

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 – *INCLUDED IN THE FINANCIAL STATEMENTS – note 11 and MD&A page 10*

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.

On January 8, 2014, following amendments to the article of the Corporation, the designation of the common shares was changed to "subordinated voting shares" and the rights, privileges, restrictions and conditions attaching thereto; and an unlimited number of multiple voting shares, each multiple voting share having 10 votes, was authorized.

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, **No options were granted.**

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant

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, -
164,928,724 subordinate voting shares - \$25,925,754
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 9.3 and 10 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. **No shares under escrow or pooling agreement or other 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, Chairman and director
Pierre Gauthier, President and CEO and Director
Jean-Marc Lalancette, Vice-President, Research & Development and Director
Ned Goodman, Director
Mark Goodman, Director
Hubert Marleau, Director
Ronald Singer, Director
Vatché Tchakmakian, CFO
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 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 June 4, 2014 .

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 Dundee Sustainable Technologies Inc.	For Quarter Ended March 31	Date of Report YY/MM/D 14/06/04
Issuer Address 2750 – 600 de Maisonneuve West		
City/Province/Postal Code Montréal, Quebec H2V 2V9	Issuer Fax No. 514-866-6193	Issuer Telephone No. 514-866-6001 ext. 230
Contact Name Luce L. Saint-Pierre	Contact Position Corporate Secretary	Contact Telephone No. 514-866-6001 ext. 230
Contact Email Address llsp@dundeetechnologies.com	Web Site Address www.dundeetechnologies.com	

Dundee Sustainable Technologies Inc.

(Formerly known as Nichromet Extraction Inc.)

Condensed Interim Consolidated Financial Statements (Unaudited)

As at and for the three months ended March 31, 2014

(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.

600 De Maisonneuve Boulevard West, Suite 2750, Montréal, QC, H3A 3J2
Tel.: 514.940.1046 Fax: 514.866.6193

Dundee Sustainable Technologies Inc.
Interim Consolidated Statements of Financial Position
(Unaudited)

	Note	As at March 31, 2014	As at December 31, 2013
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		4,397,002	1,274,869
Research and development tax credits receivable		261,700	246,069
Sales taxes and other receivables		773,950	634,913
Promissory notes receivable	4	700,000	700,000
Prepaid expenses and advances to suppliers		219,415	49,200
		<u>6,352,067</u>	<u>2,905,051</u>
Non-current assets			
Investments	5	3,920,240	2,770,654
Property, plant and equipment		51,399	54,916
Intangible assets	6	4,615,312	4,616,937
Other assets		284,121	157,881
		<u>8,871,072</u>	<u>7,600,388</u>
Total assets		15,223,139	10,505,439
Liabilities and Equity			
Current liabilities			
Accounts payable and accrued liabilities		1,869,709	534,924
Deferred contribution from SDTC	7	1,638,409	-
Short-term loan with a related party	8	3,000,000	-
Total liabilities		<u>6,508,118</u>	<u>534,924</u>
Equity			
Share capital	9	29,889,629	29,889,629
Contributed surplus		7,054,955	7,054,955
Deficit		(28,229,563)	(26,974,069)
Total equity		<u>8,715,021</u>	<u>9,970,515</u>
Total liabilities and equity		15,223,139	10,505,439
Going concern	1		
Commitments	12		
Subsequent events	15		

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

Dundee Sustainable Technologies Inc.
Interim Consolidated Statements of Comprehensive Loss
(Unaudited)
Three months ended March 31, 2014 and 2013
(Expressed in Canadian dollars, except number of shares)

	Note	2014 \$	2013 \$
Expenses			
Research and development, net of tax credit of \$115,381 (2013 - nil) and STDC contribution of \$581,020 (2013 – nil)	7	1,828,528	594,131
Professional and consulting fees		316,391	237,659
Wages and compensation		149,891	69,219
Administrative		73,719	75,201
Share-based payments	10	-	104,589
Depreciation of property, plant and equipment		1,167	560
Amortization of intangible assets		1,625	794
Total expenses		2,371,321	1,082,153
Operating loss		(2,371,321)	(1,082,153)
Gain on investments	5	1,149,586	-
Interest income		21,904	1,311
Interest expense		(61,489)	-
Gain (loss) on foreign currency exchange		5,826	(123)
Net loss and comprehensive loss		1,255,494	1,080,965
Basic and diluted net loss per share		(0.01)	(0.01)
Weighted average number of common shares outstanding – basic and diluted		214,928,724	151,888,598
Going concern	1		

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

Dundee Sustainable Technologies Inc.

Interim Consolidated Statements of Changes in Equity

(Unaudited)

Three months ended March 31, 2014 and 2013

(Expressed in Canadian dollars, except number of shares)

	Note	Common shares Number	Share capital \$	Multiple voting shares Number	Multiple voting shares \$	Subordinated voting shares Number	Subordinated voting shares \$	Contributed surplus \$	Deficit \$	Total equity \$
Balance – December 31, 2013		214,928,724	29,889,629	-	-	-	-	7,054,955	(26,974,069)	9,970,515
Capital Reorganization	9	(214,928,724)	(29,889,629)	50,000,000	3,963,875	164,928,724	25,925,754	-	-	-
Net loss and comprehensive loss for the period		-	-	-	-	-	-	-	(1,255,494)	(1,255,494)
Balance – March 31, 2014		-	-	50,000,000	3,963,875	164,928,724	25,925,754	7,054,955	(28,229,563)	8,715,021

	Note	Number of common shares	Share capital \$	Contributed surplus \$	Deficit \$	Total equity \$
Balance – December 31, 2012		147,614,214	23,573,018	5,513,049	(22,987,666)	6,098,401
Net loss and comprehensive loss for the period		-	-	-	(1,080,965)	(1,080,965)
Exercise of warrants	8	4,875,000	1,134,204	(159,204)	-	975,000
Exercise of options	9	300,000	50,696	(20,696)	-	30,000
Share-based compensation	9	-	-	104,588	-	104,588
Balance – March 31, 2013		152,789,214	24,757,918	5,437,737	(24,068,631)	6,127,024

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

Dundee Sustainable Technologies Inc.

Interim Consolidated Statements of Cash Flows

(Unaudited)

Three months ended March 31, 2014 and 2013

(Expressed in Canadian dollars)

	Note	2014	2013
		\$	\$
Operating activities			
Net loss for the period		(1,255,494)	(1,080,965)
Adjusted for:			
Share-based payments	10	-	104,589
Gain on investments	5	(1,149,586)	-
Contribution from SDTC received in excess of amount recognized		1,638,409	-
Depreciation of property, plant and equipment		1,167	560
Depreciation of property, plant and equipment included in research and development		2,350	-
Amortization of intangible assets	6	1,625	794
		(761,529)	(975,022)
Changes in non-cash operating working capital items:			
Research and development tax credits receivable		(15,631)	(89)
Sales taxes and other receivables		(139,037)	(46,377)
Prepaid expenses and advances to suppliers		(170,215)	(51,298)
Accounts payable and accrued liabilities		1,353,098	18,989
		1,028,215	(78,775)
Net cash provided by (used in) operating activities		266,686	(1,053,797)
Investing activities			
Acquisition of intangible assets		-	(9,809)
Acquisition of property, plant and equipment		-	(8,574)
Addition to other assets		(144,553)	-
Net cash used in investing activities		(144,553)	(18,383)
Financing activities			
Exercise of warrants	9	-	975,000
Exercise of options		-	30,000
Short term loan	8	3,000,000	-
Net cash provided by financing activities		3,000,000	1,005,000
Net change in cash and cash equivalents		3,122,133	(67,180)
Cash and cash equivalents – beginning of period		1,274,869	1,376,903
Cash and cash equivalents – end of period		4,397,002	1,309,723

Components of cash and cash equivalents are as follows:

Cash	1,897,002	609,723
Cash equivalents	2,500,000	700,000

Supplemental information

Amount of additions to other assets included in accounts payable and accrued liabilities

74,000 -

Going concern

1

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

Dundee Sustainable Technologies Inc.

Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited)

Three months ended March 31, 2014 and 2013

(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. Its articles of incorporation were amended on January 8, 2014, to change the name of the Corporation to "Dundee Sustainable Technologies Inc" in the English language and "Dundee Technologies Durables Inc." in the French language. The Corporation's head office is located at 600 De Maisonneuve Boulevard West, Suite 2750, Montreal, Quebec, Canada, H3A 3J2.

The Corporation has developed metallurgical processes based on a chloride leach 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.

These technologies are subject to all risks inherent to their development and may require significant additional development, testing and investments 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. At March 31, 2014, Dundee Corporation ("Dundee") was the principal and majority shareholder of the Corporation.

For the three months ended March 31, 2014, the Corporation incurred a loss of \$1,255,494 (\$3,986,403 for the year ended December 31, 2013). Deficit as at March 31, 2014 amounted to \$28,229,563 (\$26,974,069 as at December 31, 2013) and cash flow provided by operating activities for the three months ended March 31, 2014, amounted to \$266,686 (\$5,726,082 used in operating activities for the year ended December 31, 2013).

Management estimates that the Corporation will not have sufficient funds to meet its obligations and budgeted expenditures through to March 31, 2015. 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 is confident that it will be able to secure the necessary financing through the issuance of new equity. While it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

Although these unaudited 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 unaudited 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.

Dundee Sustainable Technologies Inc.

Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited)

Three months ended March 31, 2014 and 2013

(Expressed in Canadian dollars)

2. BASIS OF PRESENTATION

These unaudited condensed interim consolidated financial statements of the Corporation as at and for the three months ended March 31, 2014 ("March 2014 Interim Consolidated Financial Statements") have been prepared in accordance with International Financial Reporting Standards ("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 2014 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, 2013 ("2013 Audited Consolidated Financial Statements") which were prepared in accordance with IFRS as applicable for annual financial statements. The March 2014 Interim Consolidated Financial Statements were authorized for issuance by the Board of Directors on May 26, 2014.

The March 2014 Interim Consolidated Financial Statements follow the same accounting principles and methods of application as those disclosed in Note 2 to the 2013 Audited Consolidated Financial Statements, except as described below.

Changes in Accounting Policies Implemented During the Three Months Ended March 31, 2014

The Corporation has adopted the following new and revised accounting standards, including any consequential amendments thereto, effective January 1, 2014. Changes in accounting policies adopted by the Corporation were made in accordance with the applicable transitional provisions as provided in those standards and amendments.

IAS 32, "Financial Instruments: Presentation"

On January 1, 2014, the Corporation implemented certain amendments to IAS 32 which require the Corporation to provide clarification on the requirements for offsetting financial assets and financial liabilities on the statement of financial position. The implementation of amendments to IAS 32 had no impact to the Corporation's March 2014 Interim Consolidated Financial Statements.

IAS 36, "Impairment of Assets"

On January 1, 2014, the Corporation implemented certain amendments to IAS 36 which require that the Corporation disclose, if appropriate, the recoverable amount of an asset or cash generating unit, and the basis for the determination of fair value less costs of disposal or value-in-use of the asset, when an impairment loss is recognized or when an impairment loss is subsequently reversed. The implementation of amendments to IAS 36 had no impact to the Corporation's March 2014 Interim Consolidated Financial Statements.

IFRIC 21, "Levies"

On January 1, 2014, the Corporation implemented IFRIC 21 which provides an interpretation on IAS 37, "Provisions, Contingent Liabilities and Contingent Assets", with respect to the accounting for levies imposed by governments. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event. The interpretation clarifies that the obligating event is the activity described in the relevant legislation that triggers the payment of the levy. The implementation of IFRIC 21 had no impact to the Corporation's March 2014 Interim Consolidated Financial Statements.

Dundee Sustainable Technologies Inc.

Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited)

Three months ended March 31, 2014 and 2013

(Expressed in Canadian dollars)

2. BASIS OF PRESENTATION (CONT'D)

Accounting Standards Interpretations and Amendments to Existing Standards not yet Effective

There have been no new accounting standards, interpretations and amendments that were issued by IASB but not yet applied by the Corporation.

3. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the March 2014 Interim Consolidated Financial Statements 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, revenues and other items in net earnings, 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 historical experience and on various other 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 revenues and other items in net earnings 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 2014 Interim Consolidated Financial Statements from those judgments, estimates and assumptions disclosed in Note 3 to the 2013 Audited Consolidated Financial Statements.

4. PROMISSORY NOTES RECEIVABLE

A promissory note (the "Promissory Note") in the principal amount of \$500,000 is receivable from Creso Exploration Inc. ("Creso"), according to an agreement dated July 10, 2013. The unsecured note is due on July 10, 2014 and bears an annual interest rate of 6% payable at maturity. On December 20, 2013, the Corporation loaned \$200,000 to Creso which loan has been made upon the same terms and conditions under the Promissory Note. Also refer to Note 9, share capital and Note 15, subsequent events, for further details on the amalgamation transaction (the "Amalgamation") with Creso.

5. INVESTMENTS

The Corporation's investments are classified as financial assets at fair value through profit or loss.

	March 31,	
	2014	2013
	\$	\$
Publicly traded securities		
Balance – beginning	2,274,585	-
Acquisition through issuance of shares	-	-
Change in fair value	890,055	-
Balance – end	3,164,640	-
Warrants		
Balance – beginning	496,069	-
Acquisition through issuance of shares	-	-
Change in fair value	259,531	-
Balance – end	755,600	-
	3,920,240	-

Dundee Sustainable Technologies Inc.

Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited)

Three months ended March 31, 2014 and 2013

(Expressed in Canadian dollars)

5. INVESTMENTS (CONT'D)

Gains on investments	As at March 31, 2014		As at March 31, 2013	
	Cost	Market Value	Cost	Market Value
	\$	\$	\$	\$
Publicly traded securities	593,370	3,164,640	-	-
Warrants	51,100	755,600	-	-
	644,470	3,920,240	-	-

Gains on investments	Three months ended March 31,			
	2014		2013	
	Realized	Unrealized	Realized	Unrealized
	\$	\$	\$	\$
Publicly traded securities	-	890,055	-	-
Warrants	-	259,531	-	-
	-	1,149,586	-	-

On July 9, 2013, Dundee and a company controlled by an executive of Dundee sold to the Corporation 19,779,000 common shares of Creso and 9,500,000 common share purchase warrants of Creso and in exchange, the Corporation issued 9,889,510 of its common shares. Each Creso share purchase warrant entitles the Corporation to purchase one Creso common share at an exercise price of \$0.10 per common share until July 14, 2014 for 5,000,000 of such warrants and until December 21, 2014 for the remaining 4,500,000 of such share purchase warrants.

The fair value of Creso common shares, at the acquisition date, was determined using the quoted market price of Creso shares on the TSX Venture Exchange. The fair value of Creso warrants, at the acquisition date, was determined using the Black-Scholes option pricing model using the following assumptions: dividend yield of 0%, estimated volatility of 112.2%, risk-free interest rate of 1.17%, and using a weighted expected life of 1.23 years.

The fair value of Creso common shares, as at March 31, 2014, was determined using the quoted market price of Creso shares on the Canadian Securities Exchange.

The fair value of Creso warrants, as at March 31, 2014, that expire on July 9, 2014 was determined using the Black-Scholes option pricing model using the following assumptions: stock price of 0.16\$, dividend yield of 0%, estimated volatility of 130%, risk-free interest rate of 1.1%, and a weighted expected life of 0.27 years.

The fair value of Creso warrants, as at March 31, 2014, that expire on December 21, 2014 was determined using the Black-Scholes option pricing model using the following assumptions: stock price of 0.16\$, dividend yield of 0%, estimated volatility of 125%, risk-free interest rate of 1.1%, and a weighted expected life of 0.73 years.

Also, refer to Note 9, share capital and Note 15, subsequent events, for more details on the amalgamation transaction with Creso.

Dundee Sustainable Technologies Inc.

Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited)

Three months ended March 31, 2014 and 2013

(Expressed in Canadian dollars)

6. INTANGIBLE ASSETS

	As at December 31, 2013	Additions	Amortization	As at March 31, 31, 2014
	\$	\$	\$	\$
Intellectual properties – Oxide	605,000	-	-	605,000
Patent application fees – Oxide	129,474	-	-	129,474
Software	3,124	-	(1,625)	1,499
Development cost – Oxide	5,809,233	-	-	5,809,233
Less: SR&ED tax credit	(1,929,894)	-	-	(1,929,894)
	4,616,937	-	(1,625)	4,615,312

7. GOVERNMENT ASSISTANCE

In June 2013, the Corporation entered into a 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 chloride leach 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 part of the Contribution Agreement, the Corporation received, from SDTC:

Date received	\$	Eligible activities to be incurred
July 17, 2013	656,543	June 1, 2013 to December 31, 2013
March 27, 2014	<u>2,219,429</u>	January 1, 2014 to September 30, 2014
	<u>2,875,972</u>	

	Three months ended March 31,	
	2014	2013
	\$	\$
Balance – beginning	-	-
SDTC grant received	2,219,429	-
Reclassification of deferred contribution through profit or loss as per eligible expenditures incurred during the period	(581,020)	-
Balance – end	1,638,409	-

For further details, also refer to Note 12, commitments.

8. SHORT-TERM LOAN

On January 8, 2014, Dundee agreed to loan \$3,000,000 to the Corporation (the “Bridge Loan”). The funds from the Bridge Loan were disbursed on January 31, 2014. The Bridge Loan is secured by the Corporation’s assets, bears interest at the rate of 12.68% per annum and matures on April 30, 2014. The Corporation has the option to repay the Bridge Loan at any time but must use the proceeds from the sale of any assets in excess of \$250,000 or any financing in excess of \$3,000,000 to repay the Bridge loan. The Bridge Loan shall only be used to fund (i) the building of a demonstration plant and (ii) for general corporate purposes.

Also, refer to Note 15, subsequent events, for the extension of the maturity date.

Dundee Sustainable Technologies Inc.

Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited)

Three months ended March 31, 2014 and 2013

(Expressed in Canadian dollars)

9. SHARE CAPITAL

9.1 Authorized

On March 31, 2014, the authorized capital of the Corporation consists of an unlimited number of subordinated 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 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 the same rights and restrictions.

9.2 Reorganization and Amalgamation

On October 3, 2013, the Board of directors of the Corporation approved a reorganization of the capital structure of the Corporation (the "Capital Reorganization") by amending its articles of incorporation as follows:

- to change the name of the Corporation to "Dundee Sustainable Technologies Inc." in the English language and "Dundee Technologies Durables Inc." in the French language;
- to change the designation of the common shares to "subordinated voting shares" and change the rights, privileges, restrictions and conditions attaching thereto; and
- to create and authorize the issuance of an unlimited number of multiple voting shares, each multiple voting share having 10 votes.

On November 14, 2013, the Board of directors also approved the management proxy circular in connection with a special meeting of the shareholders of the Corporation to be held on December 5, 2013 (the "Meeting"). At the Meeting the shareholders of the Corporation approved, amongst other, the Capital Reorganization.

On January 8, 2014, the amendments to the article of the Corporation became effective.

On November 22, 2013, the Corporation and a wholly-owned subsidiary of the Corporation ("Subco") entered into a merger agreement with Creso pursuant to which Creso and Subco will amalgamate and the amalgamated company will become a wholly-owned subsidiary of the Corporation. On February 28, 2014, Creso shareholders approved the Amalgamation. On April 1, 2014, the Amalgamation became effective. Refer to Note 15, subsequent events, for further details on the amalgamation transaction with Creso.

9.3 Warrants

Changes in the Corporation's outstanding common share purchase warrants were as follows:

	Three months ended March 31,			
	2014		2013	
	Number of warrants	Carrying amount	Number of warrants	Carrying amount
Balance – beginning	50,000,000	1,036,125	10,535,000	311,852
Exercised	-	-	(4,875,000)	(179,900)
Balance – end	50,000,000	1,036,125	5,660,000	131,952

Dundee Sustainable Technologies Inc.

Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited)

Three months ended March 31, 2014 and 2013

(Expressed in Canadian dollars)

9. SHARE CAPITAL (CONT'D)

The weighted average exercise price was \$0.20 per share.

A summary of outstanding warrants entitling their holders to subscribe for an equivalent number of common shares, as at March 31, 2014, is as follows:

Number of warrants	Exercise price	Expiry date
50,000,000	\$ 0.10	July 9, 2015

10. STOCK OPTION PLAN

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

	Three months ended March 31,			
	2014		2013	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance - beginning	21,425,000	\$ 0.12	8,625,000	\$ 0.13
Awarded	-	-	700,000	0.20
Exercised	-	-	(300,000)	0.10
Balance – end	21,425,000	0.12	9,025,000	0.14

As at March 31, 2014, outstanding and exercisable options are as follows:

Number of options	Exercise price	Expiry date
	\$	
100,000	0.10	November 7, 2014
300,000	0.10	October 18, 2015
5,350,000	0.10	June 8, 2016
600,000	0.20	February 6, 2018
100,000	0.20	March 22, 2018
12,550,000	0.10	December 12, 2018
2,425,000	0.20	November 27, 2022
21,425,000		

The residual weighted average contractual term of outstanding options was 4.44 years as at March 31, 2014 (December 31, 2013 - 4.68 years).

Dundee Sustainable Technologies Inc.

Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited)

Three months ended March 31, 2014 and 2013

(Expressed in Canadian dollars)

11. RELATED PARTY TRANSACTIONS

Details of related party transactions not otherwise disclosed in these condensed interim consolidated financial statements are as follows:

	Three months ended March 31,	
	2014	2013
	\$	\$
A director or a corporation held by directors		
Professional and consulting fees	132,440	107,070
Officers		
Professional fees	114,883	42,668
	247,323	149,738

Compensation of key management

Key management includes directors and officers. The compensation paid or payable to key management is presented below:

	Three months ended March 31,	
	2014	2013
	\$	\$
Officers and directors' professional fees	247,323	149,738
Share-based payments	-	-
	247,323	149,738

12. COMMITMENTS

12.1 Construction of a \$27 million demonstration plant

In connection with the agreement reached with the SDTC, the Corporation had to file consortium agreements with third parties regarding the global financing of a demonstration plant and the procurement of mineral concentrates. As of June 1, 2013, consortium agreements were signed with Creso and Dundee Precious Metals, a company controlled by Dundee. Dundee had earlier confirmed to the SDTC its intention to arrange the required financing of the construction of the demonstration plan from its own or from third parties.

The Corporation's objective is to finalize the development of the chlorination technology to extract precious metals such as gold, at a pre-commercial stage through the construction of a demonstration plant of 15 tonnes per day that will operate on a continuous mode under industrial conditions.

Of the \$27 million demonstration plant projected budget, the Corporation has spent in total \$5,439,906 from which a total of \$3,077,533 was incurred in 2013 and the difference of \$2,362,373 was incurred in 2014 and included in our interim Consolidated Statements of Comprehensive Loss in the Research and development line item. As at March 31, 2014, the Corporation has a firm purchasing commitment for \$2,044,505 towards equipment and services relating to the demonstration plant.

As part of the Contribution Agreement, the Corporation received on March 27, 2014, \$2,219,429 from SDTC corresponding to the eligible activities to be incurred from January 1, 2014 to September 30, 2014.

Dundee Sustainable Technologies Inc.

Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited)

Three months ended March 31, 2014 and 2013

(Expressed in Canadian dollars)

12. COMMITMENTS (CONT'D)

12.2 Lease payments

There were no substantive changes to the description and nature of the Corporation's lease commitment from those described in Note 12 to the Corporation's 2013 Audited Consolidated Financial Statements.

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The following table provides information about financial assets and liabilities measured at market value in the Corporation's statement of financial position and categorized by level according to the significance of the inputs used in making the measurements:

	As at March 31, 2014			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Securities	3,164,640	-	-	3,164,640
Warrants	-	755,600	-	755,600
	3,164,640	755,600	-	3,920,240

Level 1: Quoted prices in active markets for identical assets.

Level 2: For the warrants, the fair value is determined using a Black and Scholes option pricing model.

Level 3: Significant unobservable inputs.

A detailed description of the Corporation's financial assets and financial liabilities and its associated risk management in respect thereof are provided in Note 13 to the 2013 Audited Consolidated Financial Statements. There have been no significant changes in the business and economic circumstances and the related financial risks that affect the fair value of the Corporation's financial assets and financial liabilities since December 31, 2013.

14. POLICIES AND PROCESS TO MANAGE CAPITAL

The capital of the Corporation consists of items included in shareholder's equity totalling \$8,715,021 as at March 31, 2014. The Corporation's objective when managing capital is to safeguard its ability to continue its operations and advance the development of its technologies. As needed, it raises funds through private placements. The Corporation does not use long-term debt since it does not generate operating revenues. It has no dividend policy.

The Corporation does not have any externally imposed capital requirements from regulatory or contractual requirements to which it is subject. Changes in capital for the three-month period ended March 31, 2014 and 2013 are described in the interim Consolidated Statements of Changes in Equity.

Dundee Sustainable Technologies Inc.

Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited)

Three months ended March 31, 2014 and 2013

(Expressed in Canadian dollars)

15 SUBSEQUENT EVENTS

15.1 Amalgamation

On February 28, 2014, Creso shareholders approved the Amalgamation with the Corporation. On April 1, 2014, the Amalgamation became effective and the Corporation, indirectly, acquired all of the issued and outstanding common shares of Creso, which it didn't already own, and the shareholders of Creso received one subordinate voting share of the Corporation in exchange for two common shares of Creso. Holders of options and warrants of Creso received 2,545,000 options and 12,456,566 warrants, as applicable, of the Corporation based upon the same exchange ratio.

Pursuant to the Amalgamation, the Corporation has (i) 228,544,201 subordinate voting shares issued and outstanding, of which 72.2% are held by the shareholders of DST (including Dundee Corporation) and 27.8% are held by the shareholders of Creso (excluding DST), and (ii) 50,000,000 multiple voting shares issued and outstanding, all of which are held by Dundee Corporation. Accordingly, Dundee Corporation will exercise voting rights in respect of an aggregate of 86.2% of the issued and outstanding voting securities of Dundee Sustainable Technologies Inc.

The common shares of Creso ceased to be listed on the Canadian Securities Exchange ("CSE") on April 1, 2014 and the subordinated voting shares of the Corporation were listed on the CSE under the symbol "DST" on April 8, 2014. The multiple voting shares of the Corporation which are convertible, at the option of the holder, into subordinate voting shares for no additional consideration will not be listed on any stock exchange.

15.2 Short-term loan

Dundee agreed on April 30, 2014 to extend the maturity date of the Bridge Loan to September 30, 2014.

Dundee Sustainable Technologies Inc.

(Formerly known as Nichromet Extraction Inc.)

Management's Discussion and Analysis

For the three months ended March 31, 2014

DUNDEE SUSTAINABLE TECHNOLOGIES INC.

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DUNDEE SUSTAINABLE TECHNOLOGIES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2014

BACKGROUND

This Management's Discussion and Analysis ("MD&A") has been prepared with an effective date of May 26, 2014 and provides an update on matters discussed in, and 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, 2013 (the "2013 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, 2014 (the "March 2014 Interim Consolidated Financial Statements"), all of which have been prepared using International Financial Reporting Standards ("IFRS"). All amounts in this MD&A are in Canadian dollars unless otherwise specified.

INCORPORATION AND NATURE OF OPERATIONS

Incorporation

Dundee Sustainable Technologies Inc. ("DST" or the "Corporation") was incorporated under the Canada Business Corporations Act on July 22, 1997. On January 8, 2014, the following amendments to the article of the Corporation became effective.

- a) to change the name of the Corporation to "Dundee Sustainable Technologies Inc." in the English language and "Dundee Technologies Durables Inc." in the French language;
- b) to change the designation of the common shares to "subordinated voting shares" and change the rights, privileges, restrictions and conditions attaching thereto; and
- c) to create and authorize the issuance of an unlimited number of multiple voting shares, each multiple voting share having 10 votes.

Amalgamation

On November 22, 2013, the Corporation and a wholly-owned subsidiary of the Corporation ("Subco") entered into a merger agreement with Creso Exploration Inc. ("Creso") pursuant to which Creso and Subco will amalgamate (the "Amalgamation") and the amalgamated company will become a wholly-owned subsidiary of the Corporation. On April 1, 2014, the Amalgamation became effective.

The common shares of Creso ceased to be listed on the Canadian Securities Exchange ("CSE") on April 1, 2014 and the subordinated voting shares of the Corporation were listed on the CSE under the symbol "DST" on April 8, 2014. The multiple voting shares of the Corporation which are convertible, at the option of the holder, into subordinate voting shares for no additional consideration will not be listed on any stock exchange.

Nature of Operations

Since 2006, the Corporation has developed at a pilot level metallurgical processes based on a chloride leach technology, 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 developed at pilot level is very broad and can involve either oxide or sulfide ores. It enables the recovery of nickel and cobalt from oxide type ores such as serpentine, laterites and other siliceous metal bearing ores and the extraction of precious metals from refractory ores with content of sulfides and arsenic.

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

DUNDEE SUSTAINABLE TECHNOLOGIES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2014

CORPORATE OVERVIEW

Metallurgy Processes Development

DST has developed a chlorination approach for the recovery of base and precious metals from two broad categories of ores namely the oxides (metals combined with oxygen) and the sulfides (metals combined with sulfur).

In the period 2006-2008, the technique related to the oxides (serpentinic ores, laterites) was successfully piloted for the extraction of nickel from laterites as established by engineering studies.

The piloting of the oxide ores has been a fruitful exercise for the valuation of the sulfide ores which started in 2009. The DST process applied to the sulfide ores includes an oxidation stage in order to remove the sulfur and other impurities such as arsenic in the starting sulfide ore. The completion of this oxidative step transforms the sulfide into an oxide with the removal of the sulfur from the metal and its replacement by oxygen. When this transformation is completed, the new oxide is submitted to the DST treatment, using acid leaching to collect base metals (Cu, Zn, Ni) and hypochloride to collect the precious metals (Au, Ag). The piloting of the sulfides (batch size of 1 ton) was completed in 2012.

The next step for the development of the technology is the completion of a demonstration plant and the exploratory operations at laboratory scale of various ores. Work on the demonstration plant started on June 1, 2013. The design of the demonstration plant is completed and the installation of the demonstration facilities is scheduled for completion by the end of 2014.

Corporate Strategy

The technology being developed by DST uses chlorination in order to extract precious metals such as gold. This process is an alternative to the conventional process used by the mining industry, namely cyanidation, which presents many disadvantages and environmental hazards.

The current stage of the DST's chlorination extraction technology is the result of 10 years of effort in combined laboratory development and pilot plant scale validation. The results obtained at a laboratory scale led to the construction of a pilot plant installation in 2011 and 2012 in order to pursue the development of DST's chlorination extraction technology. With successful pilot results, the next stage is to finalize the development of the chlorination extraction technology at a pre-commercial stage. This first requires the construction of a pre-commercialization demonstration plant operating on a continuous production basis.

The pre-commercialization demonstration plant will have a capacity of 15 tons per day ("TPD") in order to assess on a pre-industrial scale DST's chlorination extraction technology under continuous operating conditions. The demonstration plant will offer the first test of the DST's chlorination extraction technology in an operating environment with near industrial conditions. The scale-up factor is in the order of 15:1 compared to the pilot installation. Although the size of the pre-commercialization demonstration plant seems modest according to references in the mining industry, it is large enough to establish the credibility of the process on an industrial scale. This pre-commercialization demonstration plant will serve as reference for the establishment of full scale plants operating with the same technology.

In the medium term, the DST business model is expected to be the licensing of its technology to third parties. Rights to DST's chlorination extraction technology would be licensed to companies wishing to use DST's chlorination extraction technology in return for royalties. Cyanide has been banned for usage by most countries and there are many gold ore bodies that are lying idle for lack of a process that can extract the gold without cyanide and that may represent potential users of the DST technology. The technology is of particular interest for gold mining companies and therefore the price of gold will be a significant factor in the Corporation's business development. Refer to "Risks and Uncertainties" section.

DUNDEE SUSTAINABLE TECHNOLOGIES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2014

CORPORATE OVERVIEW (CONT'D)

Research and development activities at both laboratory and pilot levels are carried out in house except for the verification of certain results which are referred to an independent laboratory and in parallel with the construction of the demonstration plant.

Intellectual Property

DST's technology is protected by patents filed during the development of the technology to reinforce the level of protection.

HIGHLIGHTS

January 1st, 2014 to date:

- As part of the Contribution Agreement, the Corporation received in March 2014, \$2.2 million from the Sustainable Development Technology Canada Foundation ("SDTC") corresponding to the eligible activities to be incurred from January 1, 2014 to September 30, 2014;
- Beginning of the construction of the demonstration plant including the following activities :
 - Completion of the structural engineering and building reinforcement;
 - Delivery of some of the major pieces of equipment such as scrubbers, filter, bag house, reactor, fluid bed, bucket elevator, holding tanks, feeding bins, pumps, etc.
 - Completion of the installation of the effluent treatment plant;
 - Completion of the installation of some of the plant services such as compressed air, chiller, process water holding tank.
- Preparation work on the start-up sequence of the plant for next fall and required labor. Resources have been dedicated to the preparation of operation procedures in prevision for training of future operators of the plant.
- Development work in the laboratory of the Corporation has been dedicated to the following aspects during this period:
 - Optimisation of the arsenic vitrification technology with flue dusts;
 - Optimisation of a process for recovering Zinc, Silver and Copper in a high arsenical material;
 - Development of a new technique for recovering silver in high grades ores;
 - Development and filing a patent for cost savings in the DST gold extraction process, by replacement of sodium by calcium;
 - Successful gold extraction from amalgamation tailings and in high grade material;
 - Copper recovery from a pyrite tailings by electrodeposition.

DUNDEE SUSTAINABLE TECHNOLOGIES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2014

INFORMATION ON EQUITY

On January 8, 2014, the amendments to the article of the Corporation became effective. Following the amendments, the authorized capital of the Corporation consists of an unlimited number of subordinated voting shares and multiple voting shares, without nominal or par value. The holders of subordinated 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 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 the same rights and restrictions.

	May 26, 2014
Subordinated voting shares issued	228,894,201
Options	23,720,000
Warrants	62,356,566
Total – fully diluted subordinated voting shares	314,970,767
<hr/>	
Multiple voting shares issued (each multiple voting shares have 10 votes)	50,000,000

(1) At May 26, 2014, Dundee owned 128,068,497 subordinated voting shares of the Corporation (56%), all of the outstanding multiple voting shares and 50,000,000 warrants at an exercise price of \$0.10 until July 9, 2015.

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 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

Short term loan

On January 8, 2014, Dundee agreed to loan \$3 million to the Corporation (the "Bridge Loan"). The funds from the Bridge Loan were disbursed on January 31, 2014. The Bridge Loan is secured by the Corporation's assets, bears interest at the rate of 12.68% per annum and matures on April 30, 2014. The Corporation has the option to repay the Bridge Loan at any time but must use the proceeds from the sale of any assets in excess of \$250,000 or any financing in excess of \$3 million to repay the Bridge loan. The Bridge Loan shall only be used to fund (i) the building of a demonstration plant and (ii) for general corporate purposes.

Dundee agreed on April 30, 2014 to extend the maturity date of the Bridge Loan to September 30, 2014.

INVESTING ACTIVITIES

The transaction costs incurred in connection with the Amalgamation with Creso are capitalized in the "Other Assets" line item and will be considered as part of the price paid on April 1, 2014.

DUNDEE SUSTAINABLE TECHNOLOGIES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2014

LIQUIDITY AND WORKING CAPITAL

On March 31, 2014, the working capital of the Corporation was at \$156,051 negative. This working capital includes a \$3 million short-term loan from Dundee with a maturity date on April 30, 2014. Dundee agreed on April 30, 2014 to extend the maturity date of the Bridge Loan to September 30, 2014.

Management estimates that the Corporation will not have sufficient funds to meet its obligations and budgeted expenditures through to March 31, 2014. 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 is confident 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 it will be able to do so in the future.

The Corporation is in discussion with Dundee for a financing in the near future to fund the building of the demonstration plant and ongoing working capital.

DISCUSSION AND ANALYSIS OF OPERATIONS

The Corporation's objective is to finalize the development of the chlorination technology to extract precious metals such as gold, at a pre-commercial stage through the construction of a demonstration plant of 15 tonnes per day that will operate on a continuous mode under industrial conditions.

In connection with the agreement reached with the SDTC, the Corporation filed consortium agreements with third parties regarding the global financing of demonstration plant and the procurement of mineral concentrates. Consortium agreements were signed with Creso, Dundee Precious Metals and a privately held gold mining company for the procurement of mineral concentrates.

Of the \$27 million demonstration plant projected budget, the Corporation has spent in total \$5,439,906 from which a total of \$3,077,533 was incurred in 2013 and the difference of \$2,362,373 was incurred during the three months ended March 31, 2014 and included in our interim Consolidated Statements of Comprehensive Loss in the "Research and development" line item.

The Corporation reported a loss of \$1,255,494 during the three months ended March 31, 2014 versus a loss of \$1,080,965 in the same period of the prior year.

Following are the details of research and development:

	Three-month period ended March 31,	
	2014	2013
	\$	\$
Wages and compensation	335,246	238,479
Contractors	346,748	156,106
Building maintenance	302,766	95,191
Equipment	1,399,239	6,123
Consumables	82,298	58,127
Other	58,632	40,105
	2,524,929	594,131
SDTC contribution and tax credits	(696,401)	-
Research and development expenses	1,828,528	594,131

DUNDEE SUSTAINABLE TECHNOLOGIES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2014

DISCUSSION AND ANALYSIS OF OPERATIONS (CONT'D)

Research and development expenses during the three months ended March 31, 2014 include \$2.4 million of costs for the demonstration plant. The remaining expenses relate to research activities conducted in the pilot plant. In the same period of the prior year, the expenses relate to research activities conducted in the pilot plant.

During the three months period ended March 31, 2014, SDTC contribution recognised through the Consolidated Statement of Comprehensive Loss amounted to \$581,020. The remaining balance of the tax credits is composed of the Quebec reimbursable scientific research and experimental development credits.

Following are the details of professional and consulting fees:

	Three months ended March 31,	
	2014	2013
	\$	\$
Legal	59,584	47,766
Audit	68,500	75,349
Accounting	41,312	-
Consulting administration	49,236	54,320
Professional fees	60,028	34,173
Consulting geology	37,731	26,051
Professional and consulting fees	316,391	237,659

Legal fees include corporate secretarial services and other legal fees. The increase in Q1-2014 is mainly due to the listing of the Corporation on the CSE.

Accounting: In Q1-2014, remuneration of the newly appointed Chief Financial Officer is paid to a private company controlled by him. In addition his company charges fees for support staff in respect of accounting, bookkeeping and administration fees. In Q1-2013, the Controller of the Corporation was on the payroll. His employment was terminated in Q1-2014.

Consulting administration fees are fees and expenses paid to a company controlled by the Chairman, CEO and President of the Corporation.

Professional fees consist of business development activities in Guatemala and also include certain audit related fees and tax compliance services. The variance is due to tax compliance services performed in Q1-2014 regarding R&D credit claims.

Consulting geology fees are paid to a company controlled by a director of the Corporation for services rendered in relation with the testing of minerals from Central America.

Following are the details of the administrative expenses:

	Three months ended March 31,	
	2014	2013
	\$	\$
Insurance	22,655	22,578
Rent	17,789	18,149
Website and technical support	8,382	14,792
Transportation	11,652	7,734
Others	13,241	11,948
Administrative expenses	73,719	75,201

DUNDEE SUSTAINABLE TECHNOLOGIES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2014

DISCUSSION AND ANALYSIS OF OPERATIONS (CONT'D)

The total share-based payment expense totalled \$nil in Q1-2014 as compared to \$104,589 in Q1-2013. The Corporation granted a total of 700,000 stock options to its employees in Q1-2013. Options vested at the grant date.

Interest income is mainly from the Creso promissory note in the principle amount of \$700,000 while the interest expense relates to the \$3 million Dundee Bridge Loan.

In addition, an unrealized gain of \$1,149,586 (Nil in Q1-2013) was recorded in Q1-2014 on the investment in Creso.

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.

	Q1-14	Q4-13	Q3-13	Q2-13
		\$	\$	\$
Total revenue	Nil	Nil	Nil	Nil
Net loss and comprehensive loss	1,255,494	1,170,277	948,613	786,548
Basic and diluted net loss per share	0.01	0.005	0.005	0.005

	Q1-13	Q4-12	Q3-12	Q2-12
	\$	\$	\$	\$
Total revenue	Nil	Nil	Nil	Nil
Net loss and comprehensive loss	1,080,965	1,596,903	505,831	780,032
Basic and diluted net loss per share	0.007	0.011	0.004	0.006

The variation in Net loss and comprehensive loss is attributable to the level of research and development activities from one quarter to the other. In addition, an unrealized gain of \$1.1 million, \$1.8 million and \$0.3 million was recorded in Q1-2014, Q4-2013 and Q3-2013 respectively on the investment in Creso.

OFF BALANCE SHEET ARRANGEMENTS

The Corporation did not enter into any off-balance sheet arrangements in Q1-2014 and 2013.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

At March 31, 2014, the Corporation has firm purchasing commitments of equipment and services relating to the demonstration plant totalling \$2 million.

In addition, the contractual obligations of the Corporation include lease payments for the Thetford Mines facilities and the head office. There were no substantive changes to the description and nature of the Corporation's lease commitment from those described in Note 12 to the Corporation's 2013 Audited Consolidated Financial Statements.

DUNDEE SUSTAINABLE TECHNOLOGIES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2014

RELATED PARTY TRANSACTIONS

In addition to the transactions discussed in the financing and investing sections, details of related party transactions with the officers and directors of the Corporation and companies they control are as follows:

	Three months ended	
	March 31,	
	2014	2013
	\$	\$
Professional and consulting fees		
Administration ⁽¹⁾	45,000	45,000
Legal ⁽²⁾	52,609	29,062
Accounting fees ⁽³⁾	11,988	-
Geology ⁽⁴⁾	28,846	21,750
Professional ⁽⁵⁾	28,520	13,606
Research and development ⁽⁶⁾	80,360	40,320
Share-based expenses	-	-
	247,323	149,738

- (1) Fees paid to a private company controlled by Pierre Gauthier, Chairman, President and Chief Executive Officer.
- (2) Fees paid to a private company controlled by Luce Saint-Pierre, Corporate Secretary for a total amount of \$39,375 (\$29,062 in Q1-2013) and an amount of \$13,234 (\$nil in Q1-2013) paid to a law firm of which a director is a counsel for legal services.
- (3) Starting in March 2014, remuneration of Vatche Tchakmakian, the newly appointed Chief Financial Officer, in the amount of \$11,988 paid to a private company controlled by him.
- (4) Fees paid to a company controlled by a director who is also President of Nichromet Dominicana and Nichromet Guatemala for his services in relation with the testing of minerals from Central America;
- (5) Fees paid to the General Manager of Nichromet Guatemala for business development in Guatemala.
- (6) Related party transactions recorded in Research and development are the fees paid to a company controlled by a director who is also Vice-President, Research and Development and starting in April 2013, the salary paid to the Executive Vice-President.

SUBSEQUENT EVENTS AFTER MARCH 31, 2014

Amalgamation

On February 28, 2014, Creso shareholders approved the Amalgamation with the Corporation. On April 1, 2014, the Amalgamation became effective and the Corporation, indirectly, acquired all of the issued and outstanding common shares of Creso, which it didn't already own, and the shareholders of Creso received one subordinate voting share of the Corporation in exchange for two common shares of Creso. Holders of options and warrants of Creso received 2,545,000 options and 12,456,566 warrants, as applicable, of the Corporation based upon the same exchange ratio.

Pursuant to the Amalgamation, the Corporation has (i) 228,544,201 subordinate voting shares issued and outstanding, of which 72.2% are held by the shareholders of DST (including Dundee) and 27.8% are held by the shareholders of Creso (excluding DST), and (ii) 50,000,000 multiple voting shares issued and outstanding, all of which are held by Dundee Corporation. Accordingly, Dundee will exercise voting rights in respect of an aggregate of 86.2% of the issued and outstanding voting securities of Dundee Sustainable Technologies Inc.

DUNDEE SUSTAINABLE TECHNOLOGIES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2014

SUBSEQUENT EVENTS AFTER MARCH 31, 2014 (CONT'D)

The common shares of Creso ceased to be listed on the Canadian Securities Exchange ("CSE") on April 1, 2014 and the subordinated voting shares of the Corporation were listed on the CSE under the symbol "DST" on April 8, 2014. The multiple voting shares of the Corporation which are convertible, at the option of the holder, into subordinate voting shares for no additional consideration will not be listed on any stock exchange.

Short-term loan

Dundee agreed on April 30, 2014 to extend the maturity date of the Bridge Loan to September 30, 2014.

ACCOUNTING POLICY AND CRITICAL ACCOUNTING ESTIMATES

The preparation of the March 2014 Interim Consolidated Financial Statements 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, revenues and other items in net earnings, 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 historical experience and on various other 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 revenues and other items in net earnings 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 2014 Interim Consolidated Financial Statements from those judgments, estimates and assumptions disclosed in Note 3 to the 2013 Audited Consolidated Financial Statements.

Other than as disclosed in note 2 to the March 2014 Interim Consolidated Financial Statements, there have been no changes in the accounting policies adopted in the preparation of the Corporation's March 2014 Interim Consolidated Financial Statements from those detailed in note 2 to the Corporation's 2013 Audited Consolidated Financial Statements. The changes in accounting policies adopted during the first quarter of 2014 did not have a material impact to the March 2014 Interim Consolidated Financial Statements.

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 13 to the the 2013 Audited Consolidated Financial Statements.

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 as described in the Corporation's 2013 MDA under "Risk and Uncertainties" which is available on SEDAR at www.sedar.com. These business risks should be considered by interested parties when evaluating the Corporation's performance and its outlook.

DUNDEE SUSTAINABLE TECHNOLOGIES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2014

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 2014 and beyond, and strategies or further actions with respect to the Corporation, its products and services, business operations, financial performance and condition. Forward looking statements are statements that are predictive in nature, depend upon or refer to future events or conditions or include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates" or similar expressions concerning matters that are not historical facts. Such statements are based on current expectations of the Corporation's management and inherently involve numerous risks and uncertainties, known and unknown, including economic factors and those affecting the technology and resources industries generally. The forward looking information contained in this MD&A is presented for the purpose of assisting shareholders in understanding business and strategic priorities and objectives as at the periods indicated and may not be appropriate for other purposes.

A number of risks, uncertainties and other factors may cause actual results to differ materially from the forward looking statements contained in this MD&A, including, among other factors and without limitation, those referenced in the section entitled "Risks and Uncertainties" in the Corporation's 2013 MDA. 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.

Montreal, Quebec
May 26, 2014