

DUNDEE GLOBAL RESOURCE CLASS



ANNUAL REPORT

DECEMBER 31, 2018

The annual management report of fund performance contains financial highlights, but does not contain the complete semi-annual or annual financial statements of the Fund. For your reference, the annual financial statements of the Fund are attached to the annual management report of fund performance. You may obtain additional copies of these documents or a copy of the semi-annual financial statements at your request, and at no cost, by calling toll free 866.694.5672, by visiting our website at www.goodmanandcompany.com or SEDAR at www.sedar.com or by writing to us at: Goodman & Company, Investment Counsel Inc., 1 Adelaide Street East, Suite 2000, Toronto, Ontario, M5C 2V9.

Securityholders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure.

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MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements have been prepared by Goodman & Company, Investment Counsel Inc. (“GCICI”), in its capacity as manager (“Manager”) of Dundee Global Resource Class (the “Fund”). The Manager is responsible for the information and representations contained in these financial statements and the management report of fund performance.

GCICI maintains appropriate processes to provide reasonable assurance that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and include certain amounts that are based on estimates and judgments made by GCICI. The significant accounting policies which GCICI believes are appropriate for the Fund are described in Note 3 to these financial statements.

PricewaterhouseCoopers LLP are the external auditors of the Fund, appointed by the Manager.

(signed)

ROBERT SELLARS
Vice President and Chief Financial Officer
Goodman & Company, Investment Counsel Inc.

March 22, 2019

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MANAGEMENT REPORT OF FUND PERFORMANCE

Investment Objective and Strategies

Dundee Global Fund Corporation (the “Corporation”) is a mutual fund corporation incorporated on January 20, 2015 under the laws of the Province of Ontario.

The authorized capital of the Corporation consists of an unlimited number of voting common shares and up to 100 classes of non-voting, participating mutual fund shares, each issuable in series. As at December 31, 2018, the Corporation had issued one class of shares, the Dundee Global Resource Class (the “Fund”). The Fund aims to provide long-term capital appreciation by investing primarily in Canadian resource companies that offer attractive risk-reward characteristics as well as other predominantly Canadian equities that offer the potential for capital appreciation.

From time to time, the Fund also acquires the assets, on a tax-deferred basis, from certain limited partnerships established by Goodman & Company, Investment Counsel Inc. (“GCICI” or the “Manager”). The assets of each limited partnership are expected to consist primarily of a portfolio of flow-through shares of junior and intermediate resource companies. The tax cost to the Fund of these shares is nil and the Fund will therefore realize capital gains to the full extent of the net proceeds received for these shares when they are sold by the Fund.

The Manager will invest primarily in both public and private junior and intermediate Canadian resource companies. The Manager will evaluate industry and company fundamentals to evaluate investment opportunities which offer the most attractive risk versus reward. Before an initial investment is made, a management interview is typically conducted to determine the important future drivers for shareholder value creation. In addition to the issuer’s strategic corporate plan, the strengths and weaknesses of the issuer’s management, board, and technical teams are assessed. The willingness of the management team to take different levels of risk to achieve their long term goals and the ability of the issuer to meet its stated goals and key financial metrics are also examined. Technical analysis is also employed in combination with the Manager’s fundamental research to assist in making timely decisions regarding the purchase and sale of investments. In support of the bottom up securities selection process, an understanding of the macro environment is developed using a wide range of industry contacts.

Risks

The risks associated with investing in the Fund are as described in the prospectus.

Results of Operations¹

For the period ended December 31, 2018², the Series A shares of the Fund generated a total return of negative 14.4% and the Series F shares of the Fund generated a total return of negative 11.9% on a net asset value basis. Over the same period, the S&P/TSX Composite Index generated a total return of negative 8.9%. Unlike the returns of this index, the Fund’s returns are reported net of all management fees and expenses. Readers are also cautioned that the Fund’s investment mandate is significantly different from the S&P/TSX Composite Index. The Fund’s performance is, therefore, not expected to equal the performance of the S&P/TSX Composite Index. It may be more helpful for investors to compare the Fund’s performance to that of other mutual funds with similar objectives and investment disciplines. The table below highlights the annual performance of all Fund series and their related benchmarks.

Percentage Return:	One Year		Three Years		Since Inception	
	Series A	Series F	Series A	Series F	Series A	Series F
Net Asset Value	(14.4)	(11.9)	0.8	2.5	(1.1)	0.3
Benchmark Index^(a)	(17.8)	(17.8)	12.1	12.1	(2.6)	(0.8)

(a) The Benchmark Index encompasses approximately 25% each of the following indexes, S&P/TSX Composite Index, S&P/TSX Diversified Metals & Mining Subgroup Index, S&P/TSX Gold Subgroup Index and S&P/TSX Oil & Gas Exploration & Production Subgroup Index. The S&P/TSX Composite Index is a broad economic sector index comprising approximately 95% of the market capitalization for Canadian-based, Toronto Stock Exchange listed companies.

¹ All references to net assets or net asset value in this section refer to Transactional NAV as defined in the Financial Highlights section, which may differ from IFRS Net Assets.

² Unless otherwise indicated, references to the period or periods refer to the years ended December 31, 2018 and 2017 throughout this document.

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While commodity returns continue to fall short of the bullish expectations set in the first half of 2018, the second half of 2018 continued to see both volatility and a late rebound in pricing for the underlying commodities in general. Continued investor fears of the global political landscape, trade tensions, and the expectation of a US government shutdown led to both volatility in gold and the rally in the commodity over the last four months of the period. Copper was volatile in a successive downward trajectory over the year, with higher losses over the second half of the year. Expectations of lower global economic growth, fueled by fears of trade frictions between global powers led to both the aforementioned volatility and a continued sell-off in the commodity.

The S&P/TSX Gold Index ended 2018 down over 6.3 percent on the year. The price of gold and gold stocks experienced significant volatility over the summer months of the year. The S&P/TSX Gold index reached its lows in late summer at down over 24.2%. At these lows, valuations of the members of the Index significantly diverged from the underlying commodity. The final four months of the year saw a rally in gold, gold valuations and a re-coupling of the gold stocks with the underlying commodity. The late-year rally in gold equities was attributed to rising trade tensions, with risk capital flowing back into the sector, seen as a traditional safe-haven.

The base metals stocks experienced a gradual and continual selloff over the year. The S&P/TSX Diversified Metals Index lost approximately 23.0% over the year in this slow and steady decline. Continued fears of slowing global growth, as a function of the global political landscape, coupled with investor apathy to the materials sector drove this decline.

As has been the trend, mining companies with exploration successes continued to attract investors, while companies with limited to no news flow generally experienced losses over 2018. Companies with greater liquidity and market capitalizations outperformed their smaller illiquid peers. The top-performing names in the fund were NextSource Materials Inc. and Antibe Therapeutics, the latter sold in the first half of 2018, avoiding the junior market sell-off. The poorest performing stocks were smaller illiquid names such as Erdene Resources and CellCube Energy Storage Systems which performed poorly given the lack of liquidity and materially positive news announcements.

Recent Development

Adoption of IFRS 9

The Fund has adopted IFRS 9, *Financial Instruments*, for annual periods beginning January 1, 2018. The final version of IFRS 9 was issued by the International Accounting Standards Board (“IASB”) in July 2014 and will replace International Accounting Standard (“IAS”) 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 addresses the classification, measurement and derecognition of financial assets and liabilities and replaces the multiple classification and measurement models in IAS 39. IFRS 9 has been applied retrospectively by the Fund and did not result in a change to the classification or measurement of financial instruments in the current period. The Fund’s investment portfolio continues to be classified as fair value through profit or loss, and other financial assets which are held for collection continue to be measured at amortized cost. There was no impact to net assets representing Partners’ equity.

The following table highlights changes in both the Fund’s transactional net asset value (“Transactional NAV”) and net assets determined using International Financial Reporting Standards (“IFRS Net Assets”) during the period. Refer to the financial highlights section for further information on the differences between Transactional NAV and IFRS Net Assets.

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Net Asset Value Comparison (\$CAD, in millions)

	Transactional NAV	IFRS Net Assets
Balance, January 1, 2018	\$17.4	\$18.0
Issuance of shares on rollover	18.6	18.6
Issuance of shares	0.1	0.1
Redemption of shares	(18.6)	(18.6)
Distribution of capital gains to shareholders	(1.4)	(1.4)
Distribution of dividend income to shareholders	(0.1)	(0.1)
Distribution reinvested	1.4	1.4
Investment performance	(4.0)	(4.1)
Net fees and expenses ^(a)	(0.6)	(0.7)
Balance, December 31, 2018	\$12.8	\$13.2

(a) Net of interest and dividend income. Transaction costs are expensed in calculating IFRS Net Assets.

Related Party Transactions

The following arrangements result in fees paid by the Fund to GCICI or to companies affiliated with the Fund.

Management Fees

The Fund pays the Manager a management fee for the continuous advice, recommendations and services, including key management personnel, provided to the Fund. This includes acting as the manager, portfolio advisor and principal distributor to the Fund. The Manager is also responsible for the Fund's day-to-day operations.

The management fee is an annualized rate of 2% plus taxes based on the Transactional NAV of the Series A Shares and 1% plus taxes based on the Transactional NAV of the Series F Shares, and is accrued daily and paid monthly as a percentage of the month end Transactional NAV in accordance with the terms of the management agreement for the Fund.

For the period ended December 31, 2018, the Fund incurred a management fee, inclusive of sales tax, of approximately \$414,000 (December 31, 2017 - \$474,000).

Performance Fee

The Fund may also pay a performance fee to the Manager in respect of Series A and Series F Shares of the Fund. The performance fee, if payable, will equal 20% of the excess between the current net asset value per Share and the Hurdle NAVPS. Hurdle NAVPS means the greater of (i) the High Water Mark per Share, or (ii) the High Water Mark per Share multiplied by the sum of (A) 100% and (B) the Benchmark Performance.

High Water Mark means, with respect to a Share, the greater of: (i) the issuance price of such Share and (ii) the net asset value per Share on the last business day of any calendar year in which a performance fee was earned by the Manager, in each case excluding the effect of any distributions per Share made by the Fund to the net asset value of the Share. The Benchmark Performance means the average of the simple rates of return of (i) the S&P/TSX Oil & Gas Exploration & Production Subgroup Index; (ii) the S&P/TSX Diversified Metals & Mining Subgroup Index; (iii) S&P/TSX Gold Subgroup Index; and (iv) the S&P/TSX Composite Index, during the period since a performance fee for the relevant series was last payable (or in respect of the first instance in which a performance fee may be payable, since inception of the Fund).

The performance fee will be calculated on the performance fee date and paid as soon as practicable thereafter. For the period ended December 31, 2018, the Fund accrued a performance fee, inclusive of sales tax, of approximately \$nil (December 31, 2017 - \$nil).

Operating Expenses and Administrative Services

The Fund is responsible for its operating expenses relating to the carrying on of its business, including custodial services, legal, independent review committee fees, audit fees, transfer agency services and the cost of financial and other reports in compliance with all applicable laws, regulations and policies. Such expenses are accrued daily. The Manager pays for such expenses on behalf of the Fund, except for certain expenses such as interest, and is subsequently reimbursed by the Fund. As at December 31, 2018, the Fund owed the Manager approximately \$58,000 (December 31, 2017 - \$31,000) for expenses paid on the Fund's behalf. These balances are included in the Statements of Financial Position under "Accrued expenses".

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In addition, the Fund incurred expenses paid or payable to the Manager, or to companies affiliated with the Manager, of approximately \$128,000 December 31, 2017 - \$127,000) for administrative services, overhead in nature, performed by the Manager during the period.

Commissions and Related Brokerage Commissions

Brokerage commissions of approximately \$49,000 (December 31, 2017 - \$75,000) were paid on securities transactions during the period, none of which was paid to Dundee Securities Ltd. (“DSL”), an affiliate of GCICI at the time. These costs are included in “Transaction cost” on the Statements of Comprehensive Loss. Soft dollar commissions, if any, represent amounts paid indirectly to third parties through a broker or dealer for services received by the Fund that do not pertain to trading execution. There were no soft dollar commissions paid by the Fund in either the current or prior period.

Inter-Fund Trades

The Fund may, from time to time, enter into security trades with other investment funds managed by the Manager. These trades will be executed through market intermediaries and under prevailing market terms and conditions. Any such trades will be executed in accordance with applicable securities laws, the Manager’s policies and procedures and with the approval of the IRC (see “*Standing Instructions from the Independent Review Committee*” below). The Fund did not enter into any security trades with other investment funds managed by the Manager.

Participation in Related Offerings

The Fund may participate in securities offerings where Dundee Securities Ltd. (“DSL”), an affiliate of GCICI, acted as underwriter in the offering of securities or received a finder’s fee for facilitating a transaction. For these transactions, the Manager will receive an exemptive relief from securities regulatory authorities or receive approval from the IRC (see “*Standing Instructions from the Independent Review Committee*” below). During the periods, the Fund did not participate in securities transactions where DSL earned finder’s fees.

Standing Instructions from the Independent Review Committee

Pursuant to National Instrument 81-107 – “Independent Review Committee for Investment Funds”, the Manager has appointed an independent review committee (“IRC”) to oversee the Fund. Costs and expenses directly associated with the operations of the IRC, including remuneration of IRC members, are chargeable to the Fund. As at December 31, 2018, the IRC consisted of three members, all of whom are independent of the Manager.

The Fund received the following standing instructions with respect to related party transactions from the IRC:

- (i) paying brokerage commissions to DSL for effecting security transactions on an agency and principal basis on behalf of the Fund (referred to as “Related Brokerage Commissions”);
- (ii) subject to receipt of exemptive relief in certain circumstances, purchases or sales of securities of an issuer from or to another investment fund managed by the Manager;
- (iii) executing foreign exchange transactions with DSL on behalf of the Fund; and
- (iv) participation in any offering where DSL acts as agent or underwriter, or is to receive a finder’s fee.

The applicable standing instructions require the Manager to establish policies and procedures that it will follow with respect to related party transactions. The Manager is required to advise the IRC of any material breach of a condition of the standing instructions.

The standing instructions require, among other things, that the investment decision in respect to a related party transaction: (a) is made by the Manager, free from any influence by any related entity and without taking into account any consideration to the Manager or any associate or affiliate of the Manager; (b) represents the business judgment of the Manager, uninfluenced by considerations other than the best interests of the Fund; and (c) is made in compliance with the Manager’s written policies and procedures. Transactions made by the Manager, under the standing instructions are subsequently reviewed by the IRC to monitor compliance.

The Fund relied on IRC standing instructions regarding related party transactions during the period.

The Fund paid approximately \$10,000 (December 31, 2017 - \$10,000) for IRC fees for the period ended December 31, 2018. These costs are included in “Shareholder administration costs” on the Statements of Comprehensive Loss.

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Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help readers understand the Fund's financial performance for the periods indicated. The information on the following tables is based on prescribed regulations. As a result, subtotals are not expected to equal aggregate totals due to the increase (decrease) in net assets attributable to holders of redeemable shares being based on the weighted average number of shares outstanding during the period and all other numbers being based on actual number of shares outstanding as at the relevant point in time.

The Fund's Net Assets Attributable to Holders of Redeemable Shares per Share ⁽¹⁾ (Fund inception April 13, 2015)

	Net assets, beginning of period ^{1,2}	Increase (decrease) from operations				Total increase (decrease) from operations ³	Distributions			Net assets, end of period ^{1,2,6}	
		Total revenue	Total expenses	Realized gains (losses) for the period	Unrealized gains (losses) for the period		From dividends	From capital gains	Total annual distributions ³		Distributions reinvestment
Series A											
Year ended December 31, 2018	\$10.64	\$0.08	(0.46)	(0.74)	(1.42)	(\$2.54)	(0.06)	(0.87)	(0.93)	0.87	\$8.43
Year ended December 31, 2017	11.51	0.02	(0.48)	1.48	(1.60)	(0.58)	(0.04)	(0.84)	(0.88)	0.84	10.64
Year ended December 31, 2016	9.44	0.07	(0.61)	2.35	1.20	3.01	(0.10)	-	(0.10)	-	11.51
Year ended December 31, 2015	10.00	0.03	(0.31)	(0.39)	0.09	(0.58)	-	-	-	-	9.44
Series F											
Year ended December 31, 2018	10.91	0.09	(0.20)	(1.04)	(0.22)	(1.37)	(0.06)	(0.87)	(0.93)	(0.87)	8.91
Year ended December 31, 2017	11.64	0.00	(0.11)	0.03	0.12	0.04	(0.04)	(0.84)	(0.88)	0.84	10.91
Year ended December 31, 2016	9.45	0.04	(0.26)	1.21	0.56	1.55	(0.10)	-	(0.10)	-	11.64
Year ended December 31, 2015	10.00	0.01	(0.10)	(0.09)	0.05	(0.13)	-	-	-	-	9.45

Ratios and Supplemental Data

	Total net asset value (in 000s) ⁽⁶⁾	Number of Shares outstanding	Management fee	Management expense ratio ("MER") ⁽³⁾	MER before waivers or absorptions ⁽³⁾	Trading expense ratio ("TER") ⁽⁴⁾	Portfolio turnover rate ⁽⁵⁾	Net asset value per Share ⁽⁶⁾
Series A								
Year ended December 31, 2018	\$11,523	1,408,594	2.00%	4.06%	4.06%	0.24%	31.17%	\$8.18
Year ended December 31, 2017	15,818	1,535,125	2.00%	3.91%	3.91%	0.33%	28.05%	10.30
Year ended December 31, 2016	16,962	1,527,114	2.00%	4.97%	4.97%	0.40%	64.32%	11.10
Year ended December 31, 2015	17,488	1,867,490	2.00%	2.87%	2.87%	0.29%	118.01%	9.36
Series F								
Year ended December 31, 2018	1,293	149,516	1.00%	3.17%	3.17%	0.24%	31.17%	8.65
Year ended December 31, 2017	1,615	152,385	1.00%	2.90%	2.90%	0.33%	28.05%	10.56
Year ended December 31, 2016	1,242	110,625	1.00%	2.78%	2.78%	0.40%	64.32%	11.22
Year ended December 31, 2015	487	51,924	1.00%	2.16%	2.16%	0.29%	118.01%	9.37

* These percentages are annualized.

- This information is derived from the Fund's audited financial statements for periods ended December 31, 2015 to 2018. Net assets attributable to holders of redeemable shares per share presented in the financial statements may differ from net asset value calculated for pricing purposes. An explanation of these differences, if any, can be found in Note 6 below. Some of the \$nil balances reported in the Financial Highlights may include amounts that are rounded to zero.
- Net assets attributable to holders of redeemable shares per share are based on the actual number of shares outstanding at the relevant time. The increase (decrease) in net assets attributable to holders of redeemable shares per Share is based on the weighted average number of Shares outstanding over the period.
- The management expense ratio ("MER") is based on the total expenses (excluding commissions and other portfolio transaction costs) of the Fund for the stated period expressed as an annualized percentage of daily average net asset value during the period. The following MER statistics are presented for information purposes.

	MER excluding performance fees	MER excluding performance fees and sales tax
Series A		
Year ended December 31, 2018	4.06%	3.58%
Year ended December 31, 2017	3.91%	3.46%
Year ended December 31, 2016	3.64%	3.22%
Year ended December 31, 2015	2.87%	2.54%
Series F		
Year ended December 31, 2018	3.17%	2.99%
Year ended December 31, 2017	2.91%	2.57%
Year ended December 31, 2016	2.69%	2.38%
Year ended December 31, 2015	2.16%	1.91%

- The trading expense ratio ("TER") represents total commissions and other portfolio transaction costs of the Fund expressed as an annualized percentage of daily average net asset value of the Fund during the period.

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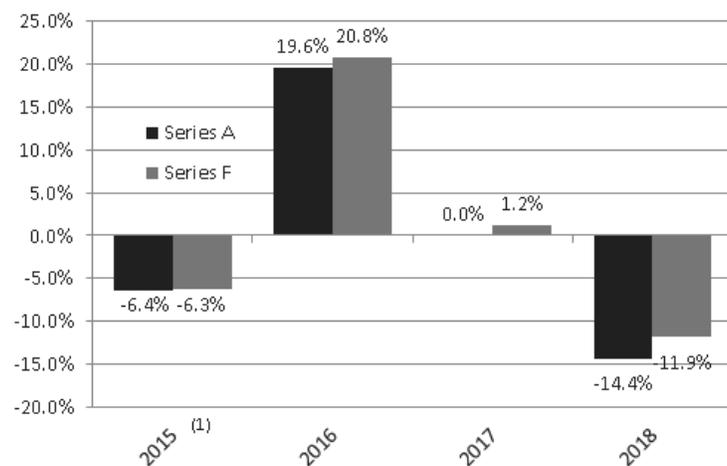
- (5) The Fund's portfolio turnover rate indicates how actively the portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to an investment fund buying and selling all of the securities in its portfolio once in the course of the fiscal period. The higher the portfolio turnover rate in a period, the greater the trading costs payable by an investment fund in the period and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of an investment fund. The portfolio turnover rate is calculated by dividing the lesser of the cost of purchases and the proceeds of sales of portfolio securities for the period by the average market value of investments during the period.
- (6) National Instrument 81-106 – "Investment Fund Continuous Disclosure" ("NI 81-106") requires all investment funds to calculate net asset value for all purposes other than for financial statements in accordance with part 14.2, which differs in some respects from the requirements of IFRS. In accordance with IFRS, the fair value of warrants is determined using Black-Scholes, whereas for the Transactional NAV, the warrants are valued intrinsically. A reconciliation between Transactional NAV and IFRS Net Assets is provided below.

	Total (\$000's)	Per Share (\$)
Transactional NAV Series A	11,523	8.18
Valuation adjustment Series A	355	0.25
Redemption of shares	-	-
IFRS Net Assets Series A	11,878	8.43

	Total (\$000's)	Per Share (\$)
Transactional NAV Series F	1,292	8.65
Valuation adjustment Series F	40	0.26
IFRS Net Assets Series F	1,332	8.91

Past Performance

The following chart shows the annual performance of the Fund and illustrates how the Fund's performance has varied from year to year. The chart shows, in percentage terms, how much an investment held on the first day of each year would have increased or decreased by the last day of each year. Past performance of the Fund will not necessarily indicate how the Fund will perform in the future.



(1) Since commencement of operations to December 31, 2015.

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Summary of Investment Portfolio as at December 31, 2018

The Summary of Investment Portfolio may change due to ongoing portfolio transactions. Updates are available quarterly online (www.goodmanandcompany.com), 60 days after quarter end, except for December 31, which is the fiscal year end, when they are available after 90 days.

By Country / Region	Percentage of Total Net Asset Value [†]
Canadian Securities	86.7
U.S. Securities	4.8

By Asset Type	Percentage of Total Net Asset Value [†]
Equities and Warrants	91.5
Cash	9.8
Other Net Liabilities	(1.3)

By Industry	Percentage of Total Net Asset Value [†]
Gold and Precious Metals	42.0
Diversified Metals and Mining	33.4
Energy (Other) [^]	9.9
Other	6.2

All Holdings	Percentage of Total Net Asset Value [†]
NextSource Materials Inc.	29.5
Agnico Eagle Mines Ltd.	15.0
Goldcorp Inc.	10.4
CellCube Energy Storage Systems Inc.	9.9
Cash	9.8
Sernova Corp.	6.2
Coeur Mining Inc.	4.8
Erdene Resource Development Corp.	3.5
Discovery Metals Corp.	3.0
Freegold Ventures Ltd.	2.8
Pancontinental Resource Corp.	2.8
Cabral Gold Inc.	1.5
North American Nickel Inc.	1.1
MacDonald Mines Exploration Ltd.	1.0
Alexandria Minerals Corp., Warrants, \$0.10 Jun. 10, 19	0.0
Canarc Resource Corp., Warrants, \$0.12 Mar. 14, 19	0.0
CellCube Energy Storage Systems Inc., Warrants, \$0.60 Apr. 05, 21	0.0
Discovery Metals Corp., Warrants, \$1.00 Aug. 17, 19	0.0
Freegold Ventures Ltd., Warrants, \$0.25 May. 21, 19	0.0
Maple Gold Mines Ltd., Warrants, \$0.28 Nov. 15, 19	0.0
Naturally Splendid Enterprises Ltd., Warrants, \$0.22 Nov. 23, 19	0.0
North American Nickel Inc., Warrants, \$0.12 Jul. 21, 19	0.0
North American Nickel Inc., Warrants, \$0.12 Jun. 8, 19	0.0
Pancontinental Resource Corp., Warrants, \$0.08 Oct. 4, 19	0.0
Savary Gold Corp., Warrants, \$0.15 Feb. 19, 19*	0.0

[†] This refers to Transactional NAV which was approximately \$12,818,315 as at December 31, 2018.

[^] The "Energy (Other)" component of the portfolio consists of companies whose primary focus is on the exploration, development and production of alternative energy sources (outside of oil and natural gas), including uranium, wind generation and geothermal energy.

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Caution Regarding Forward-Looking Statements

Certain portions of this report, including, but not limited to, “Results of Operations” and “Recent Developments”, may contain forward-looking statements about the Fund, as applicable, including statements with respect to strategy, risks, expected performance and condition. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates” and similar forward-looking expressions or negative versions thereof.

In addition, any statement that may be made concerning future performance, strategies or prospects and possible future Fund action is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future general economic, political and relevant market factors, such as interest rates, foreign exchange rates, equity and capital markets, and the general business environment, in each case assuming no changes to applicable tax or other laws or government regulation. Expectations and projections about future events are inherently subject to, among other things, risks and uncertainties, some of which may be unforeseeable. Accordingly, current assumptions concerning future economic and other factors may prove to be incorrect at a future date.

Forward-looking statements are not guarantees of future performance and actual events could differ materially from those expressed or implied in any forward-looking statements made by the Fund. Any number of important factors could contribute to these digressions, including, but not limited to, general economic, political and market factors in North America and internationally, such as interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, unexpected judicial or regulatory proceedings and catastrophic events. We stress that the above mentioned list of important factors is not exhaustive.

We encourage readers to consider these and other factors carefully before making any investment decisions, and we urge readers to avoid placing any undue reliance on forward-looking statements. Further, readers should be aware of the fact that the Fund has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise, prior to the release of the next management report of fund performance.



Independent auditor's report

To the Shareholders of
Dundee Global Resource Class (the Fund)

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2018 and 2017 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

What we have audited

The Fund's financial statements comprise:

- the statements of financial position as at December 31, 2018 and 2017;
- the statements of comprehensive loss for the years then ended;
- the statements of changes in net assets attributable to holders of redeemable shares for the years then ended;
- the statements of cash flows for the years then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other information

Management is responsible for the other information of the Fund. The other information comprises the Management Report of Fund Performance.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management¹⁴ determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
March 22, 2019

Dundee Global Resource Class

STATEMENTS OF FINANCIAL POSITION

As at (in 000's of Canadian dollars except number of Shares and per Share amounts)	December 31, 2018	December 31, 2017
Assets		
Current assets		
Financial assets at fair value through profit or loss	\$12,143	\$16,766
Cash	1,253	1,394
Accrued dividends	-	4
	13,396	18,164
Liabilities		
Current liabilities		
Accrued expenses	160	133
Redemptions payable	3	5
Management fee payable (Note 7)	23	31
	186	169
Net assets attributable to holders of redeemable shares (Note 8)	13,210	17,995
Net assets attributable to holders of redeemable shares per series		
Series A	\$11,878	\$16,333
Series F	1,332	1,662
	\$13,210	\$17,995
Number of Shares outstanding (Note 8)		
Series A	1,408,594	1,535,125
Series F	149,516	152,385
Net assets attributable to holders of redeemable shares per share (Note 9)		
Series A	\$8.43	\$10.64
Series F	\$8.91	\$10.91

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

Dundee Global Resource Class

STATEMENTS OF COMPREHENSIVE LOSS

For the period ended (Note 1) (in 000's of Canadian dollars except number of Shares and per Share amounts)	December 31, 2018	December 31, 2017
Loss		
Dividend income	\$85	\$55
Interest income for distribution	75	(24)
Net unrealized change in fair value on financial assets at fair value through profit or loss	(2,626)	(3,055)
Net realized gain (loss) on financial assets at fair value through profit or loss	(1,514)	2,851
Total net loss	(3,980)	(173)
Expenses (Note 7)		
Management fees	414	474
Shareholder administration costs	169	180
Shareholder reporting costs	110	109
Transaction costs	49	75
Audit fees	56	46
Legal fees	31	31
Custodian fees and bank charges	19	21
Total expenses	848	936
Decrease in net assets attributable to holders of redeemable shares	(4,828)	(1,109)
Increase (decrease) in net assets attributable to holders of redeemable shares per series		
Series A	(\$4,621)	(\$1,115)
Series F	(207)	6
	(\$4,828)	(\$1,109)
Increase (decrease) in net assets attributable to holders of redeemable shares per share (Note 10)		
Series A	(\$2.54)	(\$0.58)
Series F	(\$1.37)	\$0.04

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

Dundee Global Resource Class

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES

For the period ended (Note 1) (in 000s of Canadian dollars)	Series A	Series F	Total
Balance, January 1, 2017	\$17,579	\$1,288	\$18,867
Issuance of shares on rollover transactions	21,866	–	21,866
Issuance of shares	55	–	55
Conversion of shares	(835)	835	–
(Decrease) increase in net assets attributable to holders of redeemable shares	(1,115)	6	(1,109)
Distribution of capital gains to shareholders	(2,627)	(83)	(2,710)
Distribution of capital gains reinvested	2,627	83	2,710
Distribution of dividend income to shareholders	(66)	(6)	(72)
Redemption of redeemable shares	(21,151)	(461)	(21,612)
Balance, December 31, 2017	\$16,333	\$1,662	\$17,995
Issuance of shares on rollover transactions	18,625	–	18,625
Issuance of shares	4	61	65
Conversion of shares	(777)	777	–
Decrease in net assets attributable to holders of redeemable shares	(4,621)	(207)	(4,828)
Distribution of capital gains to shareholders	(1,271)	(130)	(1,401)
Distribution of dividend income to shareholders	(81)	(8)	(89)
Distribution reinvested	1,271	129	1,400
Redemption of redeemable shares	(17,605)	(952)	(18,557)
Balance, December 31, 2018	\$11,878	\$1,332	\$13,210

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

Dundee Global Resource Class

STATEMENTS OF CASH FLOWS

For the period ended (Note 1)

	December 31, 2018	December 31, 2017
Operating activities:		
Decrease in net assets attributable to holders of redeemable shares	(\$4,828)	(\$1,109)
Adjustments for:		
Net unrealized change in fair value on financial assets at fair value through profit or loss	2,626	3,055
Net realized gain (loss) on financial assets at fair value through profit or loss	1,514	(2,851)
Purchase of financial assets at fair value through profit or loss	(5,245)	(4,319)
Proceeds from sale of financial assets at fair value through profit or loss	11,075	17,521
Decrease in other assets	-	37
Decrease in accrued dividends	4	17
Decrease in performance fee payable	-	(332)
Decrease (increase) in accrued expenses and management fee payable	19	(5)
Net cash provided by operating activities	5,165	12,014
Financing activities:		
Cash acquired from rollover	13,278	9,980
Proceeds from issuance of shares	65	55
Distribution	(89)	(72)
Redeemed shares	(18,560)	(21,635)
Net cash used in financing activities	(5,306)	(11,672)
Net cash provided during the period	(141)	342
Cash, beginning of period	1,394	1,052
Cash, end of period	\$1,253	\$1,394
Cash flows from operating activities include:		
Interest received	\$75	\$2
Dividends received	\$89	\$72

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

Dundee Global Resource Class

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

	Number of Shares	Cost† (000's)	Fair Value (000's)
EQUITIES AND WARRANTS (92.0%)			
Diversified Metals and Mining (32.9%)			
NextSource Materials Inc.	42,028,714	\$2,475	\$3,783
North American Nickel Inc.	4,734,000	367	142
North American Nickel Inc., Warrants, \$0.12 Jul. 21, 19*	3,333,500	–	1
North American Nickel Inc., Warrants, \$0.12 Jun. 8, 19*	3,333,500	–	1
Pancontinental Resource Corp.	6,000,000	300	360
Pancontinental Resource Corp., Warrants, \$0.08 Oct. 4, 19*	3,000,000	–	54
		3,142	4,341
Energy (Other) (11.3%)			
CellCube Energy Storage Systems Inc.	6,666,667	2,000	1,267
CellCube Energy Storage Systems Inc., Warrants, \$0.60 Apr. 05, 21*	3,333,334	–	222
		2,000	1,489
Gold and Precious Metals (41.1%)			
Agnico Eagle Mines Ltd.	35,000	1,662	1,928
Alexandria Minerals Corp., Warrants, \$0.10 Jun. 10, 19*	4,166,500	–	8
Cabral Gold Inc.	895,000	304	195
Canarc Resource Corp., Warrants, \$0.12 Mar. 14, 19*	2,222,222	–	1
Coeur Mining Inc.	100,000	1,042	610
Discovery Metals Corp.	2,000,000	910	390
Discovery Metals Corp., Warrants, \$1.00 Aug. 17, 19*	2,000,000	–	7
Erdene Resource Development Corp.	1,736,400	1,277	451
Freegold Ventures Ltd.	5,555,600	1,000	361
Freegold Ventures Ltd., Warrants, \$0.25 May. 21, 19*	2,777,800	–	3
Goldcorp Inc.	100,000	2,093	1,337
MacDonald Mines Exploration Ltd.	5,000,000	425	125
Maple Gold Mines Ltd., Warrants, \$0.28 Nov. 15, 19*	2,800,000	–	9
Savary Gold Corp., Warrants, \$0.15 Feb. 19, 19*	2,272,727	–	–
Unigold Inc., Warrants, \$0.45 May. 25, 19*	1,666,666	–	3
		8,713	5,428
Other (6.7%)			
Naturally Splendid Enterprises Ltd., Warrants, \$0.22 Nov. 23, 19*	3,333,333	–	85
Sernova Corp.	4,000,000	1,085	800
		1,085	885
COST AND FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (92.0%)		14,940	12,143
TRANSACTION COSTS (-0.0%) (Note 3)		(29)	–
TOTAL COST AND FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (92.0%)		\$14,911	\$12,143

Average cost or fair values of some securities may include non-zero amounts that are rounded to zero.

Percentages relate to carrying value as a percentage of *Net assets attributable to holders of redeemable shares*.

* These securities have no quoted market values and are valued using valuation techniques.

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

Dundee Global Resource Class

NOTES TO THE FINANCIAL STATEMENTS

1. The Fund

a) Organization of the Fund

Dundee Global Fund Corporation (the “Corporation”) is a mutual fund corporation incorporated on January 20, 2015, under the laws of the Province of Ontario. The registered office of the Corporation is located at 1 Adelaide Street East, Suite 2000, Toronto, Ontario, M5C 2V9.

The authorized capital of the Corporation consists of an unlimited number of voting common shares and up to 100 classes of non-voting, participating mutual fund shares, each issuable in series. As at December 31, 2018, Goodman & Company, Investment Counsel Inc. (“GCICI” or the “Manager”) is the beneficial owner of 100% of the outstanding common shares.

As at December 31, 2018 and 2017, the Corporation had issued one class of shares, the Dundee Global Resource Class (the “Fund”). The Fund was formed on April 13, 2015, and Fund shares (the “Shares”) were issued on April 15, 2015. The Fund aims to provide long-term capital appreciation by investing primarily in Canadian resource companies that offer attractive risk-reward characteristics as well as other Canadian equities that offer the potential for capital appreciation.

On February 3, 2017, CMP 2015 Resource Limited Partnership (“CMP 2015”) completed a rollover of its net assets of approximately \$21,866,000 into the Fund in exchange for approximately 1,741,000 series A Shares of the Fund, which were distributed to limited partners of CMP 2015 on February 24, 2017. Limited partners of CMP 2015 received 85.8820 series A Shares of the Fund for each unit of CMP 2015 held as of February 3, 2017. This transaction is accounted for as a subscription-in-kind for exchange of the investments and is presented in the Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares as “Issuance of shares on rollover transaction”.

On January 26, 2018, CMP 2016 Resource Limited Partnership (“CMP 2016”) completed a rollover of its net assets of approximately \$18,625,000 into the Fund in exchange for approximately 1,494,000 series A Shares of the Fund, which were distributed to limited partners of CMP 2016 on February 23, 2018. Limited partners of CMP 2016 received 66.9654 series A Shares of the Fund for each unit of CMP 2016 held as of January 26, 2018. This transaction is accounted for as a subscription-in-kind for exchange of the investments and is presented in the Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares as “Issuance of shares on rollover transaction”.

These financial statements were approved for issue by the Manager on March 22, 2019.

b) Manager

In accordance with the terms and conditions of the management agreement, the Fund has retained the Manager as the investment fund manager of the Fund. The Manager is responsible for providing investment, management, administrative and other services to the Fund. The Manager is a wholly owned subsidiary of Dundee Corporation, a public Canadian independent holding company listed on the Toronto Stock Exchange under the symbol “DC.A”.

c) Financial Reporting Dates

The Statements of Financial Position are as at December 31, 2018 and 2017. The Statements of Comprehensive Loss, Changes in Net Assets Attributable to Holders of Redeemable Shares, and Cash Flows are for the years ended December 31, 2018 and 2017. Throughout this document, references to the period or periods refer to the reporting periods described here.

These financial statements present the financial position and results of operations of the Fund as a separate reporting entity.

2. Basis of Presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss.

Dundee Global Resource Class

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Standards and amendments to existing standards effective 1 January 2018

Effective January 1, 2018, the Fund has adopted IFRS 9, *Financial Instruments*, to replace International Accounting Standard (“IAS”) 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 addresses the classification, measurement and derecognition of financial assets and liabilities and replaces the multiple classification and measurement models in IAS 39.

Classification and measurement of debt assets is driven by the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A debt instrument is measured at amortised cost if the objective of the business model is to hold the financial asset for the collection of the contractual cash flows and the contractual cash flows under the instrument solely represent payments of principal and interest (“SPPI”). A debt instrument is measured at fair value through other comprehensive income if the objective of the business model is to hold the financial asset both to collect contractual cash flows from SPPI and to sell. All other debt instruments must be recognised at fair value through profit or loss. An entity may however, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Derivative and equity instruments are measured at fair value through profit or loss unless, for equity instruments not held for trading, an irrevocable option is taken to measure at fair value through other comprehensive income. IFRS 9 also introduces a new expected credit loss impairment model.

IFRS 9 has been applied retrospectively by the Fund and did not result in a change to the classification or measurement of financial instruments as outlined in note 3(b). The Fund’s investment portfolio continues to be classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost. There was no material impact on adoption from the application of the new impairment model.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on January 1, 2018, that have a material effect on the financial statements of the Fund.

In addition to the above, a number of new standards, amendments to the standards and interpretations are effective for annual periods beginning after January 1, 2018, and have not been applied in preparing these financial statements.

3. Summary of Significant Accounting Policies

a) Fair Value Measurement

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) is based on quoted market prices. In accordance with the provisions of the Fund’s prospectus, and for the purpose of determining the transactional net asset value (“Transactional NAV”) per Share, investment positions are valued based on the last traded market price, and warrants are valued intrinsically. For financial reporting purposes, the Fund uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day’s bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value, as appropriate. For financial reporting purposes, the fair value of warrants is measured using the Black-Scholes model.

b) Financial assets at fair value through profit and loss

Classification

The Fund classifies its investments based on both the Fund’s business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets’ performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Fund’s debt securities are solely principle and interest; however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund’s business model’s objective. Consequently, all investments are measured at fair value through profit or loss.

Recognition, derecognition and measurement

Regular purchases and sales of investments are recognised on the trade date – the date on which the Fund commits to purchase or sell the investment. Financial assets at fair value through profit or loss are initially recognised at fair value.

Dundee Global Resource Class

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Transaction costs are expensed as incurred in the Statements of Comprehensive Loss.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the “financial assets at fair value through profit or loss” category are presented in the Statements of Comprehensive Loss within “Net unrealized change in fair value on financial assets at fair value through profit or loss” in the period in which they arise.

Interest income for distribution purposes from fixed income investments, including short-term investments, is recognised on an accrual basis at the contractual interest rate. Interest receivable is shown separately in the Statements of Financial Position based on the instruments’ stated rates of interest. Dividends are recognised as income on the ex-dividend date, net of withholding tax.

Transfers between levels of the fair value hierarchy

Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting period.

c) Other Assets and Liabilities

“Cash” and “Accrued dividends” are financial assets classified under and measured at amortized cost. “Accrued expenses”, “Redemptions payable” and “Management fee payable” are classified and measured at amortized cost.

Under the amortized cost method, financial assets and liabilities reflect the amount required to be received or paid, discounted, when appropriate, at the contract’s effective interest rate.

d) Transaction Costs

Transaction costs are incremental costs directly attributable to the acquisition, issuance or disposal of an investment, which include fees and commissions paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges and transfer taxes and duties.

e) Translation of Foreign Currency

The Fund’s investors are mainly from Canada, with the subscriptions and redemptions of the shares denominated in Canadian dollars. The primary activity of the Fund is to invest in Canadian securities. The performance of the Fund is measured and reported to the investors in Canadian dollars. The Manager considers the Canadian dollar as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in Canadian dollars, which is the Fund’s functional and presentation currency.

Transactions and balances

The fair value of financial assets at fair value through profit or loss and other assets and liabilities denominated in a foreign currency are translated into Canadian dollars at the rate of exchange prevailing on the date of the Statements of Financial Position. Transactions denominated in a foreign currency are translated into Canadian dollars at the rate of exchange prevailing on the date of the transactions. Realized and unrealized foreign currency gains or losses on investments are included in the Statements of Comprehensive Loss in “Net realized gain (loss) on fair value on financial assets at fair value through profit or loss” and “Net unrealized change in fair value on financial assets at fair value through profit or loss”, respectively.

f) Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares per Share

The “Increase (decrease) in net assets attributable to holders of redeemable shares per share” is disclosed in the Statements of Comprehensive Loss and represents the increase (decrease) in net assets attributable to holders of redeemable shares for each series for the period divided by the weighted average number of Shares of each series outstanding during the period. Refer to Note 10 for the calculation of the increase (decrease) in net assets attributable to holders of redeemable shares per share.

g) Allocation of Income and Expenses to Series of Shares

On each day that the Toronto Stock Exchange is open for business (the “Valuation Date”), the income earned and common expenses incurred since the previous Valuation Date are allocated proportionately amongst all series of Shares outstanding as of the previous Valuation Date, based on such series’ respective net asset values.

Dundee Global Resource Class

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

h) Non-Zero Amounts

Some of the balances reported in the financial statements may include amounts that are rounded to zero.

4. Changes in Accounting Policies

The Fund has applied IFRS 9 retrospectively, which has resulted in changes in accounting policies. The following accounting policies relating to classification of financial assets and financial liabilities have been changed to comply with IFRS 9 which replaces the provisions of IAS 39.

Reclassifications of financial instruments on application of IFRS 9

On the date of initial application of IFRS 9, January 1, 2018, the financial instruments of the Fund were as follows, with any reclassifications from December 31, 2017 noted:

Financial instruments	Classification category		Measurement category		Fair Value at Jan 1, 2018		
	Original (IAS 39)	New (IFRS 9)	Original (IAS 39)	New (IFRS 9)	Original (IAS 39)	New (IFRS 9)	Difference \$
<u>Assets</u>							
Investments, at fair value	FVTPL – Designated at inception	FVTPL	FVTPL	FVTPL	16,766	16,766	-
Cash	Loans and receivables	Amortized cost	Amortized cost	Amortized cost	1,394	1,394	-
Accrued dividends	Loans and receivables	Amortized cost	Amortized cost	Amortized cost	4	4	-
<u>Liabilities</u>							
Accrued expenses	Financial liabilities	Amortized cost	Amortized cost	Amortized cost	133	133	-
Redemptions payable	Financial liabilities	Amortized cost	Amortized cost	Amortized cost	5	5	-
Management fee payable	Financial liabilities	Amortized cost	Amortized cost	Amortized cost	31	31	-

5. Critical Accounting Estimates and Judgments

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the significant accounting judgments and estimates that the Manager has made in preparing the financial statements.

a) Fair Value Measurement of Derivatives and Securities Not Quoted in an Active Market

Key areas of estimation, where the Manager has made complex or subjective judgments, include the determination of fair values of financial instruments that are not quoted in an active market. The fair value of financial assets and liabilities that are not quoted in an active market is determined using valuation techniques. The use of valuation techniques for financial instruments that are not quoted in an active market requires the Manager to make assumptions that are based on market conditions existing as at the date of the financial statements. Changes in these assumptions as a result of changes in market conditions could affect the reported fair value of financial instruments. Valuation techniques used include the application of liquidity discounts to quoted market prices when valuing listed equities that are subject to sale restrictions, option pricing models, and discounted cash flow models.

6. Taxation

a) Taxation of Mutual Fund Corporations

The Corporation qualifies as a mutual fund corporation under the Income Tax Act (Canada) and has a tax year end of December 31. Mutual fund corporations are subject to a 38.33% refundable tax on taxable dividends received from taxable Canadian corporations. This tax is refunded to the corporation at a rate of \$1 for every \$2.61 of taxable dividends paid in the future to shareholders. Any such tax paid is reported as an amount receivable until recovered through payment of dividends to shareholders. The Corporation is also subject to corporate tax rates on taxable capital gains and other income. Any tax on taxable capital gains is refundable on a formula basis when its shares are redeemed or when gains are distributed to shareholders as capital gains dividends. As a result of the Corporation's ability to receive refund of taxes in respect of dividends and taxable capital gains and availability of sufficient operating expenses to offset other income, the Corporation does not record any provision for income taxes. Hence, ultimately, the Fund does not record any provision for income taxes.

Dundee Global Resource Class

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

b) Losses Carried Forward

The Corporation may accumulate net capital losses and non-capital losses. Net capital losses can be carried forward indefinitely to reduce future net realized capital gains. Non-capital losses realized in taxation years ending after 2005 may be carried forward up to twenty years. As at December 31, 2018, the Corporation did not have any capital or non-capital losses available to carry forward.

7. Expenses and Related Party Transactions

a) Management Fee

The Fund pays the Manager a management fee for the continuous advice, recommendations and services, including key management personnel, provided to the Fund. This includes acting as the manager, portfolio advisor and principal distributor to the Fund. The Manager is also responsible for the Fund's day-to-day operations.

The management fee is an annualized rate of 2% plus taxes based on the Transactional NAV of the Series A Shares and 1% plus taxes based on the Transactional NAV of the Series F Shares, and is accrued daily and paid monthly as a percentage of the month end Transactional NAV in accordance with the terms of the management agreement for the Fund. For the period ended December 31, 2018, the Fund incurred a management fee, inclusive of sales tax, of approximately \$414,000 (December 31, 2017 - \$474,000).

b) Performance Fee

The Fund may also pay a performance fee to the Manager in respect of Series A and Series F Shares of the Fund. The performance fee, if payable, will equal 20% of the excess between the current net asset value per Share and the Hurdle NAVPS. Hurdle NAVPS means the greater of (i) the High Water Mark per Share, or (ii) the High Water Mark per Share multiplied by the sum of (A) 100% and (B) the Benchmark Performance.

High Water Mark means, with respect to a Share, the greater of: (i) the issuance price of such Share and (ii) the net asset value per Share on the last business day of any calendar year in which a performance fee was earned by the Manager, in each case excluding the effect of any distributions per Share made by the Fund to the net asset value of the Share. The Benchmark Performance means the average of the simple rates of return of (i) the S&P/TSX Oil & Gas Exploration & Production Subgroup Index; (ii) the S&P/TSX Diversified Metals & Mining Subgroup Index; (iii) S&P/TSX Gold Subgroup Index; and (iv) the S&P/TSX Composite Index, during the period since a performance fee for the relevant series was last payable (or in respect of the first instance in which a performance fee may be payable, since inception of the Fund).

The performance fee will be calculated on the performance fee date and paid as soon as practicable thereafter. For the period ended December 31, 2018, the Fund accrued a performance fee, inclusive of sales tax, of approximately \$nil (December 31, 2017 - \$nil).

c) Operating Expenses and Administrative Services

The Fund is responsible for its operating expenses relating to the carrying on of its business, including custodial services, legal, independent review committee fees, audit fees, transfer agency services and the cost of financial and other reports in compliance with all applicable laws, regulations and policies. Such expenses are accrued daily. The Manager pays for such expenses on behalf of the Fund, except for certain expenses such as interest, and is subsequently reimbursed by the Fund. As at December 31, 2018, the Fund owed the Manager approximately \$58,000 (December 31, 2017 - \$31,000) for expenses paid on the Fund's behalf. These balances are included in the Statements of Financial Position under "Accrued expenses".

In addition, the Fund incurred expenses paid or payable to the Manager, or to companies affiliated with the Manager, of approximately \$128,000 (December 31, 2017 - \$127,000) for administrative services, overhead in nature, performed by the Manager during the period. These costs are included in "Shareholder administration costs" on the Statements of Comprehensive Loss.

d) Commissions and Related Brokerage Commissions

Brokerage commissions of approximately \$49,000 (December 31, 2017 - \$75,000) were paid on securities transactions during the period, none of which was paid to Dundee Securities Ltd. ("DSL"), an affiliate of GCICI at the time. These costs are included in "Transaction cost" on the Statements of Comprehensive Loss. Soft dollar commissions, if any, represent amounts paid indirectly to third parties through a broker or dealer for services received by the Fund that do not

Dundee Global Resource Class

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

pertain to trading execution. There were no soft dollar commissions paid by the Fund in either the current or prior period.

e) **Inter-Fund Trades**

The Fund may, from time to time, enter into security trades with other investment funds managed by the Manager. These trades will be executed through market intermediaries and under prevailing market terms and conditions. Any such trades will be executed in accordance with applicable securities laws, the Manager's policies and procedures and with the approval of the IRC (see "*Standing Instructions from the Independent Review Committee*" below). The Fund did not enter into any security trades with other investment funds managed by the Manager.

f) **Participation in Related Offerings**

The Fund may participate in securities offerings where Dundee Securities Ltd. ("DSL"), an affiliate of GCICI, acted as underwriter in the offering of securities or received a finder's fee for facilitating a transaction. For these transactions, the Manager will receive an exemptive relief from securities regulatory authorities or receive approval from the IRC (see "*Standing Instructions from the Independent Review Committee*" below). During the period, the Fund did not participate in securities transactions where DSL earned finder's fees.

g) **Standing Instructions from the Independent Review Committee**

Pursuant to National Instrument 81-107 – "*Independent Review Committee for Investment Funds*", the Manager has appointed an independent review committee ("IRC") to oversee the Fund. Costs and expenses directly associated with the operations of the IRC, including remuneration of IRC members, are chargeable to the Fund. As at December 31, 2018, the IRC consisted of three members, all of whom are independent of the Manager.

The Fund received the following standing instructions with respect to related party transactions from the IRC:

- (i) paying brokerage commissions to DSL for effecting security transactions on an agency and principal basis on behalf of the Fund (referred to as "*Related Brokerage Commissions*");
- (ii) subject to receipt of exemptive relief in certain circumstances, purchases or sales of securities of an issuer from or to another investment fund managed by the Manager;
- (iii) executing foreign exchange transactions with DSL on behalf of the Fund; and
- (iv) participation in any offering where DSL acts as agent or underwriter, or is to receive a finder's fee.

The applicable standing instructions require the Manager to establish policies and procedures that it will follow with respect to related party transactions. The Manager is required to advise the IRC of any material breach of a condition of the standing instructions.

The standing instructions require, among other things, that the investment decision in respect to a related party transaction: (a) is made by the Manager, free from any influence by any related entity and without taking into account any consideration to the Manager or any associate or affiliate of the Manager; (b) represents the business judgment of the Manager, uninfluenced by considerations other than the best interests of the Fund; and (c) is made in compliance with the Manager's written policies and procedures. Transactions made by the Manager, under the standing instructions are subsequently reviewed by the IRC to monitor compliance.

The Fund relied on IRC standing instructions regarding related party transactions during the period.

The Fund paid approximately \$10,000 (December 31, 2017 - \$10,000) for IRC fees for the period ended December 31, 2018. These costs are included in "*Shareholder administration costs*" on the Statements of Comprehensive Loss.

8. **Redeemable Shares**

Shares of the Fund are redeemable at the option of the shareholder in accordance with the terms of the Fund's prospectus at their Transactional NAV. The capital of the Fund is managed in accordance with the Fund's investment objectives, policies and restrictions, as outlined in the Fund's prospectus.

Under IFRS, International Accounting Standard 32, *Financial Instruments: Presentation*, ("IAS 32") requires that units or shares of an entity which include a contractual obligation for the issuer to repurchase or redeem them for cash or another financial asset be classified as financial liability. As the Fund issues equally subordinated Shares that do not carry identical features, the Fund does not fully meet the requirements under IAS 32 for classifying the Shares as equity.

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NOTES TO THE FINANCIAL STATEMENTS (cont'd)

As a result, the Fund's outstanding redeemable Shares are classified as financial liabilities. The movements in the outstanding Shares are outlined in the following table.

Number of Outstanding Shares	December 31, 2018	
	Series A	Series F
Beginning of period	1,535,125	152,385
Shares issued from rollover transaction	1,493,998	–
Shares issued from subscriptions	497	5,337
Conversion of shares	(70,918)	67,962
Shares reinvested	103,105	10,302
Shares redeemed	(1,653,213)	(86,470)
End of period	1,408,594	149,516

Number of Outstanding Shares	December 31, 2017	
	Series A	Series F
Beginning of period	1,527,114	110,625
Shares issued from rollover transaction	1,741,000	–
Shares issued from subscriptions	4,500	–
Conversion of shares	(76,024)	74,564
Shares reinvested	225,497	6,929
Shares redeemed	(1,886,962)	(39,733)
End of period	1,535,125	152,385

9. Comparison of IFRS Net Assets per Share and Transactional NAV per Share

The table below provides a comparison of Net Assets per Share under IFRS and Transactional NAV per Share. IFRS Net Assets includes Black-Scholes adjustments to the value of warrants held, whereas the Transactional NAV does not require such adjustments.

	December 31, 2018	
	Series A	Series F
Transactional NAV per Share	\$8.18	\$8.65
IFRS Net Assets per Share	\$8.43	\$8.91

	December 31, 2017	
	Series A	Series F
Transactional NAV per Share	\$10.30	\$10.56
IFRS Net Assets per Share	\$10.64	\$10.91

10. Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares per Share

The increase (decrease) in net assets attributable to holders of redeemable shares per Share for the period ended December 31, 2018 is calculated as follows:

	December 31, 2018	
	Series A	Series F
Decrease in net assets attributable to holders of redeemable shares (\$000's)	(\$4,621)	(\$207)
Weighted average of Shares outstanding during the period	1,820,695	151,655
Decrease in net assets attributable to holders of redeemable shares per share	(2.54)	(\$1.37)

The decrease in net assets attributable to holders of redeemable shares per Share for the period ended December 31, 2017 is calculated as follows:

	December 31, 2017	
	Series A	Series F
Increase (decrease) in net assets attributable to holders of redeemable shares (\$000's)	(\$1,115)	\$6
Weighted average of Shares outstanding during the period	1,918,526	139,350

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NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Increase (decrease) in net assets attributable to holders of redeemable shares per share	(\$0.58)	\$0.04
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11. Risks Associated with Financial Instruments

The Fund aims to provide long-term capital appreciation by investing primarily in Canadian resource companies that offer attractive risk-reward characteristics as well as other Canadian equities that offer the potential for capital appreciation.

The investment activities of the Fund expose it to a variety of financial risks: credit risk, liquidity risk, market risk (including interest rate risk, currency risk and other price risk) and concentration risk. The Manager seeks to minimize potential adverse effects of these risks on the Fund's performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor the Fund's optimal asset mix and market events, as well as diversify the investment portfolio within the constraints of the Fund's investment objective.

To assist in managing risks, the Manager has established and maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment objectives and guidelines. Significant risks that are relevant to the Fund are discussed below.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the counterparty by failing to discharge an obligation. The Fund may become exposed to credit risk from the purchase of debt instruments, engaging in securities transactions or through the use of custody, loan and/or bank accounts, as applicable.

The Fund had no significant exposure to debt instruments as at December 31, 2018 and 2017.

All investment transactions are settled on delivery, minimizing the risk of default on investment transactions. Delivery of securities on a sale is only made once the custodian has received payment and, conversely, payment is only made on a purchase once the securities have been delivered to the custodian. The trade will fail if either party fails to meet its obligations. When the Fund trades in listed or unlisted securities through a broker, the Fund only transacts with reputable brokers that are duly registered with applicable securities regulators. In addition, custody transactions are carried out by counterparties that have a Standard & Poor's credit rating of "A" or higher. As such, credit risk tied to securities transactions is considered minimal.

The Fund only deposits assets with reputable companies that are eligible to act as a custodian under the provisions of National Instrument 81-102 – "Investment Funds". However, in the event of bankruptcy or insolvency of such companies, the securities or other assets deposited therewith may be exposed to credit risk, or access to those securities or other assets may be delayed or limited.

Liquidity Risk

Liquidity risk is the risk that the Fund may not be able to settle or meet its obligations on time or at a reasonable price. In order to maintain sufficient liquidity, the Fund invests the majority of its assets in securities that are traded in an active market and can be readily disposed. The Fund also invests in securities that are not traded in an active market and may be illiquid. Such investments are identified as restricted securities in the Schedule of Investment Portfolio. In addition, the Fund aims to retain sufficient cash positions to maintain liquidity.

The financial liabilities disclosed in the Statements of Financial Position are all current liabilities and are, therefore, normally paid within the fiscal year.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Fund's financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. As at December 31, 2018 and 2017, the Fund had no exposure to interest rate risk.

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NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. Exposure to currency risk is mainly in financial instruments (including cash) that are denominated in a currency other than Canadian dollars, which is the functional currency of the Fund.

The table below presents major currencies the Fund had exposure to as at December 31, 2018. The table also illustrates the potential impact on the Fund's net assets if the Canadian dollar had strengthened or weakened by 5% in relation to each of the other currencies, before considering changes to management and performance fees.

December 31, 2018				
(In 000's)	Exposure		Sensitivity to 5% Fluctuations in Foreign Exchange Values	
	Securities	Total	Securities	Total
United States Dollar	\$610	\$610	\$31	\$31
Total	\$610	\$610	\$31	\$31
% of Net Assets	4.6	4.6	0.2	0.2

The Fund had no significant exposure to currency risk as at December 31, 2017.

Other Price Risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is related to equities held by the Fund. As at December 31, 2018, approximately \$12,143,000 (December 31, 2017 - \$16,766,000) of the Fund's net assets attributable to holders of redeemable shares were exposed to other price risk. If prices of these investments had decreased or increased by 5%, before considering changes to management and performance fees, net assets attributable to holders of redeemable shares of the Fund would have decreased or increased, respectively, by approximately \$607,000 (December 31, 2017 - \$838,000).

Concentration Risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, or industry sector. The following is a summary of the Fund's concentration risk.

As a Percentage of Net Assets (%)	December 31, 2018	December 31, 2017
EQUITIES AND WARRANTS	92.0	93.2
Gold and Precious Metals	41.1	38.8
Diversified Metals and Mining	32.9	34.7
Energy (Other)	11.3	—
Other	6.7	19.7

12. Fair Value Hierarchy

The Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1 – Inputs to the valuation methodology are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 1 financial instruments include actively listed equities and other publicly quoted investments. The Manager does not adjust the quoted price for these instruments.

Level 2 – Inputs to the valuation methodology include inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument, including quoted prices for similar assets and liabilities in active markets. Level 2 financial instruments include those that trade in markets that are not considered to be active but are valued based on quoted market prices or dealer quotations supported by observable inputs. These include investment-grade corporate bonds, warrants not listed in an active market, and certain listed equities that are subject to sale restrictions, whose valuations may be adjusted to reflect illiquidity.

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NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Level 3 – Inputs to the valuation methodology are based on unobservable market data. Level 3 financial instruments are those that have at least one significant unobservable input, as they are not based on quoted market prices. Level 3 instruments include private equity and private debt securities. As observable prices are not available for these securities, the Manager has used valuation techniques to derive fair value. Level 3 valuations are reviewed on a quarterly basis by the Fund's valuation committee, which evaluates the model inputs as well as the valuation results prior to making any fair value determinations regarding the Fund's Level 3 financial instruments.

The following table summarizes the fair value hierarchy of the Fund's financial instruments as at December 31, 2018.

December 31, 2018				
(\$000's)	Level 1	Level 2	Level 3	Total
Equities	\$11,749	\$-	\$-	\$11,749
Warrants	-	394	-	394
Total Financial Instruments	\$11,749	\$394	\$-	\$12,143

The following table summarizes the fair value hierarchy of the Fund's financial instruments as at December 31, 2017.

December 31, 2017				
(\$000's)	Level 1	Level 2	Level 3	Total
Equities	\$13,645	\$1,870	\$89	\$15,604
Warrants	-	1,162	-	1,162
Total Financial Instruments	\$13,645	\$3,032	\$89	\$16,766

Transfers Between Levels

During the period ended December 31, 2018 and 2017, no investments have transferred between levels.

Reconciliation of Level 3 Financial Instruments

The following table presents the movement in the Fund's Level 3 financial instruments for the period ended December 31, 2018

December 31, 2018			
(\$000's)	Equities	Fixed Income	Total
Beginning of period	\$89	\$-	\$89
Sales	(89)	(3)	(92)
Realized loss included in net loss	(418)	(247)	(665)
Change in unrealized appreciation included in net loss	418	250	668
End of period	\$-	\$-	\$-

* Change in unrealized appreciation for recurring Level 3 financial instruments held as at December 31, 2018 was approximately \$nil.

The change in unrealized depreciation relates to those financial instruments held by the Fund as at December 31, 2018 and 2017, and are reflected in the Statements of Comprehensive Loss in "Net unrealized change in fair value on financial assets at fair value through profit or loss".

The following table presents the movement in the Fund's Level 3 financial instruments for the period ended December 31, 2017.

December 31, 2017			
(\$000's)	Equities	Fixed income	Total
Beginning of period	\$-	\$500	\$500
Purchases	507	-	507
Sales	-	(250)	(250)
Change in unrealized appreciation included in net loss	(418)	(250)	(668)
End of period	\$89	\$-	\$89

* Change in unrealized depreciation for recurring Level 3 financial instruments held as at December 31, 2017 was approximately (\$250,000).

Dundee Global Resource Class

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

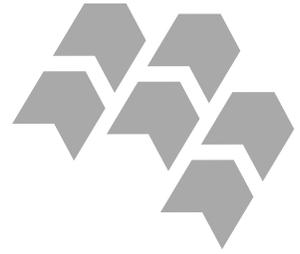
Significant Unobservable Inputs in Measuring Fair Value

As at December 31, 2017, fair value for the Fund's Level 3 equities was based on comparable price movements. Comparable price movements entails monitoring the share price movements of a comparable peer group of publicly-listed companies in order to ascertain general trends and ultimately apply those trends to the fair value of the related holding. The Manager assembles a peer group by selecting a basket of companies that share investment characteristics and risks with the holding being fair valued. Fair value for the Fund's Level 3 fixed income instruments was based on the cash value of the underlying issuer. A sensitivity analysis is not presented herewith as the Manager considers there to be no relevant range for presenting sensitivities with these valuation techniques. All level 3 securities were purchased at arm's length.

13. Subsequent Events

Dividend Payment

On March 01, 2019, the Fund paid a dividend of \$0.0384981 per Share to Series A and Series F shareholders of record on February 28, 2019. The dividend was a capital gains dividend for the purposes of the Income Tax Act (Canada) and any similar applicable provincial legislation. The capital gains dividend was automatically reinvested in additional shares of the same class and series.



DUNDEE GLOBAL RESOURCE CLASS

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