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*The Deposit Notes may not be offered or sold in any jurisdiction outside of Canada except in circumstances which do not constitute a public offering or distribution under the laws of the jurisdiction where the Deposit Notes are to be offered or sold. In particular, the Deposit Notes have not been and will not be registered under the United States Securities Act of 1933 and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account or benefit of, United States persons.*

*No securities commission or similar authority in Canada or elsewhere has in any way passed upon the merits of the Deposit Notes and any representation to the contrary is an offence.*

## **Information Statement**

**Dated April 23, 2007**



### **DUNDEE ADVANTAGEPLUS™ FOCUSED COMMODITY DEPOSIT NOTES, SERIES 1**

**Due June 5, 2012**

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**Principal Protected Deposit Notes Linked to the Price Performance of an Equally Weighted Basket of  
Reference Commodities**

**Aluminium    Copper    Crude Oil    Nickel    Natural Gas**

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**Price: \$100.00 per Deposit Note  
Minimum Purchase: \$2,000 (20 Deposit Notes)**

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“AdvantagePlus” is a trademark of Dundee Corporation

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## SUMMARY

*The following is a summary of the terms of the Deposit Notes and is qualified entirely by the more detailed information appearing elsewhere in this information statement. Unless otherwise indicated, references to “CAD” or to “\$” are to Canadian dollars. Capitalized terms that are not otherwise defined herein are defined under “Definitions”.*

<b>Product:</b>	Dundee AdvantagePlus™ Focused Commodity Deposit Notes, Series 1 (each a “Deposit Note” and collectively the “Deposit Notes”).
<b>Issuer:</b>	Dundee Bank of Canada (“Dundee Bank”, “we”, “our” or “us”).
<b>Price Per Deposit Note:</b>	\$100.
<b>Minimum Purchase:</b>	\$2,000 (20 Deposit Notes).
<b>Pricing Date:</b>	June 5, 2007.
<b>Closing Date:</b>	On or about June 5, 2007.
<b>Valuation Date:</b>	May 31, 2012.
<b>Maturity Date:</b>	On or about June 5, 2012.
<b>Eligibility for Registered Plans:</b>	Qualified investments for RRSPs, RRIFs, RESPs and DPSPs within the meaning of the <i>Income Tax Act</i> (Canada) (the “Act”) For further information see “ <i>Canadian Federal Income Tax Considerations – Eligibility for Registered Plans</i> ”.

**Reference Commodity Basket:**

<b>Reference Commodity</b>	<b>Reference Commodity Weight</b>
Aluminium	20%
Copper	20%
Crude Oil	20%
Nickel	20%
Natural Gas	20%

The Deposit Notes do not represent an interest in the Reference Commodity Basket or any of the Reference Commodities. Noteholders have no right or entitlement to the Reference Commodity Basket or any of the Reference Commodities. The Reference Commodity Basket and the Reference Commodities represent a notional (rather than actual) group of commodities. Dundee Bank is not required to hold any interest in a portfolio of commodities corresponding to the Reference Commodity Basket or in the Reference Commodities. For further information, see “*Summary Information Regarding the Reference Commodities*”.

**Payment at Maturity:** The amount payable on each Deposit Note on Maturity will equal the sum of (a) the Principal Amount of the Deposit Note, plus (b) any Variable Return. If an Extraordinary Event occurs, the calculation of the Variable Return and/or when it is payable may be affected. For further information, see *“Payment Under the Deposit Notes – Payment at Maturity”*.

**Variable Return:** The Variable Return, if any, on each Deposit Note upon maturity will equal the Principal Amount multiplied by the product of the Participation Rate and the Reference Basket Performance. The Variable Return will not be less than zero. For further information, see *“Payment Under The Deposit Notes – Variable Return”* and *“Payment Under the Deposit Notes - Sample Calculations of the Payment At Maturity”*.

**Participation Rate:** 140%.

**Reference Commodity Basket Performance:** The Reference Commodity Basket Performance will equal the sum of the Weighted Commodity Changes of each Reference Commodity in the Reference Commodity Basket rounded to two decimal places. If the sum of the Weighted Commodity Changes is less than zero, then the Basket Performance will be deemed to be zero. For further information, see *“Payment Under the Deposit Notes – Reference Basket Performance”*.

**Weighted Commodity Change:** For each Reference Commodity in the Reference Commodity Basket, the Weighted Commodity Change is the percentage (rounded to two decimal places) equal to:

$$\text{Reference Commodity Weight} \times \frac{(\text{Settlement Price} - \text{Base Price})}{\text{Base Price}}$$

For further information, see *“Payment Under the Deposit Notes – Weighted Commodity Change”*.

**Settlement Price:** The Settlement Price for each Reference Commodity is, subject to delay or acceleration due to Extraordinary Events, the U.S. dollar price of the Reference Commodity at a specified time on the Valuation Date. For further information, see *“Payment Under the Deposit Notes – Settlement Price”*.

**Base Price:** The Base Price for each Reference Commodity is, subject to delay due to Extraordinary Events, the U.S. dollar price of the Reference Commodity at a specified time on the Pricing Date. For further information, see *“Payment Under the Deposit Notes – Base Price”*.

**Extraordinary Events:** An Extraordinary Event is an event that Dundee Bank determines has or will have a material adverse effect on Dundee Bank’s ability to perform its obligations under the Deposit Notes. An Extraordinary Event may delay the time at which the Reference Basket Performance is determined and gives Dundee Bank the ability to pay an Alternative Variable Return before Maturity instead of a Variable Return on Maturity. The Alternative Variable Return will be reduced by Dundee Bank’s actual costs in terminating or otherwise ending its market exposure to any Reference Commodity or Reference Commodity Basket because of an Extraordinary Event, but never below zero. If reduced to zero, no Alternative Variable Return will be payable before Maturity and no Variable Return will be payable on Maturity. Despite payment of the Alternative Variable Return, the Principal Amount of each Deposit Note will still be payable only at the Maturity Date. For further information, see *“Payment Under the Deposit Notes – Extraordinary Events and Extraordinary Hedging Costs”*.

**Selling Agent:** Dundee Securities Corporation, an affiliate of Dundee Bank (“Dundee Securities”).

**Calculation Agent:** Dundee Securities.

**Right of Rescission:** If a person rescinds an order to buy a Deposit Note (or its purchase if issued) within 48 hours of receipt or deemed receipt of this information statement, the person will receive a refund of the purchase price and related fees paid by the person. This rescission right does not extend to purchasers buying a Deposit Note in the secondary market. For further information, see “*Related Matters - Right of Rescission*”.

**Secondary Market:** The Deposit Notes will not be listed on any stock exchange and there is no assurance that a secondary market will develop or be maintained or that Noteholders will be able to sell their Deposit Notes. Dundee Securities will use reasonable efforts to arrange for a secondary market for the sale of Deposit Notes by you through FundSERV. Dundee Securities may, from time to time, purchase and sell Deposit Notes, but will not be obligated to do so. Sales of Deposit Notes may be subject to an Early Sales Charge. If Dundee Securities offers to purchase Deposit Notes in connection with a secondary market transaction, there is no assurance that the purchase price will be the highest possible price available in any secondary market for the Deposit Notes. The resale price of Deposit Notes could be below the \$100 Principal Amount per Deposit Note. For further information, see “*Related Matters – Secondary Market*” and “*Risk Factors – Secondary Market for the Deposit Notes*”.

**Early Sales Charge:**

<b>If Sold Within the Specified Number of Years of Issue Date</b>	<b>Early Sales Charge</b>
1 Year	4.00%
2 Years	2.00%
Thereafter	Nil

**Rank:** The Deposit Notes will evidence deposit liabilities of Dundee Bank and will rank equally and rateably with all other outstanding deposit liabilities of Dundee Bank and by their terms will be fungible. The Deposit Notes will be unsubordinated and, as among themselves, the Deposit Notes will rank equally in payment and priority. For further information, see “*Description of the Deposit Notes – Rank*”.

**CDIC Insurance:** The Deposit Notes will not be deposits insured under the *Canada Deposit Insurance Corporation Act* (Canada) or any other deposit insurance regime. For further information, see “*Description of the Deposit Notes – CDIC Insurance*”.

**Fees and Expenses:** Dundee Bank will pay Dundee Securities, from its own funds, a selling commission of 3.25% of the Principal Amount of each Deposit Note. For further information, see “*Related Matters – Fees and Expenses*”.

**Book-Entry System:** The Deposit Notes will be represented in the form of a fully-registered book-entry only Global Note. Dundee Bank will issue Deposit Notes in definitive form only in limited circumstances. Beneficial interests in the Global Note, constituting ownership of Deposit Notes, will be represented through book-entry accounts of Participants acting on behalf of Noteholders. For further information, see “*Related Matters – Book-Entry System*”.

**Risk Factors:** The following are some of the risks involved in purchasing the Deposit Notes:

- The Deposit Notes do not provide investors with an income stream or return prior to Maturity or guaranteed rate of return.

- The return, if any, on the Deposit Notes may be uncertain until the Maturity Date.
- The occurrence of certain Extraordinary Events may delay or accelerate the time at which the amount of any return is determined.
- The Deposit Notes will not be listed on any stock exchange and there is no assurance that a secondary market for Deposit Notes will develop or be sustainable or continued.
- The trading value of the Deposit Notes in a secondary market, if any, will be affected by a number of complex and inter-related factors.
- U.S. futures exchanges and some foreign exchanges have regulations that limit the amount of fluctuation in futures contract prices that may occur during a single business day. Limits on prices have the effect of precluding trading in a particular contract or forcing the liquidation of contracts at disadvantageous times or prices.
- We or Dundee Securities may perform functions or engage in activities that could adversely impact on the value of the Deposit Notes, your ability to resell your Deposit Notes or the amount or timing of receipt of entitlements under the Deposit Notes.
- The obligation to make payments to Noteholders is an obligation of Dundee Bank, and accordingly, the likelihood that Noteholders will receive the payments owing to them in connection with the Deposit Notes will be dependent upon the financial health and creditworthiness of Dundee Bank. Neither Dundee Bank nor its deposit liabilities, including the Deposit Notes, have been rated by any rating agency.
- The Deposit Notes will not entitle a Noteholder to any direct or indirect ownership of or entitlement to any of the Reference Commodities.
- The Deposit Notes may only be purchased, settled and otherwise dealt with in accordance with the clearing and settlement procedures and services operated by FundSERV and certain other rules and protocols established with dealers and financial advisors in connection with such services.
- The amounts payable under the Deposit Notes may be limited by applicable law.

For further information, see “*Risk Factors*”.

**Income Tax  
Considerations:**

If the Deposit Notes are held to the Maturity Date, any payment from the Deposit Notes in excess of the \$100 Subscription Price should be included as income for tax purposes. Generally, there should not be any requirement for a Noteholder to include any amount in income in respect of the Deposit Notes prior to the Maturity Date. A disposition of a Deposit Note prior to the Maturity Date may give rise to a capital gain (or capital loss) to the extent your proceeds of disposition exceed (or are less than) the aggregate of the adjusted cost base of the Deposit Note and any reasonable costs of disposition. **It is recommended that Noteholders consult their tax advisor with respect to their particular circumstances if the Deposit Notes are to be sold prior to the Maturity Date.** For further information, see “*Canadian Federal Income Tax Considerations*”.

## SUMMARY INFORMATION REGARDING THE REFERENCE COMMODITIES

All information in this information statement relating to the Reference Commodities is presented in summary form derived from publicly available sources and is assumed to be reliable. However, its accuracy cannot be guaranteed. As such, neither Dundee Bank nor any affiliate (including Dundee Securities as the Calculation Agent), or any broker or agent selling the Deposit Notes, assumes any responsibility for the accuracy or completeness of such information, or accepts responsibility for the calculation or other maintenance of, or any adjustments to, the values of the Reference Commodities. Historical performance of the Reference Commodities is shown below. **However, such historical performance will not necessarily predict future performance of the Reference Commodities or the amount payable to a Noteholder at Maturity.**

### Aluminium

Aluminium is the most heavily produced and consumed non-ferrous metal in the world. Its low density and malleability has been recognized by the industrial world. Aluminium has many diverse applications, ranging from beverage cans to cars. In 2001, world primary refined production alone totalled over 24 million tonnes. The total turnover for the LME primary aluminium futures and options in 2001 was over 25 million lots (625 million tonnes).

The Base Price and Settlement Price for aluminium will be the official “cash offer” settlement price at 1:00 p.m. (London Time) quoted in U.S. dollars per tonne of primary aluminium on the LME, as determined and made public by the LME for the Pricing Date and Valuation Date respectively and displayed on Reuters page “SETTMAL01” on the day of pricing.

### Copper

One of the “original” metals, copper shared an era of history with tin as a fundamental commodity of the Bronze Age. However, its primary properties now are its electrical conductivity and heat-transfer abilities making it invaluable for use in the building construction and electrical industries. Copper’s malleability, strength and corrosion resistant qualities also make it an excellent alloying agent for the production of intricate shapes - particularly in brass and bronze. This alloying factor made copper one of the most important industrial metals of the 19th century and it naturally became the flagship contract of the LME when it was established in 1877.

The Base Price and Settlement Price for copper will be the official “cash offer” settlement price at 12:35 p.m. (London Time) quoted in U.S. dollars per tonne of copper-Grade A on the LME, as determined and made public by the LME for the Pricing Date and Valuation Date respectively, and displayed on Reuters page “SETTMCU01” on the day of pricing.

### Crude Oil

Crude oil is the world’s most actively traded commodity, and the NYMEX Division light, sweet crude oil futures contract is the world’s most liquid forum for crude oil trading, as well as the world’s largest-volume futures contract trading on a physical commodity. Because of its excellent liquidity and price transparency, the contract is used as a principal international pricing benchmark. Additional risk management and trading opportunities are offered through options on the futures contract; calendar spread options; crack spread options on the pricing differential of heating oil futures and crude oil futures and gasoline futures and crude oil futures; and average price options.

The Base Price and Settlement Price for crude oil will be the official settlement price for one barrel of light sweet crude oil on the NYMEX or its successor, of the first futures contract to expire following the Pricing Date and Valuation Date respectively stated in U.S. dollars, as made public by the NYMEX and displayed on Reuters page “2CLc1” on the day of pricing.

## Nickel

As an alloying metal, the uses of nickel are extraordinarily diverse. Its high melting point and resistance to corrosion have provided a wide scope for the metal's development. Early in the twentieth century, it was discovered that by combining nickel with steel, even in small quantities, the durability of the steel increased significantly with regards to corrosion resistance and strength. This partnership has endured and the steel industry is now the single largest consumer of nickel today.

The Base Price and Settlement Price for nickel will be the official "cash offer" settlement price at 1:05 p.m. (London Time) quoted in U.S. dollars per tonne of Primary Nickel on the LME, as determined and made public by the LME for Pricing Date and Valuation Date respectively the first Exchange Day after the Issue Date and displayed on Reuters page "SETTMNI01" on the day of pricing.

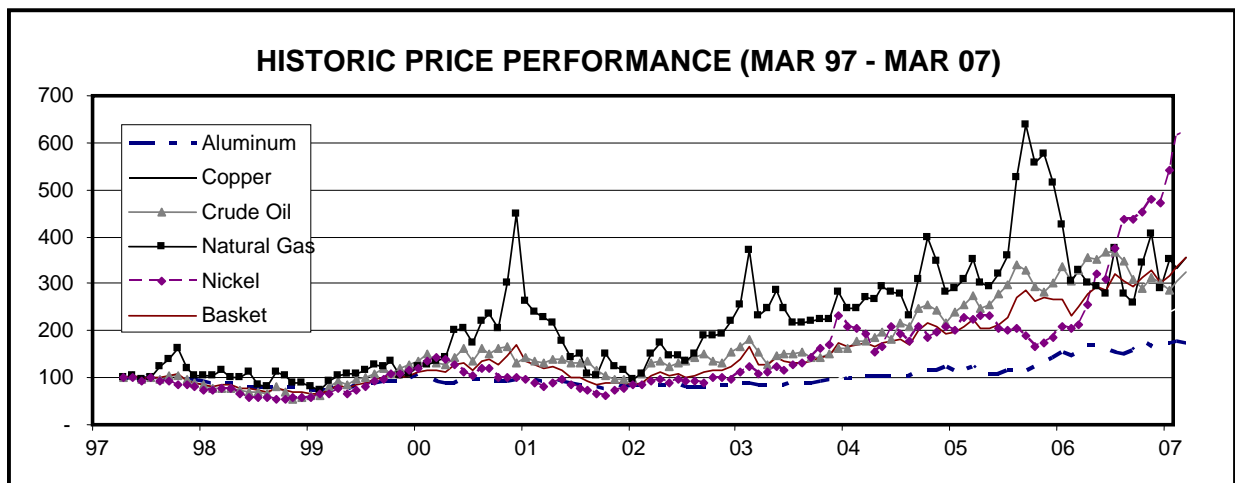
## Natural Gas

Natural gas accounts for almost a quarter of United States energy consumption, and the NYMEX Division natural gas futures contract is widely used as a national benchmark price. The futures contract trades in units of 10,000 million British thermal units. The price is based on delivery at the Henry Hub in Louisiana, the nexus of 16 intra- and interstate natural gas pipeline systems that draw supplies from the region's prolific gas deposits. The pipelines serve markets throughout the U.S. East Coast, the Gulf Coast, the Midwest, and up to the Canadian border.

The Base Price and Settlement Price for natural gas will be the official settlement price per million British Thermal Units of Henry Hub Natural Gas on the NYMEX or its successor of the first futures contract to expire following the Pricing Date and Valuation Date respectively, stated in U.S. dollars, as made public by the NYMEX and displayed on Reuters page "2NGC1" on the day of pricing.

The following graph shows the monthly price performance of each Reference Commodity in the Reference Commodity Basket for the period from March 1997 to March 2007 with a base price of \$100 at March 1997.

## Historical Performance of the Reference Commodities



## **DESCRIPTION OF THE DEPOSIT NOTES**

The Deposit Notes are being issued by Dundee Bank with a subscription price of \$100 per Deposit Note and a minimum subscription of \$2,000 (20 Deposit Notes).

The Deposit Notes are being offered through FundSERV. Funds in respect of all subscriptions shall be payable at the time of subscription. A Global Note for the aggregate Principal Amount of the Deposit Notes issued on the Closing Date will be issued in registered form to CDS on the Closing Date. The Deposit Notes may not be called for redemption by Dundee Bank or Noteholders prior to Maturity.

Orders for purchases of Deposit Notes may be accepted in whole or in part. Dundee Bank may allot Deposit Notes to an investor in an amount less than that subscribed for by the investor. Dundee Bank may discontinue accepting subscriptions at any time without notice. Dundee Bank may at any time prior to the Closing Date, in its discretion, elect whether or not to proceed in whole or in part with the issue of the Deposit Notes.

### ***Objectives and Suitability***

The objectives of the Deposit Notes are to guarantee the repayment of the Principal Amount on Maturity and enable Noteholders to participate in up to 140% of the positive performance of the Reference Commodity Basket as described in “*Payment Under the Deposit Notes*”.

The Deposit Notes provide a deposit opportunity but may pose risks. Some of these risks result from the possibility of fluctuations in interest rates and prices of the Reference Commodities. The Deposit Notes are subject to certain risks that are distinct from a direct investment in the Reference Commodities and do not represent any ownership interest in the Reference Commodities. The Deposit Notes are suitable only for investors prepared to assume risks with respect to the objectives of the Deposit Notes. The return on the Deposit Notes, if any, is uncertain and an investor may not receive anything more at Maturity than the Principal Amount which is only guaranteed by Dundee Bank if the Deposit Notes are held to Maturity. Disposition of the Deposit Notes prior to Maturity may result in loss. There will be no payments to Noteholders during the term of the Deposit Notes. For further information, see “*Risk Factors*”.

### ***CDIC Insurance***

The Deposit Notes will not be insured under the *Canada Deposit Insurance Corporation Act* (Canada) and will not be entitled to Canada Deposit Insurance Corporation protection.

### ***Credit Rating***

Neither Dundee Bank nor its deposit liabilities, including the Deposit Notes, have been rated by any rating agency.

### ***Rank***

The Deposit Notes will evidence deposit liabilities of Dundee Bank and will rank equally and rateably with all other outstanding deposit liabilities of Dundee Bank and by their terms will be fungible. The Deposit Notes will be unsubordinated and, as among themselves, the Deposit Notes will rank equally as to payment and priority.

### ***Governing Law***

The Deposit Notes and the terms thereof will be governed by and construed in accordance with the laws of Ontario and the federal laws of Canada applicable in Ontario.

## PAYMENT UNDER THE DEPOSIT NOTES

### *Maturity Date*

The Maturity Date of the Deposit Notes is June 5, 2012, subject to Extraordinary Events. For further information, see “Risk Factors”.

### *Payment at Maturity*

A Noteholder’s payment entitlement at Maturity will be calculated by Dundee Securities as the Calculation Agent and is equal to:

$$\text{Payment at Maturity} = \text{Principal Amount} + \text{Variable Return}$$

### *Variable Return*

The Variable Return payable on a Deposit Note will be an amount, if any, not less than zero, equal to:

$$\text{Variable Return} = \text{Principal Amount} \times (\text{Participation Rate} \times \text{Reference Basket Performance})$$

### *Participation Rate*

The participation rate is 140%.

### *Reference Basket Performance*

The Reference Basket Performance will be a percentage (rounded to two decimal places) equal to the sum of the Weighted Commodity Change for each of the Reference Commodities.

If the sum of the Weighted Commodity Change is a negative number, then the Reference Basket Performance and, in turn the Variable Return, will be deemed to be zero.

### *Weighted Commodity Change*

The Weighted Commodity Change for each Reference Commodity in the Reference Commodity Basket is the percentage (rounded to two decimal places) equal to:

$$\text{Weighted Commodity Change} = \text{Reference Commodity Weight} \times \frac{(\text{Settlement Price} - \text{Base Price})}{\text{Base Price}}$$

where the Reference Commodity Weight for each Reference Commodity in the Reference Commodity Basket is as follows:

<b>Reference Commodity</b>	<b>Reference Commodity Weight</b>
Aluminium	20%
Copper	20%
Crude Oil	20%
Nickel	20%
Natural Gas	20%

### ***Base Price***

The Base Price for each Reference Commodity is the U.S. dollar price of the Reference Commodity at a specified time and on a specified basis on the Pricing Date. For further information, see “*Summary Information Regarding the Reference Commodities*”. The calculation of the Base Price is subject to delay in the circumstances described in the section below under “– *Extraordinary Events and Extraordinary Hedging Costs – Extraordinary Events*”.

### ***Settlement Price***

The Settlement Price for each Reference Commodity is the U.S. dollar price of the Reference Commodity at a specified time and on a specified basis on the Valuation Date. For further information, see “*Summary Information Regarding the Reference Commodities*”. The calculation of the Settlement Price is subject to delay in the circumstances described in the section below under “*Extraordinary Events and Extraordinary Hedging Costs*”.

### ***Available Information Respecting Weighted Commodity Change***

A Noteholder may obtain information with respect to the amount that would be the Weighted Commodity Change from its CDS Participant or by contacting a representative of Dundee Securities as the Calculation Agent. Such amount will be calculated on the basis described under “*Payment Under the Deposit Notes – Weighted Commodity Change*” as if each date on which future closing levels are to be determined were the date of such calculation and may not reflect the resale price of the Deposit Notes. For further information, see “*Related Matters – Secondary Market*”.

**Neither we nor Dundee Securities as the Calculation Agent make any express or implied warranty, representation or undertaking whatsoever for the accuracy or completeness as to the publishing or announcing of the Base Price or the Settlement Price, as the case may be, of each Reference Commodity, the results to be obtained from the use of the Base Price or Settlement Price of each Reference Commodity at any particular time. We (including through Dundee Securities as the Calculation Agent or any Calculation Expert) will use our best efforts to determine the Weighted Commodity Change. However, we and Dundee Securities as the Calculation Agent will not be liable to any person for such calculations or for any actions, including a sale of the Deposit Notes, taken by Noteholders in reliance upon the calculations or otherwise nor will Dundee Bank or Dundee Securities as the Calculation Agent be under any obligation to advise any person of any error in the calculations.**

### ***Extraordinary Events and Extraordinary Hedging Costs***

#### **Extraordinary Events**

An Extraordinary Event is an event which Dundee Bank or the Calculation Agent determines in its sole discretion has or will have a material adverse effect on Dundee Bank’s ability to perform its obligations under the Deposit Notes, including but not limited to the occurrence or existence of any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by any relevant exchange or market or otherwise) of, or the unavailability through a recognized system of public dissemination of transaction information, for a period longer than two hours, or during the one-half hour period preceding the close of trading, on the applicable exchange or market, of accurate price, volume or related information in respect of a Reference Commodity or the Reference Commodity Basket.

An Extraordinary Event may delay the time at which the Reference Basket Performance is determined and may allow Dundee Bank the option of crystallizing the amount of Variable Return payable, and paying such amount before Maturity by way of a payment of Alternative Variable Return in which case no Variable Return would be payable at Maturity. Despite such early payment of Alternative Variable Return, the Principal Amount per Deposit Note will still be payable only at Maturity. In the event that a payment of Alternative Variable Return is payable, the amount payable, if any, will be subject to a reduction of Dundee Bank’s Extraordinary Hedging Costs. In the

unlikely event that Extraordinary Hedging Costs equal or exceed the amount of such Alternative Variable Return, no amount of Alternative Variable Return will be paid and no Variable Return will be payable on the Maturity Date. For further information, see “*Definitions – Extraordinary Event*”.

#### Consequences of an Extraordinary Event

##### (a) Payment due to an Extraordinary Event

If Dundee Bank or Dundee Securities as the Calculation Agent determines at any time that an Extraordinary Event has occurred and is continuing, and if such Extraordinary Event has continued for at least 10 consecutive Business Days, then we may, at our option, elect to determine and pay Alternative Variable Return on all, but not part, of the Deposit Notes then issued and outstanding effective on the close of business on the date notice of such election is given by us, through FundSERV, to the Noteholders.

“Alternative Variable Return” will equal the amount that would be the Variable Return as if determined based on a Settlement Price determined or estimated by the Calculations Experts as of the Exchange Day immediately following the Business Day on which such notice is given.

Any Alternative Variable Return may be reduced by Extraordinary Hedging Costs. See “— *Delay in Determination of the Base Price and Settlement Price*” and “— *Extraordinary Hedging Costs*”.

Payment of any Alternative Variable Return will be made on the later of (a) the tenth Business Day after the effective date of the election to pay any Alternative Variable Return is given by us through FundSERV, or (b) if any calculation is determined, made or confirmed by the Calculation Experts, the tenth Business Day after such calculation is so determined, made or confirmed.

In such circumstances, the Principal Amount remains payable only at Maturity. Noteholders will have no further entitlement to receive any return on their investment, including in respect of Variable Return.

##### (b) Delay in Determination of the Base Price and Settlement Price

If an Extraordinary Event occurs and is continuing on a day scheduled to be a day on which the Base Price or the Settlement Price of a Reference Commodity is to be determined, then, unless we elect to make a payment of Alternative Variable Return, the date on which the Base Price and/or Settlement Price of such Reference Commodity will be determined will be the earlier of (a) the next Exchange Day on which there is no such Extraordinary Event (in which case we will generally make the calculation) and (b) the tenth Exchange Day following the Maturity Date (in which case the Calculation Experts will make the calculation).

If the date on which the Settlement Price of any Reference Commodity is to be determined is postponed due to the occurrence of an Extraordinary Event, the Variable Return (if any) payable under the Deposit Notes on Maturity will be paid on (i) the first Business Day after such date if the Settlement Price is calculated or determined by us, or (ii) as soon as practicable after such date if the Settlement Price is determined or confirmed by the Calculation Experts (provided in each case that such date is on or after the first Business Day after the Maturity Date).

#### Extraordinary Hedging Costs

If an Extraordinary Event occurs and Dundee Bank chooses to pay the Alternative Variable Return (if any), prior to the Maturity Date, then Dundee Bank may choose, or be required, to directly or indirectly dispose of, terminate, settle or liquidate securities, futures contracts, forward contracts, option contracts, currencies or other instruments relating to a Reference Commodity in order to offset or meet Dundee Bank’s obligations under the Deposit Notes.

Extraordinary Hedging Costs are, where Dundee Bank has hedged its obligations under the Deposit Notes with a third party, the actual costs, if any, incurred by Dundee Bank directly or indirectly in disposing of, terminating, settling, liquidating or otherwise unwinding Dundee Bank’s arrangements to hedge its market exposure to a

Reference Commodity or to the Reference Commodity Basket as a consequence of the occurrence of an Extraordinary Event. If there are Extraordinary Hedging Costs, then the Alternative Variable Return, if any, payable to the Noteholders will be reduced accordingly.

#### Sample Calculations of the Payment at Maturity

The examples below are for illustration purposes only. The prices of the Reference Commodities used to illustrate the calculation of the Variable Return are not estimates or forecasts of the prices of the Reference Commodities on which the Base Price, Settlement Price or the calculation of the Reference Basket Performance and, in turn, the Variable Return will depend. All examples assume that a Noteholder has purchased Deposit Notes with an aggregate Principal Amount of \$10,000 and that no Extraordinary Event has occurred.

#### Gain Scenario

Reference Commodity	Base Price (Example)	Settlement Price (Example)	Percent Change	Component Weight	Weighted Component Change
Aluminum	2,845.00	3,983.00	40.00%	20.00%	8.00%
Copper	7,890.00	7,811.10	(1.00%)	20.00%	(0.20%)
Crude Oil	63.93	77.36	21.00%	20.00%	4.20%
Nickel	46,450.00	44,592.00	(4.00%)	20.00%	(0.80%)
Natural Gas	7.49	10.34	38.00%	20.00%	7.60%
Percentage Change					<b>18.80%</b>

Variable Return = \$10,000 × 140% × 18.80% = \$2,632.00

Payment Amount = \$10,000 + \$2,632.00 = \$12,632.00

#### Loss Scenario

Reference Commodity	Base Price (Example)	Settlement Price (Example)	Percent Change	Component Weight	Weighted Component Change
Aluminum	2,845.00	2,503.60	(12.00%)	20.00%	(2.40%)
Copper	7,890.00	7,298.25	(7.50%)	20.00%	(1.50%)
Crude Oil	63.93	57.13	(10.63%)	20.00%	(2.13%)
Nickel	46,450.00	55,740.00	20.00%	20.00%	4.00%
Natural Gas	7.49	7.86	5.00%	20.00%	1.00%
Percentage Change					<b>(1.03%)</b>

Variable Return = \$10,000 × 140% × (1.03%) = \$0.00

Payment Amount = \$10,000 + \$0,000.00 = \$10,000.00

## **RELATED MATTERS**

The following is a summary of other information relevant to your decision to purchase the Deposit Notes.

### ***Plan of Distribution***

Each Deposit Note will be issued at \$100, being 100% of the Principal Amount of the Deposit Note.

The Deposit Notes will be offered from time to time by us through Dundee Securities as the Selling Agent. Dundee Securities has agreed to promote, on a best efforts basis, the sale of the Deposit Notes in Canada and has the option of forming a selling group for the purposes of selling the Deposit Notes. Dundee Bank may also sell Deposit Notes to investors directly on our own behalf in those jurisdictions in which we are authorized to do so. Sales commissions and related fees are described below under “*Related Matters – Fees and Expenses*”.

We will have the sole right to accept offers to purchase Deposit Notes and may reject any proposed purchase of Deposit Notes in whole or in part. A selling agent will have the right, in its discretion reasonably exercised, without notice to us, to reject any offer to purchase Deposit Notes received by it in whole or in part.

With respect to a purchase of Deposit Notes, the full aggregate Principal Amount of the Deposit Notes to be purchased must be delivered by the purchaser’s dealer or financial advisor through FundSERV no later than three Exchange Days prior to the Issue Date. Whether or not the Deposit Notes are issued, no interest or compensation will be paid to the purchaser in respect of delivered funds or to the dealer or financial advisor representing such purchaser.

### ***Settlement of Payments under Global Note***

The Principal Amount and Variable Return or Alternative Variable Return, as the case may be, payable under the Deposit Notes will be made available by Dundee Securities (or its delegate on our behalf) through FundSERV to dealers and financial advisors with clients who hold Deposit Notes. Our responsibility and liability in respect of Deposit Notes is limited to making payment of any amount due through Dundee Securities (or its delegate on our behalf) via FundSERV to dealers and financial advisors with clients who hold Deposit Notes.

### ***Settlement of Payments under Definitive Notes***

Payments of the Principal Amount and Variable Return or Alternative Variable Return, as the case may be, on Deposit Notes issued in definitive form (which will only occur in exceptional circumstances) will be made by cheque mailed to the Noteholder at the address of the Noteholder appearing in a register which we will maintain or cause to be maintained or, if requested in writing by the Noteholder at least five Business Days before the date of the payment and agreed to by us, by electronic funds transfer to a bank account designated by the Noteholder with a bank in Canada. Payment under any Deposit Note in definitive form is conditional upon the Noteholder first delivering the Deposit Note to us.

Neither we nor the Paying and Transfer Agent nor CDS (or the Nominee) will be bound to see to the execution of any trust affecting the ownership of any Deposit Note or be affected by notice of any equity that may be subsisting with respect to any Deposit Note. In relation to Dundee Bank’s role as custodian in connection with the Deposit Notes, we will have no obligation to confirm or take notice of any such instructions, appointments, revocations or any other matters pertaining to a Noteholder’s appointment of or arrangements with a dealer or financial advisor or any notices given to or through the FundSERV system.

### ***Notices to Noteholders***

If notice is required to be given to Noteholders, Dundee Bank will provide notice through FundSERV to dealers and financial advisors with clients who hold Deposit Notes. Noteholders will have access to such information through

dealers and financial advisors through which their Deposit Notes are held. We will have no obligation to notify Noteholders, dealers or financial advisors in any other manner.

### ***Further Issuance of Deposit Notes***

We reserve the right to issue Deposit Notes in additional tranches and may issue other Deposit Note obligations, including listed Deposit Note obligations subject to receipt of necessary approvals. Such other Deposit Note obligations may have terms substantially similar to the terms of the Deposit Notes and may be offered by us concurrently with the offering of this or other tranches of Deposit Notes.

### ***Right of Rescission***

A person may rescind an order to buy a Deposit Note (or its purchase if issued) within 48 hours following the earlier of actual receipt or deemed receipt of this information statement. In such case, the person will receive a refund of the purchase price and any fees relating to the purchase that have been paid by the person. This rescission right does not extend to purchasers buying a Deposit Note in the secondary market. A person will be deemed to have received this information statement: (i) on the day recorded as the time of sending by the server or other electronic means, if provided by electronic means; (ii) on the day recorded as the time of sending by fax machine, if provided by fax; (iii) five days after the postmark date, if provided by mail; and (iv) when it is received, in any other case.

### ***Secondary Market***

The Deposit Notes will not be listed on any stock exchange and there is no assurance that a secondary market for Deposit Notes will develop or be sustainable. Dundee Securities will use best efforts, subject to normal market conditions, to arrange for a secondary market for the sale of the Deposit Notes by Noteholders through FundSERV but will not be obligated to do so.

A Noteholder wishing to sell Deposit Notes through FundSERV prior to the Maturity Date is subject to certain procedures established to redeem securities through FundSERV. Any Noteholder wishing to sell a Deposit Note through FundSERV should consult with his or her financial advisor in advance in order to understand the timing and other procedural requirements and limitations of selling.

In general, a Noteholder must sell Deposit Notes by using the “redemption” procedures of FundSERV. Accordingly, a Noteholder will not be able to negotiate a sale price for Deposit Notes. Instead, the financial advisor for the Noteholder will need to initiate an irrevocable request to “redeem” the Deposit Note in accordance with the then established procedures of FundSERV. Generally, this will mean the redemption request will need to be initiated by 4:00 p.m. (Toronto time, or such other time as may hereafter be established by FundSERV) on a Business Day. Any request received after such time will be deemed to be a request sent and received in respect of the next following Business Day.

Sale of a Deposit Note will be effected at a sale price (the “Net Bid Price”) equal to (i) the FundSERV “net asset value” of a Deposit Note as of the close of trading on the first Exchange Day following the Exchange Day on which a redemption request is received (or deemed to be received) as posted to FundSERV by Dundee Securities (in its capacity as Calculation Agent), minus (ii) any applicable pre-determined reduction amount set forth below (an “Early Sales Charge”). Accordingly, a Noteholder will not be able to negotiate a sale price for the Deposit Notes.

An Early Sales Charge of up to 4.00% of the Principal Amount of a Deposit Note will be deducted from the amount received by a Noteholder as sales proceeds if the Noteholder sells Deposit Notes within 365 days of the Issue Date. The specific amount of Early Sales Charge in relation to a resale transaction will be determined as follows:

<b>If Sold Within the Specified Number of Years of Issue Date</b>	<b>Early Sales Charge</b>
1 Year	4.00%
2 Years	2.00%
Thereafter	Nil

Dundee Securities, in its capacity as Calculation Agent, will act as the “fund sponsor” for the purpose of calculating and posting daily a “net asset value” in relation to Deposit Notes within FundSERV. It is required to post or arrange to be posted a “net asset value” for the Deposit Notes on a daily basis. The Net Bid Price will represent the price at which Dundee Securities may offer to purchase Deposit Notes from Noteholders in connection with a secondary market transaction. Such price will be determined as of the close of trading on the Principal Exchanges on each Exchange Day. There is no guarantee that the Net Bid Price for any day is the highest possible price available in any secondary market for the Deposit Notes, but it will represent a bid price generally available to Noteholders as at the relevant close of business, including clients of Dundee Securities. The Net Bid Price of a Deposit Note at any time will generally be dependent on, among other things, (a) how much the closing prices of the Reference Commodities have risen or fallen since the date of issue of the Deposit Notes; (b) the fact that the \$100 Principal Amount of the Deposit Note is payable on the Maturity Date regardless of the prices of the Reference Commodities at any time; and (c) a number of other interrelated factors, including, without limitation, volatility in the closing prices of the Reference Commodities, the level and volatility of exchange rates in the United States and Canada, commodity price volatility or degree to which the price of each Reference Commodity in the portfolio changes and prevailing interest rates in the United States and Canada. The relationship among these factors is complex and may also be influenced by various political, economic and other factors that can affect the trading price of a Deposit Note.

The Noteholder should consult his or her dealer or financial advisor on whether it would be more favourable in the circumstances at any time to sell Deposit Notes (assuming the availability of a secondary market) or hold Deposit Notes until the Maturity Date.

The Noteholder should also be aware that, although the “redemption” procedures of FundSERV will be used, the Deposit Notes of the Noteholder will actually be sold in the secondary market to Dundee Securities. In turn, Dundee Securities will be able to deal with such Deposit Notes in its discretion, including, selling those Deposit Notes to other parties at negotiated prices or holding them in its inventory. Noteholders should also be aware that from time to time such “redemption” mechanism to sell Deposit Notes might be suspended for any reason without notice, thus effectively preventing Noteholders from selling their Deposit Notes.

### ***Book-Entry System***

The Deposit Notes will be represented in the form of a fully-registered book-entry only Global Note held by or on behalf of CDS in Toronto, Canada as custodian of the Global Note (for its participants), and registered in the name of CDS in Toronto or its Nominee. Dundee Bank will issue Deposit Notes evidenced by certificates in definitive form to a particular Noteholder only in limited circumstances. Beneficial interests in the Global Note, constituting ownership of Deposit Notes, will be represented through book-entry accounts of Participants acting directly or indirectly on behalf of Noteholders in accordance with the procedures of the Participants.

### ***Global Note***

Noteholders will have an indirect beneficial interest in the Global Note. Dundee Bank will, directly or indirectly through its CDS Participant, hold all of the beneficial interests in the Deposit Notes for and on behalf of such Noteholders or their representatives, as a custodial agent appointed for the sole purpose of holding such beneficial interests and facilitating certain transactions in respect of the Deposit Notes through FundSERV. Noteholders should understand that Dundee Bank will only record cases to be recorded and process such transactions as may be instructed through FundSERV by a dealer or financial advisor recorded under FundSERV as representing the applicable Noteholder and will have no obligation to confirm or take notice of any instructions, appointments,

revocations or any other matters pertaining to the Noteholder's appointment of or arrangements with a dealer or financial advisor purporting to act on his or her behalf or in respect of any notices given to or through the FundSERV system. If a Noteholder were to replace or transfer his or her investment accounts to another dealer or financial advisor who did not satisfy such conditions, the Noteholder would be required to sell his or her Deposit Notes pursuant to the procedures described under "*Related Matters – Secondary Market*".

### ***Calculations and Determinations***

All calculations and determinations of Dundee Securities as the Calculation Agent, absent manifest error, are final and binding on Dundee Bank and the Noteholders.

Ordinarily, all calculations and determinations to be made in connection with the Deposit Notes will be made by Dundee Securities as the Calculation Agent, on our behalf. Whenever Dundee Securities is required to act as the Calculation Agent, it will do so in good faith. Neither Dundee Securities as the Calculation Agent nor Dundee Bank warrants the accuracy or completeness of information made available with respect to a Reference Commodity or of calculations made in connection with the Deposit Notes.

However,

- (a) if we elect to make a payment of Alternative Variable Return after the occurrence of an Extraordinary Event (as contemplated under "*Payment Under the Deposit Notes – Consequences of Extraordinary Events – Payment Due to an Extraordinary Event*");
- (b) if a price for a Reference Commodity is not announced or published by the Price Source or the information necessary to determine such specified price is not made available by the Price Source and in such circumstances a Third Party does not calculate the price of the Reference Commodity; or
- (c) if a material determination required in calculating the Weighted Commodity Change involves the application of material discretion by us or our agent or is based, in whole or in part, on information which is not compiled by, or derived from, sources that are independent of us,

then, we will make reasonable efforts to appoint three independent and active participants in markets relating to an applicable Reference Commodity (each, a "Calculation Expert" and together, the "Calculation Experts") to make or confirm applicable calculations.

Promptly following the appointment of Calculation Experts, we will request them to confirm (such confirmation requiring a majority vote of such Calculation Experts) any determination by us or our agent that an Extraordinary Event has occurred and is continuing.

Each Calculation Expert will act as an independent expert and will not assume any obligation or duty to, or any relationship of agency or trust for or with, Noteholders or Dundee Bank. Any valuations, calculations, determinations or confirmations made by the Calculation Experts will (except in the case of manifest material error) be final and binding on us and the Noteholders. The Calculation Experts will not be responsible for good faith errors or omissions in calculating, determining, announcing or disseminating information regarding a Reference Commodity or any adjustments or calculations, as applicable, and we will not be responsible in any way for the calculations or determinations of the Calculation Experts. The Calculation Experts may, with our consent, delegate any of their obligations and functions to a third party as they deem appropriate, but acting honestly and reasonably at all times.

Promptly following the appointment of Calculation Experts, we will give notice, in the manner described under "*Notices to Noteholders*", disclosing the occurrence of the Extraordinary Event; the identity and qualifications of the Calculation Experts; and any past, present or reasonably anticipated relationships between the Calculation Experts and us. We will also give notice to Noteholders upon the confirmation or determination of a valuation or other calculation, determination or confirmation by the Calculation Experts.

### ***Price Source Disruption in respect of a Reference Commodity***

If the price of a Reference Commodity is not announced or published by its Price Source for at least two consecutive days that would have been Exchange Days but for the occurrence of the Price Source disruption, but is calculated and publicly announced by another independent authoritative person or independent party acceptable to Dundee Securities as the Calculation Agent (the “Third Party”) appointed as a result of the disruption in the announcement or publication of such price by the Price Source, then the Base Price and the Settlement Price (as applicable) will be determined by reference to the closing price of such Reference Commodity as so calculated and announced by such Third Party.

Neither we, the Calculation Experts nor any Third Party will be responsible for good faith errors or omissions in calculating or disseminating information regarding a Reference Commodity or for adjustments or calculations by the Calculation Experts or any Third Party.

### ***Modifications of the Deposit Notes***

The Global Note may be amended without the consent of the Noteholders if in our reasonable opinion the amendment would not materially and adversely affect the rights of the Noteholders. In other cases, the Global Note may be amended if the amendment is approved by a resolution passed by the favourable votes of Noteholders holding Deposit Notes representing not less than 66 2/3% of the outstanding aggregate Principal Amount of the Deposit Notes represented for the purpose of considering the resolution. Each Noteholder is entitled to one vote per \$100 of Principal Amount held for the purpose of voting at meetings convened for this purpose. The Deposit Notes do not carry the right to vote in any other circumstances.

### ***Purchases by Dundee Securities***

Dundee Securities or any of its affiliates, associates or successors, may at any time, subject to applicable laws, purchase Deposit Notes for cancellation at any price in the open market or by private agreement.

### ***Dealings with the Reference Commodities***

We, Dundee Securities, or any of our affiliates may from time to time, in the course of our respective normal business operations, have dealings in one or more of the Reference Commodities. We will base all such actions on normal commercial criteria in the particular circumstances and we will not take into account the effect, if any, of such actions on the price of any Reference Commodity, the amount of Variable Return that may be payable on the Deposit Notes or Noteholders’ interests generally.

### ***Fees and Expenses***

Dundee Bank will pay Dundee Securities as the Selling Agent, from its own funds, a selling commission of 3.25% of the \$100 Principal Amount of each Deposit Note.

## RISK FACTORS

**The Deposit Notes provide opportunities but also pose risks. You should carefully consider the risks involved in purchasing the Deposit Notes before reaching a decision to purchase such Deposit Notes. You should discuss with your advisors the suitability of purchasing Deposit Notes in light of your investment objectives and after reviewing all available information, including the following risk factors:**

(a) **Suitability of Deposit Notes for Investment**

The Deposit Notes do not provide investors with an income stream or return prior to Maturity or guaranteed rate of return. The Deposit Notes do not provide a return at Maturity that is calculated or determined with reference to a fixed or floating rate of interest. The Deposit Notes are not suitable investments for investors who (i) need or expect any payments during the term of the Deposit Notes or any return or a specific return on investment and/or (ii) are not prepared to assume the risks associated with an investment whose return is based on the performance of the Reference Commodity Basket. Please consult your dealer or financial advisor as to whether an investment in the Notes is suitable for you in light of your particular situation or circumstances. The Deposit Notes will not be insured under the *Canada Deposit Insurance Corporation Act* (Canada) and will not be entitled to Canada Deposit Insurance Corporation protection.

(b) **Uncertain Return Until Maturity**

The return, if any, on the Deposit Notes will be uncertain until the Maturity Date. Generally, whether or not there is a return on the Deposit Notes at the Maturity Date will depend on whether an Extraordinary Event has occurred and the performance of the Reference Commodity Basket, as measured by the change, if any, in the value of the Reference Commodity Basket. There can be no assurance that the Reference Commodity Basket will generate positive returns or the Deposit Notes will succeed in achieving its investment objective. Depending on the performance of the Reference Commodity Basket at Maturity, Noteholders may receive only the Principal Amount of their Deposit Notes. Noteholders will not be able, prior to Maturity, to determine the amount of the return, if any, that they will receive on their Deposit Notes on or before Maturity.

(c) **Extraordinary Events**

The occurrence of certain Extraordinary Events may delay or accelerate the time at which the amount of any return is determined. In these circumstances, the amount of return payable under the Deposit Notes, if any, will be subject to reduction to reflect Extraordinary Hedging Costs.

(d) **Secondary Market for the Deposit Notes**

The Deposit Notes will not be listed on any stock exchange and there is no assurance that a secondary market for Deposit Notes will develop or be sustainable or continued. Noteholders may not be able to resell their Deposit Notes. Any resale price of Deposit Notes could be below the \$100 Principal Amount per Deposit Note, may not be the highest possible price available in any market secondary and, if sold within 2 years of the Issue Date, will be reduced by the Early Sales Charge.

(e) **Trading value of the Deposit Notes in the secondary market**

The trading value of the Deposit Notes in a secondary market, if any, will be affected by a number of complex and interrelated factors, including the price of each Reference Commodity in the Reference Commodity Basket, the level of interest rates in the United States and Canada, the level and volatility of the exchange rates in the United States and Canada, the commodity price volatility or degree to which the price of each Reference Commodity in the Reference Commodity Basket changes and the time remaining until Maturity. In addition, the effect of any one factor may be offset or magnified by the effect of another factor.

(f) **Futures exchange regulations could affect the price of the Reference Commodities**

U.S. futures exchanges and some foreign exchanges have regulations that limit the amount of fluctuation in futures contract prices that may occur during a single business day. Limits on prices have the effect of precluding trading in a particular contract or forcing the liquidation of contracts at disadvantageous times or prices. These circumstances could affect the prices of the Reference Commodities and therefore could impact adversely on the return (if any) on the Deposit Notes.

(g) **Conflicts of Interest**

We or Dundee Securities may perform functions or engage in activities that could adversely impact on the value of the Deposit Notes, your ability to resell your Deposit Notes or the amount or timing of receipt of entitlements under the Deposit Notes. For example, Dundee Bank and Dundee Securities may have dealings in one or more of the Reference Commodities, which dealings will not take into account the effect, if any, on the Noteholders' interests generally. Except in unusual circumstances we or Dundee Securities, as Calculation Agent, will be responsible to determine the amount, if any, of the return payable under the Deposit Notes and may exercise judgment and discretion in relation to the functions and activities undertaken in respect of the Deposit Notes from time to time. Consequently, conflicts between the interests of Noteholders and our interests may arise.

(h) **Credit Risk**

The obligation to make payments to Noteholders is an obligation of Dundee Bank, and accordingly, the likelihood that Noteholders will receive the payments owing to them in connection with the Deposit Notes will be dependent upon the financial health and creditworthiness of Dundee Bank. Neither Dundee Bank nor its deposit liabilities, including the Deposit Notes, have been rated by any rating agency.

(i) **No Ownership of Reference Commodities**

The Deposit Notes will not entitle a Noteholder to any direct or indirect ownership of or entitlement to the Reference Commodities. The Deposit Notes do not represent a substitute for an investment in the Reference Commodity Basket but provide the opportunity to participate in the value of the Reference Commodity Basket while receiving at Maturity the repayment of the Principal Amount.

(j) **FundSERV**

The Deposit Notes may only be purchased, settled and otherwise dealt with in accordance with the clearing and settlement procedures and services operated by FundSERV and certain other rules and protocols established with dealers and financial advisors in connection with such services. Only those dealers and financial advisors that have an effective agreement with Dundee Bank will be eligible to deal with Deposit Notes on behalf of Noteholders.

(k) **Amounts payable on the Deposit Notes may be limited by applicable law**

Under the *Criminal Code* (Canada), a lender is prohibited from entering into an agreement or arrangement to receive interest at an effective annual rate of interest, calculated in accordance with generally accepted actuarial practices and principles, exceeding 60% of the credit advanced under the agreement or arrangement. Accordingly, we may be required by law to adjust the amounts payable on the Deposit Notes, but we will use reasonable efforts to preserve the economic return on the Deposit Notes for the Noteholders within the parameters of applicable law.

## CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following summary describes the principal Canadian federal income tax considerations generally applicable to the acquisition, holding and disposition of Deposit Notes by a Noteholder who purchases Deposit Notes at the time of their issuance from Dundee Bank at a price of \$100 per Deposit Note, who is an individual (other than a trust) and who, for the purposes of the Act, is a resident of Canada, deals at arm's length with and is not affiliated with Dundee Bank and holds the Deposit Notes as capital property (an "Initial Noteholder"). This summary does not apply to a Noteholder that is a corporation, partnership, trust, including a "financial institution" within the meaning of section 142.2 of the Act.

Certain Initial Noteholders whose Deposit Notes might not otherwise be considered to be capital property may be entitled to make an irrevocable election to have the Deposit Notes and all of the Initial Noteholder's other "Canadian securities" deemed to be capital property pursuant to subsection 39(4) of the Act.

**This summary is based on the current provisions of the Act and the regulations thereunder as in force on the date hereof, the current administrative and assessing practices and policies of the Canada Revenue Agency ("CRA") and all specific proposals to amend the Act and regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof. This summary does not otherwise take into account or anticipate any changes in law or the CRA's administrative or assessing practices, whether by legislative, governmental or judicial action. This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Deposit Notes and does not take into account provincial, territorial or foreign income tax legislation or considerations.**

**This summary is of a general nature only and is not intended to be legal or tax advice to any particular Noteholder. Noteholders should consult their tax advisors for advice with respect to the income tax consequences of an investment in Deposit Notes, based on their particular circumstances.**

### *Variable Return*

In the event that the Initial Noteholder holds the Deposit Notes until the Maturity Date, the full amount of the Variable Return, if any, will generally be included in the Initial Noteholder's income in the taxation year that includes the Maturity Date, except to the extent that such Variable Return has already been included in the Initial Noteholders income for that or a preceding year. A Deposit Note is a "prescribed debt obligation" within the meaning of the Act. The rules ("prescribed debt obligation rules") in the regulations applicable to a prescribed debt obligation generally require a taxpayer to accrue the amount of any interest, bonus or premium receivable in respect of the obligation over the term of the obligation, based on the maximum amount of interest, bonus or premium receivable on the obligation. Based in part on the CRA's administrative practice with regard to "prescribed debt obligations", there should be no deemed accrual of the Variable Return on the Deposit Notes under these rules prior to the Final Valuation Date, provided that the amount of the Variable Return does not become calculable prior to the Maturity Date.

If the Alternative Variable Return becomes payable whether because of the determination that an Extraordinary Event has occurred or otherwise, an Initial Noteholder would be required to include in income for each taxation year commencing in the taxation year in which the Alternative Variable Return becomes calculable, the portion of the Alternative Variable Return deemed to accrue as interest to the Initial Noteholder to the end of the "anniversary day" of the Deposit Note in the taxation year determined in accordance with the prescribed debt obligation rules, except to the extent that the amount was otherwise included in income for the taxation year or a preceding taxation year.

### ***Disposition of Deposit Notes***

In certain circumstances, where an investor assigns or otherwise transfers a debt obligation, the amount of interest accrued on the debt obligation to that time, but unpaid, will be excluded from the proceeds of disposition of the obligation and will be required to be included as interest in computing the investor's income for the taxation year in which the transfer occurs, except to the extent that it has been otherwise included in income for that taxation year or a preceding taxation year. Under the terms of the Deposit Notes, there should be no amount that will be treated as accrued interest on an assignment or transfer of a Deposit Note prior to the amount of the Variable Return payable on the Maturity Date or the Alternative Variable Return becoming calculable.

Except as described above, while the matter is not free from doubt, a disposition or deemed disposition of a Deposit Note by an Initial Noteholder (other than a disposition by virtue of the repayment of such Deposit Note by Dundee Bank on the Maturity Date) should give rise to a capital gain (or capital loss) to the extent the Initial Noteholder's proceeds of disposition net of any accrued but unpaid interest exceed (or are less than) the aggregate of the Initial Noteholder's adjusted cost base of the Deposit Note and any reasonable costs of disposition. An Initial Noteholder who disposes of a Deposit Note prior to Maturity should consult his or her tax advisor with respect to his or her particular circumstances.

One-half of a capital gain (a "taxable capital gain") realized by an Initial Noteholder must be included in the income of the Initial Noteholder. One-half of a capital loss (an "allowable capital loss") realized by an Initial Noteholder is deductible against taxable capital gains realized in the taxation year. Allowable capital losses in excess of taxable capital gains may be carried back and deducted against net taxable capital gains realized in the three preceding taxation years or carried forward and deducted against net realized capital gains in subsequent taxation years, subject to the rules in the Act.

Capital gains realized by an individual may give rise to a liability for alternative minimum tax.

### ***Non-Resident Withholding Tax***

Any interest paid to non-residents of Canada may be subject to Canadian non-resident withholding taxes. Non-resident Noteholders should consult their own tax advisors with respect to their tax positions and the tax consequences of holding Deposit Notes.

### ***Eligibility for Registered Plans***

The Deposit Notes, if issued on the date of this information statement, would be qualified investments for trusts governed by RRSPs, RRIFs, RESPs and DPSPs within the meaning of the Act (other than a deferred profit-sharing plan to which payments are made by Dundee Bank or a person or partnership which Dundee Bank does not deal at arm's length).

## DEFINITIONS

In this information statement, unless the context otherwise requires:

“**Alternative Variable Return**” has the meaning given to it under “*Payment Under the Deposit Notes – Extraordinary Events and Extraordinary Hedging Costs – Consequences of Extraordinary Events – Payment Due to an Extraordinary Event*”;

“**Base Price**” has the meaning given to it under “*Payment Under the Deposit Notes*”;

“**Book-Entry System**” means the record entry securities transfer system established and governed by one or more agreements between CDS and CDS Participants pursuant to which the operating rules and procedures for such system are established and administered by CDS, including in relation to CDS;

“**Business Day**” means a day on which commercial banks are open for business and able to effect transactions in foreign exchange and foreign currency deposits in Toronto, Canada and New York City, U.S.A. and a day on which book-entry transfers may be effected through CDS. If any date on which any action is otherwise required to be taken in respect of the Deposit Notes is not a Business Day, the date on which such action shall be taken shall, except as otherwise indicated, be the next following Business Day and, if the action involves payment of any amount, no interest or other compensation shall be paid as a result of any such delay;

“**Calculation Agent**” means Dundee Securities, in its capacity of a calculation agent for the Deposit Notes;

“**Calculation Expert**” has the meaning given to it under “*Related Matters – Calculations and Determinations*”;

“**CDIC**” means Canada Deposit Insurance Corporation;

“**CDS**” means CDS Clearing and Depository Services Inc.;

“**Closing Date**” means on or about June 5, 2007;

“**CRA**” has the meaning given to it under “*Canadian Federal Income Tax Considerations*”;

“**Deposit Notes**” means Dundee AdvantagePlus™ Focused Commodity Deposit Notes, Series 1;

“**DPSPs**” means the deferred profit sharing plans;

“**Dundee Securities**” means Dundee Securities Corporation or its successor and assigns;

“**Early Sales Charge**” has the meaning given to it under “*Related Matters - Secondary Market*”;

“**Exchange Day**” means, in respect of a Reference Commodity, a day which is (or, but for the occurrence of an Extraordinary Event, would have been) a trading day on the Principal Exchanges for such Reference Commodity or related contracts, options or instruments, other than a day in which trading in such an exchange is scheduled to close prior to its regular closing time;

“**Extraordinary Event**” means any event, circumstance or cause which Dundee Bank determines has or will have a material adverse effect on its ability to perform its obligations under the Deposit Notes or to hedge its position in respect of its obligation to make payment of amounts owing under the Deposit Notes and more specifically includes the following events to the extent that they have such effect: (a) the occurrence or existence on any Business Day of a Market Disruption Event in respect of one or more Reference Commodities; (b) a suspension, absence or material limitation of trading in futures contracts, forward contracts or options contracts related to the Reference Commodity Basket; (c) a limitation on trading in futures, forward or options contracts on any relevant Principal Exchange on any one day by reason of movements in prices that exceed the price permitted by such exchanges; (d) the enactment, publication, decree or other promulgation of any statute, regulation, rule or order of any court or other government

authority which would make it unlawful or impracticable for Dundee Bank to perform its obligations under the Deposit Notes or for dealers to execute, maintain or modify a hedge in a position in respect of the Reference Commodity Basket or a Reference Commodity; (e) the taking of any action by any governmental, administrative, legislative or judicial authority or power of Canada, the United States of America, Japan or the European Union or any political subdivision of Canada, the United States of America, Japan or the European Union which has a material adverse effect on the financial markets thereof; or (f) any outbreak or escalation of hostilities or other national or international calamity or crisis (including, without limitation, natural calamities) which has or would have a material adverse effect on the ability of Dundee Bank to perform its obligations under the Deposit Notes or of a dealer to execute, maintain or modify a hedge of a position with respect to the Reference Commodity Basket or a Reference Commodity or a material and adverse effect on the economy of Canada, the United States of America, Japan or the European Union or the trading of commodities, contracts or other instruments generally on any Principal Exchange.

For the purpose of determining whether an Extraordinary Event exists at any time, a limitation on the hours or number of days of trading shall not constitute an Extraordinary Event if it results from an announced change in the regular business hours of a Principal Exchange, and an “absence” or “limitation on trading” of or on such Principal Exchange will not include any time when such Principal Exchange itself is closed for trading under ordinary circumstances;

“**Extraordinary Hedging Costs**” has the meaning given to it under “*Payment Under the Deposit Notes – Extraordinary Events and Extraordinary Hedging Costs*”;

“**FundSERV**” means FundSERV Inc. and its successors;

“**Global Note**” has the meaning given to it under “*Related Matters – Global Note*”;

“**Initial Noteholder**” has the meaning given to it under “*Canadian Federal Income Tax Considerations*”;

“**Issue Date**” means on or about June 5, 2007;

“**LME**” means London Metals Exchange Limited or its successor;

“**Market Disruption Event**” means, in respect of a Reference Commodity, any of the following events set forth below:

(a) “**Price Source Disruption**” means (i) the failure of the Price Source to announce or publish the Base Price or the Settlement Price of a Reference Commodity, as the case may be (or the information necessary for determining the respective price); or (ii) the temporary or permanent discontinuance or unavailability of the Price Source;

(b) “**Trading Disruption**” means the material suspension of or the material limitation imposed on trading in a Reference Commodity on the Principal Exchange or any futures contract or options contract relating to such Reference Commodity if, in such case, such suspension or limitation is, in the determination of the Calculation Agent, material:

(c) “**Disappearance of Reference Commodity Price**” means (i) the failure of trading to commence or the permanent discontinuation of trading in the relevant futures contract of a Reference Commodity on the Principal Exchange, (ii) the disappearance of, or of trading in, such Reference Commodity; or (iii) the disappearance or permanent discontinuance or unavailability of a settlement price, notwithstanding the availability of the Principal Exchange or the status of trading in such Reference Commodity or the futures contract on such Reference Commodity;

(d) “**Material Change in Formula**” means the occurrence of a material change in the formula for or the method of calculating the relevant Base Price or Settlement Price, as the case may be, of a Reference Commodity;

(e) “**Material Change in Content**” means the occurrence of a material change in the content, composition or constitution of the Reference Commodity or the relevant futures contract on such Reference Commodity; and

(f) “**Tax Disruption**” means the imposition of, change in or removal of an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to, the relevant Reference Commodity (other than a tax on, or measured by reference to, overall gross or net income) by any government or taxation authority after the original issue date, if the direct effect of such imposition, change or removal is to raise or lower the Base Price or Settlement Price on the day that would otherwise be a day of pricing from what it would have been without that imposition, change or removal;

“**Maturity**” means June 5, 2012;

“**Maturity Date**” means on or about June 5, 2012;

“**Net Bid Price**” has the meaning given to it under “*Related Matters - Secondary Market*”;

“**Nominee**” means the nominee appointed from time to time by CDS, initially CDS & CO.;

“**Noteholder**” means a beneficial owner of a Deposit Note in global form or a holder of a Deposit Note in definitive form;

“**NYMEX**” means the New York Mercantile Exchange or its successor;

“**Participant**” means a broker, dealer, bank or other financial institution or other person for whom CDS effects book-entry transfers and pledges of Deposit Notes under the Book-Entry System;

“**Participation Rate**” has the meaning attributed under “*Payment Under the Deposit Notes – Participation Rate*”;

“**Paying and Transfer Agent**” means the paying and transfer agent for the Deposit Notes appointed by Dundee Bank from time to time. The Paying and Transfer Agent will initially be Dundee Securities whose address is 1 Adelaide Street East, Suite 2700, Toronto, Ontario M5C 2V9; Attention: Chief Financial Officer;

“**Payment at Maturity**” means the payment to be made at Maturity in an amount per Deposit Note equal to the Principal Amount plus the Variable Return, if any;

“**Price Source**” means, for a Reference Commodity, the publication (or other origin of reference, including the relevant Principal Exchange) containing (or reporting) the prices from which the Base Price or Settlement Price, as the case may be, is calculated for the Reference Commodity as specified under “*Summary Information Regarding the Reference Commodities*”;

“**Pricing Date**” means June 5, 2007;

“**Principal Amount**” means \$100 per Deposit Note;

“**Principal Exchange**” means, in relation to a Reference Commodity, any exchange or quotation system on which such Reference Commodity actively trades. As of the date hereof, the Principal Exchanges are those listed under “*Summary Information Regarding the Reference Commodities*”;

“**Reference Basket Performance**” has the meaning given to it under “*Payment Under the Deposit Notes - Reference Basket Performance*”;

“**Reference Commodity**” means any of the commodities in the Reference Commodity Basket, namely, aluminium, copper, crude oil, nickel or natural gas;

**“Reference Commodity Basket”** means an equally weighted basket of five Reference Commodities;

**“Reference Commodity Weight”** means for each Reference Commodity, 20%;

**“RESPs”** means registered education savings plans;

**“RRIFs”** means registered retirement income funds;

**“RRSPs”** means registered retirement income funds;

**“Selling Agent”** means Dundee Securities, in its capacity as selling agent for the Deposit Notes;

**“Settlement Price”** has the meaning given to it under *“Payment Under the Deposit Notes - Settlement Price”*;

**“Subscription Price”** means \$100 per Deposit Note;

**“Third Party”** has the meaning given to it under *“Related Matters – Price Source Disruption in respect of a Reference Commodity”*;

**“Valuation Date”** means May 31, 2012;

**“Variable Return”** has the meaning given to it under *“Payment Under the Deposit Notes – Variable Return”*; and

**“Weighted Commodity Change”** has the meaning given to it under *“Payment Under the Deposit Notes – Weighted Commodity Change”*.