

Dundee Sustainable Technologies Inc.

Management's Discussion and Analysis

For the nine months ended September 30, 2019

2000 Peel Street, Suite 860, Montréal, QC, H3A 2W5
Tel.: 514.866 6001 / www.dundeetechnologies.com

DUNDEE SUSTAINABLE TECHNOLOGIES INC.

TABLE OF CONTENT

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019

| | |
|--|----|
| BACKGROUND | 3 |
| INCORPORATION AND NATURE OF OPERATIONS | 3 |
| OPERATIONS DURING 2019 | 4 |
| BUSINESS STRATEGY | 5 |
| INFORMATION ON EQUITY | 5 |
| STOCK OPTION PLAN..... | 6 |
| FINANCING ACTIVITIES..... | 6 |
| INVESTING ACTIVITIES | 7 |
| LIQUIDITY AND WORKING CAPITAL | 7 |
| SELECTED QUARTERLY INFORMATION..... | 10 |
| OUTLOOK FOR 2019 | 10 |
| OFF BALANCE SHEET ARRANGEMENTS..... | 11 |
| CONTRACTUAL OBLIGATIONS AND COMMITMENTS..... | 11 |
| ACCOUNTING POLICY CHANGES, CRITICAL ESTIMATES, JUDGMENTS AND ASSUMPTIONS | 11 |
| FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS..... | 12 |
| RISKS AND UNCERTAINTIES..... | 12 |
| FORWARD LOOKING STATEMENTS..... | 12 |
| ADDITIONAL INFORMATION CONCERNING DST | 13 |

DUNDEE SUSTAINABLE TECHNOLOGIES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 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 nine months ended September 30, 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 nine months ended September 30, 2019 (the "September 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 November 11, 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 at 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 2000 Peel, Suite 860, Montréal, Quebec, Canada, H3A 2W5.

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 September 30, 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 \$19.1 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 cadmium. 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 branded these technologies as the CLEVR Process™ (Chlorine Leach Vat Reactor) and the GlassLock Process™ (permanent arsenic sequestration in glass).

DUNDEE SUSTAINABLE TECHNOLOGIES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 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 cyanide approach using 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 CLEVR 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 68 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 additional jurisdictions as warranted.

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 the Corporation to update the patent filing in other countries and extend 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 commercialized, or that output from any use of the Corporation's processes could be produced at a commercial scale 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 2019

GlassLock Process™

The small industrial scale GlassLock plant (the "Plant") was delivered to our development partner. In conjunction with the mineral processing facility's personnel, DST personnel have completed the demonstration phase of the project and will submit a final report in the fourth quarter of 2019. The Plant was financed through a collaboration arrangement with a related party and will provide proof of the GlassLock Process™ in an industrial environment. The Corporation also announced that SDTC awarded a grant of \$1.25 million to partially offset costs associated with this plant.

DUNDEE SUSTAINABLE TECHNOLOGIES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 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 ongoing.

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.

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 Processes would enable mining companies to advance those projects which are currently constrained because of the refractory or toxic nature of their deposits. Discussions are ongoing with a number of mining companies to help advance these otherwise stranded deposits.

INFORMATION ON EQUITY

The authorized capital of the Corporation consists of an unlimited number of subordinate voting shares and multiple voting shares, without nominal or par value. The holders of subordinate voting shares are entitled to one vote for each subordinate voting share and the holders of multiple voting shares are entitled to ten votes for each multiple voting share. The holders of subordinate voting shares and multiple voting shares shall be entitled to receive and to participate equally as to dividends, share for share, in an equal amount on all the subordinate voting shares and multiple voting shares at the time outstanding. The holder of multiple voting shares shall be entitled at any time and from time-to-time to have any or all of the multiple voting shares converted into subordinate voting shares based on one subordinate voting share for each multiple voting share. In all other respects, the holders of subordinate voting shares and multiple voting shares shall rank equally and the same rights and restrictions.

DUNDEE SUSTAINABLE TECHNOLOGIES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019

| | November 11, 2019 |
|--|------------------------------|
| Subordinate voting shares issued | 314,942,521 |
| Options | 19,475,000 |
| Warrants | 14,285,714 |
| Total – fully diluted subordinate voting shares | 348,703,235 |
| <hr/> | |
| Multiple voting shares issued (each multiple voting share has 10 votes) | 50,000,000 |

(1) At November 11, 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

Nine months ended September 30, 2019

Promissory note from a Related Party

During the first nine months 2019, the Corporation signed four promissory notes in the total principal amount of \$2,064,000 payable on demand to a wholly owned subsidiary of Dundee along with interest at a rate of 18% per annum.

As at September 30, 2019, the aggregate principal amount of the promissory notes totals \$4,739,000 and the finance cost accrued during the nine months ended September 30, 2019 amounted to \$501,187.

Nine months ended September 30, 2018

Options Exercise

During the nine months ended September 30, 2018, 1,550,000 options were exercised for an equal number of subordinate voting shares at an average price of \$0.05 per option, for aggregate proceeds to the Corporation of \$77,500.

Promissory note from a Related Party

During the first nine months 2018, the Corporation signed three promissory notes in the principal amount of \$1,550,000 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 NINE MONTHS ENDED SEPTEMBER 30, 2019

As at September 30, 2018, the aggregate principal amount of the promissory notes totalled \$2,050,000 and the finance cost accrued during the nine-month period amounted to \$153,987.

INVESTING ACTIVITIES

No investing activities were performed during the nine months period ended September 30, 2019.

LIQUIDITY AND WORKING CAPITAL

On September 30, 2019, the working capital position of the Corporation was negative \$19,425,831 (negative \$16,100,133 as at December 31, 2018). This working capital deficiency includes a \$19,065,073 (\$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 September 30, 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 nine months period ended September 30, 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 such as aluminium, 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 CLEVR Process™ for precious metal extraction and/or its GlassLock 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 \$1,039,462 during the nine months ended September 30, 2019 with related cost of \$893,693 recorded under operating expenses related to services. The Corporation reported revenues of \$1,396,536, with related cost of \$1,095,160 in the same period of the prior year. The Corporation experienced delays in some projects that started at end of the quarter. Revenues by line of business were as below:

| | Three months ended September 30, | | Nine months ended September 30, | |
|-------------------------------|-------------------------------------|----------------|------------------------------------|------------------|
| | 2019 | 2018 | 2019 | 2018 |
| | \$ | \$ | \$ | \$ |
| Arsenic stabilization process | 3,316 | 192,840 | 70,050 | 563,470 |
| Chlorination process | 77,392 | 53,342 | 166,899 | 87,992 |
| Other service revenues | 374,626 | 51,449 | 802,513 | 745,074 |
| | 455,334 | 297,631 | 1,039,462 | 1,396,536 |

DUNDEE SUSTAINABLE TECHNOLOGIES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019

Operating expenses

The major components of the operating expenses are as follows:

| | Three months ended September 30, | | Nine months ended September 30, | |
|----------------|-------------------------------------|----------------|------------------------------------|------------------|
| | 2019 | 2018 | 2019 | 2018 |
| | \$ | \$ | \$ | \$ |
| Labour | 143,310 | 163,626 | 374,122 | 514,286 |
| Consultants | 79,307 | 59,292 | 160,961 | 173,000 |
| Consumables | 4,383 | 4,779 | 6,229 | 32,877 |
| Plant overhead | 172,889 | 123,427 | 352,381 | 374,997 |
| | 399,889 | 351,124 | 893,693 | 1,095,160 |

Lower service revenues in the nine months ended September 30, 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 nine months period ended September 30, 2019, the Corporation incurred technology development costs of \$1,594,264 (\$2,753,680 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 \$834,700 (\$608,640 in the same period of 2018).

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|-------------------------------------|----------------|------------------------------------|----------------|
| | 2019 | 2018 | 2019 | 2018 |
| | \$ | \$ | \$ | \$ |
| Arsenic plant | 219,974 | 780,998 | 1,020,781 | 2,765,449 |
| Plant expenses | 310,570 | 352,993 | 1,059,054 | 1,044,186 |
| Patent maintenance | 13,033 | 21,354 | 58,006 | 99,390 |
| Technology development | 543,577 | 1,155,345 | 2,137,841 | 3,909,025 |
| Net contribution | (230,546) | (819,703) | (990,110) | (2,402,243) |
| Government grants | - | - | - | (562,500) |
| Technology development expenses, net | 313,031 | 335,642 | 1,147,731 | 944,282 |

Professional and consulting fees

| | Three months ended September 30, | | Nine months ended September 30, | |
|--|-------------------------------------|---------------|------------------------------------|----------------|
| | 2019 | 2018 | 2019 | 2018 |
| | \$ | \$ | \$ | \$ |
| Legal | 1,443 | 4,563 | 20,697 | 25,417 |
| Audit, audit related work and tax compliance | 6,720 | 8,400 | 73,588 | 108,540 |
| Accounting | - | 7,500 | 2,211 | 9,640 |
| | 8,163 | 20,463 | 96,496 | 143,597 |

DUNDEE SUSTAINABLE TECHNOLOGIES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019

Administrative expenses

| | Three months ended September 30, | | Nine months ended September 30, | |
|-------------------------------|-------------------------------------|----------------|------------------------------------|----------------|
| | 2019 | 2018 | 2019 | 2018 |
| | \$ | \$ | \$ | \$ |
| Insurance | 31,637 | 53,792 | 91,294 | 139,437 |
| Rent | 23,157 | 25,758 | 96,143 | 106,215 |
| Website and technical support | 25,973 | 7,642 | 37,816 | 25,720 |
| Travel and accommodations | 19,550 | 6,822 | 36,403 | 46,249 |
| Telecommunications and others | 19,419 | 13,485 | 48,615 | 46,495 |
| | 119,736 | 107,499 | 310,271 | 364,116 |

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 September 30, | | Nine months ended September 30, | |
|----------------------|-------------------------------------|----------------|------------------------------------|----------------|
| | 2019 | 2018 | 2019 | 2018 |
| | \$ | \$ | \$ | \$ |
| Employees | 66,912 | 61,504 | 329,258 | 325,933 |
| Officer compensation | 47,499 | 43,541 | 138,539 | 138,539 |
| Director fees | (5,000) | 7,000 | 25,000 | 24,000 |
| | 109,411 | 112,045 | 492,797 | 488,472 |

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 September 30, | | Nine months ended September 30, | |
|---|-------------------------------------|----------------|------------------------------------|------------------|
| | 2019 | 2018 | 2019 | 2018 |
| | \$ | \$ | \$ | \$ |
| Interest expenses on Dundee short-term loans and Dundee promissory notes | 459,641 | 339,688 | 1,289,302 | 942,102 |
| IQ loan | 100,269 | 92,633 | 291,820 | 285,735 |
| IQ loan accretion expense | 46,088 | 38,311 | 132,175 | 109,698 |
| CED Contribution accretion expense | 7,222 | 6,417 | 20,998 | 18,710 |
| Other interest expense | 39,286 | 9,083 | 120,238 | 9,093 |
| Other gain | - | (43,350) | - | (51,350) |
| | 652,506 | 442,782 | 1,854,533 | 1,313,988 |

DUNDEE SUSTAINABLE TECHNOLOGIES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 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.

| | Q3-19 | Q2-19 | Q1-19 | Q4-18 |
|--------------------------------------|-----------|-----------|-----------|-----------|
| | \$ | \$ | \$ | \$ |
| Total revenue | 455,334 | 411,292 | 172,836 | 484,906 |
| Operating loss | 622,653 | 629,059 | 1,042,598 | 685,791 |
| Net loss and comprehensive loss | 1,300,521 | 1,251,192 | 1,620,128 | 1,203,538 |
| Basic and diluted net loss per share | 0.004 | 0.003 | 0.004 | 0.003 |

| | Q3-18 | Q2-18 | Q1-18 | Q4-17 |
|--------------------------------------|-----------|-----------|-----------|---------|
| | \$ | \$ | \$ | \$ |
| Total revenue | 297,631 | 579,980 | 518,925 | 869,034 |
| Operating loss | 641,940 | 963,635 | 697,594 | 328,063 |
| Net loss and comprehensive loss | 1,086,284 | 1,389,127 | 1,125,218 | 742,163 |
| Basic and diluted net loss per share | 0.003 | 0.004 | 0.003 | 0.002 |

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. The Corporation is nearing the end of the demonstration campaign and will be filing a final report to the customer in the near future. 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 CLEVR Process™ 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™.

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 NINE MONTHS ENDED SEPTEMBER 30, 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 nine months ended September 30, 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 nine months ended September 30, 2019).

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 nine months ended September 30, 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 asset ("ROU") 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 under the heading Transition. 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.

DUNDEE SUSTAINABLE TECHNOLOGIES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019

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 Statements of Financial Position.

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.

DUNDEE SUSTAINABLE TECHNOLOGIES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019

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.

November 11, 2019

(s) Brian Howlett

Brian Howlett
President and CEO

(s) Arved Marin

Arved Marin
CFO