subject to a 10% premium. Starting October 1, 2016, interest has been capitalized. During the three months ended March 31, 2019, the Corporation capitalized \$94,311 in interest (\$103,267 during the three months ended March 31, 2018).

Dundee Sustainable Technologies Inc.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the three months ended March 31, 2019 and 2018

(Expressed in Canadian dollars)

9 CONVERTIBLE DEBENTURE AND LOANS (CONT'D)

9.1 Convertible debenture (Cont'd)

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.

The fair value of the debt components advanced in 2016 and 2015 was estimated at \$1,857,543 and \$1,642,950, respectively, 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.

	Three months ended	
	March 31,	
	2019	2018
	\$	\$
Carrying amount of the liability component – beginning of period	4,582,124	4,052,043
Capitalized interest expense	94,311	103,267
Amortization of convertible debenture discount	42,054	34,843
Carrying amount of the liability component – end of period	4,718,489	4,190,153

9.2 CED contribution agreement

Under an amended agreement dated October 12, 2016, the Corporation received from Canada Economic Development for Quebec Regions ("CED") a \$397,000 repayable contribution (the "CED Contribution"). The CED Contribution was used by the Corporation for the acquisition of equipment for its demonstration plant (the "Project") in Thetford Mines. 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 and the remaining balance of \$72,425 in May 2017.

The fair value of the debt components advanced in December 2016 and May 2017 were respectively estimated at \$149,944 and \$35,495 using an effective rate of 11.7%. Such rate corresponds 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.

	Three months ended	
	March 31,	
	2019	2018
	\$	\$
Balance – beginning of period	232,430	207,114
Amortization of long-term debt discount	6,799	6,058
Balance – end of period	239,229	213,172

Dundee Sustainable Technologies Inc.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the three months ended March 31, 2019 and 2018

(Expressed in Canadian dollars)

10. SHARE CAPITAL

Authorized

On March 31, 2019 and December 31, 2018, 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.

11. WARRANTS

The changes in the Corporation's outstanding common share purchase warrants are as follows:

	Three months ended March 31,			
	2019		2018	
	Number of warrants	Carrying amount	Number of warrants	Carrying amount
		\$		\$
Balance – Beginning and end of period	14,285,714	200,000	14,285,714	200,000

12. STOCK OPTION PLAN

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

	Three months ended March 31,			
	2019		2018	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		\$		\$
Balance – beginning of period	21,352,500	0.08	23,802,500	0.08
Exercised ⁽¹⁾	-	-	(600,000)	0.05
Forfeited	(400,000)	0.05	(600,000)	0.20
Balance – end of period	20,952,500	0.08	22,602,500	0.08

⁽¹⁾ The weighted average market price of the shares was \$0.08 at the time of exercise.

Dundee Sustainable Technologies Inc.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the three months ended March 31, 2019 and 2018

(Expressed in Canadian dollars)

12. STOCK OPTION PLAN (CONT'D)

As at March 31, 2019, outstanding and exercisable options are as follows:

Number of options	Weighted average exercise price	Expiry date
	\$	
400,000	0.09	June 7, 2019
302,500	0.20	October 2, 2019
10,450,000	0.05	February 3, 2022
1,700,000	0.20	November 27, 2022
7,100,000	0.10	April 18, 2023
500,000	0.10	April 26, 2023
500,000	0.10	June 18, 2023
20,952,500		

The residual weighted average contractual term of outstanding options was 3.30 years as at March 31, 2019.

13. RESEARCH AND DEVELOPMENT

	Three months ended	
	March 31,	
	2019	2018
	\$	\$
Research and development	915,360	1,405,181
Recognition of a related party contribution through comprehensive loss as per eligible Arsenic demo plant expenditures incurred during the period	(366,239)	(1,059,309)
	549,121	345,872

14. COMMITMENTS

Lease payments

On July 1, 2013, the Corporation entered into a 10-year lease for the Thetford Mines facility at an annual rent of \$204,380 that is subject to a yearly increase of 1.5%.

On March 9, 2018, the Corporation entered into a lease extension for its head office until August 31, 2019. The annual rent is \$51,000.

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

	As at
	March 31, 2019
	\$
Less than 1 year	243,071
Between 1 and 5 years	743,829

Dundee Sustainable Technologies Inc.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the three months ended March 31, 2019 and 2018

(Expressed in Canadian dollars)

15. SUPPLEMENTAL CASH FLOW INFORMATION

	Three months ended March 31,	
	2019	2018
Finance cost paid	\$ 909	\$ -

16. COMPARATIVE FIGURES

Certain reclassifications have been made to the prior year's consolidated financial statements to enhance comparability with the current year's consolidated financial statements to better present the compensation to employees and officers and the expenses related to shareholder communications.

As a result, certain line items have been amended in the consolidated statement of loss and comprehensive loss. Comparative figures have been adjusted to conform to the current year's presentation.

	Three months ended March 31,	
	2018	2018
	Previously reported	After reclassification
Professional and consulting fees	\$ 131,727	\$ 84,228
Wages and compensation	135,930	183,429
Shareholder communications	-	23,077
Investor relations and promotion	10,485	-
Trustee and registration fees	12,592	-

17. SUBSEQUENT EVENTS

Promissory note

On May 2, 2019, 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.

Dundee Sustainable Technologies Inc.

Management's Discussion and Analysis

For the three months ended March 31, 2019

1002 Sherbrooke Street West, Suite 2060, Montréal, QC, H3A 3L6
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DUNDEE SUSTAINABLE TECHNOLOGIES INC.

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DUNDEE SUSTAINABLE TECHNOLOGIES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2019

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, 2019.

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, 2018 (the "2018 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, 2019 (the "March 2019 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 May 9, 2019, 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 (www.sedar.com) and on the Corporation's website at 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 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, 2019, Dundee owned 178.1 million subordinate voting shares and all of the 50.0 million multiple voting shares of the Corporation giving Dundee a 63% equity interest and an 83% voting interest in the Corporation. In addition, Dundee is owed \$15.7 million in short term 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 bismuth. These minerals resources could not otherwise be extracted or stabilized with conventional processes because of metallurgical issues, cost or environmental considerations. The Corporation's main focus is on the commercialization of its two innovative and patented processes (the "Technologies"). As part of the commercialization process, the Corporation has begun branding these technologies as CLEVR Process™ (Chlorine Leach Vat Reactor) and GlassLock Process™ (arsenic sequestration in glass).

DUNDEE SUSTAINABLE TECHNOLOGIES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2019

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, cobaltite, enargite, 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 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 mining and processing methods.

CLEVR Process™

DST has also developed an advanced proprietary process associated with 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 carbon in leach ("CIL") process (24-48 hours) and operates in a closed-loop operation. A key benefit of the closed loop operation is the elimination of the need for a 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 tailings.

The CLEVR 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 environmentally responsible nature of the gold extraction technology has been confirmed by Environment Canada through the Canadian Environmental Technology Verification Program ("ETV"). The ETV is an independent certification of the performance of its cyanide-free gold extraction process, now called the CLEVR Process™.

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 12 different processes, and it has 62 patents granted, published, pending or filed in 21 different countries. These patents expire between 2022 and 2036. The Corporation is in the process of expanding its patent portfolio for both processes and jurisdictions.

The Corporation recently applied for patents for its CLEVR Process™ in Kazakhstan and China, which are jurisdictions that management sees as key to the future. The Corporation continues to develop its CLEVR Process™ and recently added key enhancements for the filing in China. This will allow us to update the patent filing in other countries and extending the life of the current patent portfolio.

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.

Technical Services

The Corporation also uses its state-of-the-art laboratory and processing facility in Thetford Mines, Quebec to assist other companies with services designed to help them with minerology for their deposits.

OPERATIONS DURING 2018

GlassLock Process™

The small industrial scale vitrification plant (the "Plant") has been delivered to our development partner and in conjunction with the mineral processing facility's personnel, DST personnel have completed hot commissioning. The Plant is financed through a collaboration arrangement with a related party and will provide proof of the arsenic technology in an operating industrial environment. The Corporation also announced that SDTC has awarded a grant of \$1.25 million to offset some of the costs associated with this plant.

DUNDEE SUSTAINABLE TECHNOLOGIES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2019

CLEVR Process™In 2017, the Corporation completed the second of two demonstration programs to prove the efficacy of the **CLEVR Process™** with the assistance of SDTC. The current intention of the Corporation is to initiate an independent technical-economic study, designed with the objective of building the first commercial plant in partnership with a strategic partner. DST is experiencing an increased interest in using this technology and has recently been engaged to do some high-level testing and flow sheet development for several customers for the application of the CLEVR Process™ on deposits under development. Testing of these samples is on-going.

Cobaltite Process

In December 2017, DST entered into a lab scale technical services contract with eCobalt Solutions Inc. (TSX: ECS) ("eCobalt") to assist in conducting detailed metallurgical testing and flow sheet design for the creation of a clean cobalt concentrate using pyrolysis plus DST's Glasslock Process™ on arsenic contaminated cobaltite concentrates. The lab scale testing reduced the arsenic in the concentrate from 18% to 0.15%. In early 2018, DST began a pilot scale program with eCobalt on an eight-tonne bulk sample, the purpose of which is to confirm the successful removal of arsenic as demonstrated in the lab scale testing. eCobalt has made significant progress in removing the arsenic using a kiln and has reported that it is reviewing its feasibility study to consider all options for starting operations given the weak cobalt prices. DST is working with numerous companies in the cobalt space to find solutions in the face of a challenging cobalt market.

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 lithium, cobalt, nickel, magnesium, graphite, gold and fertilizer. Proceeds from these contracts will help to offset developmental and operating costs related to its primary technologies. The Corporation expects significant revenues from these projects in 2019.

BUSINESS STRATEGY

The growing pressure from communities and government authorities over the use of cyanide in various jurisdictions around the world is forcing developing gold projects to seek alternative processes that can extract the gold without the environmental liabilities associated with cyanide, while maintaining control over the deleterious elements such as arsenic, mercury and antimony.

DST offers a competitive alternative to the cyanidation process. The technology is at the forefront of the mining industry's innovative extraction processes and caters to the worldwide growing need for extractive technologies capable of processing refractory and arsenic bearing material. This alternative provides DST leverage to access quality material including material from metallurgical or environmentally constrained deposits.

DST's business plan is focused on controlling both of its technologies and leveraging them to become a major player in the industry. The Corporation has a unique opportunity to emerge as a major stakeholder in multiple mining projects. In the immediate term, DST is focused on advancing its discussions with major gold and copper producing companies on building alternative processing and stabilization processes. The Corporation is currently processing test material for a number of customers. Assuming successful results, the next step is to negotiate the business terms with those customers for commercializing its Technologies.

The technology that the Corporation has developed with respect to complex deposits will allow for the development and or advancement of mining projects that would not be viable without its patented technology. DST has identified over 100 gold projects that could face significant concerns due to cyanide use, environmental and/or metallurgical constraints. These include some of the largest gold projects on the planet. The commercialization of the Corporation's CLEVR Process™ 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.

DUNDEE SUSTAINABLE TECHNOLOGIES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2019

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 9, 2019
Subordinate voting shares issued	314,942,521
Options	20,952,500
Warrants	14,285,714
Total – fully diluted subordinate voting shares	350,180,735
<hr/>	
Multiple voting shares issued (each multiple voting share has 10 votes)	50,000,000

(1) At May 9, 2019, Dundee owned 178,068,497 subordinate voting shares of the Corporation (63%) and all of the outstanding multiple voting shares.

STOCK OPTION PLAN

The Board of Directors of the Corporation has full and final discretion to designate the persons who are to be granted options and to determine such number of options as well as their exercise price and vesting period. The exercise price shall not be less than that permitted under the rules of any stock exchange on which the subordinate voting shares are listed. The purpose of the stock option plan is to serve as an incentive for the directors, officers, employees and service providers who will be motivated by the Corporation's success as well as to promote ownership of common shares of the Corporation by these people. There is no performance indicator relating to profitability or risk attached to the plan.

FINANCING ACTIVITIES

Three months ended March 31, 2019

Promissory note from a Related Party

In February 2019, the Corporation signed a promissory note in the principal amount of \$764,000 payable on demand to a wholly-owned subsidiary of Dundee along with interest at a rate of 18% per annum.

As at March 31, 2019, the aggregate principal amount of the promissory notes totalled \$3,439,000 and the finance cost accrued during the period amounted to \$412,340.

Three months ended March 31, 2018

Options Exercise

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

Promissory note from a Related Party

In February 2018, the Corporation signed a promissory note in the principal amount of \$400,000 payable on demand to a wholly-owned subsidiary of Dundee along with interest at a rate of 18% per annum.

DUNDEE SUSTAINABLE TECHNOLOGIES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2019

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

INVESTING ACTIVITIES

No investing activities were performed during the three months period ended March 31, 2019.

LIQUIDITY AND WORKING CAPITAL

On March 31, 2019, the working capital position of the Corporation was negative \$17,442,362 (negative \$16,100,133 as at December 31, 2018). This working capital deficiency includes a \$16,872,024 (\$15,711,770 as at December 31, 2018) short-term loan (principal and accrued interest) from Dundee Corp. Management estimates that the Corporation will not have sufficient funds to meet its obligations and budgeted expenditures through the twelve months ended March 31, 2020. 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.

DISCUSSION AND ANALYSIS OF OPERATIONS

Revenues

During the first quarter of 2019, 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 including cobalt, nickel, graphite and lithium utilized the Corporation's facilities and highly skilled personnel for the advancement of their projects.

DST provided its technical expertise and its facilities to these companies to evaluate the development of their projects using the Corporation's Thetford Mines facility including its chlorination process for precious metal extraction and/or its arsenic stabilization process. The technical services may serve to demonstrate the efficiency of the Corporation's 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 totalled \$172,836 during the three months ended March 31, 2019 with related cost of \$145,544 recorded under operating expenses related to services. The Corporation reported revenues of \$518,925, with related cost of \$436,445 in the same period of the prior year. The Corporation experienced delays in some projects and expects these projects to begin the second quarter. Revenues by line of business were as below:

	Three months ended	
	March 31,	
	2019	2018
	\$	\$
Arsenic stabilization process	66,734	147,298
Chlorination process	33,289	20,350
Service revenues	72,813	351,277
	172,836	518,925

DUNDEE SUSTAINABLE TECHNOLOGIES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2019

Operating expenses

The major components of the operating expenses are as follows:

	Three months ended March 31,	
	2019	2018
	\$	\$
Labour	90,722	187,424
Consultants	30,925	74,193
Consumables	3,429	13,528
Plant overhead	20,468	161,300
	145,544	436,445

Lower service revenues in the three months ended March 31, 2019, compared to the same period in 2018, prompted a reduction of the plant overhead associated to this type of projects.

Technology development

During the three months ended March 31, 2019, the Corporation incurred net technology development costs of \$915,360 (\$1,405,181 in the same period of 2018) primarily on its Glasslock Process™. These costs relate to the construction of the arsenic demonstration plant, research activities conducted in the arsenic technology pilot plant and the laboratory. The remaining expenses relate to the operation of the demonstration plant, other technology development, patent maintenance and plant overhead.

The Corporation periodically receives reimbursement of project expenses generated under collaboration agreement with a third party and financial assistance under government incentive programs. These compensate 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 amounted to \$549,121 (\$345,872 in the same period of 2018).

	Three months ended March 31,	
	2019	2018
	\$	\$
Arsenic plant	430,009	1,059,309
Plant expenses	462,149	330,090
Patent maintenance	23,202	15,782
Technology development	915,360	1,405,181
Net contribution	(366,239)	(1,059,309)
Technology development expenses, net	549,121	345,872

Professional and consulting fees

	Three months ended March 31,	
	2019	2018
	\$	\$
Legal	8,692	10,588
Audit, audit related work and tax compliance	66,243	73,640
Other	2,211	-
	77,146	84,228

DUNDEE SUSTAINABLE TECHNOLOGIES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2019

Administrative expenses

	Three months ended March 31,	
	2019	2018
	\$	\$
Insurance	29,857	42,469
Rent	56,077	54,158
Website and technical support	5,832	6,325
Travel and accommodations	10,808	19,707
Telecommunications and others	18,275	20,809
	120,849	143,468

The decrease in insurance expense was due to a review of our policy limits to match the current level of risk during the period.

Wages and compensation

	Three months ended March 31,	
	2019	2018
	\$	\$
Employees	126,225	127,930
Officer compensation	43,541	47,499
Director fees	15,000	8,000
	184,766	183,429

Officer compensation relates to the President and Chief Executive Officer's (CEO) compensation. The remuneration of the President and CEO is based on a monthly rate of \$15,833.

Other Gains and Losses

	Three months ended March 31,	
	2019	2018
	\$	\$
Interest expenses on Dundee short-term loans and Dundee promissory notes	396,252	289,703
IQ loan	94,311	103,267
IQ loan accretion expense	42,053	34,843
CED Contribution accretion expense	6,799	6,058
Other interest expense	40,865	-
	580,280	433,871

DUNDEE SUSTAINABLE TECHNOLOGIES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2019

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.

	Q1-19	Q4-18	Q3-18	Q2-18
Total revenue	172,836	\$ 484,906	\$ 297,631	\$ 579,980
Operating loss	1,042,598	685,791	641,940	963,635
Net loss and comprehensive loss	1,620,128	1,203,538	1,086,284	1,389,127
Basic and diluted net loss per share	0.004	0.003	0.003	0.004

	Q1-18	Q4-17	Q3-17	Q2-17
Total revenue	\$ 518,925	\$ 869,034	\$ 681,161	\$ 662,196
Operating loss	697,594	328,063	792,372	518,258
Net loss and comprehensive loss	1,125,218	742,163	1,142,908	884,541
Basic and diluted net loss per share	0.003	0.002	0.003	0.003

OUTLOOK FOR 2019

The Company continues to move towards the commercialization of its Technologies and seeking to maximize the value of all of its assets to accelerate this growth. The Corporation has numerous initiatives that it will execute to ensure success.

Glasslock Process™ The Corporation completed the delivery to the mineral processing facility of our development partner. Assembly was completed by the end of 2018 and hot commissioning was completed in March 2019. Initial operation of the plant has begun with a goal of running 24 hour per day stable production of glass. The Corporation will use data from this program to position the technology for adoption by customers around the world.

CLEVR Process™

The Corporation completed the second of two gold chlorination campaigns through the processing of a complex concentrate from Chile in December 2016 and the Corporation finalized the Demonstration Campaign Report during the first quarter of 2017. The processing of these materials continued to establish the proof of concept of the Corporation's chlorination process for different ore and concentrate streams. The intention is to initiate an independent technical-economic study, designed with the objective of building DST's first commercial plant in partnership with a strategic partner. The Company is working with several properties in Asia, Africa and Canada to test their ores and concentrates using the CLEVR Process™.

Cobaltite

The Corporation completed processing of an eight (8) tonne sample of concentrate from eCobalt Solutions Inc. eCobalt is currently reviewing its feasibility study to reflect the reduced pricing in the cobalt market. Management of DST is with eCobalt to ensure that it can make a significant improvement to the economics of the processing of the concentrate. The Corporation continues to work with other cobalt companies to test the amenability of its technologies to solving the metallurgical problems associated with these ores.

Technical Services:

With the completion of the two gold chlorination demonstration campaigns, the Corporation owns a state-of-the-art crushing, grinding, mineral processing (hydrometallurgy and pyrometallurgy) facility which is being made available for test programs from the lab scale up to the thousands of tonnes scale. Management is in discussions with numerous parties with respect to specific projects that will maximize the value of our Thetford facility.

DUNDEE SUSTAINABLE TECHNOLOGIES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2019

Management estimates that the Corporation will have to raise funds for its operations and to continue its activities. 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, 2019 and 2018

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The contractual obligations of the Corporation include lease payments for the Thetford Mines facilities and the head office in Montreal (Refer to Note 14 to the financial statements for the three months ended March 31, 2019).

SUBSEQUENT EVENTS

Promissory note

On May 2, 2019, 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.

ACCOUNTING POLICY CHANGES, CRITICAL ESTIMATES, JUDGMENTS AND ASSUMPTIONS

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. There is a full disclosure and description of the Corporation's critical accounting policies, estimates, judgments, assumptions in the financial statements as at December 31, 2018 in notes 1, 2 and 3.

Changes in accounting policies

Effective January 1, 2019, the following new standard have been applied when preparing the condensed interim consolidated financial statements for the three months ended March 31, 2019. The Corporation adopted IFRS 16, Leases. The Corporation adopted this new standard retrospectively. The impact of applying the standard is described below.

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 requires lessees to recognize a right of use ("ROU") asset and a lease liability calculated using a prescribed methodology, except for short-term leases and leases with low-value underlying assets. In addition, the nature and timing of expenses related to leases has changed, as IFRS 16 replaces the straight-line operating leases expense with the depreciation expense for the ROU assets and interest expense on the lease liabilities. Effective January 1, 2019, the Corporation adopted IFRS 16 and the impact of the transition is shown below. The Corporation's new accounting policy under IFRS 16 is as follows:

Leases

At the beginning of a lease contract, the Corporation assesses if the contract gives the right to control the identified asset for a period of time in exchange for a consideration. A ROU asset and a lease liability is recognized at the beginning of the lease contract. The ROU is initially recognized at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received.

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The ROU asset is depreciated using the straight-line method from the beginning to the end of the lease term, including any option to extend the lease if the Corporation is reasonably certain to exercise that option. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the future lease payments. These payments are discounted using the Corporation's incremental borrowing rate. The lease liability is subsequently measured at amortized cost using the effective interest method whereby the balance is increased by interest expense and decreased by lease payments. It is remeasured when there is a change in future lease payments, or if the Corporation changes its assessment of whether it will exercise a extension or termination option.

The Corporation recognizes ROU assets within property, plant and equipment and lease liabilities in non-current liabilities in the consolidated balance sheets

Transition

At the transition date, the Corporation only had one long-term lease classified as operating leases under IAS 17. A lease liability was measured at the present value of the remaining lease payments discounted at the incremental borrowing rate as at January 1, 2019. ROU assets were measured at their carrying amount, discounted using the incremental borrowing rate as at January 1, 2019. The Corporation's incremental borrowing rate applied is 11.7%. On transition to IFRS 16, the Corporation recognized \$1.4 million of ROU assets and its related lease liabilities.

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 21 to the annual consolidated financial statements for the years ended December 31, 2018 and 2017.

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 2018 MD&A of the Corporation. These business risks should be considered by interested parties when evaluating the Corporation's performance and its outlook.

FORWARD LOOKING STATEMENTS

DST's public communications may include written or oral forward-looking statements. Statements of this type are included in this MD&A and may be included in other filings with the Canadian regulators, stock exchanges or in other communications. All such statements constitute forward looking information within the meaning of securities law and are made pursuant to the "safe harbour" provisions of applicable securities laws. Forward looking statements may include, but are not limited to, statements about anticipated future events or results including comments with respect to the Corporation's objectives and priorities for 2018 and beyond, and strategies or further actions with respect to the Corporation, its products and services, business operations, financial performance and condition. Forward looking statements are statements that are predictive in nature, depend upon or refer to future events or conditions or include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates" or similar expressions concerning matters that are not historical facts. Such statements are based on current expectations of the Corporation's management and inherently involve numerous risks and uncertainties, known and unknown, including economic factors and those affecting the technology and resources industries generally. The forward-looking information contained in this MD&A is presented for the purpose of assisting shareholders in understanding business and strategic priorities and objectives as at the periods indicated and may not be appropriate for other purposes.

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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.

ADDITIONAL INFORMATION CONCERNING DST

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 9, 2019

(s) Brian Howlett

Brian Howlett
President and CEO

(s) Arved Marin

Arved Marin
CFO