

**NOTICE OF SETTLEMENT APPROVAL IN THE MATTER OF DAVID IVANY, JEAN DUVAL and KAREN ABERNOT
v. DUNDEE SECURITIES CORPORATION et al. CLASS ACTION**

PLEASE READ THIS NOTICE CAREFULLY AS IT MAY AFFECT YOUR LEGAL RIGHTS

TO MEMBERS OF THE DUNDEE SUBCLASS: If you were a client of investment advisor Brian Verbeek (“Verbeek”) who transferred monies from your Registered Retirement Plan to Dundee Securities Corporation (“Dundee”) to purchase shares in certain Canadian Controlled Private Corporations (“CCPCs”) between August 27, 1999 and May 1, 2000 while Verbeek was an investment advisor registered with Dundee, and have not opted out of this lawsuit, you are a member of the Dundee Subclass.

The Ontario Superior Court of Justice has approved a Settlement Agreement between the Dundee Representative Plaintiff (Karen Abernot) on behalf of the Dundee Subclass and Dundee in this class action lawsuit.

If you would like a copy of the Settlement Agreement, it is available at www.moodiemair.com.

The Dundee Representative Plaintiff and Dundee have agreed to settle the lawsuit.

1. Summary of Settlement Agreement

a. Background of the Action

This Action was commenced in 2001 in the Ontario Superior Court of Justice. The Class and Class Members seek damages to compensate Class Members for money lost as a result of an arrangement in which their retirement savings were used to purchase shares in one or more of the following CCPCs: Atlas McKenzie Inc., Data Safenet Inc., Distribution Perliandaise Inc., Eau-Necessaire Inc., Eurontario Inc., Flash VDO PC Inc., Generatrices 2000 Plus Inc., LMN Techno-Soft Inc., Logiciels St. Malo Inc., Mainmont, NAV et LOG-CIEL Inc., Sylkon Securities Inc., Vilcorp, Edimax Technologie Inc., Inter Technologie Inc., Intermax Technologie Inc., Via Net Tech Inc. CL-B, or Vox Technologie Inc.

The Defendants Dundee and Canadian Western Trust (“CWT”) have, and continue to deny any liability to the Class. The Class Action has been vigorously contested.

The Class Action will continue to be prosecuted against all other Defendants, including CWT.

b. Compensation to Dundee Subclass Members

On May 10, 2017, the Plaintiffs entered into a Settlement Agreement with Dundee. Complete copies of the Settlement Agreement are available to be viewed on Class Counsel’s website referenced below.

Pursuant to the Settlement Agreement, Dundee has agreed, as part of the settlement, to pay to or for the benefit of the Dundee Subclass the total sum of \$5,000,000.00. Of this amount, \$4,500,000.00 is the “Settlement Amount” and \$500,000.00 is a contribution towards “Partial Indemnity Costs”.

The Settlement is a compromise of disputed claims and is not an admission of liability, wrongdoing or fault on the part of Dundee.

On June 19, 2017, the Court approved the settlement and declared that it is fair, reasonable, and in the best interests of the Dundee Subclass.

In return for its payment of \$5,000,000.00, Dundee will receive releases, and the Class Action will be dismissed against it.

The Class Action arises out of an RRSP investment arrangement. As such, Dundee Subclass members who participate in the settlement may face tax consequences, for which each Dundee Subclass member will be responsible. If you have questions regarding how the settlement may impact you, please speak to your tax lawyer or your accountant.

c. Class Counsel Fees

The Court also awarded Class Counsel legal fees, expenses and applicable taxes in the total amount of \$1,414,750.00, based upon 21.5% of the Settlement Amount (\$1,075,000.00), plus taxes (\$139,750.00), assessable disbursements and disbursements to be incurred (\$200,000.00) in the administration of the Settlement (“Class Counsel Fees”). As is customary in these cases, Class Counsel conducted the Class Action on a Contingency Fee Retainer, meaning that Class Counsel were not paid as the matter proceeded. Class Counsel Fees will be deducted from the Settlement Amount before it is distributed to members of the Dundee Subclass. The net remainder of the Settlement Amount following the deduction of Class Counsel Fees will be the “Distribution Fund”. Class Counsel will not seek additional payment for its future time spent or expenses incurred in the proceeding against Dundee.

The Class Proceedings Fund provided some funding for the Class Action, as well as indemnification in the event of any adverse costs awards. As such, the Class Proceedings Fund will also be paid 10% of the net Distribution Fund and \$187,974.02 for repayment of disbursements. The Class Proceedings Fund will be paid from the Distribution Fund, after all Class Counsel Fees have been deducted.

Pursuant to the Settlement Agreement, and the Court's approval, Dundee will pay \$500,000.00 as a contribution towards Partial Indemnity Costs. As provided in the Settlement Agreement, those costs are to be paid into the Distribution Fund after Class Counsel Fees and the payment to the Class Proceedings Fund have been deducted.

2. How to Make a Claim to Receive Part of the Distribution Fund

In order to be eligible for compensation you must:

- Be a member of the Dundee Subclass;
- Not have opted out of the Class Action; and,
- Suffered losses in your Registered Retirement Plan as a result of CCPC share purchases.

The Court has appointed RicePoint Administration Inc. as the Administrator of the Settlement. The Administrator will oversee the claim and will distribute the Distribution Fund to members of the Dundee Subclass who submit a valid Claim Form.

The Settlement Administrator will determine what proportion of the Distribution Fund, if any, you are entitled to receive, based on records of any losses suffered in your Registered Retirement Plan as a result of the purchase of CCPC shares.

Claim Forms will be mailed to all members of the Dundee Subclass for whom Class Counsel have current contact information. Claim Forms will also be available by contacting the Administrator or visiting either the Administrator's website or Class Counsel's website.

Members of the Dundee Subclass who wish to receive compensation from the Distribution Fund must mail or email a signed and completed Claim Form to the Administrator no later than January 23, 2018 (the "Claim Deadline").

Members of the Dundee Subclass who send a valid Claim Form to the Administrator, postmarked to the Claim Deadline, will be paid a *pro rata* share of the Distribution Fund, following deduction of all fees, expenses, and taxes. The Distribution Protocol posted on Class Counsel's website contains an explanation of how the Distribution Fund will be distributed to the Dundee Subclass members.

The Settlement Agreement, the Settlement Approval Order, the Distribution Protocol and Claim Forms, as well as other information regarding the Class Action are available on Class Counsel's website at:

www.moodiemair.com

These documents are also available on the Administrator's website at:

www.dundeeselement.com

3. Method of Payment of Distribution Fund

If you are eligible to receive payment you must choose one of two payment options as set out in Section D of the Claim Form:

- a direct deposit into your RRSP Account or other registered account at a Canadian financial institution; or
- direct payment by cheque, subject to an amount that will be withheld by Dundee on account of taxes that must be remitted to the government.

If you elect to have payment deposited into your registered account at a Canadian financial institution, you are solely responsible for ensuring that you are entitled to deposit the payment into your registered account pursuant to applicable income tax laws and regulations, and you may be asked by the Administrator to provide documentation to verify this entitlement. Dundee has no responsibility to confirm that you are entitled to deposit your payment into your registered account.

4. Important Deadlines

January 23, 2018 – Deadline to submit election of form of payment of Distribution Fund to RicePoint Administration Inc.

5. Interpretation

If there is a conflict between the provisions of this Notice and the Settlement Agreement, the terms of the Settlement Agreement will prevail.

You are entitled to, but not obliged to, hire your own lawyer to provide you with advice or assistance regarding your individual claim for compensation from the Settlement Funds. If you do so, you will be responsible for paying that lawyer's legal fees.

The Ontario Superior Court of Justice offices cannot answer any questions about the matters in this Notice. Please do not contact the Court regarding this Notice.