Dundee Sustainable Technologies Inc.

Management's Discussion and Analysis

Years ended December 31, 2015 and 2014

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BACKGROUND

This Management Discussion and Analysis (the "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 years ended December 31, 2015 and 2014. This MD&A should be read in conjunction with the Corporation's audited consolidated financial statements for the years ended December 2015 and 2014, prepared in accordance with the International Financial Reporting Standards ("IFRS"). Unless otherwise noted, all figures are in Canadian dollars, the presentation and functional currency.

INCORPORATION AND NATURE OF OPERATIONS

Incorporation
The Corporation was incorporated under the Canada Business Corporations Act on July 22, 1997. Its articles of incorporation were amended on January 8, 2014, to change the name of the Corporation, formerly known as Nichromet Extraction Inc., to "Dundee Sustainable Technologies Inc." in English and "Dundee Technologies Durables Inc." in French. The Corporation's head office is located at 600 De Maisonneuve Boulevard West, Suite 2750, Montréal, Quebec, Canada, H3A 3J2.

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.

On April 8, 2014, the subordinate voting shares of the Corporation began trading on the Canadian Securities Exchange (CSE: DST).

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 December 31, 2015, Dundee owned 178.1 million subordinate voting shares and 50.0 million multiple voting shares of the Corporation giving Dundee a 66% equity interest and an 85% voting interest in the Corporation.

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

Gold Chlorination
At present, DST's most advanced proprietary process is associated with the extraction of precious metals using chlorination to provide a cyanide-free alternative for the exploitation of gold deposits. The primary benefits of this innovative technology are shorter processing times, and a closed-loop operation, eliminating the need for costly tailing ponds and reducing the environmental footprint of the inert and stable cyanide-free tailings.

The chlorination process developed by DST is a recognized "green technology" for which it was awarded a $5 million grant by the Government of Canada, through its Sustainable Development Technology Fund ("SDTC"), for the construction and operation of a demonstration plant. The plant serves as a demonstration platform for the chlorination process on an industrial scale and under continuous operating conditions.

Arsenic Stabilization by Vitrification
In 2015, DST completed the construction of a pilot plant designed to demonstrate its arsenic stabilization process, which is designed for the sequestration of this contaminant in a stable glass form. This process involves a technique to segregate arsenic and therefore provides opportunities to process materials considered too toxic to be exploited or stabilized using conventional mining methods.

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

CORPORATE OVERVIEW

Metallurgy Processes Development
Cyanidation, a commonly used procedure for processing gold, typically produces large amounts of highly contaminated tailings. DST has developed a cyanide-free process 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 addition to environmental benefits, the cyanide-free chlorination process allows the exploitation of gold deposits that face metallurgical or environmental permitting issues because of the use of cyanide in the conventional process.

The DST chemical process applied to sulfide ores commences with an oxidation stage in order to remove the sulfur and other impurities such as arsenic in the ore. The completion of this oxidation 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 complete, the newly formed oxide is subjected to the DST treatment, using acid leaching to collect base metals (Copper and Zinc) and hypochloride to collect the precious metals (Gold and Silver).

The arsenic collected during the oxidation stage is then stabilized and rendered inert in a glass form, using DST's second patented novel methodology. The DST method has a more stable outcome and is less costly than current industrial practices. This approach to stabilize arsenic in glass is a technique to segregate arsenic in the extraction process and therefore provides opportunities for deposits or concentrates considered too toxic with arsenic to be exploited using conventional methods. It also represents an opportunity for existing copper smelting operators that are looking for a technology to stabilize the arsenical bearing flue dusts, which are inherent in such operations.

Arsenical flue dusts are produced through the smelting of copper bearing arsenical ores. During the smelting-converting process of copper most of the arsenic is vaporized and appears in the flue dust as arsenic trioxide along with fine particles of metal or metallic compounds. The arsenic trioxide in the flue dust is then captured in the filters of the smelter and converted into a stabilized inert glass form.

Intellectual Property
DST has protected its intellectual property by filing patents during the development of its technologies. To date, DST has patents granted or published on 11 different processes for its technologies. The Corporation has 15 patents granted or published and 27 patents pending or filed in 16 countries. The patents to which the Corporation currently has rights expire between 2022 and 2034.

Green Technology and Government Support

DST's chlorination process has been recognized as a "green technology", for which it has been awarded a $5 million grant by SDTC, for the construction and operation of the demonstration plant.

Given the significant economic benefits of its technologies, the Corporation has attracted strong government support. In addition to the Government of Canada's support, during 2015, Investissement Quebec completed a $5 million private placement of equity and debt.

DEMONSTRATION PLANT AND PROCESSING FOR THE CHLORINATION TECHNOLOGY

The current stage of DST's chlorination process is the result of 16 years of efforts in combined laboratory development and pilot plant scale validation. The results obtained at a laboratory scale led to the construction and operation of a pilot plant between 2010 and 2012 in order to pursue the development of DST's chlorination extraction technology. With successful pilot results, the next stage was the development of the technology at an industrial scale. This required the construction of a demonstration plant, which could operate on a continuous basis.

Construction of the plant commenced in 2013, and commissioning was successfully completed in late 2015 enabling the Corporation to proceed with the demonstration phase of the project. When operating at full capacity, the demonstration plant can process approximately 5,000 tonnes of concentrate per year. The Corporation has been actively seeking the supply of various concentrate feed sources and has been negotiating with suppliers to secure sufficient volumes of concentrate feed material necessary for the operations of the demonstration plant throughout 2016.

Construction phase

The demonstration plant has a capacity of 15 tonnes per day of concentrate in order to assess DST's chlorination extraction technology under continuous operating conditions. The demonstration plant offers the first test of DST's chlorination extraction technology in an operating environment with industrial conditions. The scale-up factor is in the order of 15:1 compared to the pilot installation. Although the size of the 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 demonstration plant will serve as a reference for the establishment of full-scale plants operating with the same technology.

The construction and operation of the demonstration plant, which commenced in June 2013, was budgeted at $25 million. This budget included a contingency of approximately 15%. At present, the construction has been completed according to budget and its construction plan, with no major issues and the contingency has not been used. The construction and commissioning of the plant were completed in June 2015 and October 2015 respectively.

Up to December 31, 2015, the Corporation has expended $16 million towards the construction and operation of the demonstration plant and it intends to incur a further $2.3 million in processing costs during 2016. The acquisition and refurbishment of a concentrator, at a budgeted cost of $4 million, has been postponed considering that the Corporation arranged for alternative means of securing the minerals needed to complete the testing.

Processing phase

In order to establish the proof of concept of the Corporation's chlorination technology, the Corporation established a consortium agreement with SDTC and Dundee Precious Metals Inc. ("DPM") in June 2013. SDTC agreed to financially assist the Corporation in developing and demonstrating its technology by contributing up to $5 million upon meeting certain conditions.

DPM agreed to supply pyrite concentrate, from its Bulgarian mining operations for processing. In 2014, DPM supplied 600 tonnes of concentrate. Processing commenced at the demonstration plant in November 2015 and was completed in early March 2016. An independent validation of the process is currently underway. Under the terms of the arrangement with DPM, costs associated with providing the concentrate to the Corporation were absorbed by DPM, and all extracted metals from the concentrate will be returned to DPM.

Creso Exploration Inc. ("Creso") also signed a consortium agreement with the Corporation to develop the Minto gold deposit using DST's technology. The plan was to use an open pit mining method to extract a 30,000 tonne bulk sample. Originally, this operation was scheduled to begin once the permitting process was completed and was anticipated to last for approximately eight months, during which time the site was to be prepared, a concentrator was to be built and the bulk sample mined and processed.

Considering the difficult market conditions in the mining sector, the Corporation decided to forestall any further development of the Minto gold deposit in 2014. During 2015, the Corporation evaluated other projects in order to de-risk the extraction cost of the bulk sampling.

In addition to the processing of concentrate received from DPM, in September 2015, the Corporation announced that it had entered into an agreement with Empresa Nacional de Minería, Chile (ENAMI) for the processing of gold concentrate using the chlorination process. DST received two tonnes of concentrate from ENAMI to be processed at the pilot plant. In March 2016, the Corporation announced that through the chlorination process, it achieved a gold recovery of 98.8% and a final gold deposition over silica recovery of 99.8%. These results enable DST to move forward on to the next stage of the arrangement with Enami, which will involve the processing of a larger quantity of ENAMI's material at the demonstration plant and, if successful, contracting an independent technical-economic study with the objective of building a processing facility in Chile.

PILOT PLANT FOR THE ARSENIC STABILIZATION TECHNOLOGY

During 2015, DST constructed a pilot plant for its arsenic stabilization process, which calls for the sequestration of the contaminants in a stable glass form.

In February 2016, the Corporation entered into an agreement with an international gold mining company to evaluate the feasibility of integrating this process with the sequestration of arsenical matter produced by that company's operations.

The first stage of the agreement contemplates confirming, on a pilot scale, that the technology can be successfully implemented on the material targeted for stabilization by the gold mining company. Upon successful completion of the first stage of the agreement, a study will be undertaken to evaluate the technical and economic implications of a full-scale arsenic vitrification plant, to be located at the site of the gold mining company's operations. This company will pay a consultancy fee to DST for work carried out as per the agreement.

In addition to the use of this process in extraction activities, the same technology presents an opportunity to copper smelting operations that are looking to stabilize the arsenic-bearing flue dusts, which are inherent in such operations. In September 2015, the Corporation entered into an agreement with a major copper mining company for the treatment of arsenic-bearing flue dusts produced by that company's operations.

The agreement contemplates a two-phased approach aimed, at first, to demonstrate DST's process on a pilot scale, and if successful, the second phase would encompass defining the terms for the treatment of the flue dusts on a commercial basis.

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.

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.

In the short term, the business model encompasses the implementation of its technology under arrangements with mine owners.

DST's business plan is focused on keeping ownership of both of its technologies and leveraging it to become a major player in the industry. The Corporation has a unique opportunity to emerge as a major stakeholder in multiple mining projects without having to commit to a large financial footprint. In the immediate term, DST is focused on advancing its discussions with major gold and copper producing companies on building arsenic vitrification plants to treat flue dusts. The Corporation is currently set to test process material and, assuming successful results, would enter into negotiations with interested parties to commercialize its technologies.

The Corporation believes that, upon first adoption by a major company, a significant percentage of the industry will be motivated to evaluate the technology both for treating flue dust as well as concentrate.

The technology that the Corporation has developed with respect to toxic deposits will, in its view allow for the development and or advancement of projects that would not be viable without its patented technology. DST has identified over 100 gold projects that could face significant concerns due to cyanide use, environmental and/or metallurgical constraints. These include some of the largest gold projects on the planet. The commercialization of the Corporation's technology would enable mining companies to advance those projects which are currently constrained because of the nature of the toxic nature of their deposits and discussions have commenced with a number of mining companies to help advance these otherwise stranded deposits.

INFORMATION ON EQUITY

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

	March 24, 2016
Subordinate voting shares issued	297,090,816
Options	20,577,500
Total – fully diluted subordinate voting shares	**317,668,316**
Multiple voting shares issued (each multiple voting shares have 10 votes)	**50,000,000**

(1) At March 24, 2016, Dundee owned 178,068,497 subordinate voting shares of the Corporation (60%) and all of the outstanding multiple voting shares.

STOCK OPTION PLAN

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

FINANCING ACTIVITIES

Private placements

Year ended December 31, 2015

Private Placement
In May 2015, the Corporation completed a $5 million financing with Investissement Quebec ("IQ") consisting of a secured convertible loan (the "IQ Loan") in an amount of up to $4 million and the issuance of 15,384,615 subordinate voting shares for proceeds to the Corporation of $1 million. The financing will be used to fund completion and operation of the demonstration plant, and for working capital purposes. Transaction costs of $64,876 relating to the equity financing consisted mainly of legal fees.

Warrants Exercise
On July 9, 2015, all of the 50,000,000 warrants held by Dundee have been exercised for an equal number of subordinate voting shares at a price of $0.10 per warrant, for aggregate proceeds to the Corporation of $5,000,000.

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

IQ will advance this loan to the Corporation during the construction and operation by the Corporation of its demonstration plant, based on the Corporation's liquidity needs, subject to a number of conditions. IQ advanced $1.9 million in July 2015.

The IQ Loan is secured by a hypothec, pari passu with Dundee's loan and Canada Economic Development for Quebec Regions' ("CED") contribution, over all of the Corporation's property other than its intellectual property and is guaranteed by Dundee, in an amount of up to $1.5 million.

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

Transaction costs for $92,201 incurred in connection with the IQ loan consist mainly of legal fees.

Short-term Loan from a Related Party
In 2014, Dundee Resources Limited, a wholly owned subsidiary of Dundee, agreed to loan (the "Short-term Loan") up to $6,000,000 to the Corporation. In February 2015, the aggregate amount of the loan facility was increased by $1,650,000.

During 2015, an amount of $2 million was advanced bringing the total advance to $7,650,000 as at December 31, 2015.

The secured loans bear interest at the rate of 12.68% per annum and mature on the earlier of May 31, 2016 and the date at which the Corporation raises the sum of $10 million or greater by way of debt or equity.

Contribution Agreement
On July 8, 2015, the Corporation entered into an agreement with CED pursuant to which it will receive a $900,000 repayable contribution (the "CED Contribution"). The CED Contribution will be used by the Corporation for acquisition of equipment for its demonstration plant (the "Project") in Thetford Mines. Payments by CED will be made over of the term of the Project, which must be completed at the latest on July 31, 2016. The CED Contribution is non-interest bearing, secured and is repayable in equal monthly instalments over seven years starting three years after the end of the Project. As at December 30, 2015, the Corporation hasn't drawn from the CED Contribution.

Bridge Loans
In 2015, two unsecured bridge loans, payable on demand, of $500,000 in aggregate, were advanced to the Corporation. The loans were reimbursed in 2015, including interest of $10,000 in aggregate.

Year ended December 31, 2014

Short Term Loan from a Related Party
On January 7, 2014, Dundee agreed to loan $3,000,000 to the Corporation. The funds from this loan were disbursed on January 31, 2014.

On July 3, 2014, Dundee agreed to make available, under certain conditions, an additional $3,000,000 to the Corporation under the same terms as the first loan. An initial advance of $500,000 was made on July 4, 2014. An additional advance of $1,500,000 was made on August 13, 2014.

On July 10, 2014, Dundee sold, transferred, assigned and conveyed the first and second loans to its wholly owned subsidiary, Dundee Resources Limited.

Exercise of Warrants and Options
Following the exercise of warrants, the Corporation received proceeds of $82,400. In addition, options were exercised for proceeds of $275,000.

INVESTING ACTIVITIES

Acquisition of Creso
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. On April 1, 2014, the Corporation completed a three cornered amalgamation with Creso, following which the Corporation indirectly acquired all of the issued and outstanding common shares of Creso that it did not already own.

In addition, promissory notes in the principal amount of $700,000, disbursed in 2013, were receivable as at December 31, 2013 from Creso. The unsecured notes were due on July 10, 2014 and bore an annual interest rate of 6% payable at maturity. Following the acquisition of Creso, all intercompany transactions, including the promissory notes, have been eliminated in the 2014 consolidated financial statements.

Transaction costs for $278,408 incurred in connection with the acquisition of Creso consisted mainly of legal, auditor and trustee fees and were considered as part of the purchase price paid on April 1, 2014.

Exploration and Evaluation Assets

The Corporation's mineral exploration holdings, consisting of 100% owned Minto, Tyranite, Duggan and Mann properties, are located in the Shining Tree mining camp of Northern Ontario.

DST's accounting policy is to capitalize the exploration and evaluation ("E&E") costs of non-producing mineral properties. E&E assets are comprised of mineral properties and deferred E&E expenditures. From the acquisition date of Creso on April 1, 2014 until December 31, 2014, DST incurred E&E expenditures of $160,006 on its Shining Tree properties consisting of assays ($3,658), geology ($4,788), logistic expenditures ($102,235), bulk sampling ($5,667) and depreciation charges related to camp and infrastructure assets ($43,658).

As at December 31, 2014, the Corporation recorded an impairment of $22.2 million representing all costs on the Shinning Tree properties. These properties were acquired as part of the acquisition of Creso with the intent of using the mineral extracted from the properties to further advance the testing of its proprietary technological processes and for future processing. The Corporation has subsequently decided to forestall any further investment or funding of the properties in order to de-risk the extraction cost and is in the process of arranging for alternative means to obtain the minerals needed to complete the testing.

Accordingly, the recoverable amount of the undeveloped properties was determined to be nil. The fair value less costs to sell for these properties is estimated to be a nominal amount considering the depressed market conditions and the fact that substantial expenditures are required in order to delineate mineral resources. The value-in-use is also estimated to be nominal considering the properties' current stage of development.

LIQUIDITY AND WORKING CAPITAL

On December 31, 2015, the working capital of the Corporation was at negative $7,454,566 ($7,414,126 as at December 31, 2014). This working capital deficiency includes a $9,027,586 ($6,105,473 as at December 31, 2014) short-term loan (principal and accrued interest) from Dundee. Management estimates that the Corporation will not have sufficient funds to meet its obligations and budgeted expenditures through to December 31, 2016. The Corporation will therefore periodically have to raise additional funds to continue operations. The Corporation is pursuing financing alternatives to fund its operations and to continue its activities as a going concern. Although there is no assurance that the Corporation will be successful in these actions, management believes, based on previous fund raising experience, that it will be able to secure the necessary financing through the issuance of debt or new equity in public or privately negotiated equity offering. While it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future. Refer to the "Outlook for 2016" Section.

DISCUSSION AND ANALYSIS OF OPERATIONS

The Corporation incurred a loss of $7,648,493 in 2015 compared with a loss of $31,178,787 in 2014.

Reflective of its current stage of development, the Corporation does not report any revenue.

The Corporation's total operating expenses amounted to $6,614,172 in 2015 as compared to $30,887,431 in 2014 including the impairment charges of $22.2 million.

In 2015, the Corporation implemented cost-cutting measures in order to preserve cash in the current market environment. In concert with the Corporation's cost-cutting measures, exploration activities at its Shinning Tree properties were halted, its foreign subsidiaries were sold and certain administrative expenses such as investor relations and promotion activities were reduced.

The major components of the operating expenses are as follows:

Research and development

During 2015, the Corporation incurred $5,726,345 (2014 - $8,317,420) in research and development expenses in respect of its chlorination and arsenic stabilization processes. These costs relate primarily to the construction of the chlorination process demonstration plant.

Since 2013, the Corporation has spent a total of $15,988,186 for the construction of the demonstration plant of which a total of $5,053,700 was incurred in 2015 (2014 - $7,856,953). The remaining expenses relate to research activities conducted in the pilot plant and the laboratory.

The Corporation periodically receives financial assistance under government incentive programs. Assistance that compensates DST for expenses incurred are normally recognized as a reduction to research and development expense on a systematic basis in the same periods in which the expenses are incurred. On a net-of-assistance basis, research and development costs represented $4,402,212 (2014 - $5,972,913).

	2015	2014
	$	$
Chlorination process	5,548,672	8,317,420
Arsenic stabilization process	177,673	-
Research and development expenses	5,726,345	8,317,420
Government subsidy on convertible debenture	(257,050)	-
Government assistance and tax credits	(1,067,083)	(2,344,507)
Research and development expenses, net	**4,402,212**	**5,972,913**

	2015		2014
	Chlorination	Arsenic Stabilization	Chlorination
	$	$	$
Wages and compensation	1,594,173	74,570	1,403,289
Contractors	1,228,774	57	1,258,990
Building maintenance	582,179	4,500	659,722
Equipment	1,059,629	39,346	4,146,332
Consumables	467,171	-	278,960
Other	616,746	59,200	570,127
Research and development expenses	**5,548,672**	**177,673**	**8,317,420**

Professional and consulting fees

	2015	2014
	$	$
Legal	114,062	251,328
Audit, audit related work and tax compliance	182,616	162,693
Accounting	322,611	343,075
Consulting administration	240,000	184,236
Consulting geology	25,434	149,635
Business development	101,616	280,975
Professional and consulting fees	**986,339**	**1,371,942**

Legal fees include corporate secretarial services and other legal fees relating to the operations and business development activities. Higher legal fees in 2014 as compared to the same period of this year are mainly due to the listing of the Corporation on the CSE in 2014.

Audit, audit related work and tax compliance: The increase in fees in 2015 as compared to the prior year's period is mainly due to services required following the examination of the 2013 R&D expenditures by the tax authorities.

Accounting: Remuneration of the Chief Financial Officer, appointed in March 2014, 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 (Please refer to the section entitled Related Parties Transactions for more details). The employment of the former Controller was terminated at the end of March 2014. His remuneration recorded under "Wages and compensation" in the statement of comprehensive loss includes his regular pay and a termination payment for an aggregate amount of $100,987.

Consulting administration fees relates to the President and Chief Executive Officer's (CEO) compensation. During 2015, the compensation to the President and CEO amounting to $240,000, was paid by Dundee and is included in the accounts payable and accrued liabilities as at December 31, 2015.

In 2014, the former President and CEO was paid a fee to a company controlled by him (Please refer to the section entitled "Related Parties Transactions" for more details).

Consulting geology consist of fees and services rendered in relation with the testing of minerals from Central America. The fees were from a company controlled by Salvador Brouwer, the President of Nichromet Dominicana and Nichromet Guatemala. In addition, business development expenses relate mainly to development activities in Central and South America and include fees paid to Alfredo Galvez, the General Manager of Nichromet Guatemala for business development in Central America.

In early 2015, the Corporation decided to forestall any further investment or funding of exploration activities and decided to focus on the development and commercialization of its technologies. During the fourth quarter of 2015, the Corporation sold its foreign subsidiaries, Nichromet Guatemala, Rio Nickel and Nichromet Dominicana, for a nominal amount. In 2015, the development activities were conducted directly by the head-office's management.

Administrative expenses

	2015	**2014**
	$	**$**
Insurance	128,905	119,789
Rent	118,832	117,592
Website and technical support	68,471	51,404
Telecommunications and others	188,108	131,476
Transportation and accommodation	212,504	125,186
Administrative expenses	**716,820**	**545,447**

The increase in telecommunications and others is mainly due to the consolidation of Creso's results since April 2014, in particular the expenses related to the maintenance cost of the Tyranite camp on its Shining Tree properties. The Tyranite camp was closed at the end of 2015.

Transportation and accommodation expenses relate mainly to business development activities conducted in South America, in particular in Chile, Argentina and Peru in order to secure feed material for the demonstration plant, and to implement the DST technology under arrangements with mine owners.

Investor Relations and Promotions
Following the listing of the Corporation on the CSE in April 2014, the Corporation contracted several consultants to promote and increase the awareness of the market. At the beginning of 2015, in concert with the Corporation's cost cutting measures, investor relations and promotion activities were significantly reduced.

Share-based Payments
Share-based payment expenses totalled $23,472 in 2015 (2014 - $211,575), and relate to investor relations' options granted last year and vested over 12 months.

In 2014, the Corporation granted 1,502,500 stock options to its directors, officers, employees and a consultant and 500,000 to consultants performing investor relations activities. These options are exercisable at $0.20 per share and vest at the grant date except for the options granted to the consultants performing investor relations activities, which vest in stages over 12 months. These options expire on the fifth anniversary of their date of issuance.

Impairment of Exploration and Evaluation Assets
As at December 31, 2014, the Corporation recorded impairment charges of all costs on the Shinning Tree properties. These properties were acquired as part of the acquisition of Creso with the intent of using the mineral extracted from the properties to further advance the testing of its proprietary technological processes and for future processing. The Corporation has subsequently decided to foreclose any further investment or funding of the properties in order to de-risk the extraction cost and is in the process of arranging for alternative means to obtain the minerals needed to complete the testing.

Accordingly, the recoverable amount of the undeveloped properties was determined to be nil. The fair value less costs to sell for these properties is estimated to be a nominal amount considering the depressed market conditions and the fact that substantial expenditures are required in order to delineate mineral resources. The value-in-use is also estimated to be nominal considering the properties' current stage of development.

Other Gains and Losses
During 2015, finance costs relates to interest expenses on the Dundee short-term loan ($922,114), the IQ Loan ($71,211), the bridge loans ($10,000) and other ($28,287). In 2014, finance costs relates to the interest expense on the Dundee short-term loan.

An unrealized gain of $143,109 were recorded in 2014 on the investment in Creso. This unrealized gain reflects the change in the fair value of the Creso common shares and warrants already owned by the Corporation from December 31, 2013 to April 1, 2014, date on which the Corporation obtained control.

SELECTED ANNUAL INFORMATION

The following table sets forth selected historical financial information for the Corporation for the years ended December 31, 2015, 2014 and 2013.

	2015	2014	2013
	$	$	$
Total revenue	Nil	Nil	Nil
Net loss and comprehensive loss	7,648,493	31,178,787	3,986,403
Basic and diluted net loss per share	(0.02)	(0.12)	(0.02)
Total assets	6,863,613	5,413,918	10,505,439
Total non-current liabilities	1,578,986	Nil	Nil
Distribution cash dividend	Nil	Nil	Nil

Total assets in 2013 include investments in Creso of $2,770,654. Following the acquisition of Creso, this subsidiary is consolidated in 2014. The variation in Net Loss and comprehensive loss is mainly attributable to the level of research and development activities over the years, the finance cost due to the short-term loan and to the impairment charge of the E&E assets of $22,245,407 in 2014. In addition, a gain of $143,109 and $2,126,184 was recorded in 2014 and 2013 respectively on the investments in Creso. In 2015, the non-current liabilities relate to the IQ Loan.

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.

	Q4-15	**Q3-15**	**Q2-15**	**Q1-15**
	$	**$**	**$**	**$**
Total revenue	Nil	Nil	Nil	Nil
Net loss and comprehensive loss	2,257,245	1,687,264	1,904,649	1,799,335
Basic and diluted net loss per share	0.007	0.005	0.006	0.006

	Q4-14	**Q3-14**	**Q2-14**	**Q1-14**
	$	**$**	**$**	**$**
Total revenue	Nil	Nil	Nil	Nil
Net loss and comprehensive loss	23,966,684	2,599,094	3,357,515	1,255,494
Basic and diluted net loss per share	0.093	0.009	0.012	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 loss of $1 million in Q2-2014 and a gain of $1.1 million was recorded in Q1-2014 on the investment in Creso. In Q4-2014, an impairment charge of the E&E assets of $22,245,407 was recorded in Q4-2014.

FOURTH QUARTER

Operating Activities
The Corporation reported a loss of $2.3 million for the fourth quarter of 2015 ("Q4-2015") compared to a loss of $24.0 million the same period last year ("Q4-2014"). The main reasons for the variance are:

a) An impairment of E&E charge of $22.2 million relating to the Shining Tree mining assets in Q4-2014;
b) During Q4-2015, research and development expenses totalled $1.4 million, mainly including $1.5 million of costs for the demonstration plant, and the tax credit amounted to $0.1 million. During Q4-2014, the research and development expenses totalled $0.8 million, mainly including $1.2 million of costs for the demonstration plant, and the tax credit amounted to $0.4 million. The remaining expenses relate to research activities conducted in the pilot plant.
c) Share-based payments of $0.2 million were recorded in Q4-2015 following the grant of options in October 2014 compared to nil during Q4-2015.
d) A decrease in professional fees from $0.3 million in Q4-2014 to $0.2 million in Q4-2015, mainly due to the sale of the Corporation's foreign subsidiaries in Q4-2015.

Financing Activities
The Corporation did not complete a financing in Q4-2015 and Q4-2014. During Q4-2014, the Corporation received total cash proceeds of $250,000 on exercise of options and $650,000 as a Short-term Loan from Dundee.

OUTLOOK FOR 2016

The construction of the demonstration plant, commenced in June 2013, was completed in June 2015 and the commissioning of the plant was finalized at the end of October 2015. The processing of materials from DPM started in November 2015. The research and development activities during 2016 are as follows:

	Budget ($ million)	**Date in 2016**
Chlorination process		
Processing of materials from DPM and process validation	1.0	Q1 and Q2
Processing of material from Enami and technical-economic study	1.3	Q2 to Q4
Arsenic stabilization process		
Processing of flue dust for a major copper mining company	0.2	Q4
Total	**2.5**	

Chlorination Process:
The processing of materials from DPM was completed in early March 2016 and an independent process validation is underway. The processing of these materials is to establish the proof of concept of the Corporation's chlorination process.

The processing of ENAMI's material at the demonstration plant in 2016 will enable the Corporation to contract an independent technical-economic study with the objective of implementing a processing facility in Chile.

Arsenic stabilization process:
Treatment of arsenic-bearing flue dust to demonstrate the Corporation's process on a pilot scale.

Management estimates that the Corporation will have to raise additional money to fund its operations and to continue its activities in 2016 as follows:

	Amount ($ million)
Financing by loans from IQ and EDC	1.6
Financing by equity or loan from other sources	3.0
Government assistance and tax credits	0.4
Total	**5.0**

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 in 2015 and 2014.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The contractual obligations of the Corporation include lease payments for the Thetford Mines facilities and the head office in Montreal.

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

	2015
	$
Less than 1 year	238,030
Between 1 and 5 years	877,557
More than 5 years	575,177

In addition, at December 31, 2015, the Corporation has firm purchase commitments of equipment and services relating to the demonstration plant totalling $46,797 ($369,101 in 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:

	2015	**2014**
	$	$
Professional and consulting fees		
Administration(1)	240,000	165,000
Legal(2)	51,968	126,639
Accounting (3)	314,065	274,397
Geology(4)	15,922	99,912
Professional(5)	19,518	109,394
Research and development(6)	5,040	181,440
	646,513	**956,782**

(1) Fees charged by Dundee for the compensation of John W. Mercer, President and CEO (In 2014, fees from a private company controlled by Pierre Gauthier, former President and CEO).
(2) Fees paid to a private company controlled by Luce Saint-Pierre, Corporate Secretary for a total amount of $48,086 ($95,154 in 2014) and an amount of $3,882 ($31,485 in 2014) in legal fees paid to a law firm of which a director is a counsel.
(3) Remuneration of Vatche Tchakmakian, Chief Financial Officer, in the amount of $179,441 from a private company controlled by him ($131,513 in 2014). He was appointed CFO of the Corporation in March 2014. In addition, his company charged fees of $134,624 for support staff in respect of accounting, bookkeeping and administrative services ($142,884 in 2014).
(4) Fees from a company controlled by Salvador Brouwer, the President of Nichromet Dominicana and Nichromet Guatemala for his services until February 2015 in relation with the testing of minerals from Central America.
(5) Fees paid to Alfredo Galvez, the General Manager of Nichromet Guatemala, until February 2015 for business development in Central America.
(6) Fees from a company controlled by Jean-Marc Lalancette, Director and Vice-President, Research and Development are disclosed as a related party until February 2015, date of his resignation as Director and Officer of the Corporation.

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, 2015 in notes 1, 2 and 3.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Corporation is exposed to various financial risks resulting from both its operations and its investments activities. The Corporation does not enter into financial instrument agreements including derivative financial instruments for speculative purposes. The Corporation's main financial risk exposure and its financial risk management policies are disclosed in Note 19 to the annual consolidated financial statements for the years ended December 31, 2015 and 2014.

RISKS AND UNCERTAINTIES

The technology is new and the Corporation has limited history of operations that, to date has consisted primarily of research and development. The Corporation has generated no revenue from its technology and does not have experience in selling or marketing the technology. The technology has not gained significant market exposure or demonstrable market acceptance yet. Whether the Corporation can successfully manage the transition to a commercial enterprise will depend upon a number of factors, including expanding the sales and marketing capabilities, as well as establishing relationships with strategic partners. Given the absence of clear market acceptance with respect to this line of products, there can be no assurance as to the achievability of projected market penetration rates and associated sales revenues.

No Independent Evaluation of the Process.

While the Corporation's research with respect to the technology has, in the opinion of management, been validated in various applications and while various third parties (without limitation, Dundee Precious Metals) have carried out due diligence procedures to their satisfaction, there has been no independent evaluation of the Process. There can be no assurance that we will be able to achieve our growth strategy and bring the Process to commercialization. Our inability to bring the process to commercialization will have a material adverse effect on our operations.

Intellectual Property

The Corporation relies on patents, trade secrets, trademarks and copyright laws to protect its intellectual property. The patents to which the Corporation currently has rights expire between 2022 and 2034. The Corporation's present or future-issued patents may not protect the Corporation's technological leadership, and the Corporation's patent portfolio may not continue to grow at the same rate as it has in the past. Moreover, the Corporation's patent position is subject to complex factual and legal issues that may give rise to uncertainty as to the validity, scope and enforceability of a particular patent. Accordingly, there is no assurance that: (a) any of the patents owned by the Corporation will not be invalidated, circumvented, challenged, rendered unenforceable; or (b) any of the Corporation's pending or future patent applications will be issued with the breadth of claim coverage sought by the Corporation, if issued at all. In addition, effective patent, trade secret, trademark and copyright protection may be unavailable, limited or not applied for in certain countries.

The Corporation also seeks to protect its proprietary intellectual property, including intellectual property that may not be patented or patentable, in part by confidentiality agreements and, if applicable, inventors' rights agreements with strategic partners and employees. The Corporation can provide no assurance that these agreements will not be breached, that the Corporation will have adequate remedies for any breach, or that such persons or institutions will not assert rights to intellectual property arising out of these relationships.

Management does not believe the processes infringe on the proprietary rights of third parties. There can be no assurance, however, that third parties will not claim such infringement by the Corporation with respect to current or future products or processes. Dealing with any such claims, with or without merit, could be time consuming, result in costly litigation, or require the Corporation to enter into further royalty or licensing agreements, which may or may not be available on terms acceptable to the Corporation. The failure to do any of the foregoing may have a material adverse effect on the Corporation.

Competition

The Corporation competes with other companies to develop products and services designed to extract precious and base metals. Many of these other companies have substantially greater technical and financial resources than we do. There can be no assurance that developments by others will not materially adversely affect the competitiveness of the Corporation.

The mining industry is characterized by extensive research efforts and is going through a period of rapid technological change. Competition can be expected to increase as technological advances are made and commercial applications for extraction products and services increase. Competitors of the Corporation may use different technologies or approaches to develop products and services similar to products and services which the Corporation is seeking to develop, or may develop new or enhanced products and services that may be more effective, less expensive, safer or more readily available before the Companies obtain approval of their products and services. There can be no assurance that the Corporation's products and services will compete successfully or that research and development will not render the Companies' products and services obsolete or uneconomical.

Impact of Unfavourable Economic and Political Conditions and Other Developments and Risks.

Unfavourable global, domestic or regional economic or political conditions and other developments and risks could negatively affect the Corporation's business. For example, unfavourable changes related to interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, consumer credit availability, consumer debt levels, tax rates and policy, unemployment trends, commodity prices, oil prices, and other matters that influence, confidence and spending could adversely impact our business and results of operations. In addition, unstable political conditions or civil unrest, including terrorist activities and worldwide military and domestic disturbances and conflicts, may disrupt commerce and could have a material adverse effect on our business and results of operations.

Key Personnel

The Corporation's management team of seasoned and committed industry veterans has achieved success in developing the Corporation's business. The Corporation's continued success and the execution of its growth strategy will depend, in part, on the continued service of this management team.

The Corporation's management team is composed of a relatively small group of senior executive officers. The loss of the technical knowledge, management expertise and knowledge of the Corporation's operations of one or more members of the team could result in a diversion of management resources, as the remaining members of management would need to cover the duties of any senior executive who leaves the Corporation and would need to spend time usually reserved for managing the Corporation's business to search for, hire and train new members of management. The loss of some or all of the Corporation's management team could negatively affect the Corporation's ability to develop and pursue its growth strategy, which could adversely affect its business and financial condition.

In addition, the market for key personnel in the industry in which the Corporation competes is highly competitive, and the Corporation may not be able to attract and retain key personnel with the skills and expertise necessary to manage its business.

Ability to Attract and Retain Quality Employees.

The Corporation's business is dependent upon attracting and retaining quality employees. If the Corporation were unable to hire, train and retain employees capable of developing the technology, the Corporation may not be able to maintain its competitive strength and realize on its growth strategy. The Corporation may be unable to commercialize its technology.

The Corporation's ability to meet its labour needs while controlling the costs associated with hiring and training new employees is subject to external factors such as unemployment levels, prevailing wage rates, minimum wage legislation and changing demographics. Changes that adversely impact the Corporation's ability to attract and retain quality employees could adversely affect its business.

Material Disruption in Computer Systems

The Corporation relies extensively on its computer systems to process transactions, collect and summarize data and manage its business. Computer systems are subject to damage or interruption from power outages, computer and telecommunications failures, computer viruses, security breaches, catastrophic events such as fires, floods, earthquakes, tornadoes, hurricanes, acts of war or terrorism, and usage errors by our employees. If the Corporation's computer systems are damaged or cease to function properly, the Corporation may have to make a significant investment to fix or replace them, and may suffer loss of critical data and interruptions or delays in operations in the interim. Any material interruption in the computer systems could adversely affect the Corporation's business or results of operations and reputation.

Regulations

The Corporation is subject to customs, environmental and other laws. Although the Corporation undertakes to monitor changes in these laws, if these laws change without the Corporation's knowledge, it could be subject to fines or other penalties under the controlling regulations, any of which could adversely affect its business.

Insurance Related Risks

The Corporation maintains Directors and Officers Insurance, Liability Insurance, and Property Insurance. However, there is no guarantee that the insurance coverage will be sufficient, or that insurance proceeds will be timely paid to the Corporation. In addition, there are types of losses we may incur but against which the Corporation cannot be insured or which management believes are not economically reasonable to insure, such as losses due to acts of war and certain natural disasters. If the Corporation incurs these losses and they are material, the Corporation's business, operating results and financial condition may be adversely affected. In addition, certain material events may result in sizable losses for the insurance industry and materially adversely affect the availability of adequate insurance coverage or result in significant premium increases. Accordingly, the Corporation may elect to self-insure, accept higher deductibles or reduce the coverage.

Environment

The Corporation could be liable for environmental damages resulting from its research, development operations.

The Corporation's business is exposed to the risk of harmful substances escaping into the environment, resulting in personal injury or loss of life, damage to or destruction of property, and natural resource damage. Depending on the nature of the claim, the Corporation's current insurance policies may not adequately reimburse us for costs incurred in settling environmental damage claims, and in some instances, we may not be reimbursed at all.

Commodity Risk

Commodity price risk is the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The price of gold and precious metals may affect the profitability of the Corporation. Historically, such prices have fluctuated and are affected by numerous factors outside of the Corporation's control, including, but not limited to: industrial and retail demand, central bank lending, forward sales by producers and speculators, levels of worldwide production, short-term changes in supply and demand because of speculative hedging activities and other factors such as significant mine closures.

Going Concern

Management estimates that the Corporation will not have sufficient funds to meet its obligations and budgeted expenditures through to December 31, 2016. The Corporation will therefore periodically have to raise additional funds to continue operations. The Corporation is pursuing financing alternatives to fund its operations and to continue its activities as a going concern. Although there is no assurance that the Corporation will be successful in these actions, management believes, based on previous fund raising experience, that it will be able to secure the necessary financing through the issuance of debt or new equity in a public or private 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.

Although the referenced consolidated financial statements have been prepared using IFRS applicable to a going concern, the above-noted facts and circumstances cast significant doubt on the Corporation's ability to continue as a going concern.

The referenced 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.

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 2015 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 above entitled "Risks and Uncertainties". The preceding list is not exhaustive of all possible risk factors that may influence actual results, and is compiled based upon information available as of the issuance date of this MDA.

Forward looking statements contained in this MD&A are not guarantees of future performance and, while forward looking statements are based on certain assumptions that the Corporation considers reasonable, actual events and results could differ materially from those expressed or implied by forward looking statements made by the Corporation. Prospective investors are cautioned to consider these and other factors carefully when making decisions with respect to the Corporation and not place undue reliance on forward looking statements. Circumstances affecting the Corporation may change rapidly. Except as may be required by applicable law, the Corporation does not undertake any obligation to update publicly or revise any such forward looking statements, whether as a result of new information, future events or otherwise.

INFORMATION CONCERNING DUNDEE SUSTAINABLE TECHNOLOGIES

Additional information relating to Dundee Sustainable Technologies may be found on SEDAR at www.sedar.com and the Corporation's website at www.dundeetechnologies.com.

March 24, 2016

(s) John W. Mercer
John W. Mercer
President and CEO

(s) Vatche Tchakmakian
Vatche Tchakmakian
CFO