

This document is important and requires your immediate attention. If you are in doubt as to how to deal with it, you should consult your investment advisor, stockbroker, bank manager, trust company manager, accountant, lawyer or other professional advisor.

The Offer has not been approved or disapproved by any securities regulatory authority, nor has any securities regulatory authority passed upon the fairness or merits of the Offer or upon the adequacy of the information contained in this document. Any representation to the contrary is an offence.

This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made to, nor will deposits be accepted from or on behalf of, Common Shareholders in any jurisdiction in which the making or acceptance thereof would not be in compliance with the laws of such jurisdiction. However, the Offeror may, in its sole discretion, take such action as it may deem necessary to extend the Offer to Common Shareholders in any such jurisdiction.

April 5, 2013

OFFER TO PURCHASE
all of the issued and outstanding common shares of
C2C INDUSTRIAL PROPERTIES INC.
by **DUNDEE INDUSTRIAL ATLANTIC ACQUISITION INC.**
a subsidiary of



DUNDEE INDUSTRIAL REAL ESTATE INVESTMENT TRUST

for consideration per common share of 0.4485 units of Dundee Industrial Real Estate Investment Trust

Dundee Industrial Atlantic Acquisition Inc. (the “**Offeror**”), a subsidiary of Dundee Industrial Real Estate Investment Trust (“**Dundee Industrial**”), hereby offers (the “**Offer**”) to purchase, on and subject to the terms and conditions of the Offer, all of the issued and outstanding common shares (the “**Common Shares**”) of C2C Industrial Properties Inc. (“**C2C**”) held by residents of Canada, which includes Common Shares that may become issued and outstanding after the date of the Offer but before the expiry time of the Offer upon the conversion of outstanding 6.75% convertible unsecured subordinated debentures due November 30, 2017 of C2C (the “**Convertible Debentures**”), the exercise of outstanding warrants to acquire Common Shares (the “**Warrants**”) or the exercise of outstanding options to acquire Common Shares under the stock option plan of C2C (the “**Options**”). Each holder of Common Shares (a “**Common Shareholder**”) will receive 0.4485 units of Dundee Industrial (“**Dundee Industrial Units**”) per Common Share in respect of all of the Common Shareholder’s Common Shares deposited under the Offer. See Section 1 of the Offer to Purchase, “The Offer”.

The Offer is open for acceptance until 12:01 a.m. (local time) on May 11, 2013 (the “Expiry Time”), unless the Offer is extended or withdrawn.

The board of directors of C2C (the “C2C Board of Directors”), after consultation with its financial and legal advisors and on receipt of a recommendation of its special committee, has UNANIMOUSLY DETERMINED that the Offer is in the best interests of C2C and, accordingly, the C2C Board of Directors has resolved to UNANIMOUSLY RECOMMEND that Common Shareholders ACCEPT the Offer and DEPOSIT their Common Shares under the Offer.

The Dundee Industrial Units are listed on the Toronto Stock Exchange (the “**TSX**”) under the symbol “**DIR.UN**”. The Common Shares are listed on the TSX Venture Exchange (the “**TSXV**”) under the symbol “**CCH**”. **As of**

March 18, 2013 (the last trading day before the Offeror announced its intention to make a take-over bid for the Common Shares), the consideration offered under the Offer represented a 30.7% premium to the volume-weighted average trading price of the Common Shares on the TSXV over the preceding ten trading days.

The Depositary for the Offer is:

Equity Financial Trust Company

The Offeror, Dundee Industrial and C2C entered into a support agreement on March 19, 2013 (the “**Support Agreement**”) pursuant to which, among other things, the Offeror has agreed to make the Offer and C2C has agreed to support the Offer. See Section 9 of the Circular, “Support Agreement”.

The Offer is conditional on, among other things, there having been validly deposited pursuant to the Offer and not withdrawn at the Expiry Time that number of Common Shares which constitutes at least 66 2/3% of the Common Shares outstanding (calculated on a fully diluted basis). The conditions of the Offer are described in Section 4 of the Offer to Purchase, “Conditions of the Offer”. Subject to applicable laws, the Offeror reserves the right to withdraw the Offer and to not take up and pay for Common Shares deposited under the Offer unless each of the conditions of the Offer is satisfied or waived at or prior to the Expiry Time.

Common Shareholders who wish to accept the Offer must properly complete and duly execute the accompanying Letter of Transmittal (printed on GREEN paper), or a manually executed facsimile thereof, and deposit it, at or prior to the Expiry Time, together with certificates representing their Common Shares and all other required documents, with the Depositary at its office in Toronto, Ontario specified in the Letter of Transmittal, in accordance with the instructions in the Letter of Transmittal. Alternatively, Common Shareholders may accept the Offer by following (i) the procedures for book-entry transfer of Common Shares set out in Section 3 of the Offer to Purchase, “Manner of Acceptance — Acceptance by Book-Entry Transfer”; or (ii) the procedures for guaranteed delivery set out in Section 3 of the Offer to Purchase, “Manner of Acceptance — Procedure for Guaranteed Delivery”, using the accompanying Notice of Guaranteed Delivery (printed on PINK paper), or a manually executed facsimile thereof.

Common Shareholders whose Common Shares are registered in the name of an investment advisor, stockbroker, bank, trust company or other nominee should immediately contact that nominee for assistance if they wish to accept the Offer in order to take the necessary steps to be able to deposit such Common Shares under the Offer. Intermediaries may establish tendering cut-off times that are up to 48 hours prior to the Expiry Time. Common Shareholders must instruct their brokers or other intermediaries promptly if they wish to tender.

Questions and requests for assistance may be directed to the Depositary, whose contact details are provided on the back cover of this document. Additional copies of this document, the Letter of Transmittal and the Notice of Guaranteed Delivery may be obtained without charge on request from the Depositary and electronically at www.sedar.com.

Common Shareholders will not be required to pay any fee or commission if they accept the Offer by depositing their Common Shares directly with the Depositary.

No broker, dealer, salesperson or other person has been authorized to give any information or make any representation other than those contained in this document, and, if given or made, such information or representation must not be relied upon as having been authorized by the Offeror, Dundee Industrial or the Depositary.

Common Shareholders should be aware that during the period of the Offer, the Offeror, Dundee Industrial or any of their affiliates may, directly or indirectly, bid for and make purchases of Common Shares as permitted by applicable law. See Section 12 of the Offer to Purchase, “Market Purchases and Sales of Common Shares”.

NOTICE TO HOLDERS OF CONVERTIBLE SECURITIES

The Offer is being made only for Common Shares and is not made for any Convertible Debentures, Warrants, Options or any other securities of C2C that are convertible into or exchangeable or exercisable for Common Shares (collectively, the “**Convertible Securities**”). Any holder of Convertible Securities who wishes to accept the Offer must, to the extent permitted by the terms of such securities and applicable Laws, exercise, exchange or convert such Convertible Securities in order to acquire Common Shares and receive certificates representing such Common Shares and deposit such Common Shares in accordance with the terms of the Offer. Any such exercise, exchange or conversion must be completed sufficiently in advance of the Expiry Time to ensure that the holder of such Convertible Securities will receive certificates representing the Common Shares on such exercise, exchange or conversion for deposit at or prior to the Expiry Time or, in the case of Common Shares deposited by book-entry transfer, in sufficient time for the CDS participant to make a book-entry transfer at or prior to the Expiry Time or in sufficient time to comply with the procedures referred to in Section 3 of the Offer to Purchase, “Manner of Acceptance — Procedure for Guaranteed Delivery”.

It is a condition of the Offer that at or prior to the Expiry Time all of the outstanding Options shall have been exercised in full in accordance with their terms or transferred or surrendered by the holder thereof to C2C and cancelled or otherwise dealt with on terms and conditions satisfactory to the Offeror, acting reasonably.

It is also a condition of the Offer that Warrants to acquire not less than 493,637 Common Shares shall have been exercised in full in accordance with their terms or transferred or surrendered by the holder thereof to C2C and cancelled or otherwise dealt with on terms and conditions satisfactory to the Offeror, acting reasonably. If a holder of Warrants does not exercise or surrender such Warrants before the Expiry Time, such Warrants will remain outstanding in accordance with their terms and conditions, including with respect to term to expiry, vesting and exercise prices, except that, to the extent permitted, after completion of a Subsequent Acquisition Transaction a Warrant to acquire one Common Share will become a Warrant to acquire 0.4485 Dundee Industrial Units in accordance with the terms of the Warrants.

If a holder of Convertible Debentures does not convert such Convertible Debentures before the Expiry Time, such Convertible Debentures will remain outstanding in accordance with their terms and conditions, except that, to the extent permitted, after completion of a Subsequent Acquisition Transaction Convertible Debentures will be convertible into Dundee Industrial Units in accordance with the terms of the Convertible Debentures. For Canadian income tax purposes, the conversion of Convertible Debentures for Dundee Industrial Units will be a taxable event at the time of conversion.

The tax consequences to holders of Convertible Securities of exercising, exchanging or converting such securities is not described in the Circular. Holders of Convertible Securities should consult their tax advisors for advice with respect to potential income tax consequences to them in connection with the decision as to whether to exercise, exchange or convert such Convertible Securities.

REPORTING CURRENCY

In the Offer to Purchase and the Circular, unless otherwise specified, all references to “dollars” or “\$” are to Canadian dollars.

INFORMATION CONTAINED IN THE OFFER TO PURCHASE AND THE CIRCULAR

The information concerning C2C contained in the Offer to Purchase and the Circular is based upon publicly available information, except where otherwise noted. Although Dundee Industrial and the Offeror have no knowledge that would indicate that any statements contained herein taken from or based on such documents or records are untrue or incomplete, Dundee Industrial and the Offeror assume no responsibility for the accuracy or completeness of the information contained in such documents or records. No person has been authorized to give information or to make any representations in connection with the transactions other than those contained in the accompanying Offer to Purchase and the Circular and, if given or made, any such information or representations should be considered not to have been authorized by Dundee Industrial or the Offeror, as applicable.

The Offer to Purchase and the Circular do not constitute an offer to sell, or a solicitation of an offer to acquire, any securities, by any person in any jurisdiction in which such an offer is not authorized or in which the person making such offer is not qualified to do so or to any person to whom it is unlawful to make such an offer.

Common Shareholders should not construe the contents of the Offer to Purchaser and the Circular as legal, tax or financial advice and should consult with their own professional advisors as to the relevant legal, tax, financial or other matters in connection therewith.

FORWARD-LOOKING STATEMENTS

All statements, other than statements of historical fact, are forward-looking statements. The words “believe”, “expect”, “will”, “anticipate”, “contemplate”, “target”, “plan”, “continue”, “budget”, “may”, “intend”, “estimate” and similar expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Dundee Industrial and the Offeror caution the reader that such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual financial results, performance or achievements of Dundee Industrial or the Offeror to be materially different from Dundee Industrial or the Offeror’s estimated future results, performance or achievements expressed or implied by those forward-looking statements and the forward-looking statements are not guarantees of future performance. These risks, uncertainties and other factors include, but are not limited to risks associated with the ownership of immovable property, access to capital, current global financial conditions, competition in the real estate sector, property acquisitions and developments, dependence on key personnel, potential conflicts of interest, general uninsured losses, governmental regulation, limits on activities and debt financing. While Dundee Industrial and the Offeror believe that the expectations reflected in the forward-looking statements contained herein, and in its documents incorporated by reference herein, are reasonable, no assurance can be given that these expectations will prove to be correct, and such forward-looking statements included in, or incorporated by reference in such documents should not be unduly relied upon. These statements speak only as of the date hereof or as of the date specified in the documents incorporated by reference herein, as the case may be. Certain of these factors are discussed in greater detail in the Circular, in Dundee Industrial’s long form prospectus dated September 26, 2012 and in management’s discussion and analysis of the financial condition and results of operations of Dundee Industrial for the period from July 20, 2012 to December 31, 2012 filed with the Canadian provincial securities regulatory authorities and available on SEDAR.

Dundee Industrial and the Offeror disclaim any intention or obligation to update or revise any forward-looking statements whether as a result of new information, further events or otherwise, except as required by applicable law.

RISK FACTORS

In considering the Offer, Common Shareholders should carefully consider the risk factors contained in or incorporated by reference in the Circular. See Section 16 of the Circular, “Risk Factors”.

DISCLAIMER

The statements made in the Offer to Purchase and the Circular are the responsibility of the directors of the Offeror and the trustees of Dundee Industrial (the “Dundee Industrial Trustees”) in their capacity as directors and trustees, as applicable, and not in their personal capacity and in no event shall such directors and trustees be personally liable for any statements contained therein nor shall resort be had to, or redress, recourse or satisfaction result from, the private and/or personal property of such directors and trustees.

QUESTIONS AND REQUESTS FOR ASSISTANCE

Questions and requests for assistance may be directed to the Depositary and additional copies of this document, the Letter of Transmittal and the Notice of Guaranteed Delivery may be obtained without charge on request from the Depositary at its office shown on the last page of this document. The Depositary is Equity Financial Trust Company, 200 University Ave., Suite 400, Toronto, Ontario, M5H 4H1, Attn: Corporate Actions, Fax: (416) 361-0470.

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GLOSSARY

This Glossary forms a part of the Offer to Purchase and the Circular. In the Offer to Purchase and the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery, unless otherwise specified or the subject matter or context is inconsistent therewith, the following terms shall have the meanings set out below, and grammatical variations thereof shall have the corresponding meanings:

“Accounts Payable” means amounts owing by C2C or any of the C2C Subsidiaries to any person as of the Expiry Time which are incurred in connection with the purchase of goods or services in the ordinary course of business;

“Accounts Receivable” means accounts receivable recorded as receivable in the ordinary course in the financial books and records of C2C and the C2C Subsidiaries as of the Expiry Time;

“Accrued Liabilities” means ordinarily recurring operating expenses of C2C and the C2C Subsidiaries incurred as of the Expiry Time but which are not yet due and payable as of the Expiry Time;

“Acquisition Proposal” means, in each case whether in a single transaction or a series of related transactions, but excluding any transaction involving only C2C and/or one or more of its wholly-owned Subsidiaries:

- (a) any take-over bid, tender offer or exchange offer that, if consummated, would result in a person or group of persons beneficially owning 20% or more of any class of voting or equity securities of C2C;
- (b) any amalgamation, plan of arrangement, share exchange, business combination, merger, consolidation, recapitalization, reorganization, or other similar transaction involving C2C or one or more C2C Subsidiaries which represent, individually or in the aggregate, 20% or more of the consolidated assets, revenues or earnings of C2C or any liquidation, dissolution or winding-up of C2C or one or more C2C Subsidiaries which represent, individually or in the aggregate, 20% or more of the consolidated assets, revenues or earnings of C2C;
- (c) any direct or indirect sale of assets (or any lease, licence or other arrangement having the same economic effect as a sale) of C2C or one or more C2C Subsidiaries which represent, individually or in the aggregate, 20% or more of the consolidated assets, revenues or earnings of C2C;
- (d) any direct or indirect sale, issuance or acquisition of Common Shares or any other voting or equity interests (or securities representing, convertible into or exercisable for, such Common Shares or interests) in C2C representing 20% or more of the issued and outstanding equity or voting interests (or rights or interests therein or thereto) of C2C or any direct or indirect sale, issuance or acquisition of voting or equity interests (or securities representing, convertible into or exercisable for such interests) in one or more C2C Subsidiaries which represent, individually or in the aggregate, 20% or more of the consolidated assets, revenues or earnings of C2C;
- (e) any other transaction, the consummation of which could reasonably be expected to impede, interfere with, prevent or materially delay the Contemplated Transactions; or
- (f) any proposal or offer (written or oral) to do, or public announcement of an intention to do, any of the foregoing, in each case from any person or group of persons other than Dundee Industrial or a Dundee Industrial Subsidiary,

excluding the Contemplated Transactions;

“affiliate” means an “affiliate” as defined in National Instrument 45-106 *-Prospectus and Registration Exemptions*;

“ARC” means an advance ruling certificate issued by the Commissioner under subsection 102(1) of the Competition Act in respect of the Contemplated Transactions;

“**associate**” has the meaning given to it in Part XX of the OSA or MI 62-104, as applicable;

“**Book-Entry Confirmation**” means confirmation of a book-entry transfer of a Common Shareholder’s Common Shares into the Depository’s account at CDS;

“**Buildings**” means, collectively, the buildings, fixtures, equipment and other improvements situate on the Lands, excluding any and all buildings, fixtures, equipment and Tangible Personal Property of Tenants;

“**business combination**” has the meaning given to it in MI 61-101;

“**business day**” means any day (other than a Saturday or Sunday) on which commercial banks located in Toronto, Canada are open for the conduct of business;

“**C2C**” means C2C Industrial Properties Inc., a corporation existing under the laws of the Province of Ontario;

“**C2C AIF**” means the annual information form of C2C dated September 17, 2012;

“**C2C Board of Directors**” means the board of directors of C2C;

“**C2C Directors’ Circular**” means the directors’ circular of C2C Directors dated April 5, 2013, sent by C2C to the Common Shareholders in connection with the Offer to Purchase;

“**C2C Disclosure Letter**” means the letter dated the date of the Support Agreement from C2C to Dundee Industrial and the Offeror delivered concurrently with the Support Agreement;

“**C2C Public Documents**” means all documents or information required to be filed by C2C under applicable Laws or with the TSXV since January 1, 2011;

“**C2C Subsidiaries**” means the subsidiaries of C2C;

“**C2C Working Capital**” means the amount as of the Expiry Time equal to:

- (a) the gross value on the books of C2C and the C2C Subsidiaries of Accounts Receivable for which payment would ordinarily be expected to be received within 12 months of the Expiry Date, less a proper and reasonable allowance for doubtful accounts; plus
- (b) the amount of all cash in the bank accounts of C2C and the C2C Subsidiaries as of the Expiry Time; plus
- (c) the value on the books of C2C and the C2C Subsidiaries of prepaid expenses of C2C and its subsidiaries which would ordinarily be expected to be used or applied within 12 months of the Expiry Date; less
- (d) the aggregate value on the books of C2C and the C2C Subsidiaries of Accounts Payable and Accrued Liabilities as of the Expiry Date for which payment would be expected to be made within 12 months of the Expiry Date, excluding for such purpose the amount of the Transaction Costs and the amount payable as a termination payment pursuant to the Termination Agreement;

“**CDS**” means CDS Clearing and Depository Services Inc. or its nominee, which at the date hereof is CDS & CO.;

“**CDSX**” means the CDS on-line tendering system pursuant to which book-entry transfers may be effected;

“**Circular**” means the take-over bid circular of Dundee Industrial dated April 5, 2013 accompanying and forming part of the Offer;

“**Commissioner**” means the Commissioner of Competition appointed under the Competition Act or his designee;

“**Common Shareholders**” means the holders of Common Shares;

“**Common Shares**” means the outstanding common shares in C2C, including those common shares issued and outstanding on the exercise of Warrants, on the exercise of Options, upon the conversion of Convertible Debentures or upon the conversion, exchange or exercise of any other Convertible Securities and “**Common Share**” means one of them;

“**Competition Act**” means the *Competition Act* (Canada) and the regulations made thereunder, as promulgated or amended from time to time;

“**Competition Act Approval**” means that: (a) the Commissioner shall have issued an ARC and such ARC has not been withdrawn, or (b) the applicable waiting period under section 123 of the Competition Act shall have expired or been terminated by the Commissioner, or (c) the obligation to submit a notification under Part IX of the Competition Act shall have been waived under paragraph 113(c) of the Competition Act and, in the case of clause (b) or (c), unless waived by Dundee Industrial, the Commissioner shall have issued a No-Action Letter and such No-Action Letter has not been withdrawn;

“**Compulsory Acquisition**” has the meaning given to it in Section 13 of the Circular, “Acquisition of Common Shares Not Deposited — Compulsory Acquisition”;

“**Contemplated Transactions**” means the Offer, the take-up of Common Shares by the Offeror pursuant to the Offer, any Compulsory Acquisition, any Subsequent Acquisition Transaction and any other transactions contemplated by the Support Agreement;

“**Contract**” means any contract, agreement, license, franchise, lease, arrangement, commitment, understanding, joint venture, partnership or other right or obligation (written or oral) to which C2C or any C2C Subsidiary is a party or by which C2C or any C2C Subsidiary is bound or affected or to which any of their respective properties or assets is subject;

“**Convertible Debentures**” means the issued and outstanding principal amount of 6.75% convertible unsecured subordinated debentures due November 30, 2017 of C2C;

“**Convertible Securities**” has the meaning given to it in Section 1 of the Offer to Purchase, “The Offer”;

“**CRA**” means the Canada Revenue Agency;

“**Data Room Information**” means the documents listed in the index to the electronic data room hosted by C2C Manager, access to which has been provided to Dundee Industrial, as at March 15, 2013, a copy of which index is attached to the C2C Disclosure Letter;

“**Depositary**” means Equity Financial Trust Company at its office in Toronto, Ontario specified in the Letter of Transmittal;

“**Deposited Common Shares**” has the meaning given to it in Section 3 of the Offer to Purchase, “Manner of Acceptance — Dividends and Distributions”;

“**Director and Officer Lock-Up Agreements**” has the meaning given to it in Section 5 of the Circular, “Purpose of the Offer and Plans for C2C – Lock-Up Agreements”;

“**Dissenting Offeree**” has the meaning given to it in Section 13 of the Circular, “Acquisition of Common Shares Not Deposited — Compulsory Acquisition”;

“**Distributions**” has the meaning given to it in Section 3 of the Offer to Purchase, “Manner of Acceptance — Dividends and Distributions”;

“**DRIP**” has the meaning given to it in Section 18 of the Circular, “Certain Information Concerning the Dundee Industrial Units — Distribution Policy”;

“**Dundee Industrial**” means Dundee Industrial Real Estate Investment Trust, a trust established under the laws of the Province of Ontario;

“**Dundee Industrial AIF**” means the annual information form of Dundee Industrial dated April 1, 2013;

“**Dundee Industrial Declaration of Trust**” means the amended and restated declaration of trust of Dundee Industrial dated October 4, 2012;

“**Dundee Industrial Subsidiaries**” means the subsidiaries of Dundee Industrial;

“**Dundee Industrial Trustees**” means the board of trustees of Dundee Industrial;

“**Dundee Industrial Unitholders**” means the holders of Dundee Industrial Units, and “**Dundee Industrial Unitholder**” means one of them;

“**Dundee Industrial Units**” means the units of Dundee Industrial (other than special trust units), and “**Dundee Industrial Unit**” means one of them;

“**Effective Time**” has the meaning given to it in Section 3 of the Offer to Purchase, “Manner of Acceptance — Power of Attorney”;

“**Eligible Institution**” means a Canadian Schedule I chartered bank, or an eligible guarantor institution with membership in an approved Medallion signature guarantee program, including a member of the Securities Transfer Agents Medallion Program (STAMP), a member of the Stock Exchanges Medallion Program (SEMP) or a member of the New York Stock Exchange Medallion Signature Program (MSP);

“**Encumbrance**” includes any hypothec, mortgage, pledge, assignment, charge, lien, claim, security interest, adverse interest, adverse claim, other third person interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by Laws, contract or otherwise) capable of becoming any of the foregoing;

“**Existing Leases**” means those tenancy arrangements with individuals or other entities lawfully in possession of any part of the Buildings or Lands, leases, tenancies, licenses, and agreements to lease made between C2C, any of the C2C Subsidiaries or their agents, as landlord, and those Tenants of the Lands and Buildings listed in Schedule 1.1 to the C2C Disclosure Letter together with any leases arising in compliance with Section 5.1 of the Support Agreement and the benefit of any guarantees of obligations of the Tenants thereunder, and “**Existing Leases**” means any one of them;

“**Existing Mortgages**” means the existing credit agreements, commitment letters, hypothecs, indentures, mortgages and operating line facilities and related security with respect to the loans listed or described in Schedule 1.1 to the C2C Disclosure Letter, and “**Existing Mortgage**” means any one of them;

“**Expiry Date**” means May 11, 2013, or such other date as is set out in a notice of variation of the Offer issued at any time and from time to time extending the period during which Common Shares may be deposited under the Offer, provided that, if such date is not a business day, the Expiry Date means the next business day;

“**Expiry Time**” means 12:01 a.m. (local time) on May 11, 2013, or such later time or times and date or dates as may be fixed by the Offeror from time to time pursuant to Section 5 of the Offer to Purchase, “Extension, Variation or Change in the Offer”;

“fully diluted basis” means, with respect to the number of outstanding Common Shares at any time, the number of Common Shares that would be outstanding if all rights to acquire Common Shares were exercised, including for greater certainty, all Common Shares issuable upon the conversion of Convertible Debentures, the exercise of Warrants or the exercise of Options, or on the conversion, exchange or exercise of any other Convertible Securities, whether vested or unvested;

“GAAP” means generally accepted accounting principles as set out in the Handbook of the Canadian Institute of Chartered Accountants, as amended from time-to-time, consistently applied, or International Financial Reporting Standards, as applicable, consistently applied;

“Glossary” means this glossary of defined terms;

“GMP” means GMP Securities L.P.;

“Governmental Entity” means:

- (a) any sovereign nation, government, state, province, country, territory, municipality, quasi-government, administrative, judicial or regulatory authority, agency, board, body, bureau, commission (including any securities commission), instrumentality, court or tribunal or any political subdivision thereof, or any central bank (or similar monetary or regulatory authority) thereof, any taxing authority, any ministry or department or agency of any of the foregoing;
- (b) any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any court; or
- (c) any stock exchange;

“Industrial Partnership” means Dundee Industrial Limited Partnership, a limited partnership established under the laws of the Province of Ontario of which Dundee Industrial (GP) Inc. is the general partner;

“insider” has the meaning given to it in the OSA or MI 62-104, as applicable;

“Institutional Shareholder Lock-Up Agreements” has the meaning given to it in Section 5 of the Circular, “Purpose of the Offer and Plans for C2C – Lock-Up Agreements”;

“IPO Prospectus” means the final long form prospectus of Dundee Industrial dated September 26, 2012 prepared in connection with Dundee Industrial’s initial public offering;

“Lands” means the lands and premises the municipal addresses of which are listed in Schedule 9(b) to the C2C Disclosure Letter;

“Laws” means any applicable laws, including national, provincial, state, municipal and local laws, treaties, statutes, ordinances, judgments, decrees, injunctions, writs, certificates and orders, notices, by-laws, rules, regulations, ordinances, or other requirements, policies or instruments of any Governmental Entity having the force of law;

“Latest Mailing Time” has the meaning given to it in Section 9 of the Circular, “Support Agreement – Termination of the Support Agreement”;

“Letter of Transmittal” means the letter of transmittal (printed on GREEN paper) in the form accompanying the Offer to Purchase and the Circular, or a manually signed facsimile thereof;

“Lock-Up Agreements” means the Director and Officer Lock-Up Agreements and the Institutional Shareholder Lock-Up Agreements;

“LP B Units” means the Class B limited partnership units of Industrial Partnership;

“Material Adverse Effect” means, when used in connection with a person, any one or more changes, effects, events, occurrences or states of fact, either individually or in the aggregate, that (i) is, or would reasonably be expected to be, material and adverse to the financial condition, properties, assets, capital, liabilities (including any contingent liabilities that may arise through outstanding, pending or threatened litigation or otherwise), obligations (whether absolute, accrued, conditional or otherwise), businesses, operations or results of operations of that person and its Subsidiaries taken as a whole, whether before or after giving effect to the transactions contemplated by the Support Agreement, or (ii) will, or would reasonably be expected to prevent or materially impair the ability of the parties to consummate the Contemplated Transactions, in each case other than any change, effect, event, occurrence or state of facts:

- (a) resulting from the announcement or pendency of the Support Agreement or the Contemplated Transactions;
- (b) relating to general economic conditions or securities or capital markets generally in Canada;
- (c) relating to any changes in currency exchange rates, interest rates or inflation;
- (d) affecting the Canadian real estate industry in general;
- (e) relating to a change in the market trading price or trading volume of securities of that person;
- (f) relating to any change in applicable generally accepted accounting principles, including GAAP;
- (g) relating solely to the failure by such person in and of itself to meet any earnings, projections, forecasts, or estimates, whether internal or previously publicly announced (it being understood that the causes underlying such failure may be taken into account in determining whether a Material Adverse Effect has occurred);
- (h) resulting directly from any action taken by, or inaction of, such person or any of its Subsidiaries that is required or specifically contemplated by the Support Agreement or, in the case of C2C, resulting directly from actions taken by, or inactions of C2C, at the request of Dundee Industrial or the Offeror and, in the case of Dundee Industrial or the Offeror, resulting directly from actions taken by, or inactions of, Dundee Industrial or the Offeror at the request of C2C;
- (i) relating to any adoption, proposal, implementation or change in Laws or any interpretation thereof by any Governmental Entity; or
- (j) relating to any change in national, provincial or regional political conditions (including the commencement, occurrence or continuation of any strike, riot, lockout, outbreak of illness, war, armed hostilities, act of terrorism or facility takeover for emergency purposes) or any natural disaster;

provided that the causes underlying such effect referred to in clause (e) may be taken into account when determining whether a Material Adverse Effect has occurred and provided further that such effect referred to in clause (b), (c), (d), (f), (i), or (h) above does not primarily relate to (or have the effect of primarily relating to) that person and its Subsidiaries, taken as a whole, or materially disproportionately adversely affect that person and its Subsidiaries, taken as a whole, compared to other entities of similar size operating in the industry in which that person and its Subsidiaries operate;

“Material Contracts” means any Contract (other than the Existing Leases and the Existing Mortgages): (a) that if terminated or modified or if it ceased to be in effect, would reasonably be expected to have a Material Adverse Effect on C2C; (b) under which C2C or any C2C Subsidiary has directly or indirectly guaranteed any liabilities or obligations of a third party (other than ordinary course endorsements for collection); (c) relating to indebtedness for borrowed money, whether incurred, assumed, guaranteed or secured by any asset; (d) providing for the establishment, investment in, organization or formation of any joint ventures or partnerships; (e) under which C2C

or any C2C Subsidiary is obligated to make or expects to receive payments in excess of \$75,000 over the remaining term of such Contract; (f) that cannot be terminated by C2C on less than 60 days' prior notice; (g) that limits or restricts C2C or any C2C Subsidiary in any material respect from engaging in any line of business or from carrying on business in any geographic area or that creates an exclusive dealing arrangement or right of first offer or refusal; (h) that is a collective bargaining agreement, a labour union contract or any other memorandum of understanding or other agreement with a union representing the employees of C2C or any C2C Subsidiary; or (i) that is otherwise material to C2C and the C2C Subsidiaries, considered as a whole;

“**material fact**” and “**material change**” have the respective meanings ascribed thereto in the *Securities Act* (Ontario);

“**Material Tenant**” means, collectively, certain of the tenants under the existing leases identified in Schedule 1.1 to the C2C Disclosure Letter;

“**MI 61-101**” means Multilateral Instrument 61-101 — *Protection of Minority Security Holders in Special Transactions*, as amended or replaced from time to time;

“**MI 62-104**” means Multilateral Instrument 62-104 — *Take-Over Bids and Issuer Bids*, as amended or replaced from time to time;

“**Minimum Tender Condition**” has the meaning given to it in Section 4 of the Offer to Purchase, “Conditions of the Offer”;

“**Minister**” means the Minister of Finance (Canada);

“**No-Action Letter**” means a letter from the Commissioner advising Dundee Industrial (directly or through Dundee Industrial’s counsel) in writing that he does not, at that time, intend to make an application under section 92 of the Competition Act for an order in respect of the transactions contemplated by the Support Agreement;

“**Non-Disclosure Agreement**” means the non-disclosure agreement dated January 16, 2013 between Dundee Industrial Properties Acquisition Inc. and C2C;

“**Notes**” means the promissory notes, bonds, debentures, debt securities or similar evidences of indebtedness issued by an individual, body corporate, partnership, limited partnership, joint venture, trust or unincorporated organization, the Crown or any agency or instrumentality thereof, or any other entity recognized by law;

“**Notice of Guaranteed Delivery**” means the notice of guaranteed delivery (printed on PINK paper) in the form accompanying the Offer to Purchase and the Circular, or a manually signed facsimile thereof;

“**Notifiable Transaction**” has the meaning given to it in Section 15 of the Circular, “Regulatory Matters — *Competition Act (Canada)*”;

“**OBCA**” means the *Business Corporations Act* (Ontario), as amended from time to time;

“**Offer to Purchase and the Circular**” means the Offer to Purchase and the Circular, including the Summary, the Glossary and all Schedules to the Offer to Purchase and the Circular;

“**Offer to Purchase**” means the offer to purchase Common Shares by the Offeror dated April 5, 2013;

“**Offer**” means the offer to purchase Common Shares made hereby to the Common Shareholders pursuant to the terms and subject to the conditions set out herein;

“**Offeror’s Notice**” has the meaning given to it in Section 13 of the Circular, “Acquisition of Common Shares Not Deposited — Compulsory Acquisition”;

“**Offeror**” means Dundee Industrial Atlantic Acquisition Inc., an affiliate of Dundee Industrial, a corporation existing under the laws of the Province of Ontario;

“**Options**” means outstanding options to acquire Common Shares under the Stock Option Plan;

“**OSA**” means the *Securities Act* (Ontario), as amended from time to time;

“**OSC Rule 62-504**” means Ontario Securities Commission Rule 62-504—*Take-Over Bids and Issuer Bids*, as amended or replaced from time to time;

“**person**” includes an individual, general partnership, limited partnership, corporation, company, limited liability company, body corporate, joint venture, unincorporated organization, other form of business organization, trust, trustee, executor, administrator or other legal representative;

“**Plans**” means, collectively, trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered disability savings plans, tax-free savings accounts and registered education savings plans under the Tax Act;

“**Pre-Acquisition Reorganization**” means the transactions contemplated under Section 6.8 of the Support Agreement;

“**Properties**” means the Lands and the Buildings;

“**Purchased Securities**” has the meaning given to it in Section 3 of the Offer to Purchase, “Manner of Acceptance — Power of Attorney”;

“**Regulations**” has the meaning given to it in Section 17 of the Circular, “Certain Canadian Federal Income Tax Considerations”;

“**REIT**” means a real estate investment trust;

“**REIT Exception**” has the meaning given to it in Section 17 of the Circular, “Certain Canadian Federal Income Tax Considerations – SIFT Legislation”;

“**Representative**” means, in respect of a person, its subsidiaries and each of such persons' and its subsidiaries' trustees, directors, officers, employees, agents and other representatives (including any financial, legal or other advisors);

“**Right to Match Period**” has the meaning given to it in Section 9 of the Circular, “Support Agreement – Superior Proposals, Right to Match, etc.”;

“**RRIF**” means a registered retirement income fund;

“**RRSP**” means a registered retirement savings plan;

“**SEDAR**” means the Canadian Securities Administrators' System for Electronic Document Analysis and Retrieval website at www.sedar.com;

“**SIFT**” means a specified investment flow-through trust or partnership for purposes of the Tax Act;

“**SIFT Legislation**” means the provisions of the Tax Act that apply to a SIFT, taking into account all Tax Proposals with respect to such provisions, including the proposals released on October 24, 2012 and contained in Bill C-48, which received second reading in the House of Commons on March 8, 2013;

“Special Committee” means the special committee of independent directors of C2C established by the C2C Board of Directors;

“Stock Option Plan” means the share option plan of C2C, and any other plan, agreement or arrangement which provides for the issuance of options to acquire Common Shares;

“Subsequent Acquisition Transaction” has the meaning given to it in Section 13 of the Circular, “Acquisition of Common Shares Not Deposited — Subsequent Acquisition Transaction”;

“subsidiary” means a “subsidiary” as defined in National Instrument 45-106 – *Prospectus and Registration Exemptions*;

“Subsidiary Securities” means the Notes or other securities of Industrial Partnership or the Notes or other securities of a Subsidiary of Industrial Partnership as the Dundee Industrial Trustees may determine from time to time;

“Superior Proposal” means a bona fide unsolicited Acquisition Proposal:

- (a) to purchase or otherwise acquire, directly or indirectly, by means of a merger, take-over bid, amalgamation, plan of arrangement, business combination or similar transaction, (A) all of the Common Shares (not beneficially owned by the party making such Acquisition Proposal) (provided that, in the case of a take-over bid, the Minimum Tender Condition may be any percentage of the outstanding Common Shares equal to or greater than 66⅔%); or (B) all or substantially all of the assets of C2C and the C2C Subsidiaries, taken as a whole;
- (b) that did not result from a breach of Section 6.1(a) of the Support Agreement;
- (c) that is made in writing after the date of the Support Agreement, including an amendment, change or modification to any Acquisition Proposal made prior to the date of the Support Agreement;
- (d) that complies in all material respects with applicable securities Laws;
- (e) in respect of which any required financing to complete such Acquisition Proposal has been demonstrated to the satisfaction of the C2C Board of Directors, acting in good faith (after consultation with its financial advisors and outside legal counsel), will be obtained;
- (f) that is not subject to any due diligence or access condition; and
- (g) that the C2C Board of Directors has determined in good faith (after consultation with its financial advisors and outside legal counsel) (A) is reasonably capable of completion without undue delay taking into account, to the extent considered appropriate by the C2C Board of Directors, all legal, financial, regulatory and other aspects of such Acquisition Proposal and the person making such Acquisition Proposal; and (B) having regard to all of its terms and conditions would, if consummated in accordance with its terms (but not assuming away any risk of non-completion), result in a transaction more favourable from a financial point of view to the Common Shareholders than the Offer (taking into consideration any adjustment to the terms and conditions of the Offer proposed by Dundee Industrial pursuant to Section 6.1(h) of the Support Agreement);

“Supplementary Information Request” has the meaning given to it in Section 15 of the Circular, “Regulatory Matters — *Competition Act (Canada)*”;

“Support Agreement” means the support agreement dated March 19, 2013 among Dundee Industrial, the Offeror and C2C, as amended from time to time;

“Supporting Directors and Officers” has the meaning given to it in Section 5 of the Circular, “Purpose of the Offer and Plans for C2C – Lock-Up Agreements”;

“**Supporting Institutional Shareholders**” has the meaning given to it in Section 5 of the Circular, “Purpose of the Offer and Plans for C2C – Lock-Up Agreements”;

“**Supporting Parties**” means the Supporting Directors and Officers and the Supporting Institutional Shareholders;

“**take up**”, in reference to Common Shares, means to accept such Common Shares for payment by giving written notice of such acceptance to the Depositary and “**take-up**”, “**taking up**” and “**taken up**” have corresponding meanings;

“**Tangible Personal Property**” means all machinery, equipment, tools, furniture, office equipment, computer hardware, supplies, spare parts, vehicles and other items of tangible personal property of every kind owned or leased by C2C or a C2C Subsidiary or used in the Lands or Buildings or in their respective businesses (wherever located and whether or not carried on the books of C2C or a C2C Subsidiary), together with (i) all replacements thereof, additions and alterations thereto, and substitutions therefor, made between the date hereof and the Effective Time and (ii) any express or implied warranty by the manufacturers or sellers or lessors of any item or component part thereof and all maintenance records and other documents relating thereto;

“**Target Working Capital**” means (i) \$5 million less the amount, if any, by which \$118.95 million exceeds the aggregate outstanding principal amount of the Existing Mortgages as of the Expiry Time, or (ii) such lesser amount as is acceptable to the Offeror;

“**Tax Act**” means the *Income Tax Act* (Canada), R.S.C. 1985, c.1, as amended;

“**Tax Proposals**” has the meaning given to it in Section 17 of the Circular, “Certain Canadian Federal Income Tax Considerations”;

“**Tax Returns**” means all returns, reports, declarations, elections, notices, filings, information returns, and statements in respect of Taxes, including all amendments, schedules, attachments or supplements thereto and whether in tangible or electronic form;

“**Taxes**” means, with respect to any person, all federal, state, local, provincial, branch or other taxes, including income taxes, gross receipts taxes, windfall profits taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, capital taxes, net worth taxes, production taxes, sales taxes, use taxes, licence taxes, excise taxes, franchise taxes, environmental taxes, transfer taxes, withholding or similar taxes, payroll taxes, employment taxes, pension plan premiums, social security premiums, workers' compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, mining taxes, alternative or add-on minimum taxes, goods and services tax, customs duties or other taxes of any kind whatsoever imposed or charged by any Governmental Entity, together with any interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties;

“**Termination Agreement**” means the termination agreement dated March 19, 2013 between C2C, Strathallen Capital Corp. and Strathallen Property Management Inc. terminating the asset management agreement dated March 18, 2011 between C2C and Strathallen Capital Corp., the property management agreements listed in Schedule 24 to the C2C Disclosure Letter and the non-competition agreement dated March 18, 2011 between C2C, Strathallen Property Management Inc., David Wright and Brian Spence;

“**Termination Payment**” has the meaning given to it in Section 9 of the Circular, “Support Agreement – Termination Payment and Expense Reimbursements”;

“**Tenants**” means all persons having a right to occupy any rentable area of a Building pursuant to an Existing Lease; and “**Tenant**” means any one of the Tenants;

“**TFSA**” means a tax-free savings account;

“**Transaction Costs**” means the amount of all fees, expenses, costs and payments to be paid by C2C or one of the C2C Subsidiaries in connection with the Offer and the transactions contemplated by the Support Agreement, including C2C’s financial, legal and other advisors and pursuant to the terms of employment and other arrangements including taxes and disbursements, if applicable;

“**Tribunal**” has the meaning given to it in Section 15 of the Circular, “Regulatory Matters — *Competition Act (Canada)*”;

“**TSX**” means the Toronto Stock Exchange;

“**TSXV**” means the TSX Venture Exchange;

“**UCC**” has the meaning given to it in Section 17 of the Circular, “Certain Canadian Federal Income Tax Considerations – Taxation of Industrial Partnership”; and

“**Warrants**” means outstanding warrants to acquire Common Shares.

OFFER TO PURCHASE

The Circular, which is incorporated into and forms part of the Offer to Purchase, contains important information that should be read carefully before making a decision with respect to the Offer. Unless the context otherwise requires, terms used but not defined in the Offer to Purchase have the respective meanings given to them in the accompanying Glossary.

April 5, 2013

TO: THE SHAREHOLDERS OF C2C INDUSTRIAL PROPERTIES INC.

1. The Offer

The Offeror hereby offers to purchase, on the terms and subject to the conditions of the Offer, all of the issued and outstanding Common Shares of C2C held by residents of Canada, including Common Shares that may become issued and outstanding after the date of the Offer but prior to the Expiry Time upon the conversion, exchange or exercise of Convertible Debentures, Warrants, Options or other securities of C2C that are convertible into or exchangeable or exercisable for Common Shares (collectively, the “**Convertible Securities**”), for consideration per Common Share of 0.4485 Dundee Industrial Units.

The Offer is being made only for Common Shares and is not made for any Convertible Securities. Any holder of Convertible Securities who wishes to accept the Offer must, to the extent permitted by the terms of such securities and applicable Laws, exercise, exchange or convert such Convertible Securities in order to acquire Common Shares and deposit such Common Shares in accordance with the terms of the Offer. Any such exercise or conversion must be completed sufficiently in advance of the Expiry Time to ensure that the holder of such Convertible Securities will receive certificates representing the Common Shares on such exercise, exchange or conversion for deposit at or prior to the Expiry Time or, in the case of Common Shares deposited by book-entry transfer, in sufficient time for the CDS participant to make a book-entry transfer at or prior to the Expiry Time, or in sufficient time to comply with the procedures referred to in Section 3 of the Offer to Purchase, “Manner of Acceptance — Procedure for Guaranteed Delivery”.

If a holder of Warrants does not exercise or surrender such Warrants prior to the Expiry Time, such Warrants will remain outstanding in accordance with their terms and conditions, including with respect to term to expiry, vesting and exercise prices, except that, to the extent permitted, after completion of a Subsequent Acquisition Transaction each Warrant to acquire one Common Share will become a Warrant to acquire 0.4485 Dundee Industrial Units in accordance with the terms of the Warrants.

If a holder of Convertible Debentures does not convert such Convertible Debentures prior to the Expiry Time, such Convertible Debentures will remain outstanding in accordance with their terms and conditions, except that, to the extent permitted, after completion of a Subsequent Acquisition Transaction Convertible Debentures will be convertible into Dundee Industrial Units in accordance with the terms of the Convertible Debentures. For Canadian income tax purposes, the conversion of Convertible Debentures for Dundee Industrial Units will be a taxable event at the time of conversion.

The C2C Board of Directors, after consultation with its financial and legal advisors and on receipt of a recommendation of its special committee, has UNANIMOUSLY DETERMINED that the Offer is in the best interests of C2C and, accordingly, has resolved to UNANIMOUSLY RECOMMEND that Common Shareholders ACCEPT the Offer and DEPOSIT their Common Shares under the Offer.

As of March 18, 2013 (the last trading day before the Offeror announced its intention to make a take-over bid for the Common Shares), the consideration offered under the Offer represented a 30.7% premium to the volume-weighted average trading price of the Common Shares on the TSXV over the preceding ten trading days.

The obligation of the Offeror to take up and pay for Common Shares pursuant to the Offer is subject to certain conditions. See Section 4 of the Offer to Purchase, "Conditions of the Offer".

No fractional Dundee Industrial Units will be issued pursuant to the Offer. Common Shareholders who would otherwise be entitled to receive a fraction of a Dundee Industrial Unit will have such fractions of Dundee Industrial Units pursuant to the Offer issued to the Offeror's transfer agent, which shall as expeditiously as is commercially reasonable thereafter, sell the sum of such fractional Dundee Industrial Units through the facilities of the TSX and pay the net proceeds of such sale, after brokerage sales commissions, to the Depository to remit to Common Shareholders based on their entitlement to a fractional Dundee Industrial Unit, less any applicable withholding taxes and without interest.

Any cash payable under the Offer will be denominated in Canadian dollars.

Common Shareholders who do not deposit their Common Shares under the Offer will not be entitled to any right of dissent or appraisal in connection with the Offer. However, Common Shareholders who do not deposit their Common Shares under the Offer may have certain rights of dissent in the event the Offeror elects to acquire such Common Shares by way of a Compulsory Acquisition or Subsequent Acquisition Transaction, including the right to seek a judicial determination of the fair value of their Common Shares. See Section 13 of the Circular, "Acquisition of Common Shares Not Deposited".

This document does not constitute an offer or a solicitation to any person in any jurisdiction other than Canada. The Offer is not being made or directed to, nor will deposits of Common Shares be accepted from or on behalf of, Common Shareholders in any jurisdiction other than Canada. However, the Offeror may, in its sole discretion, take such action as it may deem necessary to extend the Offer to Common Shareholders in any other jurisdiction.

2. Time for Acceptance

The Offer is open for acceptance until 12:01 a.m. (local time) on May 11, 2013 or such later time or times and date or dates as may be fixed by the Offeror from time to time pursuant to Section 5 of the Offer to Purchase, "Extension, Variation or Change in the Offer", unless the Offer is withdrawn by the Offeror.

3. Manner of Acceptance

Letter of Transmittal

The Offer may be accepted by delivering to the Depository at its office in Toronto, Ontario specified in the Letter of Transmittal (printed on GREEN paper) accompanying the Offer, so as to be received at or prior to the Expiry Time:

- (a) the certificate(s) representing the Common Shares in respect of which the Offer is being accepted;
- (b) a Letter of Transmittal in the form accompanying the Offer or a manually executed facsimile thereof, properly completed and duly executed in accordance with the instructions set out in the Letter of Transmittal (including signature guarantee, if required); and
- (c) all other documents required by the terms of the Offer and the Letter of Transmittal.

Participants in CDS should contact the Depository with respect to the deposit of their Common Shares under the Offer. The Offeror understands that CDS will be giving instructions to their participants as to the method of depositing Common Shares under the terms of the Offer.

Except as otherwise provided in the instructions set out in the Letter of Transmittal, the signature on the Letter of Transmittal must be guaranteed by an Eligible Institution. If a Letter of Transmittal is executed by a person other than the registered holder of the certificate(s) deposited therewith, and in certain other circumstances as set out

in the Letter of Transmittal, the certificate(s) deposited therewith must be endorsed, or be accompanied by an appropriate share transfer power of attorney, in either case duly and properly completed by the registered holder(s), with the signature on the endorsement panel or share-transfer power of attorney corresponding exactly to the name(s) of the registered holder(s) as registered or as written on the face of the certificate(s) and guaranteed by an Eligible Institution (except that no guarantee is required if the signature is that of an Eligible Institution).

In addition, Common Shares may be deposited under the Offer in compliance with the procedures for guaranteed delivery set out below under the heading “Procedure for Guaranteed Delivery” or in compliance with the procedures for book-entry transfers set out below under the heading “Acceptance by Book-Entry Transfer”.

Procedure for Guaranteed Delivery

If a Common Shareholder wishes to deposit Common Shares under the Offer and either (a) the certificate(s) representing such Common Shares is (are) not immediately available or (b) the certificate(s) and all other required documents cannot be delivered to the Depository at or prior to the Expiry Time, such Common Shares may nevertheless be deposited under the Offer provided that all of the following conditions are met:

- (a) the deposit is made by or through an Eligible Institution;
- (b) a properly completed and a duly executed Notice of Guaranteed Delivery (printed on PINK paper) in the form accompanying the Offer, or a manually executed facsimile thereof, including the guarantee of delivery by an Eligible Institution in the form set out in the Notice of Guaranteed Delivery, is received by the Depository at its office in Toronto, Ontario specified in the Notice of Guaranteed Delivery at or prior to the Expiry Time; and
- (c) the certificate(s) representing all Deposited Common Shares in proper form for transfer, together with a Letter of Transmittal, or a manually executed facsimile thereof, properly completed and duly executed, as required by the instructions set out in the Letter of Transmittal (including signature guarantee, if required), or, in the case of a book-entry transfer, a Book-Entry Confirmation with respect to such Deposited Common Shares and all other documents required by the terms of the Offer and the Letter of Transmittal, are received by the Depository at its office in Toronto, Ontario specified in the Letter of Transmittal prior to 5:00 p.m. (Toronto time) on the third trading day on the TSX after the Expiry Time.

The Notice of Guaranteed Delivery must be delivered by hand or courier or transmitted by facsimile or mailed to the Depository at its office in Toronto, Ontario specified in the Notice of Guaranteed Delivery at or prior to the Expiry Time and must include a guarantee by an Eligible Institution in the form set out in the Notice of Guaranteed Delivery. Delivery of the Notice of Guaranteed Delivery and the Letter of Transmittal and accompanying certificate(s) representing Common Shares and all other required documents to any office other than the Toronto, Ontario office of the Depository specified in the Letter of Transmittal does not constitute valid delivery for purposes of satisfying a guaranteed delivery.

Acceptance by Book-Entry Transfer

Common Shareholders may accept the Offer by following the procedures for a book-entry transfer established by CDS, provided that a Book-Entry Confirmation through CDSX is received by the Depository at its office in Toronto, Ontario specified in the Letter of Transmittal at or prior to the Expiry Time. The Depository has established an account at CDS for the purpose of the Offer. Any financial institution that is a participant in CDS may make a book-entry transfer of a Common Shareholder’s Common Shares into the Depository’s account in accordance with CDS procedures for such transfer. Delivery of Common Shares to the Depository by means of a book-entry transfer will constitute a valid deposit of such Common Shares under the Offer.

Common Shareholders, through their respective CDS participants, who utilize CDSX to accept the Offer through a book-entry transfer of their holdings into the Depository’s account with CDS shall be deemed to have completed and submitted a Letter of Transmittal and to be bound by the terms thereof and therefore such

instructions received by the Depositary are considered a valid deposit under and in accordance with the terms of the Offer.

Holders of Convertible Securities

The Offer is being made only for Common Shares and is not made for any Convertible Securities. Any holder of Convertible Securities who wishes to accept the Offer must, to the extent permitted by the terms of the security and applicable Laws, convert, exchange or exercise such Convertible Securities in order to acquire Common Shares and deposit such Common Shares in accordance with the terms of the Offer. Any such conversion, exchange or exercise must be completed sufficiently in advance of the Expiry Time to ensure that the holder of such Convertible Securities will receive certificates representing the Common Shares on such conversion, exchange or exercise for deposit at or prior to the Expiry Time or, in the case of Common Shares deposited by book-entry transfer, in sufficient time for the CDS participant to make a book-entry transfer at or prior to the Expiry Time, or in sufficient time to comply with the procedures referred to in Section 3 of the Offer to Purchase, "Manner of Acceptance – Procedure for Guaranteed Delivery".

General

The Offer will be deemed to be accepted by a Common Shareholder only if the Depositary has actually received the requisite documents at its office in Toronto, Ontario specified in the Letter of Transmittal at or prior to the Expiry Time. In all cases, payment for Common Shares deposited and taken-up by Dundee Industrial will be made only after timely receipt by the Depositary of (i) certificate(s) representing the Common Shares (or, in the case of a book-entry transfer to the Depositary, a Book-Entry Confirmation for the Common Shares, as applicable) and (ii) a Letter of Transmittal, or a manually executed facsimile thereof, properly completed and duly executed, covering such Common Shares, with the signature(s) guaranteed, if required, in accordance with the instructions set out in the Letter of Transmittal and (iii) all other required documents.

The method of delivery of certificate(s) representing Common Shares, the Letter of Transmittal, the Notice of Guaranteed Delivery and all other required documents is at the option and risk of the person delivering those documents. The Offeror recommends that all such documents be delivered by hand to the Depositary and a receipt obtained or, if mailed, that registered mail, with return receipt requested, be used and that proper insurance be obtained. It is suggested that any such mailing be made sufficiently in advance of the Expiry Time to permit delivery to the Depositary at or prior to the Expiry Time. Delivery will only be effective upon actual physical receipt by the Depositary.

Common Shareholders whose Common Shares are registered in the name of an investment advisor, stockbroker, bank, trust company or other nominee should immediately contact that nominee for assistance if they wish to accept the Offer and in order to take the necessary steps to be able to deposit such Common Shares under the Offer. Intermediaries may establish tendering cut-off times that are up to 48 hours prior to the Expiry Time. Common Shareholders should instruct their brokers or other nominees promptly if they wish to tender their Common Shares to the Offer.

All questions as to the validity, form, eligibility (including timely receipt) and acceptance of any Common Shares deposited pursuant to the Offer will be determined by the Offeror in its sole discretion. Depositing Common Shareholders agree that such determination shall be final and binding. The Offeror reserves the absolute right to reject any and all deposits which it determines not to be in proper form or which may be unlawful to accept under the Laws of any applicable jurisdiction. The Offeror reserves the absolute right to waive any defects or irregularities in any deposit of any Common Shares. There shall be no duty or obligation on the Offeror, Dundee Industrial, the Depositary, or any other person to give notice of any defects or irregularities in any deposit and no liability shall be incurred by any of them for failure to give any such notice. The Offeror's interpretation of the terms and conditions of the Offer, the Circular, the Letter of Transmittal, the Notice of Guaranteed Delivery and any other related documents will be final and binding.

Under no circumstance will interest accrue or any amount be paid by the Offeror or the Depositary by reason of any delay in making payments for Common Shares to any person on account of Common Shares accepted for payment under the Offer.

Common Shareholders should contact the Depository or a broker or dealer for assistance in accepting the Offer and in depositing Common Shares with the Depository.

Common Shareholders will not be required to pay any fee or commission if they accept the Offer by depositing their Common Shares directly with the Depository.

Dividends and Distributions

Subject to the terms and conditions of the Offer and subject, in particular, to Common Shares being validly withdrawn by or on behalf of a depositing Common Shareholder, and except as provided below, by accepting the Offer pursuant to the procedures set out herein, a Common Shareholder deposits, sells, assigns and transfers to the Offeror all right, title and interest in and to the Common Shares covered by the Letter of Transmittal delivered to the Depository or deposited by book-entry transfer (collectively, the “**Deposited Common Shares**”) and in and to all rights and benefits arising from such Deposited Common Shares including, without limitation, any and all dividends, distributions, payments, securities, property or other interests that may be declared, paid, accrued, issued, distributed, made or transferred on or in respect of the Deposited Common Shares or any of them on and after the date of the Offer, including, without limitation, any dividends, distributions or payments on such dividends, distributions, payments, securities, property or other interests (collectively, “**Distributions**”).

Common Shareholders will be entitled to receive and the term “Distribution” does not include regular quarterly distributions by C2C in an amount not to exceed \$0.0265 per Common Share declared payable to Common Shareholders of record as of a date prior to the Expiry Time, regardless of the date, and whether or not, a Common Shareholder deposits Common Shares under the Offer. See Section 5 of the Circular, “Purpose of the Offer and Plans for C2C”.

Power of Attorney

The execution and delivery of a Letter of Transmittal (or, in the case of Common Shares deposited by book-entry transfer by the making of a book-entry transfer) irrevocably constitutes and appoints, effective on and after the time (the “**Effective Time**”) that the Offeror takes up the Deposited Common Shares, each director and officer of the Offeror, and any other person designated by the Offeror in writing, as the true and lawful agent, attorney, attorney-in-fact and proxy of the holder of the Deposited Common Shares covered by the Letter of Transmittal (which Deposited Common Shares upon being taken up are, together with any Distributions thereon, hereinafter referred to as the “**Purchased Securities**”) with respect to such Purchased Securities, with full power of substitution (such powers of attorney, being coupled with an interest, being irrevocable), in the name of and on behalf of such Common Shareholder:

- (a) to register or record the transfer and/or cancellation of such Purchased Securities, to the extent consisting of securities, on the appropriate securities registers maintained by or on behalf of C2C;
- (b) for so long as any such Purchased Securities are registered or recorded in the name of such Common Shareholder, to exercise any and all rights of such Common Shareholder including, without limitation, the right to vote, to execute and deliver (provided the same is not contrary to applicable Laws), as and when requested by the Offeror, any and all instruments of proxy, authorizations or consents in form and on terms satisfactory to the Offeror in respect of any or all Purchased Securities, to revoke any such instruments, authorizations or consents given prior to or after the Effective Time, and to designate in any such instruments, authorizations or consents any person or persons as the proxyholder of such Common Shareholder in respect of such Purchased Securities for all purposes including, without limitation, in connection with any meeting or meetings (whether annual, special or otherwise, or any adjournment thereof, including, without limitation, any meeting to consider a Subsequent Acquisition Transaction) of holders of relevant securities of C2C;

- (c) to execute, endorse and negotiate, for and in the name of and on behalf of such Common Shareholder, any and all cheques or other instruments representing any Distributions payable to or to the order of, or endorsed in favour of, such Common Shareholder; and
- (d) to exercise any other rights of a Common Shareholder with respect to such Purchased Securities, all as set out in the Letter of Transmittal.

A Common Shareholder accepting the Offer under the terms of the Letter of Transmittal (including by book-entry transfer) revokes any and all other authority, whether as agent, attorney-in-fact, attorney, proxy or otherwise, previously conferred or agreed to be conferred by the Common Shareholder at any time with respect to the Deposited Common Shares or any Distributions. Such depositing Common Shareholder agrees that no subsequent authority, whether as agent, attorney-in-fact, attorney, proxy or otherwise will be granted with respect to the Deposited Common Shares or any Distributions by or on behalf of the depositing Common Shareholder unless the Deposited Common Shares are not taken up and paid for under the Offer or are withdrawn in accordance with Section 7 of the Offer to Purchase, "Withdrawal of Deposited Common Shares".

A Common Shareholder accepting the Offer under the terms of the Letter of Transmittal (including by book-entry transfer) also agrees not to vote any of the Purchased Securities at any meeting (whether annual, special or otherwise or any adjournment thereof, including, without limitation, any meeting to consider a Subsequent Acquisition Transaction) of holders of relevant securities of C2C and, except as may otherwise be agreed with the Offeror, not to exercise any of the other rights or privileges attached to the Purchased Securities, and agrees to execute and deliver to the Offeror any and all instruments of proxy, authorizations or consents in respect of all or any of the Purchased Securities, and agrees to designate or appoint in any such instruments of proxy, authorizations or consents, the person or persons specified by the Offeror as the proxy or the proxy nominee or nominees of the holder of the Purchased Securities. Upon such appointment, all prior proxies and other authorizations (including, without limitation, all appointments of any agent, attorney or attorney-in-fact) or consents given by the holder of such Purchased Securities with respect thereto will be revoked and no subsequent proxies or other authorizations or consents may be given by such person with respect thereto.

Further Assurances

A Common Shareholder accepting the Offer covenants under the terms of the Letter of Transmittal (including by book-entry transfer) to execute, upon request of the Offeror, any additional documents, transfers and other assurances as may be necessary or desirable to complete the sale, assignment and transfer of the Purchased Securities to the Offeror. Each authority therein conferred or agreed to be conferred is, to the extent permitted by applicable Laws, irrevocable and may be exercised during any subsequent legal incapacity of such Common Shareholder and shall, to the extent permitted by applicable Laws, survive the death or incapacity, bankruptcy or insolvency of the Common Shareholder and all obligations of the Common Shareholder therein shall be binding upon the heirs, executors, administrators, attorneys, personal representatives, successors and assigns of such Common Shareholder.

Formation of Agreement; Common Shareholder's Representations and Warranties

The acceptance of the Offer pursuant to the procedures set out above constitutes a binding agreement between a depositing Common Shareholder and the Offeror, effective immediately following the time at which the Offeror takes up the Deposited Common Shares deposited by such Common Shareholder, in accordance with the terms and conditions of the Offer and the Letter of Transmittal. This agreement includes a representation and warranty by the depositing Common Shareholder that (a) the person signing the Letter of Transmittal or on whose behalf a book-entry transfer is made has full power and authority to deposit, sell, assign and transfer the Deposited Common Shares and all rights and benefits arising from such Deposited Common Shares including, without limitation, any Distributions, (b) the person signing the Letter of Transmittal or on whose behalf a book-entry transfer is made owns the Deposited Common Shares and any Distributions deposited under the Offer, (c) the Deposited Common Shares and Distributions have not been sold, assigned or transferred, nor has any agreement been entered into to sell, assign or transfer any of the Deposited Common Shares or Distributions, to any other person, (d) the deposit of the Deposited Common Shares and Distributions complies with applicable Laws, and (e) when the Deposited Common Shares and Distributions are taken up and paid for by the Offeror, the Offeror will

acquire good title thereto (and to any Distributions), free and clear of all liens, restrictions, charges, encumbrances, claims and rights of others.

Other Forms of Acceptance

Dundee Industrial reserves the right to permit the Offer to be accepted in a manner other than that set out in this Section 3.

4. Conditions of the Offer

Notwithstanding any other provision of the Offer, the Offeror shall have the right to withdraw the Offer and not take up and pay for or extend the period of time during which the Offer is open and postpone taking up and paying for, any Common Shares deposited under the Offer unless all of the following conditions are satisfied or waived by the Offeror at or prior to the Expiry Time:

- (a) there shall have been validly deposited pursuant to the Offer and not withdrawn at the Expiry Time that number of Common Shares which constitutes at least 66 $\frac{2}{3}$ % of the Common Shares outstanding calculated on a fully diluted basis (the “**Minimum Tender Condition**”);
- (b) the Competition Act Approval shall have been obtained;
- (c) the Support Agreement shall not have been terminated by Dundee Industrial or by C2C in accordance with its terms;
- (d) the Dundee Industrial Units issued pursuant to the Offer and the Dundee Industrial Units issuable upon conversion of the Convertible Debentures and any outstanding Warrants after the Expiry Time shall have been conditionally approved for listing on the TSX subject only to the satisfaction of customary conditions imposed by the TSX in similar circumstances (which conditions, for greater certainty, shall not include approval of the Dundee Industrial Unitholders);
- (e) (i) no act, action, suit or proceeding, in each case that is not frivolous or vexatious, shall have been taken or threatened in writing before or by any Governmental Entity or by an elected or appointed public official; and (ii) no Law, regulation or policy shall exist or have been proposed, enacted, entered, promulgated or applied, in either case:
 - (i) to cease trade, enjoin, prohibit or impose material limitations or conditions on the purchase by or the sale to the Offeror of the Common Shares or the right of the Offeror to own or exercise full rights of ownership of the Common Shares;
 - (ii) which, if the Offer (or any Compulsory Acquisition or any Subsequent Acquisition Transaction) were consummated, would have a Material Adverse Effect in respect of Dundee Industrial or C2C; or
 - (iii) seeking to prohibit or limit the ownership or operation by Dundee Industrial of any material portion of the business or assets of C2C or the C2C Subsidiaries or to compel Dundee Industrial or the Dundee Industrial Subsidiaries to dispose of or hold separate any material portion of the business or assets of C2C or any of the C2C Subsidiaries as a result of the Offer (or any Compulsory Acquisition or any Subsequent Acquisition Transaction);
- (f) there shall not exist any prohibition at Law against the Offeror making or maintaining the Offer or taking up and paying for any Common Shares deposited under the Offer or completing a Compulsory Acquisition or any Subsequent Acquisition Transaction;

- (g) there shall not exist or have occurred since the date of the Support Agreement (nor shall there exist or have occurred prior to the date of the Support Agreement if not disclosed generally or to Dundee Industrial in writing prior to the execution and delivery of the Support Agreement) any Material Adverse Effect in respect of C2C;
- (h) C2C shall have complied in all material respects with its covenants and obligations under the Support Agreement to be complied with at or prior to the Expiry Time;
- (i) the representations and warranties made by C2C in paragraphs 1, 2, 6(a) and 6(b) of Schedule “B” to the Support Agreement shall be true and correct in all respects as of the Expiry Time (other than de minimis inaccuracies in respect of the representations and warranties set forth in paragraphs 6(a) and 6(b) of Schedule “B” to the Support Agreement), as if made at and as of such time (except that any such representation and warranty that by its terms speaks specifically as of the date of the Support Agreement or another date shall be true and correct as of such date), and all other representations and warranties made by C2C in the Support Agreement shall be true and correct at and as of the Expiry Time, as if made at and as of such time (except that any such representation and warranty that by its terms speaks specifically as of the date of the Support Agreement or another date shall be true and correct as of such date), except where such inaccuracies in the representations and warranties (without giving effect to, applying or taking into consideration any materiality or Material Adverse Effect qualification already contained within such representations and warranties), individually or in the aggregate, would not be a Material Adverse Effect in respect of C2C or, if the Offer or any Compulsory Acquisition or Subsequent Acquisition Transaction were consummated, would not be a Material Adverse Effect in respect of Dundee Industrial;
- (j) no Material Tenant shall have defaulted in any material respect under its respective Existing Lease where such default, either on its own or together with all other such defaults, constitutes a Material Adverse Effect in respect of C2C;
- (k) the aggregate outstanding principal amount of the Existing Mortgages as of the Expiry Time shall not exceed \$118.95 million and the mortgagee in respect of all Existing Mortgages shall have consented to the Offer and the transactions contemplated by the Support Agreement on terms and conditions acceptable to the Offeror, acting reasonably;
- (l) each of the Lock-Up Agreements shall be in full force and effect and there shall not have occurred any material non-fulfillment or breach of any covenant or agreement, or any material misrepresentation or any incorrectness in or breach of any representation or warranty, contained in a Lock-Up Agreement on the part of a Supporting Party;
- (m) Warrants to acquire not less than 493,637 Common Shares shall have been exercised in full in accordance with their terms or transferred or surrendered by the holder thereof to C2C and cancelled or otherwise dealt with on terms and conditions satisfactory to the Offeror, acting reasonably;
- (n) all of the outstanding Options shall have been exercised in full in accordance with their terms or transferred or surrendered by the holder thereof to C2C and cancelled or otherwise dealt with on terms and conditions satisfactory to the Offeror, acting reasonably;
- (o) the Termination Agreement shall be in full force and effect and there shall not have occurred any material non-fulfillment or breach of any covenant or agreement or any material misrepresentation or any incorrectness or breach of any representation or warranty contained in such agreement on the part of C2C, Strathallen Capital Corp., Strathallen Property Management Inc., David Wright or Brian Spence;

- (p) the amount of the C2C Working Capital, as of the Expiry Time, as determined by Dundee Industrial, acting reasonably, shall be not less than the Target Working Capital; and
- (q) the aggregate amount of the Transaction Costs, as determined by the Offeror, acting reasonably, shall not exceed \$3 million or such greater amount as is acceptable to the Offeror.

The foregoing conditions are for the exclusive benefit of the Offeror and may be asserted by the Offeror regardless of the circumstances giving rise to any such assertion, including, without limitation, any action or inaction by the Offeror. The Offeror may waive any of the foregoing conditions in whole or in part at any time and from time-to-time without prejudice to any other rights which the Offeror may have. The failure by the Offeror at any time to exercise any of the foregoing rights will not be deemed to be a waiver of any such right and each such right shall be deemed to be an ongoing right which may be asserted at any time and from time-to-time. The conditions listed above shall be conclusively deemed to have been satisfied or waived upon the taking up by the Offeror of any Common Shares under the Offer.

Any waiver of a condition or the termination or withdrawal of the Offer shall be effective upon written notice or other communication confirmed in writing by the Offeror to that effect to the Depositary at its principal office in Toronto, Ontario. The Offeror, forthwith after giving any such notice, shall make a public announcement of such waiver, termination or withdrawal and shall cause the Depositary, if required by applicable Laws, as soon as practicable thereafter to notify the Common Shareholders in the manner set out in Section 10 of the Offer to Purchase, "Notices and Delivery", and shall provide a copy of the aforementioned notice to the TSX. If the Offer is withdrawn, the Offeror shall not be obligated to take up or pay for any Common Shares deposited under the Offer and the Depositary will promptly return all certificates representing deposited Common Shares, Letters of Transmittal, Notices of Guaranteed Delivery and related documents to the parties by whom they were deposited. See Section 8 of the Offer to Purchase, "Return of Deposited Common Shares".

5. Extension, Variation or Change in the Offer

The Offer is open for acceptance in the manner set out in Section 3 of the Offer to Purchase, "Manner of Acceptance", until, but not after, the Expiry Time, subject to extension or variation in the Offeror's sole discretion unless the Offer is withdrawn by the Offeror.

Subject to the limitations hereafter described, the Offeror reserves the right, in its sole discretion, at any time and from time to time while the Offer is open for acceptance (or at any other time if permitted by applicable Laws), to extend the Expiry Time or to vary the Offer by giving written notice (or other communication subsequently confirmed in writing, provided that such confirmation is not a condition of the effectiveness of the notice) of such extension or variation to the Depositary at its principal office in Toronto, Ontario, and by causing the Depositary, if required by applicable Laws, as soon as practicable thereafter to communicate such notice in the manner set out in Section 10 of the Offer to Purchase, "Notices and Delivery", to all registered Common Shareholders whose Common Shares have not been taken up prior to the extension or variation and to all holders of Convertible Debentures, Warrants and Options. The Offeror shall, as soon as practicable after giving notice of an extension or variation to the Depositary, make a public announcement of the extension or variation to the extent and in the manner required by applicable Laws and provide a copy of such notice to the TSX. Any notice of extension or variation will be deemed to have been given and to be effective on the day on which it is delivered or otherwise communicated in writing to the Depositary at its principal office in Toronto, Ontario.

Where the terms of the Offer are varied, the Offer will not expire before ten days after the notice of such variation has been given to the Common Shareholders, unless otherwise permitted by applicable Laws and subject to abridgement or elimination of that period pursuant to such orders or other forms of relief as may be granted by applicable courts and securities regulatory authorities.

If, prior to the Expiry Time or after the Expiry Time but before the expiry of all rights of withdrawal with respect to the Offer, a change occurs in the information contained in the Offer or the Circular, a notice of change or a notice of variation that would reasonably be expected to affect the decision of a Common Shareholder to accept or reject the Offer (other than a change that is not within the control of the Offeror or of an affiliate of the Offeror unless it is a change in a material fact relating to the Dundee Industrial Units), the Offeror will give written notice of

such change to the Depositary at its principal office in Toronto, Ontario, and will cause the Depositary, if required by applicable Laws, as soon as practicable thereafter, to provide notice of such change in the manner set out in Section 10 of the Offer to Purchase, “Notices and Delivery”, to all registered Common Shareholders whose Common Shares have not been taken up under the Offer at the date of the occurrence of the change and to all holders of Convertible Securities. As soon as practicable after giving notice of the change in information to the Depositary, the Offeror will make a public announcement of the change in information to the extent and in the manner required by applicable Laws and provide a copy of the notice thereof to the TSX and the applicable securities regulatory authorities. Any notice of change in information will be deemed to have been given and to be effective on the day on which it is delivered or otherwise communicated to the Depositary at its principal office in Toronto, Ontario.

Notwithstanding the foregoing, but subject to applicable Laws, the Offer may not be extended by the Offeror if all of the terms and conditions of the Offer, except those waived by the Offeror, have been fulfilled or complied with, unless the Offeror first takes up all Common Shares deposited under the Offer and not withdrawn.

During any extension or in the event of any variation of the Offer or change in information, all Common Shares previously deposited and not taken up or withdrawn will remain subject to the Offer and may be taken up by the Offeror in accordance with the terms hereof, subject to Section 7 of the Offer to Purchase, “Withdrawal of Deposited Common Shares”. An extension of the Expiry Time, a variation of the Offer or a change in information does not, unless otherwise expressly stated, constitute a waiver by the Offeror of its rights set out in Section 4 of the Offer to Purchase, “Conditions of the Offer”.

If, prior to the Expiry Time, the consideration being offered for the Common Shares under the Offer is increased, the increased consideration will be paid to all depositing Common Shareholders whose Common Shares are taken up under the Offer, whether or not such Common Shares were taken up before the increase.

6. Take Up and Payment for Deposited Common Shares

If all of the conditions set out in Section 4 of the Offer to Purchase, “Conditions of the Offer”, have been satisfied or waived by the Offeror at or prior to the Expiry Time, the Offeror has agreed in the Support Agreement that it will take up and pay for Common Shares validly deposited under the Offer and not properly withdrawn not later than three business days after the Expiry Time. Any Common Shares taken up will be paid for as soon as possible, and in any event not later than three business days after they are taken up. Any Common Shares deposited under the Offer after the date on which Common Shares are first taken up by the Offeror under the Offer but prior to the Expiry Time will be taken up and paid for not later than ten days after such deposit.

The Offeror will be deemed to have taken up and accepted for payment Common Shares validly deposited and not withdrawn under the Offer if, as and when the Offeror gives written notice, or other communication confirmed in writing, to the Depositary at its principal office in Toronto, Ontario to that effect. Subject to applicable Laws and the Support Agreement, the Offeror expressly reserves the right, in its sole discretion to, on, or after the initial Expiry Time, withdraw the Offer and not take up or pay for any Common Shares if any condition set out in Section 4 of the Offer to Purchase, “Conditions of the Offer”, is not satisfied or waived, by giving written notice thereof, or other communication confirmed in writing, to the Depositary at its principal office in Toronto, Ontario. The Offeror will not, however, take up and pay for any Common Shares deposited under the Offer unless it simultaneously takes up and pays for all Common Shares then validly deposited under the Offer and not withdrawn.

The Offeror will pay for Common Shares validly deposited under the Offer and not withdrawn by providing the Depositary with sufficient Dundee Industrial Units for transmittal to depositing Common Shareholders. Under no circumstances will interest accrue or be paid by Dundee Industrial, the Offeror or the Depositary to persons depositing Common Shares on the purchase price of Common Shares purchased by the Offeror, regardless of any delay in making payments for Common Shares.

The Depositary will act as the agent of persons who have deposited Common Shares in acceptance of the Offer for the purposes of receiving payment from the Offeror and transmitting such payment to such persons, and receipt of payment by the Depositary will be deemed to constitute receipt of payment by persons depositing Common Shares under the Offer.

Settlement with each Common Shareholder who has deposited (and not withdrawn) Common Shares under the Offer will be made by the Depository delivering or causing to be delivered certificates representing Dundee Industrial Units (or, in the case of Common Shares deposited by book-entry transfer, crediting the Dundee Industrial Units to the account of CDS, from which the book-entry transfer was made) and, if applicable, issuing or causing to be issued a cheque payable in Canadian funds in the amount to which the person depositing Common Shares is entitled for the sale of fractional Dundee Industrial Units, if any. Unless otherwise directed by the Letter of Transmittal, the certificates (and cheque, if applicable) will be issued in the name of the registered holder of the Common Shares so deposited. Unless the person depositing the Common Shares instructs the Depository to hold the certificates (and cheque, if applicable) for pick-up by checking the appropriate box in the Letter of Transmittal, the certificates (and cheque, if applicable) will be forwarded by first class mail to such person at the address specified in the Letter of Transmittal. If no such address is specified, the certificates (and cheque, if applicable) will be sent to the address of the registered holder as shown on the securities register maintained by or on behalf of C2C. Certificates (and cheques, if applicable) mailed in accordance with this paragraph will be deemed to be delivered at the time of mailing. Pursuant to applicable Laws, the Offeror may, in certain circumstances, be required to make withholdings from the amount otherwise payable to a Common Shareholder.

Common Shareholders will not be required to pay any fee or commission if they accept the Offer by depositing their Common Shares directly with the Depository. However, a broker or other nominee through whom a Common Shareholder owns Common Shares may charge a fee to tender any such securities on behalf of the Common Shareholder. Common Shareholders should consult their investment advisors, stockbrokers or other nominees to determine whether any charges will apply.

7. Withdrawal of Deposited Common Shares

Except as otherwise stated in this Section 7 or as otherwise required by applicable Laws, all deposits of Common Shares under the Offer are irrevocable. Unless otherwise required or permitted by applicable Laws, any Common Shares deposited in acceptance of the Offer may be withdrawn by or on behalf of the depositing Common Shareholder:

- (a) at any time before the Common Shares have been taken up by the Offeror under the Offer;
- (b) if the Common Shares have not been paid for by the Offeror within three business days after having been taken up; or
- (c) at any time before the expiration of ten days from the date upon which either:
 - (i) a notice of change relating to a change which has occurred in the information contained in the Offer to Purchase or the Circular, a notice of change or a notice of variation that would reasonably be expected to affect the decision of a Common Shareholder to accept or reject the Offer (other than a change that is not within the control of the Offeror or of an affiliate of the Offeror unless it is a change in a material fact relating to the Dundee Industrial Units), in the event that such change occurs before the Expiry Time or after the Expiry Time but before the expiry of all rights of withdrawal in respect of the Offer, or
 - (ii) a notice of variation concerning a variation in the terms of the Offer (other than a variation consisting solely of an increase in the consideration offered for the Common Shares where the Expiry Time is not extended for more than ten days),

is mailed, delivered or otherwise properly communicated (subject to abridgement of that period pursuant to such order or orders or other forms of relief as may be granted by applicable courts or securities regulatory authorities) and only if such deposited Common Shares have not been taken up by the Offeror at the date of the notice.

Withdrawals of Common Shares deposited under the Offer must be effected by notice of withdrawal made by or on behalf of the depositing Common Shareholder and must be actually received by the Depository at the place

of deposit of the applicable Common Shares (or Notice of Guaranteed Delivery in respect thereof) within the time limits indicated above. Notices of withdrawal: (a) must be made by a method that provides the Depository with a written or printed copy; (b) must be signed by or on behalf of the person who signed the Letter of Transmittal accompanying (or Notice of Guaranteed Delivery in respect of) the Common Shares which are to be withdrawn; and (c) must specify such person's name, the number of Common Shares to be withdrawn, the name of the registered holder and the certificate number shown on each certificate representing the Common Shares to be withdrawn. Any signature in a notice of withdrawal must be guaranteed by an Eligible Institution in the same manner as in a Letter of Transmittal (as described in the instructions set out therein), except in the case of Common Shares deposited for the account of an Eligible Institution.

If Common Shares have been deposited pursuant to the procedures for book-entry transfer, as set out in Section 3 of the Offer to Purchase, "Manner of Acceptance — Acceptance by Book-Entry Transfer", any notice of withdrawal must specify the name and number of the account at CDS to be credited with the withdrawn Common Shares and otherwise comply with the procedures of CDS.

A withdrawal of Common Shares deposited under the Offer can only be accomplished in accordance with the foregoing procedures. The withdrawal will take effect only upon actual receipt by the Depository of the properly completed and executed written notice of withdrawal.

Investment advisors, stockbrokers, banks, trust companies or other nominees may set deadlines for the withdrawal of Common Shares deposited under the Offer that are earlier than those specified above. Common Shareholders whose Common Shares are registered in the name of an investment advisor, stockbroker, bank, trust company or other nominee should contact such nominee for assistance.

All questions as to the validity (including, without limitation, timely receipt) and form of notices of withdrawal will be determined by the Offeror in its sole discretion and such determination will be final and binding. There is no duty or obligation of Dundee Industrial, the Offeror, the Depository or any other person to give notice of any defect or irregularity in any notice of withdrawal and no liability shall be incurred or suffered by any of them for failure to give such notice.

If the Offeror extends the period of time during which the Offer is open, is delayed in taking up or paying for Common Shares or is unable to take up or pay for Common Shares for any reason, then, without prejudice to the Offeror's other rights, Common Shares deposited under the Offer may, subject to applicable Laws, be retained by the Depository on behalf of the Offeror until such Common Shares are withdrawn by Common Shareholders in accordance with this Section 7 or pursuant to applicable Laws.

Withdrawals may not be rescinded and any Common Shares withdrawn will be deemed not validly deposited for the purposes of the Offer, but may be re-deposited at any subsequent time at or prior to the Expiry Time by following any of the procedures set out in Section 3 of the Offer to Purchase, "Manner of Acceptance".

In addition to the foregoing rights of withdrawal, Common Shareholders in certain provinces and territories of Canada are entitled to one or more statutory rights of rescission, price revision or to damages in certain circumstances. See Section 26 of the Circular, "Statutory Rights".

8. Return of Deposited Common Shares

Any Deposited Common Shares that are not taken up and paid for by the Offeror pursuant to the terms and conditions of the Offer for any reason will be returned, at the Offeror's expense, to the depositing Common Shareholder as soon as practicable after the Expiry Time or withdrawal of the Offer, by either (a) sending certificates representing the Common Shares not purchased by first-class insured mail to the address of the depositing Common Shareholder specified in the Letter of Transmittal or, if such name or address is not so specified, in such name and to such address as shown on the securities register maintained by or on behalf of C2C, or (b) in the case of Common Shares deposited by book-entry transfer of such Common Shares pursuant to the procedures set out in Section 3 of the Offer to Purchase, "Manner of Acceptance — Acceptance by Book-Entry Transfer", such Common Shares will be credited to the depositing holder's account maintained with CDS.

9. Changes in Capitalization; Adjustments; Liens

If, on or after the date of the Offer, C2C should divide, combine, reclassify, consolidate, convert or otherwise change any of the Common Shares or its capitalization, issue any Common Shares, or issue, grant or sell any securities convertible into Common Shares, or disclose that it has taken or intends to take any such action, then the Offeror may, in its sole discretion and without prejudice to its rights under Section 4 of the Offer to Purchase, “Conditions of the Offer”, make such adjustments as it considers appropriate to the purchase price and other terms of the Offer (including, without limitation, the type of securities offered to be purchased and the amount payable therefor) to reflect such division, combination, reclassification, consolidation, conversion, issuance, grant, sale or other change. See Section 5 of the Offer to Purchase, “Extension, Variation or Change in the Offer”.

Common Shares and any Distributions acquired under the Offer shall be transferred by the Common Shareholder and acquired by the Offeror free and clear of all liens, restrictions, charges, encumbrances, claims and equities and together with all rights and benefits arising therefrom, including, without limitation, the right to any and all dividends, distributions, payments, securities, property, rights, assets or other interests which may be accrued, declared, paid, issued, distributed, made or transferred on or after the date of the Offer on or in respect of the Common Shares, whether or not separated from the Common Shares.

If, on or after the date of the Offer, C2C should declare, set aside or pay any dividend or declare, make or pay any other distribution or payment on or declare, allot, reserve or issue any securities, rights or other interests with respect to any Common Share (other than a regular quarterly distribution by C2C in an amount not to exceed \$0.0265 per Common Share declared payable to Common Shareholders of record as of a date prior to the Expiry Time), which is or are payable or distributable to Common Shareholders on a record date prior to the date of transfer into the name of the Offeror or its nominee or transferee on the securities register maintained by or on behalf of C2C in respect of Common Shares taken up under the Offer, then (and without prejudice to its rights under Section 4 of the Offer to Purchase, “Conditions of the Offer”) the whole of any such dividend, distribution, payment, securities, property, rights, assets or other interests will be received and held by the depositing Common Shareholder for the account of the Offeror and will be promptly remitted and transferred by the depositing Common Shareholder to the Depository for the account of the Offeror, accompanied by appropriate documentation of transfer. Pending such remittance, the Offeror will be entitled to all rights and privileges as the owner of any such dividend, distribution, payment, securities, property, rights, assets or other interests and may withhold the entire purchase price payable by the Offeror under the Offer or deduct from the consideration payable by the Offeror under the Offer the amount or value thereof, as determined by the Offeror in its sole discretion.

The declaration or payment of any such dividend or distribution may have tax consequences not described under Section 17 of the Circular, “Certain Canadian Federal Income Tax Considerations”.

10. Notices and Delivery

Without limiting any other lawful means of giving notice, and unless otherwise specified by applicable Laws, any notice to be given by the Offeror or the Depository under the Offer will be deemed to have been properly given if it is mailed by first class mail, postage prepaid, to the registered Common Shareholders and to registered holders of Convertible Debentures, Warrants and Options at their respective addresses as shown on the registers maintained by or on behalf of C2C in respect of the Common Shares, Convertible Debentures, Warrants or Options and will be deemed to have been received on the first business day following the date of mailing. For this purpose, “business day” means any day other than a Saturday, Sunday or statutory holiday in the jurisdiction from which the notice is mailed. These provisions apply notwithstanding any accidental omission to give notice to any one or more Common Shareholders and notwithstanding any interruption of mail services following mailing. Except as otherwise permitted by applicable Laws, if mail service is interrupted or delayed following mailing, the Offeror intends to make reasonable efforts to disseminate the notice by other means, such as publication. Except as otherwise required or permitted by applicable Laws, if post offices in Canada are not open for the deposit of mail, any notice which the Offeror or the Depository may give or cause to be given to Common Shareholders under the Offer will be deemed to have been properly given and to have been received by Common Shareholders if (a) it is given to the TSX for dissemination through its facilities, (b) it is published once in the National Edition of *The Globe and Mail* or *The National Post* or (c) it is given to the Canada NewsWire Service for dissemination through its facilities.

The Offer to Purchase and the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery will be mailed to registered Common Shareholders and to registered holders of Convertible Debentures, Warrants and Options by first class mail, postage prepaid, or made in such other manner as is permitted by applicable Laws and the Offeror will use its reasonable efforts to furnish such documents to brokers, investment advisors, banks and similar persons whose names, or the names of whose nominees, appear in the registers maintained by or on behalf of C2C in respect of the Common Shares.

These securityholder materials are being sent to both registered and non-registered owners of securities. If you are a non-registered owner, and the Offeror or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable regulatory requirements from the intermediary holding such securities on your behalf.

Wherever the Offer calls for documents to be delivered to the Depositary, such documents will not be considered delivered unless and until they have been physically received at the Toronto, Ontario office of the Depositary specified in the Letter of Transmittal or the Notice of Guaranteed Delivery, as applicable.

11. Mail Service Interruption

Notwithstanding the provisions of the Offer to Purchase and the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery, certificates, cheques and any other relevant documents will not be mailed if the Offeror determines that delivery thereof by mail may be delayed. Persons entitled to certificates, cheques and/or any other relevant documents which are not mailed for the foregoing reason may take delivery thereof at the office of the Depositary to which the deposited certificates for Common Shares were delivered until such time as the Offeror has determined that delivery by mail will no longer be delayed. The Offeror shall provide notice of any such determination not to mail made under this Section 11 as soon as reasonably practicable after the making of such determination and in accordance with Section 10 of the Offer to Purchase, "Notices and Delivery". Notwithstanding Section 6 of the Offer to Purchase, "Take Up and Payment for Deposited Common Shares", certificates, cheques and any other relevant documents not mailed for the foregoing reason will be conclusively deemed to have been delivered on the first day upon which they are available for delivery to the depositing Common Shareholder at the Toronto, Ontario office of the Depositary.

12. Market Purchases and Sales of Common Shares

Except as set forth below, the Offeror reserves the right to, and may, acquire or cause an affiliate to acquire beneficial ownership of Common Shares by making purchases through the facilities of the TSX at any time, and from time to time, prior to the Expiry Time subject to and in accordance with applicable Laws. In no event will the Offeror make any such purchases of Common Shares through the facilities of the TSX until the third business day following the date of the Offer. The aggregate number of Common Shares acquired in this manner will not exceed 5% of the Common Shares outstanding on the date of the Offer and the Offeror will issue and file a press release containing the information prescribed by applicable Law immediately after the close of business of the TSX on each day on which such Common Shares have been purchased.

Such purchases of Common Shares pursuant to Section 2.2(3) of MI 62-104 or Section 2.1 of OSC Rule 62-504 shall be counted in any determination as to whether the Minimum Tender Condition has been fulfilled.

Although the Offeror has no present intention to sell Common Shares taken up under the Offer, the Offeror reserves the right to make or enter into arrangements, commitments or understandings at or prior to the Expiry Time to sell any of such Common Shares after the Expiry Time, subject to applicable Laws and to compliance with Section 2.7(2) of MI 62-104 or Section 93.4(2) of the OSA, as applicable.

For the purposes of this Section 12, the "Offeror" includes any person acting jointly or in concert with the Offeror.

13. Common Shareholders who are Non-Residents of Canada

The Offer is not being made to Common Shareholders who are non-residents of Canada.

14. Other Terms of the Offer

- (a) The Offer and all contracts resulting from acceptance thereof shall be governed by and construed in accordance with the Laws of the Province of Ontario and the federal Laws of Canada applicable therein. Each party to any agreement resulting from the acceptance of the Offer unconditionally and irrevocably attorns to the exclusive jurisdiction of the courts of the Province of Ontario and all courts competent to hear appeals therefrom.
- (b) The Offeror reserves the right to transfer to one or more affiliates of the Offeror the right to purchase all or any portion of the Common Shares deposited pursuant to the Offer, but any such transfer will not relieve the Offeror of its obligations under the Offer and will in no way prejudice the rights of persons depositing Common Shares to receive payment for Common Shares validly deposited and accepted for payment under the Offer.
- (c) In any jurisdiction in which the Offer is required to be made by a licensed broker or dealer, the Offer shall be made on behalf of the Offeror by brokers or dealers licensed under the Laws of such jurisdiction.
- (d) No broker, dealer or other person has been authorized to give any information or make any representation on behalf of the Offeror not contained herein or in the accompanying Circular, and, if given or made, such information or representation must not be relied upon as having been authorized. No broker, dealer or other person shall be deemed to be the agent of the Offeror or the Depositary for the purposes of the Offer.
- (e) The provisions of the Glossary, the Summary, the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery accompanying the Offer to Purchase, including the instructions contained therein, as applicable, form part of the terms and conditions of the Offer.
- (f) The Offeror, in its sole discretion, shall be entitled to make a final and binding determination of all questions relating to the interpretation of the terms and conditions of the Offer (including, without limitation, the satisfaction of the conditions of the Offer), the Glossary, the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery, the validity of any acceptance of the Offer and the validity of any withdrawals of Common Shares.
- (g) The Offer to Purchase and Circular do not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made to, nor will deposits be accepted from or on behalf of, Common Shareholders residing in any jurisdiction in which the making or the acceptance of the Offer would not be in compliance with the Laws of such jurisdiction. However, the Offeror may, in the Offeror's sole discretion, take such action as the Offeror may deem necessary to make the Offer in any jurisdiction and extend the Offer to Common Shareholders in any such jurisdiction.
- (h) The Offeror reserves the right to waive any defect in acceptance with respect to any particular Common Shares or any particular Common Shareholder. There shall be no duty or obligation of the Offeror, Dundee Industrial, the Depositary or any other person to give notice of any defect or irregularity in the deposit of Common Shares or in any notice of withdrawal and, in each case, no liability shall be incurred or suffered by any of them for failure to give such notice.

CIRCULAR

This Circular is furnished in connection with the accompanying Offer to Purchase dated April 5, 2013 by the Offeror to purchase all of the issued and outstanding Common Shares and any Common Shares that may become issued and outstanding after the date of the Offer to Purchase but prior to the Expiry Time upon the conversion, exchange or exercise of Convertible Debentures, Warrants, Options or other securities of C2C that are convertible into or exchange or exercisable for Common Shares. The terms and conditions of the Offer to Purchase, the Letter of Transmittal and the Notice of Guaranteed Delivery are incorporated into and form part of this Circular. Common Shareholders should refer to the Offer to Purchase for details of the terms and conditions of the Offer, including details as to payment and withdrawal rights. Unless the context otherwise requires, terms used but not defined in the Circular have the respective meanings given to them in the accompanying Glossary.

Unless otherwise indicated, the information concerning C2C contained in the Offer to Purchase and Circular has been taken from or is based solely upon publicly available documents and records on file with applicable securities regulatory authorities and other public sources available at the time of the Offer. Although Dundee Industrial and the Offeror have no knowledge that would indicate that any statements contained herein relating to C2C and taken from or based on such information are untrue or incomplete, neither Dundee Industrial, the Offeror nor any of their respective officers, trustees or directors, as applicable, assumes any responsibility for the accuracy or completeness of such information or for any failure by C2C to disclose events or facts that may have occurred or that may affect the significance or accuracy of any such information but that are unknown to Dundee Industrial or the Offeror. Unless otherwise indicated, information concerning C2C is given as of December 31, 2012.

1. Dundee Industrial and the Offeror

Dundee Industrial is an unincorporated, open-ended real estate investment trust created by a declaration of trust dated July 20, 2012, as amended and restated (the “**Dundee Industrial Declaration of Trust**”) and is governed by the Laws of the Province of Ontario. Dundee Industrial is a “mutual fund trust” as defined in the Tax Act, but is not a “mutual fund” within the meaning of applicable Canadian securities Laws. The head office of Dundee Industrial is located at 30 Adelaide Street East, Suite 1600, Toronto, Ontario, M5C 3H1.

Dundee Industrial provides functional, well priced and professionally managed light industrial premises. Dundee Industrial’s properties feature an attractive, geographically diverse mix of flex, warehouse and distribution, and light manufacturing assets. At March 30, 2013, Dundee Industrial’s portfolio totalled approximately 11.4 million square feet of gross leasable area across Canada. The properties are located in British Columbia, Alberta, Saskatchewan, Ontario, Québec, New Brunswick and Nova Scotia.

The objectives of Dundee Industrial are (i) to manage its investments to provide growing cash flow and stable and sustainable returns through adapting its strategy and tactics to changes in the real estate industry and the economy; (ii) to build and maintain a diversified, growth-oriented portfolio of light industrial properties in major Canadian markets based on an established platform; (iii) to provide predictable and sustainable cash distributions to Dundee Industrial Unitholders and prudently manage distributions over time; and (iv) to maintain a REIT that satisfies the REIT Exception under the SIFT Legislation in order to provide certainty to Dundee Industrial Unitholders with respect to taxation of distributions.

A description of the activities of Dundee Industrial, the Dundee Industrial Units being offered hereunder, certain constraints imposed on the ownership of Dundee Industrial Units, and other relevant aspects of Dundee Industrial’s organization and structure is contained in the Dundee Industrial AIF, which is incorporated by reference herein. On April 5, 2013 Dundee Industrial announced the appointment of Mr. Randy Cameron as Interim Chief Executive Officer and President, replacing Mr. Scott Hayes who has stepped down and has agreed to assist with the transition prior to his departure.

The Offeror was incorporated under the Laws of the Province of Ontario on March 15, 2013. The Offeror has not carried on any material business prior to the date hereof other than in connection with matters directly related to the Offer. The Offeror is a subsidiary of Dundee Industrial. The head office of the Offeror is located at 30 Adelaide Street East, Suite 1600, Toronto, Ontario, M5C 3H1.

2. C2C

C2C was incorporated with the name Sargasso Capital Corporation under the Laws of the Province of Ontario on July 30, 2008. On May 16, 2011 the articles of the Corporation were amended to change the name of C2C to “C2C Industrial Properties Inc.”. C2C was a capital pool company under Policy 2.4 of the TSXV. C2C completed its qualifying transaction in accordance with the policies of the TSXV on May 16, 2011. The head office of C2C is located at 2 Bloor Street West, Suite 1001, Toronto, Ontario M4W 3E2.

C2C is an industrial real estate company. At March 30, 2013, C2C owned a portfolio of 24 properties comprising approximately 2.3 million square feet of gross leasable area across Canada. The properties are located in Edmonton, Alberta; the Greater Toronto Area and London, Ontario; Montreal, Quebec; and Halifax, Nova Scotia.

The objectives of C2C are (i) to generate stable and growing cash distributions on a tax-efficient basis from investments in income producing industrial properties in Canada; (b) to enhance the value of its assets and maximize the long-term value of its properties through active management; and (c) to expand its asset base and increase its distributable income through an accretive acquisition program and the application of value creation activities such as leasing vacant space and completing developments.

A description of the activities of C2C, and its assets is contained in the sections of C2C AIF which are incorporated by reference herein. See Section 25 of the Circular “Documents Incorporated by Reference”.

3. Certain Information Concerning Securities of C2C

Capital of C2C

The authorized capital of C2C consists of an unlimited number of Common Shares. C2C has represented in the Support Agreement that as of March 19, 2013 there were 17,386,619 Common Shares issued and outstanding, as well as outstanding Options to acquire 151,000 Common Shares, outstanding Warrants to acquire 580,749 Common Shares and outstanding Convertible Debentures in the aggregate principal amount of \$20,125,000 convertible into up to 3,626,126 Common Shares.

Common Shares carry equal rights in that the holders thereof participate equally, share for share, as to dividends declared by the C2C Board of Directors out of funds legally available for the payment of such dividends. In the event of the liquidation, dissolution or winding-up of C2C, Common Shareholders are entitled, share for share, to receive on a pro rata basis, all of the assets of C2C after payment of all of C2C’s liabilities. Common Shareholders are entitled to receive notice of any meetings of Common Shareholders and to attend and vote at such meetings. Common Shares carry one vote per share.

Price Range and Trading Volume of Common Shares

The Common Shares are traded on the TSXV under the trading symbol “CCH”. On March 18, 2013, the last trading day on the TSXV prior to the announcement of the Offeror’s intention to make the Offer, the closing price of the Common Shares on the TSXV was \$3.70. The following table sets forth, for the periods indicated, the reported high and low daily closing prices and the aggregate volume of trading of the Common Shares on the TSXV:

Trading of Common Shares on the TSXV

	<u>High (\$)</u>	<u>Low (\$)</u>	<u>Volume (#)</u>
2012			
September	4.49	4.05	33,211
October	4.15	4.03	11,436
November	4.18	3.90	88,722
December	4.14	4.00	232,752
2013			
January	4.02	3.85	203,767
February.....	4.00	3.84	163,956
March	4.85	3.70	1,467,070
Up to April 4, 2013.....	4.78	4.70	72,632

4. Background to the Offer

The provisions of the Support Agreement are a result of arm’s length negotiations conducted between representatives of Dundee Industrial and C2C and their respective advisors. The following is a summary of the significant events that preceded the execution and public announcement of the Support Agreement.

On January 16, 2013, Dundee Industrial was advised by GMP Securities L.P. (“GMP”) that C2C had engaged GMP as a financial advisor in connection with a strategic review of C2C and enquiring whether Dundee Industrial would be interested in acquiring C2C. Shortly thereafter, GMP provided Dundee Industrial with a brief fact sheet describing C2C and its properties.

On January 17, 2013, Dundee Industrial and C2C entered into the Non-Disclosure Agreement, which contained, among other things, a standstill provision restricting Dundee Industrial from acquiring any Common Shares for a period of 12 months except in limited circumstances. Upon entering into the Non-Disclosure Agreement, C2C provided Dundee Industrial with a confidential portfolio overview. Dundee Industrial commenced its preliminary internal analysis of C2C based upon the confidential portfolio overview, publicly available information regarding C2C and Dundee Industrial’s knowledge of the Canadian industrial real estate sector. In addition, Dundee Industrial retained legal counsel to further assist in its evaluation of a potential acquisition opportunity involving C2C.

Over the next few days, Dundee Industrial and GMP engaged in high level discussions about the C2C portfolio and the nature of a potential transaction between Dundee Industrial and C2C.

On January 22, 2013, Dundee Industrial and C2C held a call to discuss the portfolio overview and C2C’s expectations as to the future performance of the C2C portfolio. Dundee Industrial requested that C2C provide more information about the portfolio.

Commencing on January 23, 2013, C2C began providing Dundee Industrial with detailed information about the C2C portfolio and Dundee Industrial undertook more extensive diligence on C2C and its properties.

On January 25, 2013, Dundee Industrial met with GMP to discuss the terms of a potential transaction. Following the meeting, Dundee Industrial submitted a non-binding expression of interest addressed to David Wright, Chief Executive Officer of C2C and Brian Spence, Chairman of C2C, in respect of an acquisition of all of the Common Shares at a purchase price based upon a capitalization rate of 6.4% applied to C2C’s pro forma net operating income, subject to a number of assumptions to be verified by Dundee Industrial as part of its ongoing diligence. The purchase price would be satisfied by a combination of cash (up to 50% of the purchase price) and

Dundee Industrial Units, with Common Shareholders being entitled to elect cash or units. The expression of interest was subject to, among other things, the satisfactory completion of confirmatory due diligence in respect of C2C, the termination of all asset and property management agreements, the approval of the Dundee Industrial Trustees and the negotiation of a definitive agreement with C2C and lock-up agreements with the C2C Board of Directors and executive officers and key shareholders of C2C. The non-binding expression of interest proposed a period of exclusivity until February 19, 2013 during which time a “due diligence” investigation would be completed by Dundee Industrial and its advisors.

On January 28, 2013, Dundee Industrial was advised that the C2C Board of Directors had met to discuss Dundee Industrial’s expression of interest and were prepared to consider a transaction using the pricing methodology set forth in Dundee Industrial’s expression of interest, subject to reaching an agreement on the underlying assumptions. Later that day and over the next few days, various discussions were held between Dundee Industrial and GMP regarding the terms of Dundee Industrial’s expression of interest.

On the morning of January 31, 2013, in light of its discussions with GMP, Dundee Industrial resubmitted a non-binding expression of interest to C2C, which provided for a purchase price based on a capitalization rate of 6.4% applied to C2C’s pro forma net operating income to be agreed to by the parties. This expression of interest remained subject to, among other things, confirmatory due diligence, approval of the Dundee Industrial Trustees and the negotiation of definitive agreements.

On February 1, 2013, C2C agreed to the terms of Dundee Industrial’s non-binding expression of interest, including a period of exclusive negotiations until February 19, 2013, and forthwith granted representatives of Dundee Industrial access to an online datasite containing information regarding C2C and its business, including financial forecasts, budgets, expense breakdowns, engineering reports, environmental reports, lease abstracts, loan documentation and other information.

Over the next few weeks, Dundee Industrial and its legal, accounting, tax and other advisors continued their review of the business and assets of C2C, including the materials provided on the datasite. During this period, Dundee Industrial and its advisors made several additional requests for information and held numerous discussions with C2C and its legal and financial advisors regarding the findings of its diligence review.

On February 6, 2013, the Dundee Industrial Trustees met to discuss a possible combination transaction involving Dundee Industrial and C2C. Following a presentation to the board by senior management, the Dundee Industrial Trustees authorized senior management to continue negotiations with C2C on the terms set out in Dundee Industrial’s non-binding expression of interest.

On February 19, 2013, Dundee Industrial was advised that the Special Committee had met to discuss the terms of Dundee Industrial’s expression of interest and proposed a number of changes. GMP forwarded to Dundee Industrial a revised draft non-binding expression of interest, which, proposed, among other things, an improved purchase price per Common Share, at least 50% of which would be satisfied by Dundee Units and proposed an extended period of exclusivity until March 11, 2013. Dundee Industrial indicated that, based on the results of its diligence review, it was not prepared to make an offer on the terms proposed by the Special Committee. Dundee Industrial and GMP held numerous discussions over the next few days to negotiate the terms of a potential transaction.

During this period, Dundee Industrial continued its due diligence review and, on February 26, 2013, met with GMP to discuss the results of its financial diligence and negotiate a price at which Dundee Industrial would be prepared to make an offer to the Common Shareholders. At this meeting GMP indicated that the C2C Board of Directors would be willing to recommend an all-stock bid by Dundee Industrial. The parties agreed that they would make reasonable efforts to structure the transaction in a tax efficient manner for the Common Shareholders.

On February 27, 2013, Dundee Industrial resubmitted a non-binding expression of interest to C2C, addressed to Mr. Richard McGraw, Head of the Special Committee, indicating an indicative purchase price of \$4.85 per Common Share, to be satisfied entirely with Dundee Industrial Units based upon the ten day weighted average trading price of the Dundee Units immediately prior to the execution of a definitive agreement with C2C, and subject to the satisfactory confirmation of various assumptions regarding C2C, including debt and C2C Working

Capital levels and limits on Transaction Costs. This expression of interest remained subject to, among other things, confirmatory due diligence, approval of the Dundee Industrial Trustees and the negotiation of definitive agreements.

On February 28, 2013, Dundee Industrial was advised that the Special Committee had met and, subject to a few minor changes, approved the non-binding expression of interest. Once finalized, the expression of interest was executed by both parties.

On March 7, 2013, Dundee Industrial, through its legal advisors, provided a draft support agreement and form of lock-up agreement to C2C's representatives. C2C, through its advisors, provided their collective comments on the draft support agreement on March 11, 2013. Earlier that day, the parties agreed to extend the period of exclusive negotiations until March 15, 2013 given that they had not yet reached agreement on definitive transaction documents. The exclusivity period was extended again on March 15, 2013 until March 19, 2013.

The parties continued negotiating the support agreement and the lock-up agreements into the evening of March 18, 2013 and, early in the morning on March 19, 2013, Dundee Industrial was advised that the Special Committee received an update on the legal terms of the support agreement and lock-up agreements and an oral opinion from National Bank Financial Inc. Dundee Industrial was further advised that the Special Committee had determined to recommend approval of the Offer to the C2C Board of Directors and that the C2C Board of Directors had approved the entering into of the Support Agreement and the making of a recommendation that the Common Shareholders accept the Offer. The Support Agreement and the Offer were also approved by the Dundee Industrial Trustees.

Once Dundee Industrial received executed Lock-Up Agreements from the directors, executive officers and certain key shareholders of C2C, Dundee Industrial entered into the Support Agreement with C2C on March 19, 2013. Dundee Industrial and C2C issued a joint press release announcing the entering into of the Support Agreement shortly after markets opened on March 19, 2013.

5. Purpose of the Offer and Plans for C2C

Offer

The purpose of the Offer is to enable the Offeror to acquire (and Dundee Industrial to acquire indirectly through the Offeror), on the terms and subject to the conditions of the Offer, all of the outstanding Common Shares. The effect of the Offer is to give to Common Shareholders the opportunity to receive 0.4485 Dundee Industrial Units per Common Share, representing a 30.7% premium to the volume-weighted average trading price of the Common Shares on the TSXV over the ten trading days ended March 18, 2013 (the last trading day prior to the announcement by the Offeror of its intention to make the Offer).

If, within 120 days after the date of the Offer (or such longer period as a court may permit), the Offer is accepted by Common Shareholders holding not less than 90% of the outstanding Common Shares as at the Expiry Time and the Offeror acquires such Common Shares, then the Offeror may, to the extent possible, acquire the remainder of the Common Shares from those Common Shareholders who have not accepted the Offer on the same terms as the Common Shares acquired under the Offer pursuant to a Compulsory Acquisition. The Offeror has covenanted in the Support Agreement that if a Compulsory Acquisition is not available or the Offeror chooses not to avail itself of such statutory right of acquisition, the Offeror will use its commercially reasonable efforts to pursue other means of acquiring the remaining Common Shares not tendered under the Offer, provided that the consideration per Common Share offered in connection with the Subsequent Acquisition Transaction is at least equivalent in value to the consideration per Common Share paid under the Offer. The Offeror has further covenanted in the Support Agreement that in the event the Offeror takes up and pays for Common Shares under the Offer representing at least a simple majority of the outstanding Common Shares (calculated on a fully diluted basis as at the Expiry Time), the Offeror will use commercially reasonable efforts, and C2C has covenanted in the Support Agreement that it will assist the Offeror to acquire sufficient Common Shares to successfully complete a Subsequent Acquisition Transaction and, for greater certainty, when the Offeror has acquired sufficient Common Shares to do so, it shall complete a Subsequent Acquisition Transaction. If the Minimum Tender Condition is satisfied and the Offeror takes up and pays for the Common Shares deposited under the Offer, the Offeror will own sufficient Common Shares to effect a Subsequent Acquisition Transaction without the need for the affirmative vote of any

Common Shareholder other than the Offeror. See Section 13 of the Circular, “Acquisition of Common Shares Not Deposited”.

Lock-up Agreements

On March 19, 2013, Dundee Industrial and the Offeror entered into lock-up agreements (the “**Director and Officer Lock-Up Agreements**”) with each of the directors and executive officers of C2C (and/or their holding companies, if applicable), being Andrew McIntyre, Anthony Pacaud, Brian Spence, Christopher Ross, David Wright, John MacNeil, Laetitia Pacaud, Moray Tawse, Richard McGraw, 801420 Ontario Limited, Bunky Holdings Limited, Hywynd Equities Inc., Jomac Properties Limited, Lochan Ora Investments Limited, Oleander Capital Inc., Strathallen Capital Corp. and Webcom Inc. (collectively, the “**Supporting Directors and Officers**”) which provide that the Supporting Directors and Officers will deposit all of their Common Shares under the Offer (representing in aggregate approximately 10.5% of the currently issued and outstanding Common Shares).

On March 19, 2013, Dundee Industrial and the Offeror also entered into lock-up agreements (the “**Institutional Shareholder Lock-Up Agreements**”) with Alberta Investment Management Corp. and Sentry Investments Inc. (collectively, the “**Supporting Institutional Shareholders**”) which provide that the Supporting Institutional Shareholders will deposit all of their Common Shares under the Offer (representing in aggregate approximately 29.9% of the currently issued and outstanding Common Shares).

The following is a summary of certain provisions of the Director and Officer Lock-Up Agreements and Institutional Shareholder Lock-Up Agreements (collectively the “**Lock-Up Agreements**”) and is subject to, and qualified in its entirety by, the full text of the Lock-Up Agreements. The Lock-Up Agreements are available electronically at www.sedar.com.

Under the Lock-Up Agreements, the Supporting Directors and Officers and Supporting Institutional Shareholders (collectively, the “**Supporting Parties**”) have agreed to validly deposit or cause to be validly deposited with the Depositary under the Offer all of such party’s Common Shares. The Supporting Parties have agreed not to withdraw their Common Shares from the Offer unless the Lock-Up Agreements are terminated in accordance with their terms.

Each of the Supporting Parties has covenanted, until the earlier of the termination of its Lock-Up Agreement or the Offeror having taken up and paid for Common Shares under the Offer, except in accordance with the provisions of its Lock-Up Agreement he or she shall:

- not, directly or indirectly, through any representatives or agents or, if applicable, its respective officers, directors or employees, (a) make, solicit, assist, initiate, knowingly encourage, promote or otherwise facilitate (including by way of furnishing non-public information, permitting any visit to any facilities or properties of C2C or any C2C Subsidiary or material joint venture of C2C, or entering into any form of written or oral agreement, arrangement or understanding) any inquiries, proposals or offers regarding any Acquisition Proposal or potential Acquisition Proposal, (b) engage in any discussions or negotiations regarding, or provide any information with respect to C2C, or otherwise co-operate in any way with, or assist or participate in, knowingly encourage or otherwise facilitate, any effort or attempt by any other person to make or complete any Acquisition Proposal, (c) accept or enter into, or publicly propose to accept or enter into, any letter of intent, agreement in principle, agreement, arrangement or undertaking providing for any Acquisition Proposal, or (d) make any public comment or statement, written or oral, which is inconsistent with the Supporting Party’s agreement to support the Offer;
- immediately cease and cause to be terminated any existing solicitation, assistance, discussion, negotiation or process with or involving any person (other than Dundee Industrial or the Offeror) that may be ongoing with respect to or which could reasonably be expected to lead to an Acquisition Proposal;
- co-operate with Dundee Industrial and/or the Offeror (at no cost to the Supporting Directors and Officers) by providing all information relating to the Supporting Party to enable Dundee Industrial and/or the Offeror to: (a) make all requisite regulatory filings and in obtaining all requisite governmental, administrative and

regulatory approvals (whether before or after the take-up of and payment for Common Shares under the Offer), including making submissions and giving evidence in relation to those submissions, and (b) mail or otherwise commence and successfully complete the Offer and any Subsequent Acquisition Transaction;

- promptly notify Dundee Industrial of every communication received by the Supporting Party or response made in connection with any potential Acquisition Proposal and promptly provide to Dundee Industrial (a) a copy of all letters, correspondence, agreements and other documentation from time to time received or sent in respect of any Acquisition Proposal proposed to the Supporting Party after the date of its Lock-Up Agreement, including with respect to any amendments to such an Acquisition Proposal and (b) such additional details and information in relation to any such Acquisition Proposal, inquiry or contact as Dundee Industrial may reasonably require, including the identity of the person proposing such Acquisition Proposal or making the inquiry or contact;
- not grant an option on, sell, transfer, pledge, hypothecate, grant any security interest in or Encumbrance on or otherwise convey or enter into any forward sale, repurchase agreement or other monetization transaction with respect to any of the Supporting Party's Common Shares, or any right or interest therein (legal or equitable), to any person or group or agree to do any of the foregoing, except pursuant to the Offer and the Supporting Party's Lock-Up Agreement;
- not grant or agree to grant any proxy, power of attorney or attorney in fact or other right to vote the Supporting Party's Common Shares, or enter into any voting agreement, voting trust, vote pooling or other agreement with respect to the right to vote, call meetings of security holders or give consents or approval of any kind with respect to any of the Supporting Party's Common Shares;
- not acquire or enter into any agreement or option, or any right or privilege (whether pre-emptive, contractual or by Laws) capable of becoming an agreement or option to acquire any securities of C2C in addition to the Supporting Party's Common Shares;
- not do indirectly that which it may not do directly in respect of the foregoing restrictions on its rights including the sale of any direct or indirect holding company of the Supporting Party or the granting of a proxy, power of attorney or attorney in fact on the shares held by any direct or indirect holding company of the Supporting Party which would have indirectly, the effect prohibited by the provision described in this paragraph; and
- not take any action which is inconsistent with the performance by the Supporting Party of its obligations under its Lock-Up Agreement.

The Director and Officer Lock-Up Agreements also contain a covenant that each Supporting Director and Officer shall resign from the C2C Board of Directors at the Effective Time if such Supporting Director and Officer is a C2C Director as contemplated in Section 2.3 of the Support Agreement. The Institutional Shareholder Lock-Up Agreements contain covenants that each Supporting Institutional Shareholder shall use all commercially reasonable efforts in its capacity as a Shareholder to assist C2C and the Offeror to complete successfully the purchase by or the sale to the Offeror of any Common Shares under the Offer and the successful completion of a Compulsory Acquisition or Subsequent Acquisition Transaction.

Each Lock-Up Agreement may be terminated: (i) by mutual written consent of Dundee Industrial, the Offeror and the Supporting Party; (ii) by Dundee Industrial by written notice to the Supporting Party if, (a) the Support Agreement is terminated in accordance with its terms, (b) the Supporting Party has not complied in all material respects with its covenants contained in its Lock-Up Agreement; or (c) any of the representations and warranties of the Supporting Party contained in its Lock-Up Agreement are untrue or incorrect in any material respect (or, with respect to representations and warranties that are qualified by any materiality qualifications are untrue or incorrect); and (iii) by the Supporting Party upon written notice to Dundee Industrial and the Offeror if: (a) Dundee Industrial or the Offeror has not complied in any material respect with any of their covenants contained in the Lock-Up Agreements (and such default is not curable or, if curable, following written notice to Dundee

Industrial and the Offeror by the Supporting Party of such non-compliance and provided such default is not cured within 15 days of that notice); or (b) if the Support Agreement is terminated in accordance with its terms.

Each Institutional Shareholders Lock-Up Agreement may also be terminated by a Supporting Institutional Shareholder if the Institutional Supporting Shareholder withdraws its Common Shares deposited under the Offer in order to tender or deposit such Common Shares to a formal take-over bid (as defined in the *Securities Act* (Ontario)) for not less than all of the Common Shares that has been made to the holders of all of the outstanding Common Shares for consideration per Common Share that, as of the date that is five business days after such formal take-over bid has been made or at anytime thereafter, exceeds the fair market value of the consideration offered under the Offer by at least 5% of the consideration offered under the Offer.

Plans for C2C

In the event that the Offeror completes a Subsequent Acquisition Transaction, Dundee Industrial intends to take such steps as are required to cause any outstanding Warrants or Convertible Debentures to become exercisable for or convertible into Dundee Industrial Units in accordance with their terms. If permitted by applicable Laws, Dundee Industrial intends to cause C2C to apply to delist the Common Shares from the TSXV as soon as practicable after completion of the Offer, any Compulsory Acquisition or any Subsequent Acquisition Transaction. In addition, if permitted by applicable Laws, subsequent to the completion of the Offer and any Compulsory Acquisition or Subsequent Acquisition Transaction, Dundee Industrial intends to cause C2C to cease to be a reporting issuer under the securities Laws of each province of Canada where C2C is a reporting issuer or, if permitted by applicable Laws, to take such steps as are required to permit C2C to satisfy the continuous disclosure requirements of applicable Laws by relying on the continuous disclosure documents filed by Dundee Industrial with Canadian securities regulators under applicable Laws. See Section 6 of the Circular, “Effect of the Offer on the Market for and Listing of Common Shares and Status as a Reporting Issuer”.

Under the Support Agreement, C2C acknowledges that, promptly following the time at which the Offeror takes up for purchase such number of Common Shares as represents at least a majority of the outstanding Common Shares on a fully diluted basis, and from time to time thereafter, the Offeror will be entitled to designate all the members of the C2C Board of Directors, and any committees thereof, subject to applicable Law and other matters contemplated in the Support Agreement. In such circumstances, C2C covenants to, among other things, co-operate with the Offeror to enable the Offeror’s designees to be elected or appointed to the C2C Board of Directors, and any committees thereof, and to constitute the C2C Board of Directors.

In the event that the Offeror takes up and pays for Common Shares under the Offer representing 50% or more of the outstanding Common Shares, C2C will be obligated pursuant to the terms of the Convertible Debentures, within 30 days of such take up and payment, to offer to purchase all outstanding Convertible Debentures at a price per Convertible Debenture equal to 100% of the principal amount thereof together with accrued and unpaid interest thereon (if any) up to but excluding the date of payment for such Convertible Debentures.

6. Effect of the Offer on the Market for and Listing of Common Shares and Status as a Reporting Issuer

The purchase of Common Shares by the Offeror under the Offer will reduce the number of Common Shares that might otherwise trade publicly and will reduce the number of Common Shareholders and, depending on the number of Common Shares acquired by the Offeror, could materially adversely affect the liquidity and market value of any remaining Common Shares held by the public.

The rules and regulations of the TSXV establish certain criteria which, if not met, could, upon successful completion of the Offer, lead to the delisting of the Common Shares from the TSXV. Depending on the number of Common Shares purchased by the Offeror under the Offer or otherwise, it is possible that the Common Shares would fail to meet the criteria for continued listing on the TSXV. If this were to happen, the Common Shares could be delisted and this could, in turn, adversely affect the market or result in a lack of an established market for the Common Shares. If the Offeror proceeds with a Compulsory Acquisition or a Subsequent Acquisition Transaction, the Offeror intends to cause C2C to apply to delist the Common Shares from the TSXV as soon as practicable after

completion of the Offer and any Compulsory Acquisition or any Subsequent Acquisition Transaction. If the Common Shares are delisted from the TSXV, the extent of the public market for the Common Shares and the availability of price or other quotations would depend upon the number of Common Shareholders, the number of Common Shares publicly held and the aggregate market value of the Common Shares publicly held at such time, the interest in maintaining a market in Common Shares on the part of securities firms, whether C2C remains subject to public reporting requirements in Canada and other factors.

After the purchase of the Common Shares under the Offer and any Compulsory Acquisition or Subsequent Acquisition Transaction, C2C may cease to be subject to the public reporting and proxy solicitation requirements of the OBCA, securities Laws of each province of Canada where C2C is a reporting issuer. Furthermore, it may be possible for C2C to request the elimination of the public reporting requirements of any jurisdiction where a small number of Common Shareholders may reside. Subsequent to the completion of the Offer, if the Offeror proceeds with a Compulsory Acquisition or a Subsequent Acquisition Transaction, and if permitted by applicable Laws, the Offeror intends to cause C2C to cease to be a reporting issuer under the securities Laws of each province of Canada where C2C is a reporting issuer or, if permitted by applicable Laws, to take such steps as are required to permit C2C to satisfy the continuous disclosure requirements of applicable Laws by relying on the continuous disclosure documents filed by Dundee Industrial with Canadian securities regulators under applicable Laws.

7. Rationale and Benefits of the Offer

Dundee Industrial believes the Common Shareholders will enjoy the following significant benefits from the Offer.

Significant Premium

The exchange number represents an offer price of \$4.85 per Common Share based on the weighted average trading price of the Dundee Industrial Units on the TSX for the 10 day trading period ending March 18, 2013 and represents a premium of approximately 30.7% to the volume-weighted average trading price of the Common Shares on the TSXV over the 10 trading days ended March 18, 2013 (the last trading day prior to the announcement by the Offeror of its intention to make the Offer).

Participation in Future Upside of Dundee Industrial

Common Shareholders who receive Dundee Industrial Units under the Offer will be provided with ownership in a large national industrial portfolio and have the opportunity to participate in the future upside of Dundee Industrial. Dundee Industrial is currently the largest pure-play industrial REIT (as indicated by market capitalization) in Canada.

The increased scale and diversification will provide greater financial stability in volatile economic conditions and is expected to result in further improvement to Dundee Industrial's cost of capital, affording it the ability to grow and conduct its business even more cost effectively. In addition, the acquisition of C2C is being completed at a price that is immediately accretive for Dundee Industrial. The completion of the Offer is expected to enhance Dundee Industrial's profile by providing it with the benefits described below. The benefits are based on market and business conditions existing as of the date hereof and reflect the management of Dundee Industrial's best estimate of the effects of the completion of the Offer. **There can be no assurance that these benefits will ultimately be achieved.**

Enhanced Size and Diversification

The combination of Dundee Industrial and C2C will create one of the largest owners and managers of industrial real estate in Canada, owning interests in approximately 14.0 million square feet of gross leasable area across the country. Dundee Industrial's real estate portfolio will span key primary and secondary markets from coast to coast, with significant holdings in Atlantic Canada, the Greater Toronto Area, Calgary and the Greater Montreal Area. The acquisition of C2C will add a complementary portfolio totaling more than 2.5 million square feet of gross leasable area, enhancing Dundee Industrial's property offerings in existing markets and establishing a presence in

new markets, reducing its exposure to any one tenant, region or industry sector and further solidifying its position as Canada's largest national industrial REIT. The increase in the scale of operations, and the improved geographic and demographic diversification, is expected to provide greater financial stability and further improve Dundee Industrial's cost of capital.

Attractive investment, experienced management, opportunity for growth

Since the closing of Dundee Industrial's initial public offering on October 4, 2012, Dundee Industrial's total cumulative unitholder return was approximately 12% at March 18, 2013. Since October 4, 2012, Dundee Industrial has issued \$395.2 million of equity at prices increasing from \$10.00 to \$11.00 per Dundee Industrial Unit and has completed approximately \$515.7 million of property acquisitions. During this time, its unit price has risen from \$10.00 to \$10.96 as at March 18, 2013, the last trading day prior to the announcement by the Offeror of its intention to make the Offer, a 9.6% increase. The management team is highly disciplined and has demonstrated a strong focus on maintaining a conservative and flexible balance sheet.

Enhanced Liquidity

It is expected that Common Shareholders will also enjoy substantially greater liquidity once Dundee Industrial and C2C are combined. Based on the closing price of \$10.96 for a Dundee Industrial Unit on the TSX on March 18, 2013, the last day on which the Common Shares and the Dundee Industrial Units traded prior to the announcement by the Offeror of its intention to make the Offer, the combined entity would have a market capitalization of approximately \$776.9 million. The increased market capitalization may broaden Dundee Industrial's ownership by institutional investors and the combined entity may benefit from stronger access to capital.

8. Recommendation of the C2C Board of Directors

The C2C Board of Directors, after consultation with its financial and legal advisors and on receipt of a recommendation of its Special Committee, has unanimously determined that the Offer is in the best interests of C2C and the C2C Board of Directors unanimously recommends that Common Shareholders accept the Offer and deposit their Common Shares under the Offer.

9. Support Agreement

The following is a summary of the material terms of the Support Agreement and is subject to, and qualified in its entirety by, the full text of the Support Agreement. C2C Common Shareholders who wish to obtain a copy of the Support Agreement in paper form at no cost may contact the Secretary of Dundee Industrial at 30 Adelaide Street East, Suite 1600, Toronto, Ontario M5C 3H1, telephone (416) 365-3535 or C2C at 2 Bloor Street West, Suite 1001, Toronto, Ontario M4W 3E2, telephone (416) 642-5548 and are also available electronically at www.sedar.com.

On March 19, 2013, Dundee Industrial, the Offeror and C2C entered into the Support Agreement, which sets out, among other things, the terms and conditions upon which the C2C Board of Directors agreed to recommend to Common Shareholders to accept the Offer. The following is a summary of certain provisions of the Support Agreement. It does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all of the provisions of the Support Agreement.

Support of the Offer

C2C has confirmed in the Support Agreement that the C2C Board of Directors, after consultation with its outside legal counsel and financial advisors and on receipt of a recommendation from its Special Committee, has unanimously determined that the Offer is in the best interests of C2C and, accordingly, has unanimously approved the making of a recommendation that Common Shareholders accept the Offer.

The C2C Board of Directors and the executive officers of C2C have agreed to deposit all Common Shares beneficially owned or controlled by them under the Offer. Section 5 of the Circular, “Purpose of the Offer and Plans for C2C – Lock-Up Agreements”.

The Offer

The Offeror has agreed to make the Offer on the terms and conditions set forth in the Support Agreement and, provided all of the conditions of the Offer set forth in Section 4 of the Offer to Purchase, “Conditions of the Offer”, shall have been satisfied or waived at or prior to the Expiry Time, the Offeror has agreed to take up and pay for all Common Shares, including Common Shares issuable (and that, prior to the Expiry Time are actually issued) upon the conversion of Convertible Debentures, the exercise of Warrants or the exercise of Options or on the conversion, exchange or exercise of other securities of C2C that are convertible into or exchangeable or exercisable for Common Shares, validly tendered and not withdrawn under the Offer within three business days following the time at which the Offeror is entitled to take up Common Shares under the Offer. See Section 6 of the Offer to Purchase, “Take Up and Payment for Deposited Common Shares”.

The Offeror and Dundee Industrial may not amend, modify or waive any term or condition of the Offer without the prior written consent of C2C, acting reasonably; except that the Offeror and Dundee Industrial may, without the consent of C2C, (i) increase the consideration per Common Share and/or offer consideration per Common Share in addition to payment of the Offer Consideration, (ii) waive any condition of the Offer other than the Minimum Tender Condition (provided that the Minimum Tender Condition may be amended, waived or modified to effectively decrease the Minimum Tender Condition to not less than 50.1% of the Common Shares then outstanding (calculated on a fully diluted basis), or (iii) extend the Offer as contemplated by the Support Agreement.

C2C Board of Directors Representation

C2C has acknowledged that provided that at least a majority of the then outstanding Common Shares on a fully diluted basis are taken up for purchase by the Offeror, the Offeror will be entitled to designate all the members of the C2C Board of Directors, and any committees thereof. C2C will co-operate with the Offeror, subject to all applicable Laws and the provision of releases and confirmation of insurance coverage, to enable the Offeror’s designees to be elected or appointed to the C2C Board of Directors, and any committees thereof, and to constitute the C2C Board of Directors, including using its commercially reasonable efforts to secure the resignations of such directors as the Offeror may request.

Representations and Warranties

C2C has represented and warranted as to a number of matters including organization and qualification; authority relative to the Support Agreement; no conflict, required filings and consent; subsidiaries; compliance with Laws; capitalization and listing; common shareholder and similar agreements; public reporting; real properties; the fair presentation of audited financial statements; the absence of undisclosed liabilities; employment matters; the absence of certain changes or events; the absence of material litigation (pending or threatened); tax matters; books and records; insurance; the absence of non-arm’s length transactions; the absence of benefit plans; the absence of restrictions on business activities; material contracts; relationships with tenants and suppliers; the absence of broker or finder fees; property management agreements; reporting issuer status; joint ventures; stock exchange compliance; corrupt practices legislation; and data room information.

Dundee Industrial and the Offeror have jointly and severally represented and warranted as to a number of matters including organization and qualification; capitalization of Dundee Industrial; authority relative to the Support Agreement; issuance of Dundee Industrial Units; no conflict, required filings and consent; qualification under the Investment Canada Act; public reporting; reporting issuer status; listing of the Dundee Industrial Units; and the absence of any orders suspending trading of the Dundee Industrial Units.

Covenants

Conduct of Activities and Business by C2C

C2C has agreed to various restrictive covenants in respect of the operation of its activities and business, including that C2C will, and will cause each of the C2C Subsidiaries to:

- conduct its and their respective activities and businesses in the ordinary course consistent with past practice and in compliance with applicable Laws;
- not issue or agree to issue any Common Shares, any Convertible Debentures, any Options, any Warrants or any rights of any kind to acquire any Common Shares or other securities or any securities of the C2C Subsidiaries other than upon the conversion or exercise of currently outstanding Convertible Securities, in accordance with their terms;
- not sell or encumber or agree to sell or encumber any of the Properties or any of its other assets which have a value greater than \$20,000 in the aggregate or lease any premises in any of the Properties having a net rentable area of greater than 50,000 square feet;
- not amend or propose to amend the C2C articles or by-laws or any C2C articles or by-laws or other constating documents of C2C or a C2C Subsidiary or the terms of any securities of C2C or any C2C Subsidiary;
- not enter into or amend in a material manner any existing contractual rights under any Material Contract, Existing Lease, Existing Mortgage or the indenture for the Convertible Debentures;
- not split, combine or reclassify any outstanding Common Shares, other securities of C2C or any securities of any C2C Subsidiary nor redeem, purchase or offer to purchase any Common Shares, any other securities of C2C or any securities of any C2C Subsidiary;
- other than regular quarterly dividends in an amount not to exceed \$0.0265 per Common Share and payment of interest in respect of the Convertible Debentures in accordance with their terms, not declare, set aside or pay any distribution in respect of any Common Shares, other securities of C2C or any securities of any C2C Subsidiary;
- not reorganize, arrange, amalgamate or merge C2C or any C2C Subsidiary with any other person nor adopt a plan of liquidation or resolutions providing for the liquidation or dissolution of C2C or any C2C Subsidiary;
- not acquire or agree to acquire any person, or make any investment or purchase of any property or assets of any other person that has a value greater than \$20,000 in the aggregate;
- not incur any indebtedness for borrowed money or any other material liability or obligation or issue any debt securities, except for the borrowing of working capital in the ordinary course of business;
- other than customary per diem fees payable to members of the Special Committee not to exceed \$50,000 in the aggregate, not increase the benefits payable or to become payable to its directors or officers, enter into or modify any employment, severance, or similar agreements or arrangements with, or grant any bonuses, salary increases, severance or termination pay to, any director or officer of C2C other than pursuant to existing agreements that are disclosed in the C2C Public Documents;
- not employ, hire or retain or offer to employ, hire or retain any person as an employee or independent contractor;

- not establish, adopt, enter into, amend or waive any performance or vesting criteria or accelerate vesting, exercisability or funding under any bonus, profit sharing, thrift, incentive, compensation, stock option, restricted stock, pension, retirement, deferred compensation, savings, welfare, employment, termination, severance or other employee benefit plan, agreement, trust, fund, policy or arrangement for the benefit or welfare of any directors, officers, current or former employees of C2C or the C2C Subsidiaries, other than pursuant to the written terms thereof except for the vesting of all Warrants and Options;
- not enter into or renew any Contract or other binding obligation of C2C or the C2C Subsidiaries containing certain limitations on carrying on business or that would reasonably be expected to materially delay or prevent the consummation of the Contemplated Transactions;
- other than as set forth in the property condition assessment reports included in the Data Room Information, not incur any capital expenditures or enter into any agreement obligating C2C or any C2C Subsidiary to provide for future capital expenditures, in either case in excess of \$25,000;
- duly and timely file all Tax Returns required to be filed by it and take certain other actions in respect of Taxes;
- duly and timely file all material forms, reports, schedules, statements and other documents required to be filed pursuant to Laws;
- except as contemplated in the Support Agreement, not enter into any transaction or perform any act which would reasonably be expected to interfere with or be materially inconsistent with the successful completion of the acquisition of Common Shares by Dundee Industrial pursuant to the Offer or the successful completion of a Compulsory Acquisition or Subsequent Acquisition Transaction or which would render, or which would reasonably be expected to render, untrue or inaccurate (without giving effect to, applying or taking into consideration any materiality or Material Adverse Effect qualification already contained within such representation or warranty) in any material respect any of C2C's representations and warranties set forth in the Support Agreement; and
- not announce an intention, enter into any formal or informal agreement, or otherwise make a commitment to do any of the things prohibited by any of the foregoing restrictions.

Conduct of Activities and Business by Dundee Industrial

Dundee Industrial has agreed to various restrictive covenants in respect of the operation of its activities and business, including that Dundee Industrial will, and will cause each of the Dundee Industrial Subsidiaries to:

- conduct its and their respective activities and businesses in the ordinary course except as previously disclosed to C2C and comply in all material respects with applicable Laws;
- not split, combine or reclassify any outstanding Dundee Industrial Units, other securities of Dundee Industrial nor redeem, purchase or offer to purchase any Dundee Industrial Units or any other securities of Dundee Industrial;
- other than regular monthly distributions per Dundee Industrial Unit, not declare, set aside or pay any distribution in respect of any Dundee Industrial Units or other securities of Dundee Industrial;
- not reorganize, amalgamate or merge Dundee Industrial or any Dundee Industrial Subsidiary with any other person nor adopt a plan of liquidation or resolutions providing for the liquidation or dissolution of Dundee Industrial or any Dundee Industrial Subsidiary;
- not amend or propose to amend the terms of the Dundee Industrial Units;

- not enter into any transaction or perform any act which would reasonably be expected to interfere with or be materially inconsistent with the successful completion of the acquisition of Common Shares by the Offeror pursuant to the Offer or the successful completion of a Subsequent Acquisition Transaction; and
- not announce an intention, enter into any formal or informal agreement, or otherwise make a commitment to do any of the things prohibited by any of the foregoing restrictions.

Other Covenants

Each of C2C, Dundee Industrial and the Offeror has agreed to a number of mutual covenants, including to cooperate in good faith and use commercially reasonable efforts to take all action and do all things necessary, proper or advisable to consummate and make effective as promptly as is practicable the Contemplated Transactions, and for the discharge by Dundee Industrial, the Offeror and C2C of its respective obligations under the Support Agreement and the Contemplated Transactions.

In addition, upon reasonable notice, C2C has agreed to provide Dundee Industrial and its Representatives with reasonable access during normal business hours, to all books, records, information and files in C2C's possession and control or the possession and control of Strathallen Capital Corp. (insofar as such books, records, information and files relate to C2C), including material contracts, and access to the personnel of and counsel to C2C and the C2C Subsidiaries and Strathallen Capital Corp. on an as reasonably requested basis as well as reasonable access to the properties of C2C and the C2C Subsidiaries in order to allow Dundee Industrial to perform such investigations as Dundee Industrial and the Offeror may consider necessary or advisable for strategic planning and integration, for the structuring of any Pre-Acquisition Reorganization and for the purpose of whether C2C continues to satisfy certain conditions.

Dundee Industrial and the Offeror will cause C2C or any successor to C2C to maintain in effect without any reduction in scope or coverage for six years from the effective date, customary policies of directors' and officers' liability insurance policy providing protection no less favourable than the protection provided by the directors' and officers' liability insurance maintained by C2C and the C2C Subsidiaries as of the date of the Support Agreement for all present and former directors and officers of C2C and the C2C Subsidiaries and providing protection in respect of claims arising from factors or events which occurred on or prior to the Effective Time; provided, however, that Dundee Industrial and the Offeror will not be required, in order to maintain or cause to be maintained such directors' and officers' liability insurance policies, to pay an annual premium in excess of 300% of the cost of the existing policies maintained by C2C and the C2C Subsidiaries; and provided further that, if equivalent coverage cannot be obtained or can only be obtained by paying an annual premium in excess of 300% of such amount, Dundee Industrial and the Offeror shall only be required to obtain or cause to be obtained as much coverage as can be obtained by paying an annual premium equal to 300% of such amount. Alternatively, Dundee Industrial and the Offeror (at its discretion) may, or may request C2C to and, at the request and at the cost of Dundee Industrial, C2C will, prior to the Expiry Time, purchase pre-paid, non-cancellable directors' and officers' liability insurance in form and substance satisfactory to C2C, acting reasonably, for C2C's present and former directors and officers and those of the C2C Subsidiaries, covering claims made prior to and within six years after the Effective Time, on a "trailing" or "run-off" basis provided that such insurance is available at a one-time cost that is not in excess of 300% of the annual cost to C2C of the existing policies maintained by C2C and the C2C Subsidiaries. In lieu of purchasing any such run-off policy, Dundee Industrial may pay any outstanding premium on any directors' and officers' liability insurance policy maintained by C2C, and pay or pre-pay any premium on any such policy which is or would be payable in order to fund and maintain the "run-off" coverage provided for in any such policy, provided that any such premiums do not exceed, in the aggregate 300% of the annual cost to C2C of the existing directors' and officers' liability insurance policies maintained by C2C and the C2C Subsidiaries.

Dundee Industrial Guarantee of Performance of the Offeror

Dundee Industrial has unconditionally and irrevocably guaranteed under the Support Agreement, and agreed to be jointly and severally liable with the Offeror, as principal obligor, for the due and punctual performance of the obligations of the Offeror under or relating to the Offer and the other transactions contemplated by the Support Agreement.

C2C Non-Solicitation

In the Support Agreement, C2C has agreed, among other things, that, except as provided in the Support Agreement, it will not, and it will cause each of the C2C Subsidiaries not to, directly or indirectly: (a) make, solicit, assist, initiate, knowingly encourage or otherwise facilitate (including by way of furnishing non-public information, permitting any visit to any facilities or properties of C2C or any subsidiary or material joint venture of C2C, or entering into any form of written or oral agreement, arrangement or understanding) any inquiries, proposals or offers regarding any Acquisition Proposal; (b) engage in any discussions or negotiations regarding, or provide any information with respect to, or otherwise co-operate in any way with, or assist or participate in, knowingly encourage or otherwise facilitate, any effort or attempt by any other person to make or complete any Acquisition Proposal, provided that, for greater certainty, C2C may (i) advise any person requesting access to information with respect to C2C or any of the C2C Subsidiaries solely that such access cannot be provided except in accordance with the terms of the Support Agreement; and (ii) C2C may advise any person making an unsolicited Acquisition Proposal that such Acquisition Proposal does not constitute a Superior Proposal when the C2C Board of Directors has so determined; (c) withdraw, modify or qualify, or propose publicly to withdraw, modify or qualify, in any manner adverse to Dundee Industrial or the Offeror, the approval or recommendation of the C2C Board of Directors of the Support Agreement or the recommendation of the C2C Board of Directors or any committee thereof that Common Shareholders accept the Offer; (d) approve, recommend or remain neutral with respect to, or propose publicly to approve, recommend or remain neutral with respect to, any Acquisition Proposal (it being understood that publicly taking no position or a neutral position with respect to an Acquisition Proposal until 10 days following the public announcement of such Acquisition Proposal shall not be considered a violation of this obligation); (e) release any person from or waive, or otherwise forbear the enforcement of, any confidentiality or standstill agreement with any person that would facilitate the making or implementation of any Acquisition Proposal (provided that, for the avoidance of doubt, any automatic release from the standstill provisions of any such agreement in accordance with its terms shall not constitute a breach of this obligation); or (f) accept or enter into, or publicly propose to accept or enter into, any letter of intent, agreement in principle, agreement, arrangement or undertaking providing for any Acquisition Proposal.

C2C has agreed to cease any existing solicitation, discussion or negotiation with any person (other than Dundee Industrial or a Dundee Industrial Subsidiary), by or on behalf of C2C or any of the C2C Subsidiaries with respect to or which could reasonably be expected to lead to any potential Acquisition Proposal, whether or not initiated by C2C or any of the C2C Subsidiaries or any of its or their representatives and, in connection therewith, to discontinue access to any data rooms (virtual or otherwise) made available by and under the control of C2C, Strathallen Capital Corp. or any Representative of C2C.

C2C has agreed to request the return or destruction of all information provided to any third parties who have entered into a confidentiality agreement with C2C relating to any potential Acquisition Proposal and to use commercially reasonable efforts to ensure that such requests are honoured in accordance with the terms of such confidentiality agreements. C2C has agreed to immediately advise Dundee Industrial of any response or action (actual, anticipated, contemplated or threatened) by any such third party which could reasonably be expected to hinder, prevent or delay or otherwise adversely affect the completion of the Contemplated Transactions.

C2C has agreed to promptly (and in any event within 24 hours) notify Dundee Industrial and the Offeror, at first orally and then in writing, of any proposal, inquiry, offer or request relating to or constituting an Acquisition Proposal, any request for discussions or negotiations relating to, or which could lead to, an Acquisition Proposal, and/or any request for non-public information relating to C2C or any of the C2C Subsidiaries, or for access to properties or books and records or a list of Common Shareholders of which C2C's directors, officers, employees, representatives or agents are or become aware.

C2C has agreed to ensure that its Representatives, including the C2C Subsidiaries and their Representatives, are aware of the non-solicitation provisions of the Support Agreement and C2C shall be responsible for any breach by such persons.

Superior Proposals, Right to Match, etc.

Notwithstanding the restrictions on C2C in the Support Agreement, following the receipt by C2C of a written Acquisition Proposal that was not solicited in contravention of the Support Agreement including, for greater certainty, an amendment, change or modification to an Acquisition Proposal made prior to the date of the Support Agreement, C2C and its Representatives may: (a) contact the person making such Acquisition Proposal and its representatives for the purposes of clarifying the terms and conditions of such Acquisition Proposal and the likelihood of its consummation so as to determine whether such Acquisition Proposal is, or could reasonably be expected to lead to, a Superior Proposal; and (b) if the C2C Board of Directors determines, after consultation with its outside legal and financial advisors, that such Acquisition Proposal is, or could reasonably be expected to lead to, a Superior Proposal: (i) furnish information with respect to C2C and the C2C Subsidiaries to the person making such Acquisition Proposal and its representatives provided such person entered into a confidentiality and standstill agreement that is no less favourable in the aggregate to C2C than the Non-Disclosure Agreement entered into between Dundee Industrial Properties Acquisition Inc. and C2C (provided that no such confidentiality and standstill agreement shall prevent such person from making, pursuing or completing an Acquisition Proposal in accordance with the Support Agreement and provided further that C2C sends a copy of such agreement to Dundee Industrial and the Offeror promptly following its execution and Dundee Industrial is promptly provided with access to (to the extent not previously provided), the information provided to such person; and (ii) engage in discussions and negotiations with respect to the Acquisition Proposal with the person making such Acquisition Proposal and its representatives.

C2C may approve, accept and enter into any agreement (in addition to any confidentiality agreement contemplated above) with respect to an Acquisition Proposal including, for greater certainty, an amendment, change or modification to an Acquisition Proposal made prior to the date of the Support Agreement, provided that: (a) C2C has complied with its obligations under Section 6.1 of the Support Agreement; (b) the C2C Board of Directors has determined, after consultation with its outside legal and financial advisors, that such Acquisition Proposal is a Superior Proposal and that the failure to take the relevant action would be inconsistent with its fiduciary duties; (c) C2C has delivered written notice to Dundee Industrial and the Offeror of the determination of the C2C Board of Directors that the Acquisition Proposal is a Superior Proposal and of the intention of the C2C Board of Directors to approve or recommend such Superior Proposal and/or of C2C to enter into an agreement with respect to such Superior Proposal, together with a copy of such agreement; (d) at least three business days have elapsed since the date the Superior Proposal notice was received by Dundee Industrial and the Offeror which three business day period is referred to as the “**Right to Match Period**”; (e) if Dundee Industrial and the Offeror have offered to amend the terms of the Offer during the Right to Match Period, the C2C Board of Directors has determined, after consultation with its outside legal and financial advisors, that such Acquisition Proposal continues to be a Superior Proposal compared to the amendment of the terms of the Offer and the Support Agreement offered by the Offeror at or prior to the termination of the Right to Match Period; and (f) C2C terminates the Support Agreement and pays the Termination Payment. In addition, the C2C Board of Directors may, subject to Dundee Industrial’s right to terminate the Support Agreement, withdraw, modify or qualify its approval or recommendation of the Offer and recommend or approve an Acquisition Proposal, including an amendment, change or modification to an Acquisition Proposal made prior to the date of the Support Agreement, provided that the requirements described in (a) though (e) above are satisfied.

During the Right to Match Period, Dundee Industrial and the Offeror will have the opportunity, but not the obligation, to offer to amend the terms of the Offer and the Support Agreement. The C2C Board of Directors will review any such offer by Dundee Industrial and the Offeror to amend the terms of the Offer and the Support Agreement in order to determine, in good faith in the exercise of its fiduciary duties, whether Dundee Industrial and the Offeror’s offer to amend the Offer and the Support Agreement, upon its acceptance, would result in the Acquisition Proposal ceasing to be a Superior Proposal compared to the amendment to the terms of the Offer and the Support Agreement offered by Dundee Industrial and the Offeror. If the C2C Board of Directors determines that the Acquisition Proposal would cease to be a Superior Proposal, Dundee Industrial and the Offeror have agreed to amend the terms of the Offer and C2C, Dundee Industrial and the Offeror have agreed to enter into an amendment to the Support Agreement reflecting the offer by Dundee Industrial and the Offeror to amend the terms of the Offer and the Support Agreement.

The C2C Board of Directors will promptly reaffirm its recommendation of the Offer by press release after: (a) any Acquisition Proposal is publicly announced or made and the C2C Board of Directors determines it is not a Superior Proposal; or (b) the C2C Board of Directors determines that a proposed amendment to the terms of the Offer pursuant to the Support Agreement would result in the Acquisition Proposal not being a Superior Proposal, and Dundee Industrial and the Offeror have so amended the terms of the Offer.

Each successive amendment to any Acquisition Proposal that results in an increase in, or modification of, the consideration to be received by the Common Shareholders will constitute a new Acquisition Proposal, provided that the Right to Match Period in respect of such new Acquisition Proposal will extend only until the later of the end of the initial three business day Right to Match Period and two business days after the date the Superior Proposal notice was received by Dundee Industrial and the Offeror in respect of such new Acquisition Proposal.

Nothing in the Support Agreement shall prevent the C2C Board of Directors from responding through a directors' circular or otherwise as required by applicable Laws to an Acquisition Proposal or from withdrawing, modifying or changing its recommendation as a result of a Material Adverse Effect in respect of Dundee Industrial or from calling and holding a meeting of Common Shareholders requisitioned by Common Shareholders pursuant to the OBCA or ordered to be held by a court pursuant to the OBCA. Further, nothing in the Support Agreement shall prevent the C2C Board of Directors from making any disclosure to the securityholders of C2C if the C2C Board of Directors, acting in good faith and following consultation with of its legal advisors, shall have first determined that the failure to make such disclosure would be inconsistent with the fiduciary duties of the C2C Board of Directors or such disclosure is otherwise required under applicable Laws; provided, however, that, notwithstanding that the C2C Board of Directors is permitted to make such disclosure, the C2C Board of Directors is not permitted to withdraw, modify or approve an Acquisition Proposal, other than as permitted by the Support Agreement.

Subsequent Acquisition Transaction

The Support Agreement provides that if, within 120 days after the date of the Offer (or such longer period as a court may permit), the Offer has been accepted by holders of not less than 90% of the outstanding Common Shares as at the Expiry Time, excluding Common Shares held by or on behalf of the Offeror or an "associate" or an "affiliate" (as those terms are defined in the OBCA) of the Offeror, the Offeror may, to the extent possible, acquire the remainder of the Common Shares from those C2C shareholders who have not accepted the Offer pursuant to a Compulsory Acquisition. If that statutory right of acquisition is not available or the Offeror chooses not to avail itself of such statutory right of acquisition, the Offeror has agreed to use its commercially reasonable efforts to pursue other means of acquiring the remaining Common Shares not tendered to the Offer provided that the consideration per Common Share offered shall be at least equivalent in value, and in the same form as, to the consideration per Common Share paid under the Offer. In the event the Offeror takes up and pays for Common Shares under the Offer representing at least a simple majority of the outstanding Common Shares (calculated on a fully diluted basis as at the Expiry Time), the Offeror will use commercially reasonable efforts, and C2C will assist the Offeror to acquire sufficient Common Shares to successfully complete a Subsequent Acquisition Transaction involving C2C and Dundee Industrial or a Dundee Industrial subsidiary and, for greater certainty, when the Offeror has acquired sufficient Common Shares to do so, it shall complete a Subsequent Acquisition Transaction to acquire the remaining Common Shares, provided that the consideration per Common Share offered in connection with the Subsequent Acquisition Transaction shall not be less than, and shall be in the same form as, the price per share paid under the Offer and in no event will the Offeror be required to offer consideration per Common Share greater than the price per share paid under the Offer.

Termination of the Support Agreement

The Support Agreement may be terminated at any time prior to the time that designees of the Offeror represent a majority of the C2C Board of Directors or such time as stipulated in the following circumstances: (a) by mutual written consent of Dundee Industrial and C2C; (b) by C2C, if (i) the Offeror has not commenced the Offer by 11:59 p.m. (Eastern time) on April 5, 2013 (the "**Latest Mailing Time**") (other than as a result of C2C's default or breach of a material covenant or obligation hereunder in a material respect) or (ii) the Offer does not conform in all material respects with the Support Agreement; (c) by Dundee Industrial, prior to the mailing of the Circular, if any condition to making the Offer for Dundee Industrial's and the Offeror's benefit is not satisfied (acting reasonably and in good faith) or waived by the Latest Mailing Time (other than as a result of a default or breach by

Dundee Industrial under the Support Agreement); (d) by Dundee Industrial, if (i) the Minimum Tender Condition shall not be satisfied at the Expiry Time (as such Expiry Time may be extended from time to time in accordance with the Support Agreement) and the Offeror shall not have elected to waive such condition, or (ii) any other condition of the Offer shall not be satisfied or waived at the Expiry Time (as such Expiry Time may be extended from time to time in accordance with the Support Agreement) and the Offeror shall not have elected to waive such condition unless the failure of such condition to be satisfied shall be as a result of the material breach by the Offeror of any material covenant or obligation under the Support Agreement; (e) by either C2C or Dundee Industrial, if the Offeror does not take up and pay for the Common Shares deposited under the Offer by July 4, 2013 (other than as a result of the material breach of any material covenant or obligation under the Support Agreement by the party (including the Offeror, in the case of Dundee Industrial) seeking to terminate the Support Agreement in these circumstances or as a result of any representation or warranty made by such party (including the Offeror, in the case of Dundee Industrial) being untrue or incorrect (without giving effect to, applying or taking into consideration any materiality or Material Adverse Effect qualification already contained within such representation or warranty) where such inaccuracies in the representations and warranties, individually or in the aggregate, would be a Material Adverse Effect in respect of such party; (f) by Dundee Industrial, if (i) C2C is in material default of any covenant or obligation in Section 6.1 of the Support Agreement, (ii) C2C is in material default of any other covenant or obligation in the Support Agreement, or (iii) any representation or warranty made by C2C in the Support Agreement was, at the date of the Support Agreement, or shall have become untrue or incorrect at any time prior to the Expiry Time (without giving effect to, applying or taking into consideration any materiality or Material Adverse Effect qualification already contained within such representation or warranty) where such inaccuracies in the representations and warranties, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect in respect of C2C; and, in the circumstances described in (f)(ii) or f(iii), such default or inaccuracy is not curable or, if curable, is not cured by the earlier of the date which is 15 days from the date of written notice of such breach and the business day prior to the Expiry Date; (g) by C2C, if (i) Dundee Industrial or the Offeror is in material default of any covenant or obligation in the Support Agreement, or (ii) any representation or warranty made by Dundee Industrial under the Support Agreement, is at the date of the Support Agreement, or shall have become untrue or incorrect at any time prior to the Expiry Time (without giving effect to, applying or taking into consideration any materiality qualification already contained within such representation or warranty) where such inaccuracies in the representations and warranties, individually or in the aggregate, would be a Material Adverse Effect in respect of Dundee Industrial and, in the circumstances described in (g)(i) or (g)(ii), such default or inaccuracy is not curable or, if curable, is not cured by the earlier of the date which is 15 days from the date of written notice of such breach and the business day prior to the Expiry Date; (h) by Dundee Industrial or C2C, if any court of competent jurisdiction or other Governmental Entity in Canada shall have issued an order, decree or ruling permanently enjoining or otherwise prohibiting any of the Contemplated Transactions (unless such order, decree or ruling has been withdrawn, reversed or otherwise made inapplicable), which order, decree or ruling is final and non appealable; (i) by Dundee Industrial, if (i) the C2C Board of Directors fails to publicly recommend the Offer or fails to reaffirm its approval of the Offer or, provided that such request is not made by Dundee Industrial following a determination by C2C in accordance with the Support Agreement that an Acquisition Proposal is, or could reasonably be expected to lead to, a Superior Proposal, within three days of any written request by Dundee Industrial (or, in the event that the Offer is scheduled to expire within such three-day period, prior to the scheduled expiry of the Offer), (ii) the C2C Board of Directors or any committee thereof withdraws, modifies, changes or qualifies its approval or recommendation of the Offer in any manner adverse to Dundee Industrial, (iii) the C2C Board of Directors or any committee thereof recommends or approves, or publicly proposes to recommend or approve, an Acquisition Proposal, or (iv) the C2C Board of Directors remains neutral in respect of an Acquisition Proposal beyond the 10-day period following the public announcement of an Acquisition Proposal; (j) by C2C, if C2C proposes to enter into a definitive agreement with respect to a Superior Proposal in compliance with the provisions of the Support Agreement, provided that prior to or concurrently with the entering into of that definitive agreement, C2C shall have paid to Dundee Industrial or an assignee of Dundee Industrial the applicable Termination Payment; or (k) by C2C, if as at the Expiry Time, the TSX has not conditionally approved the listing of the Dundee Industrial Units issuable pursuant to the Offer and the Common Shares issuable upon conversion of the Convertible Debentures or the exercise of any outstanding Warrants after the Expiry Time, or has conditionally approved the listing of such Dundee Industrial Units, but on the condition that Dundee Industrial obtain shareholder approval for such listing.

Termination Payment and Expense Reimbursement

C2C is obligated to pay Dundee Industrial a termination payment in the amount of \$4.0 million (the “**Termination Payment**”) upon the occurrence of any of the following: (a) the Support Agreement is terminated by Dundee Industrial in the circumstances described in (f)(i) above or (i) above (other than as a result of a withdrawal, modification, change or qualification of approval or recommendation of the Offer attributable solely to a Material Adverse Effect in respect of Dundee Industrial); (b) the Support Agreement is terminated by C2C in the circumstances described in (j) above; or (c) the Support Agreement is terminated by Dundee Industrial in the circumstances described in (d)(i), (f)(ii) or (f)(iii) above and: (A) following the date of the Support Agreement and prior to the date on which the Support Agreement is terminated, an Acquisition Proposal is publicly announced or made, or any person has publicly announced an intention to make an Acquisition Proposal; and (B) either (I) an Acquisition Proposal is completed within nine months following the date of the Support Agreement, or (II) an agreement in respect of an Acquisition Proposal (other than a confidentiality and standstill agreement in certain circumstances) is entered into with C2C within nine months following the date of the Support Agreement and such Acquisition Proposal is subsequently completed at any time following the date of the Support Agreement.

Unless the Termination Payment is paid, Dundee Industrial shall be entitled to an expense reimbursement payment of \$500,000 if the Support Agreement is terminated in the circumstances described in (d)(i), (f)(ii) or (f)(iii) above, provided that if the Support Agreement is terminated in the circumstances described in (d) in circumstances where the Minimum Tender Condition is not satisfied but the number of Common Shares deposited pursuant to the Offer and not withdrawn at the Expiry Time is at least 66 $\frac{2}{3}$ % of the Common Shares outstanding calculated on a non-diluted basis, the expense reimbursement shall be \$250,000.

10. Ownership of and Trading in Securities of C2C

No securities of C2C are beneficially owned, directly or indirectly, nor is control or direction exercised over any of such securities, by Dundee Industrial or the Offeror or any of their respective directors, trustees or officers, as applicable. To the knowledge of the Offeror, after reasonable enquiry, no Common Shares or other securities of C2C are owned, directly or indirectly, nor is control or direction exercised over any such securities, by any associate of a director, trustee or officer of Dundee Industrial or the Offeror, as applicable, any person or company holding more than 10% of any class of equity securities of Dundee Industrial or the Offeror or any person or company acting jointly or in concert with Dundee Industrial or the Offeror.

To the knowledge of the Offeror, after reasonable enquiry, none of Dundee Industrial or the Offeror or any of their respective trustees, directors or officers, as applicable, or any of the other persons referred to in the preceding paragraph, has traded any securities of C2C during the six-month period preceding the Offer.

11. Commitments to Acquire Securities of C2C

Except pursuant to the Offer (including as described in Section 4 of the Circular, “Lock-Up Agreements” and Section 9 of the Circular, “Support Agreement”), neither Dundee Industrial nor the Offeror or, to the knowledge of the Offeror, after reasonable enquiry, their respective directors or officers, any associate of a director or officer, any person holding more than 10% of any class of equity securities of Dundee Industrial or the Offeror or any person acting jointly or in concert with the Offeror, has entered into any agreements, commitments or understandings to acquire any securities of C2C.

12. Other Material Facts

The Offeror has no knowledge of any material fact concerning the securities of C2C that has not been generally disclosed by C2C, or any other matter that is not disclosed in the Circular and that has not previously been generally disclosed, and that would reasonably be expected to affect the decision of the Common Shareholders to accept or reject the Offer.

13. Acquisition of Common Shares Not Deposited

If the Offeror takes up and pays for Common Shares deposited under the Offer, the Offeror may, at its option and subject to its obligations under the Support Agreement, enter into one or more transactions to enable the Offeror or an affiliate of the Offeror to acquire all Common Shares not acquired under the Offer. There is no assurance that such transaction will be completed.

Compulsory Acquisition

If, within 120 days after the date of the Offer, the Offer has been accepted by holders of not less than 90% of the issued and outstanding Common Shares, on a fully-diluted basis, as at the Expiry Time, excluding Common Shares held at the date of the Offer by or on behalf of the Offeror or an “affiliate” or an “associate” (as those terms are defined in the OBCA) of the Offeror, the Offeror may, to the extent possible, acquire the remainder of the Common Shares from those Common Shareholders who have not accepted the Offer on the same terms as the Common Shares acquired under the Offer pursuant to the provisions of Section 188 of the OBCA (a “**Compulsory Acquisition**”).

To exercise such statutory right, the Offeror must give notice (the “**Offeror’s Notice**”) to each holder of Common Shares who did not accept the Offer and to each person who subsequently acquires any such Common Shares (in each case, a “**Dissenting Offeree**”) and to the Director under the OBCA within 60 days following the termination of the Offer and in any event within 180 days following the date of the Offer. Within 20 days of giving the Offeror’s Notice, the Offeror must pay or transfer to C2C the consideration the Offeror would have to pay or transfer to the Dissenting Offerees if they had elected to accept the Offer, to be held in trust for the Dissenting Offerees. Within 20 days after receipt of the Offeror’s Notice, each Dissenting Offeree must send the certificate(s) representing the Common Shares held by such Dissenting Offeree to C2C and must elect either to transfer such Common Shares to the Offeror on the terms of the Offer or to demand payment of the fair value of such Common Shares held by such holder by so notifying the Offeror within 20 days after the Dissenting Offeree receives the Offeror’s Notice. A Dissenting Offeree who does not within 20 days after the Dissenting Offeree receives the Offeror’s Notice notify the Offeror that the Dissenting Offeree is electing to demand payment of the fair value of the Dissenting Offeree’s Common Shares will be deemed to have elected to transfer such Common Shares to the Offeror on the same terms that the Offeror acquired Common Shares from holders who accepted the Offer. If a Dissenting Offeree has elected to demand payment of the fair value of such Common Shares, the Offeror may apply to a court having jurisdiction to hear an application to fix the fair value of the Common Shares of such Dissenting Offeree. If the Offeror fails to apply to such court within 20 days after it made the payment or transferred the consideration to C2C referred to above, the Dissenting Offeree may then apply to the court within a further period of 20 days to have the court fix the fair value. If there is no such application made by the Dissenting Offeree within such period, the Dissenting Offeree will be deemed to have elected to transfer such Common Shares to the Offeror on the same terms that the Offeror acquired Common Shares from Common Shareholders who accepted the Offer. Any judicial determination of the fair value of the Common Shares could be more or less than the amount paid pursuant to the Offer.

The foregoing is a summary only of the right of Compulsory Acquisition which may become available to the Offeror. The summary is not intended to be complete nor is it a substitute for the more detailed information contained in the provisions of Section 188 of the OBCA. Common Shareholders should refer to Section 188 of the OBCA for the full text of the relevant statutory provisions, and those who wish to be better informed about these provisions should consult their legal advisors. The provisions of Section 188 of the OBCA are complex and require strict adherence to notice and timing provisions, failing which such rights may be lost or altered.

Subsequent Acquisition Transaction

If the Offeror acquires less than 90% of the Common Shares under the Offer, the right of Compulsory Acquisition described above is not available for any reason or the Offeror chooses not to avail itself of such statutory right, the Offeror may, at its option, pursue other means of acquiring the remaining Common Shares not deposited under the Offer, including causing one or more special meetings of the then Common Shareholders to be called to consider an amalgamation, statutory arrangement, capital reorganization, amendment to C2C’s constating documents, consolidation or other transaction involving C2C and the Offeror, or an affiliate of the Offeror, for the purpose of enabling the Offeror or one of its affiliates to acquire all Common Shares not acquired by it pursuant to

the Offer (a “**Subsequent Acquisition Transaction**”). The timing and details of any such transaction will depend on a number of factors, including the number of Common Shares acquired pursuant to the Offer.

The Offeror has covenanted in the Support Agreement that if a Compulsory Acquisition is not available or the Offeror chooses not to avail itself of such statutory right of acquisition, the Offeror will use its commercially reasonable efforts to pursue other means of acquiring the remaining Common Shares not tendered to the Offer, provided that the consideration per Common Share offered in connection with the Subsequent Acquisition Transaction is at least equivalent in value to, and in the same form as, the consideration per Common Share paid under the Offer. In the event the Offeror takes up and pays for Common Shares under the Offer representing at least a simple majority of the outstanding Common Shares (calculated on a fully-diluted basis as at the Expiry Time), the Offeror will use commercially reasonable efforts, and C2C will assist the Offeror in order for the Offeror to acquire a sufficient number of Common Shares to successfully complete a Subsequent Acquisition Transaction involving C2C and the Offeror, or an affiliate of the Offeror, and, for greater certainty, when the Offeror has acquired sufficient Common Shares to do so, it shall complete a Subsequent Acquisition Transaction to acquire the remaining Common Shares, provided that the consideration per Common Share offered in connection with the Subsequent Acquisition Transaction will not be less than, and will be in the same form as, the consideration per Common Share paid under the Offer, and in no event will the Offeror be required to offer consideration per Common Share greater than the consideration per Common Share paid under the Offer.

If the Minimum Tender Condition is satisfied and the Offeror takes up and pays for Common Shares deposited under the Offer, the Offeror will own sufficient Common Shares to effect a Subsequent Acquisition Transaction without the need for the affirmative vote of any Common Shareholder other than the Offeror.

Any Subsequent Acquisition Transaction may result in Common Shareholders having the right to dissent and demand payment of the fair value of their Common Shares. If the applicable statutory procedures are complied with, this right could lead to a judicial determination of the fair value required to be paid to such dissenting Common Shareholders for their Common Shares. The fair value of Common Shares so determined could be more or less than the amount paid per Common Share pursuant to the Subsequent Acquisition Transaction or the Offer.

Each type of Subsequent Acquisition Transaction described above would be a “business combination” under MI 61-101. In certain circumstances, the provisions of MI 61-101 may also deem certain types of Subsequent Acquisition Transactions to be “related party transactions”. However, if the Subsequent Acquisition Transaction is a business combination carried out in accordance with MI 61-101, the “related party transaction” provisions of MI 61-101 do not apply to such transaction. The Offeror intends to carry out any such Subsequent Acquisition Transaction in accordance with MI 61-101, or any successor provisions, or exemptions therefrom, such that the “related party transaction” provisions of MI 61-101 will not apply to the business combination.

MI 61-101 provides that, unless exempted, an issuer proposing to carry out a business combination is required to prepare a valuation of the affected securities (in this case, the Common Shares) and, subject to certain exceptions, any non-cash consideration being offered therefor and provide to the holders of the affected securities a summary of such valuations or the entire valuation. In connection therewith, the Offeror currently intends to rely on available exemptions (or, if such exemptions are not available, to seek waivers pursuant to MI 61-101 exempting C2C or the Offeror, or one or more of their affiliates, as appropriate) from the requirement to prepare a valuation in connection with any Subsequent Acquisition Transaction. An exemption is available under MI 61-101 for certain business combinations completed within 120 days after the date of expiry of a formal take-over bid where the consideration per security under the business combination is at least equal in value to and is in the same form as the consideration that depositing securityholders were entitled to receive in the take-over bid, provided that certain disclosure is given in the take-over bid disclosure documents (which disclosure has been provided herein). The Offeror expects that these exemptions will be available.

Depending on the nature and terms of the Subsequent Acquisition Transaction, the provisions of the OBCA and C2C’s constating documents may require the approval of 66⅔% of the votes cast by holders of the outstanding Common Shares at a meeting duly called and held for the purpose of approving the Subsequent Acquisition Transaction. MI 61-101 would also require that, in addition to any other required securityholder approval, in order to complete a business combination (such as a Subsequent Acquisition Transaction), the approval of a majority of the votes cast by “minority” holders of each class of affected securities must be obtained unless an exemption is

available or discretionary relief is granted by applicable securities regulatory authorities. In relation to any Subsequent Acquisition Transaction, the “minority” holders will be, subject to any available exemption or discretionary relief granted by the applicable securities regulatory authorities as required, all Common Shareholders other than the Offeror (other than in respect of Common Shares acquired pursuant to the Offer as described below), any “interested party” (in each case within the meaning of MI 61-101), certain “related parties” of the Offeror or any other “interested party” (in each case within the meaning of MI 61-101), including any director or senior officer of the Offeror, affiliate or insider of the Offeror or any of their directors or senior officers and any “joint actor” (within the meaning of MI 61-101) with any of the foregoing persons.

MI 61-101 provides that the Offeror may treat Common Shares acquired under the Offer as “minority” shares and vote them in favour of a Subsequent Acquisition Transaction that is a business combination if, among other things: (a) the business combination is completed not later than 120 days after the Expiry Time; (b) the consideration per Common Share in the Subsequent Acquisition Transaction is at least equal in value to and in the same form as the consideration paid under the Offer; and (c) the Common Shareholder who tendered such Common Shares to the Offer was not (i) a “joint actor” (within the meaning of MI 61-101) with the Offeror in respect of the Offer, (ii) a direct or indirect party to any “connected transaction” (within the meaning of MI 61-101) to the Offer, or (iii) entitled to receive, directly or indirectly, in connection with the Offer, a “collateral benefit” (within the meaning of MI 61-101) or consideration per Common Share that is not identical in amount and form to the entitlement of the general body of holders in Canada of Common Shares. The Offeror currently intends that the consideration offered for Common Shares under any Subsequent Acquisition Transaction proposed by it would be equal in value to, and in the same form as, the consideration paid to Common Shareholders under the Offer (provided that, in calculating the value of the consideration offered in any Subsequent Acquisition Transaction, each Dundee Industrial Unit shall be deemed to be at least equal in value to each Dundee Industrial Unit offered under the Offer) and that such Subsequent Acquisition Transaction will be completed no later than 120 days after the Expiry Time and, accordingly, the Offeror intends to cause Common Shares acquired under the Offer to be voted in favour of any such transaction and, where permitted by MI 61-101, to be counted as part of any minority approval required in connection with any such transaction. To the knowledge of the Offeror, after reasonable inquiry, the votes attaching to 483,607 Common Shares tendered by Strathallen Capital Corp., Brian Spence, David Wright, Laetitia Pacaud and Christopher Ross may be required to be excluded in determining whether minority approval for a Subsequent Acquisition Transaction has been obtained for the purpose of MI 61-101 because the entering into by C2C of the Termination Agreement with Strathallen Capital Corp. may be considered to be a “connected transaction” (within the meaning of MI 61-101) to the Offer and/or the termination payment received under the Termination Agreement may be considered to be a “collateral benefit” (within the meaning of MI 61-101). While it is not clear that their exclusion is required, the Offeror intends to exclude such Common Shares in determining whether minority approval for a Subsequent Acquisition Transaction has been obtained for the purpose of MI 61-101.

Whether or not a Subsequent Acquisition Transaction will be proposed, and the details of any such Subsequent Acquisition Transaction, including, without limitation, the timing of its implementation and the consideration to be received by the minority holders of Common Shares, will necessarily be subject to a number of considerations, including the number of Common Shares acquired pursuant to the Offer. Although the Offeror may propose a Compulsory Acquisition or a Subsequent Acquisition Transaction on the same terms as the Offer, it is possible that, as a result of the number of Common Shares acquired under the Offer, delays in the Offeror’s ability to effect such a transaction, information hereafter obtained by the Offeror, changes in general economic, industry, regulatory or market conditions or in the business of C2C, or other currently unforeseen circumstances, such a transaction may not be so proposed or may be delayed or abandoned. The Offeror expressly reserves the right to propose other means of acquiring, directly or indirectly, all of the outstanding Common Shares in accordance with applicable Laws, including, without limitation, a Subsequent Acquisition Transaction on terms not described in the Circular.

In addition, under MI 61-101, if, following the Offer, the Offeror and its affiliates are the registered holders of 90% or more of the Shares at the time the Subsequent Acquisition Transaction is initiated, the requirement for minority approval would not apply to the transaction if a statutory appraisal right or a substantially equivalent enforceable right is made available to the minority shareholders.

The tax consequences to a Common Shareholder of a Subsequent Acquisition Transaction may differ significantly from the tax consequences to such Common Shareholder of accepting the Offer. See Section 17 of the Circular, "Certain Canadian Federal Income Tax Considerations". Common Shareholders should consult their tax advisors for advice with respect to the tax consequences of a Subsequent Acquisition Transaction having regard to their own particular circumstances. Common Shareholders should consult their legal advisors for a determination of their legal rights with respect to a Subsequent Acquisition Transaction.

The timing and details of any Compulsory Acquisition or Subsequent Acquisition Transaction involving C2C will necessarily depend on a variety of factors, including the number of Common Shares acquired pursuant to the Offer. Although, if available, the Offeror intends to proceed by way of a Compulsory Acquisition or a Subsequent Acquisition Transaction on the same terms as the Offer, it is possible that such transaction will not be consummated or may be delayed.

Other Transactions

If the Offeror does not acquire a sufficient number of Common Shares to effect a Compulsory Acquisition or a Subsequent Acquisition Transaction, the Offeror will evaluate its alternatives. Such alternatives could include, to the extent permitted by applicable Laws, purchasing additional Common Shares in the open market, in privately negotiated transactions or pursuant to another take-over bid or other transaction, and thereafter proposing an amalgamation, arrangement or other transaction which would result in its ownership of 100% of the Common Shares. Under such circumstances, an amalgamation, arrangement or other transaction would require the approval of two-thirds of the votes cast by the holders of Common Shares, and may require approval of a majority of the votes cast by holders of Common Shares other than the Offeror and its affiliates. There is no certainty that under such circumstances any such transaction would be proposed or completed by the Offeror. Any additional purchases of Common Shares could be at a price per Common Share greater than, equal to or less than the consideration to be paid for Common Shares under the Offer and could be for cash and/or securities or other consideration. Such transactions may be effected on terms and at prices then determined by the Offeror, which may vary from the price paid for the Common Shares under the Offer.

Judicial Developments

Certain judicial decisions may be considered relevant to any Subsequent Acquisition Transaction which may be proposed or effected subsequent to the expiry of the Offer. Prior to the adoption of MI 61-101, Canadian courts had, in a few instances granted preliminary injunctions to prohibit transactions involving certain business combinations. The trend in both legislation (including the OBCA) and in Canadian jurisprudence has been toward permitting business combinations to proceed, subject to compliance with procedures designed to ensure substantive fairness to minority shareholders.

14. Agreements, Commitments or Understandings

Except as disclosed in the Offer to Purchase and the Circular, there are (i) no agreements, commitments or understandings made or proposed to be made between the Offeror or Dundee Industrial and any of the directors or officers of C2C, including for any payment or other benefit proposed to be made or given by way of compensation for loss of office or their remaining in or retiring from office if the Offer is successful, and (ii) no agreements, commitments or understandings between Dundee Industrial and any Common Shareholder with respect to the Offer.

Other than the Support Agreement, there are no agreements, commitments or understandings between the Offeror or Dundee Industrial and C2C relating to the Offer and the Offeror and Dundee Industrial are not aware of any other agreement, commitment or understanding other than the Lock-Up Agreements that could affect control of C2C.

Directors' and Officers' Insurance and Indemnification

From and after the time that designees of the Offeror represent a majority of the C2C Board of Directors and for a period of six years thereafter, Dundee Industrial and the Offeror shall cause C2C (or its successor) to

maintain customary policies of directors' and officers' liability insurance providing protection no less favourable than the protection provided by the current directors' and officers' liability insurance policies maintained by C2C; provided, however, that Dundee Industrial and the Offeror will not be required, in order to maintain or cause to be maintained such directors' and officers' liability insurance policy, to pay an annual premium in excess of 300% of the cost of the existing policy; and provided further that, if equivalent coverage cannot be obtained or can only be obtained by paying an annual premium in excess of 300% of such amount, Dundee Industrial and the Offeror shall only be required to obtain or cause to be obtained as much coverage as can be obtained by paying an annual premium equal to 300% of such amount. Alternatively, Dundee Industrial and the Offeror may or, may request C2C to, at the request and at the cost of Dundee Industrial, purchase run off directors' and officers' liability insurance, provided that the premium will not exceed 300% of the premium currently charged to C2C for directors' and officers' liability insurance.

15. Regulatory Matters

Except as discussed below, to the knowledge of the Offeror, no authorization, consent or approval of, or filing with, any public body, court or authority is necessary on the part of the Offeror for the consummation of the transactions contemplated by the Offer, except for such authorizations, consents, approvals and filings the failure to obtain or make which would not, individually or in the aggregate, prevent or materially delay consummation of the transactions contemplated by the Offer. In the event that the Offeror becomes aware of other requirements, it will make reasonable commercial efforts to satisfy such requirements at or prior to the Expiry Time, as such time may be extended.

Competition Act (Canada)

Under the Competition Act, certain transactions that exceed applicable financial thresholds require prior notification (a “**Notifiable Transaction**”) to the Commissioner. If a transaction is a Notifiable Transaction, it may not be completed until the applicable statutory waiting period has expired or been terminated, unless the Commissioner has either issued an ARC or has otherwise waived the notification requirement. The statutory waiting period expires 30 days following the day of the filing of a pre-merger notification under the Competition Act or, if during that 30-day period the Commissioner issues a request for additional information (“**Supplementary Information Request**”), 30 days following the day on which the information requested under a Supplementary Information Request has been received by the Commissioner.

Where the Commissioner believes that a “merger”, as defined in the Competition Act, is likely to prevent or lessen competition substantially, the Commissioner may apply to the Competition Tribunal (the “**Tribunal**”). If the Tribunal finds that the merger is likely to prevent or lessen competition substantially, the Tribunal may issue an order to, among other things, prohibit the merger in whole or in part. The Commissioner’s review may take longer than the applicable statutory waiting period.

Alternatively, or in addition to filing a pre-merger notification, an ARC may be requested. An ARC may be issued by the Commissioner where he is satisfied that he does not have sufficient grounds on which to apply to the Tribunal under the merger provisions of the Competition Act to challenge a proposed transaction. If the Commissioner issues an ARC in respect of a proposed transaction, that transaction is exempt from the pre-merger notification requirement. In addition, if the transaction to which the ARC relates is substantially completed within one year after the ARC is issued, the Commissioner cannot seek an order of the Tribunal under the merger provisions of the Act in respect of the transaction solely on the basis of information that is the same or substantially the same as the information, which served as the basis on which the ARC was issued. Where an ARC is requested but the Commissioner declines to issue an ARC, the Commissioner may instead issue a No-Action Letter indicating that he does not, at that time, intend to initiate proceedings before the Tribunal under the merger provisions of the Competition Act with respect to the proposed transaction, while preserving during the one year period following completion of the proposed transaction his authority to so initiate proceedings should circumstances change. Where a No-Action Letter is issued in circumstances where a pre-merger notification filing has not also been made, the Commissioner will typically waive the obligation to comply with the statutory waiting period in conjunction with issuing the No-Action Letter.

The Offeror and Dundee Industrial have submitted a request to the Commissioner that an ARC or No-Action Letter be issued together with submissions in support of such request. The obligations of the parties to complete the Offer are subject to the condition that: (i) the Commissioner has issued an ARC in respect of the Transaction and such ARC has not been withdrawn, (ii) the applicable waiting period under the Competition Act has expired in accordance with the Competition Act or been terminated by the Commissioner, or (iii) the notification obligation has been waived pursuant to subsection 113(c) of the Competition Act and, in the case of (ii) or (iii), the Commissioner has issued a No-Action Letter and such No-Action Letter has not been withdrawn.

Stock Exchange Listing Requirements

Dundee Industrial will apply to list the Dundee Industrial Units issuable under the Offer on the TSX. Such listing will be subject to Dundee Industrial fulfilling all of the listing requirements of the TSX. The Offer is conditional on the Dundee Industrial Units issuable under the Offer being conditionally approved for listing on the TSX. It is expected the Common Shares will be delisted from the TSXV shortly following the acquisition of 100% of the outstanding Common Shares (either pursuant to the Offer or a Compulsory Acquisition or Subsequent Acquisition Transaction).

16. Risk Factors

As Common Shareholders resident in Canada may acquire Dundee Industrial Units in consideration for the Common Shares that they deposit under the Offer, such Common Shareholders should carefully consider the risks and uncertainties associated with Dundee Industrial and the Dundee Industrial Units set out below and those described in the documents that Dundee Industrial has filed with Canadian securities regulatory authorities incorporated by reference herein, including its management's discussion and analysis for the period from July 20, 2012 to December 31, 2012. In addition, there are certain risks and uncertainties associated with the Offer and the combination of Dundee Industrial and C2C, including those set out below. Additional risks and uncertainties relating solely to C2C are described in the documents filed by C2C with the Canadian securities regulatory authorities and is available electronically at www.sedar.com. Dundee Industrial expects that these risks and uncertainties will also be applicable to Dundee Industrial following the completion of the Contemplated Transactions. These risks and uncertainties may not be the only risks and uncertainties faced by Dundee Industrial. Other risks and uncertainties not presently known by the Offeror and Dundee Industrial or that the Offeror and Dundee Industrial currently believes are not material could also materially and adversely affect Dundee Industrial's business, results of operations and/or financial condition both before and after completion of the Offer.

The market value of the Dundee Industrial Units received by Common Shareholders under the Offer may vary significantly from the date on which the consideration for the Common Shares was fixed

Depositing Common Shareholders will receive 0.4485 Dundee Industrial Units for each Common Share, rather than receiving a number of Dundee Industrial Units based on a specific market value. The number of the Dundee Industrial Units to be issued in exchange for each Dundee Industrial Unit will not be adjusted to reflect any changes in the market value of the Dundee Industrial Units after the announcement of the Offer. Consequently, the market value of the Dundee Industrial Units issued to Common Shareholders in connection with the take up of their Dundee Industrial Units under the Offer may vary significantly from the market value of the same Dundee Industrial Units on the date of the Offer or on the date on which such Common Shareholders deposited their Dundee Industrial Units under the Offer.

Variations in the market price of the Dundee Industrial Units may occur as a result of changes in, or market perceptions of changes in, the business, operations or prospects of Dundee Industrial (either alone or combined with C2C), including factors that may affect the business, operations or prospects of Dundee Industrial, as well as general market volatility.

The acquisition of C2C by the Offeror may not realize the anticipated benefits in the expected time-frames or at all, due to anticipated challenges or delays with integrating C2C into Dundee Industrial

The Offer has been made by the Offeror with the expectation that its successful completion will result in greater long-term potential and value creation for Dundee Industrial than it could achieve on its own. This expectation is based, in part, on a resumed increase in financial strength and access to capital of Dundee Industrial following completion of the Contemplated Transactions and certain presumed cost and operational synergies from consolidation, including among other things, the internalization of third party property management and the elimination of overlapping services facilities, certain public company costs of C2C and duplicative office and general administrative expenses. These anticipated benefits and synergies will depend in part on whether the operations, systems, management and cultures of C2C and the Offeror can be integrated in an efficient and effective manner or whether the presumed bases or sources of synergies produce the benefits anticipated.

Most operational and strategic decisions, and most staffing decisions, have not yet been made and may not have been fully identified. These decisions and the integration of C2C into Dundee Industrial could present significant challenges to Dundee Industrial, including the integration of systems and personnel and special risks, including possible unanticipated liabilities and expenses, significant one-time write-offs or restructuring charges and the loss of key employees. There can be no assurance that there will be operational or other synergies realized by Dundee Industrial, or that the integration of C2C's operations, systems, management, personnel and cultures will be timely or effectively accomplished, or ultimately will be successful in achieving the anticipated benefits. The integration process may lead to greater than expected operating costs, customer loss and business disruption (including, without limitation, difficulties in maintaining relationships with employees, customers, client or suppliers) for Dundee Industrial that may affect the ability of Dundee Industrial to realize the anticipated benefits and synergies of the Offer or may materially and adversely affect Dundee Industrial's business, results of operations and/or financial condition.

The market and listing of the Common Shares will be affected by the completion of the Offer

The purchase of any Common Shares by the Offeror pursuant to the Offer will reduce the number of Common Shares that might otherwise trade publicly, as well as the number of Common Shareholders, and, depending on the number of Common Shareholders depositing and the number of Common Shares purchased under the Offer, successful completion of the Offer would likely adversely affect the liquidity and market value of the remaining Common Shares held by the public.

The rules and regulations of the TSXV establish certain criteria that, if not met, could lead to the delisting of the Common Shares from the TSXV. Among such criteria are the number of shareholders, the number of shares publicly held and the aggregate market value of the shares publicly held. Depending on the number of Common Shares purchased pursuant to the Offer, it is possible that the Common Shares would fail to meet the criteria for continued listing on the TSXV. If this were to happen, the Common Shares could be delisted and this could, in turn, adversely affect the market or result in a lack of an established market for the Common Shares. The Offeror intends to cause C2C to apply to delist the Common Shares from the TSXV as soon as practicable after the completion of the Offer and, if applicable, any Compulsory Acquisition or Subsequent Acquisition Transaction.

Additionally, after completion of the Offer, it may be possible for C2C to take steps towards the elimination of any applicable public reporting requirements under applicable securities legislation in each jurisdiction of Canada. To the extent permitted by applicable Laws, the Offeror intends to cause C2C to cease to be reporting issuers under the securities Laws of each jurisdiction of Canada where C2C is currently a reporting issuer.

After the consummation of the Offer, C2C would become a majority-owned subsidiary of the Offeror and the Offeror's interests could differ from that of the Common Shareholders.

After the consummation of the Offer, the Offeror would have the power to elect the directors, appoint new management, or approve certain actions requiring the approval of Common Shareholders, including adopting certain amendments to C2C's constituting documents and approving mergers or sales of C2C's assets. In particular, after the consummation of the Offer, the Offeror intends to exercise its statutory right, if available, to acquire all of the Common Shares not deposited pursuant to the Offer or, if such statutory right of acquisition is not available or the

Offeror elects not to pursue such a right of acquisition, to integrate C2C and the Offeror, by amalgamation, capital reorganization, share consolidation, statutory arrangement or other transaction for the purpose of enabling the Offeror or an affiliate of the Offeror to acquire all Common Shares not acquired pursuant to the Offer. In any of these contexts, the Offeror's interests with respect to C2C may differ from those of any remaining minority Common Shareholders who do not deposit their Common Shares under the Offer.

17. Certain Canadian Federal Income Tax Considerations

In the opinion of Wilson & Partners LLP, a law firm affiliated with PricewaterhouseCoopers LLP and special tax counsel to Dundee Industrial and the Offeror, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable under the Tax Act to a Common Shareholder who disposes of Common Shares to the Offeror in exchange for Dundee Industrial Units pursuant to the Offer or otherwise disposes of Common Shares pursuant to certain transactions described under Section 13 of the Circular, "Acquisition of Common Shares not Deposited". This summary assumes that, for the purposes of the Tax Act, the Common Shareholder is resident in Canada and, at all relevant times, holds Common Shares and will hold Dundee Industrial Units received in exchange therefor as capital property, and deals at arm's length and is not affiliated with C2C, the Offeror, Dundee Industrial and their respective affiliates. Generally, Common Shares will be considered to be capital property to a Common Shareholder provided that the Common Shareholder does not hold the Common Shares in the course of carrying on a business and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Common Shareholders whose Common Shares might not otherwise qualify as capital property may be entitled to have them treated as capital property by making an irrevocable election under subsection 39(4) of the Tax Act. Common Shareholders who do not hold their Common Shares as capital property should consult their own tax advisors regarding their particular circumstances.

This summary is not applicable to a Common Shareholder: (i) that is a "financial institution" for purposes of the mark-to-market rules; (ii) that is a "specified financial institution"; (iii) that has elected to determine its Canadian tax results in accordance with a "functional currency"; or (iv) an interest in which is a "tax shelter investment", as each term is defined in the Tax Act. Such Common Shareholders should consult their own tax advisors. This summary does not describe the Canadian tax consequences applicable to a holder who has acquired Common Shares on the exercise, exchange or conversion of Convertible Securities. Such holders should consult their own tax advisors with respect to the potential income tax consequences to them in connection with the decision as to whether to exercise, exchange or convert such Convertible Securities.

This summary is based upon the provisions of the Tax Act and the regulations thereunder (the "**Regulations**") and counsel's understanding, based on publicly available published materials, of the administrative policies and assessing practices of the CRA, all in effect as of the date of this Circular. This summary takes into account all specific proposals to amend the Tax Act and the Regulations that have been publicly announced by or on behalf of the Minister prior to the date of this Circular (the "**Tax Proposals**"). Except for the Tax Proposals, this summary does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial decision or action, or changes in CRA's administrative policies and assessing practices, nor does it take into account provincial, territorial or foreign tax legislation or considerations, which may differ significantly from those discussed herein. This summary assumes that the Tax Proposals will be enacted as currently proposed, but no assurances can be given that this will be the case. There can be no assurances that CRA will not change its administrative policies and assessing practices.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Common Shareholder. This summary is not exhaustive of all Canadian federal income tax considerations. Consequently, Common Shareholders are urged to consult their own tax advisors to determine the particular tax effects to them of disposing of their Common Shares under the Offer, a Compulsory Acquisition or a Subsequent Acquisition Transaction, and any other consequences to them of such transactions under Canadian federal, provincial, territorial or local tax laws and under foreign tax laws, having regard to their own particular circumstances.

A Common Shareholder will not be entitled to deferred tax treatment on the disposition of their Common Shares under the Offer, a Compulsory Acquisition or a Subsequent Acquisition Transaction

Sale Pursuant to the Offer

In general, a disposition of Common Shares pursuant to the Offer in exchange for Dundee Industrial Units will give rise to a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of the Common Shares, net of any costs of disposition, exceed (or are less than) the adjusted cost base of the Common Shares to the Common Shareholder immediately prior to the disposition. The proceeds of disposition of the Common Shares will generally be equal to the aggregate of the fair market value of any Dundee Industrial Units received in exchange therefor and any cash received. The cost for tax purposes of any Dundee Industrial Units received in exchange for Common Shares will be equal to the fair market value of such Dundee Industrial Units. For the purpose of determining the adjusted cost base of such Dundee Industrial Units, the cost of such Dundee Industrial Units will be determined by averaging their cost with the adjusted cost base of all other Dundee Industrial Units held as capital property immediately before the time of the exchange.

One-half of any capital gain realized on the disposition will be required to be included in computing the Common Shareholder's income under the Tax Act and, subject to the detailed rules in the Tax Act, one-half of any capital loss realized on the disposition may generally be deducted only from taxable capital gains of the Common Shareholder in the year of disposition, in the three preceding taxation years or in any subsequent taxation years, to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized by a Common Shareholder that is a corporation on the disposition of a Common Share may be reduced by the amount of dividends previously received or deemed to have been received on such Common Share, subject to and in accordance with the provisions of the Tax Act. Similar rules may apply where Common Shares are held by a partnership or trust of which a corporation, trust or partnership is a member or beneficiary. Common Shareholders to whom these rules may be applicable should consult their own tax advisors regarding these rules.

Capital gains realized by individuals and certain trusts may give rise to a liability for alternative minimum tax under the Tax Act. Common Shareholders should consult their own tax advisors with respect to the potential application of alternative minimum tax.

A Common Shareholder that is throughout the year a "Canadian-controlled private corporation" as defined in the Tax Act may be liable to pay an additional refundable tax of 6 2/3% on certain investment income, including amounts in respect of taxable capital gains.

Compulsory Acquisition

As described under Section 13 of the Circular, "Acquisition of Common Shares Not Deposited - Compulsory Acquisition", the Offeror may, in certain circumstances, acquire Common Shares pursuant to Section 188 of the OBCA. A Common Shareholder disposing of Common Shares pursuant to a Compulsory Acquisition will realize a capital gain (or capital loss) generally calculated in the same manner and with the tax consequences as described above under "Sale Pursuant to the Offer".

A Common Shareholder who dissents in a Compulsory Acquisition and is entitled to receive the fair value of its Common Shares will be considered to have disposed of the Common Shares for proceeds of disposition equal to the amount fixed as such by the court (not including the amount of any interest awarded by the court). As a result, such dissenting Common Shareholder will realize a capital gain (or a capital loss) generally calculated in the same manner and with the tax consequences as described above under "Sale Pursuant to the Offer". Any interest awarded to a dissenting Common Shareholder by the court is required to be included in computing such Common Shareholder's income for the purposes of the Tax Act.

A Common Shareholder that is throughout the year a "Canadian-controlled private corporation" as defined in the Tax Act may be liable to pay an additional refundable tax of 6 2/3% on certain investment income, including amounts in respect of interest and taxable capital gains.

Common Shareholders should consult their own tax advisors with respect to the potential income tax consequences to them of having their Common Shares acquired pursuant to a Compulsory Acquisition.

Subsequent Acquisition Transaction

As described under Section 13 of the Circular, “Acquisition of Common Shares Not Deposited - Subsequent Acquisition Transaction”, if the Offeror does not acquire all of the Common Shares pursuant to the Offer or by means of a Compulsory Acquisition, the Offeror may propose other means of acquiring the remaining outstanding Common Shares. A Subsequent Acquisition Transaction may be effected by an amalgamation, statutory arrangement, capital reorganization, amendment to C2C’s constating documents, consolidation or other transaction. The tax treatment of a Subsequent Acquisition Transaction to a Common Shareholder will depend upon the exact manner in which the Subsequent Acquisition Transaction is carried out. Common Shareholders should consult their own tax advisors for advice with respect to the income tax consequences to them of having their Common Shares acquired pursuant to a Subsequent Acquisition Transaction.

A Subsequent Acquisition Transaction could be implemented by means of an amalgamation of C2C with the Offeror or one or more affiliates of the Offeror pursuant to which Common Shareholders who had not tendered their Common Shares under the Offer would have their Common Shares exchanged on the amalgamation solely for redeemable preference shares of the amalgamated corporation (“Redeemable Common Shares”), which would immediately thereafter be redeemed for cash. Generally, in those circumstances, a Common Shareholder would not realize a capital gain or capital loss as a result of such exchange of Common Shares for Redeemable Common Shares, and the cost of the Redeemable Common Shares received would be the aggregate adjusted cost base of the Common Shares to the Common Shareholder immediately before the amalgamation.

Upon redemption of its Redeemable Common Shares, the Common Shareholder would be deemed to have received a dividend (subject to the potential application of subsection 55(2) of the Tax Act to Common Shareholders that are corporations, as discussed below) equal to the amount by which the redemption price of its Redeemable Common Shares exceeds their paid-up capital for purposes of the Tax Act. The difference between the redemption price and the amount of the deemed dividend would be treated as proceeds of disposition of such shares for purposes of computing any capital gain or capital loss arising on the redemption of such shares. The tax consequences to the Common Shareholder in respect of such capital gain or capital loss would be as described under the heading “Sale Pursuant to the Offer”.

Subsection 55(2) of the Tax Act provides that where a Common Shareholder that is a corporation is deemed to receive a dividend in certain circumstances, all or part of the deemed dividend may be treated instead as proceeds of disposition of the Redeemable Common Shares for the purpose of computing the Common Shareholder’s capital gain on the redemption of such shares. Accordingly, Common Shareholders that are corporations should consult their own tax advisors for specific advice with respect to the potential application of this provision. Subject to the potential application of this provision, dividends deemed to be received by a Common Shareholder that is a corporation as a result of the redemption of its Redeemable Common Shares will be included in computing the Common Shareholder’s income, but generally will also be deductible in computing taxable income.

A Common Shareholder that is a “private corporation” or a “subject corporation” (as such terms are defined in the Tax Act) may be liable to pay a 33 $\frac{1}{3}$ % refundable tax under Part IV of the Tax Act on dividends deemed to be received on the redemption of its Redeemable Common Shares to the extent that such dividends are deductible in computing the Common Shareholder’s taxable income. In the case of a Common Shareholder who is an individual, dividends deemed to be received as a result of the redemption of its Redeemable Common Shares will be included in computing the Common Shareholder’s income and will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends paid by a taxable Canadian corporation, including the enhanced gross-up and dividend tax credit for “eligible dividends” (as defined in the Tax Act). There can be no assurance that any deemed dividend will be designated as an eligible dividend.

Pursuant to the current administrative practice of the CRA, a Common Shareholder who exercises his or her statutory right of dissent in respect of an amalgamation would be considered to have disposed of his or her Common Shares for proceeds of disposition equal to the amount paid by the amalgamated corporation to the dissenting Common Shareholder (other than interest awarded by the court). In this case, the tax consequences of the

Common Shareholder in respect of such capital gain or capital loss would be as described under the heading “Sale Pursuant to the Offer”. However, as the legislative basis of this treatment may be uncertain, there is a risk that all or part of such amounts paid to a dissenting Common Shareholder could be treated as a deemed dividend. Dissenting Common Shareholders should consult with their own tax advisors in this regard.

Any interest awarded to a dissenting Common Shareholder by a court must be included in computing the Common Shareholder’s income for purposes of the Tax Act.

As an alternative to the amalgamation discussed herein, the Offeror may propose a Subsequent Acquisition Transaction to be effected by a capital reorganization, share consolidation, statutory arrangement or other transaction, the tax consequences of which may differ from those arising on the sale of Common Shares under the Offer or an amalgamation involving C2C, and will depend on the particular form and circumstances of such alternative transaction. No view is expressed herein as to the tax consequences of any such transaction to a Common Shareholder.

Qualified Investment – Delisting

As described under Section 6 of the Circular, “Effect of the Offer on the Market for and Listing of Common Shares and Status as a Reporting Issuer”, the Common Shares may cease to be listed on the TSXV following the completion of the Offer. Common Shareholders are cautioned that if the Common Shares are not listed on a designated stock exchange (which presently includes the TSXV) and C2C ceases to be a public corporation for purposes of the Tax Act, the Common Shares will not be qualified investments for Plans at the time of the disposition pursuant to a Compulsory Acquisition or Subsequent Acquisition Transaction. Any such Plan, or its annuitant, beneficiary or holder, could be subject to taxes and penalties under the Tax Act if the Plan holds non-qualified investments. Common Shareholders should consult their own tax advisors with respect to the potential income tax consequences to them of having their Common Shares acquired pursuant to a Compulsory Acquisition or Subsequent Acquisition Transaction.

Holding and Disposing of Dundee Industrial Units Received in Exchange for Common Shares

Subsequent to the exchange of Common Shares for Dundee Industrial Units pursuant to the Offer, a former Common Shareholder will be subject to taxation as a Dundee Industrial Unitholder. This tax treatment is outlined below.

Status of Dundee Industrial

Qualification as a “Mutual Fund Trust”

This summary is based on the assumptions that Dundee Industrial will qualify at all times as a “mutual fund trust” within the meaning of the Tax Act and that Dundee Industrial validly elected under the Tax Act to be a mutual fund trust from the date it was established.

To qualify as a mutual fund trust, Dundee Industrial, among other things, must be a “unit trust” as defined by the Tax Act, must not be established or maintained primarily for the benefit of non-residents, and must restrict its undertaking to: (i) the investing of its funds in property (other than real property or an interest in real property or an immovable or a real right in an immovable), (ii) the acquiring, holding, maintaining, improving, leasing or managing of any real property (or interest in real property, or of any immovable, or real right in immovables) that is capital property of Dundee Industrial, or (iii) any combination of the activities described in (i) and (ii), and Dundee Industrial must comply on a continuous basis with certain minimum requirements respecting the ownership and dispersal of its Dundee Industrial Units.

An officer of Dundee Industrial has advised counsel that Dundee Industrial has filed an election under subsection 132(6.1) of the Tax Act to be deemed to have been a mutual fund trust from the time of its establishment and that Dundee Industrial intends to continue to qualify as a “mutual fund trust” under the provisions of the Tax

Act at all times thereafter. If Dundee Industrial were not to qualify as a mutual fund trust at any particular time, the income tax considerations described below would, in some respects, be materially different.

Qualification as a “Real Estate Investment Trust”

SIFT Legislation

The SIFT Legislation effectively taxes certain income of a publicly-traded trust or partnership that is distributed to its investors on the same basis as would have applied had the income been earned through a taxable corporation and distributed by way of dividend to its shareholders. These rules apply only to “SIFT trusts”, “SIFT partnerships” (each as defined in the Tax Act) and their investors.

A trust resident in Canada will generally be a SIFT trust for a particular taxation year for purposes of the Tax Act if, at any time during the taxation year, investments in the trust are listed or traded on a stock exchange or other public market and the trust holds one or more “non-portfolio properties” (as defined in the Tax Act). Non-portfolio properties generally include certain investments in real properties situated in Canada and certain investments in corporations and trusts resident in Canada and in partnerships with specified connections to Canada. However, a trust will not be considered a SIFT trust for a taxation year if it qualifies as a “real estate investment trust” (as defined in the Tax Act) for that year (the “**REIT Exception**”) (discussed below).

Where the SIFT Legislation applies, distributions of a SIFT trust’s “non-portfolio earnings” are not deductible in computing the SIFT trust’s net income. Non-portfolio earnings are generally defined as income attributable to a business carried on by the SIFT trust in Canada or to income (other than certain dividends) from, and taxable capital gains from the disposition of, non-portfolio properties. The SIFT trust is itself liable to pay income tax on an amount equal to the amount of such non-deductible distributions at a rate that is substantially equivalent to the combined federal and provincial general tax rate applicable to taxable Canadian corporations. Such non-deductible distributions paid to a holder of units of the SIFT trust are generally deemed to be taxable dividends received by such holder from a taxable Canadian corporation. Such deemed dividends will qualify as “eligible dividends” for purposes of the enhanced gross-up and dividend tax credit available under the Tax Act to individuals resident in Canada. Distributions that are paid as returns of capital will generally not attract the tax under the SIFT Legislation.

REIT Exception

A trust that satisfies the REIT Exception is excluded from the definition of a SIFT trust in the Tax Act and is therefore not subject to the SIFT Legislation. Certain proposals released by the Minister on October 24, 2012 and currently contained in Bill C-48, which received second reading on March 8, 2013, modify the rules to qualify for the REIT Exception. If enacted as proposed, these Tax Proposals, which are generally relieving in nature, will be effective for the 2011 and subsequent taxation years and also on an elective basis for earlier taxation years.

Assuming that the Tax Proposals are enacted as proposed, the following five criteria must be met in order for a trust to qualify for the REIT Exception in a year subsequent to 2010:

- (a) at each time in the taxation year, the total fair market value at that time of all “non-portfolio properties” that are “qualified REIT properties” held by the trust must be at least 90% of the total fair market value at that time of all non-portfolio properties held by the trust;
- (b) not less than 90% of the trust’s “gross REIT revenue” for the taxation year must be from one or more of the following: “rent from real or immovable properties”, interest, dispositions of “real or immovable properties” that are capital properties, dividends, royalties and dispositions of “eligible resale properties”;
- (c) not less than 75% of the trust’s gross REIT revenue for the taxation year must be from one or more of the following: rent from real or immovable properties, interest from mortgages, or

hypothecs, on real or immovable properties, and dispositions of real or immovable properties that are capital properties;

- (d) at each time in the taxation year an amount that is equal to 75% or more of the equity value of the trust at that time, is the amount that is the total fair market value of all properties held by the trust each of which is a real or immovable property that is a capital property, an eligible resale property, cash, a deposit (within the meaning of the *Canada Deposit Insurance Corporation Act* or with a branch in Canada of a bank or a credit union), indebtedness of a Canadian corporation represented by a banker's acceptance, and debt issued or guaranteed by the Canadian government or issued by a province, municipal government or certain other qualifying public institutions; and
- (e) investments in the trust must be, at any time in the taxation year, listed or traded on a stock exchange or other public market.

The SIFT Legislation contains specific rules under which a trust could qualify for the REIT Exception where it holds its real properties indirectly through intermediate entities, provided that, other than with respect to the listing or trading requirement, each such entity, assuming it were a trust, would satisfy the REIT Exception.

The REIT Exception in the SIFT Legislation contains a number of technical tests and the determination as to whether Dundee Industrial qualifies for the REIT Exception in any particular taxation year can only be made at the end of that taxation year. Based on representations as to certain factual matters from an officer of Dundee Industrial, Dundee Industrial has, at all times throughout 2012, qualified, and expects to continue to qualify throughout 2013 and all subsequent taxation years, for the REIT Exception and each direct or indirect Subsidiary of Dundee Industrial has, at all times throughout 2012, qualified, and expects to continue to qualify throughout 2013 and all subsequent taxation years, as an "excluded subsidiary entity" as defined in the Tax Act, as proposed to be amended. The balance of this summary assumes this to be the case. If Dundee Industrial or each direct or indirect Dundee Industrial Subsidiary does not so qualify, the income tax considerations described below would, in some respects, be materially different.

Taxation of Dundee Industrial

The taxation year of Dundee Industrial is the calendar year. In each taxation year, Dundee Industrial will generally be subject to tax under Part I of the Tax Act on its income for the year, including net taxable capital gains for that year and its allocated share of the income from Industrial Partnership for the fiscal period of Industrial Partnership ending in, or coinciding with the year-end of Dundee Industrial, less the portion thereof that it deducts in respect of the amounts paid or payable, or deemed to be paid or payable, to Dundee Industrial Unitholders in the year. An amount will be considered to be payable to a Dundee Industrial Unitholder in a taxation year if it is paid to the Dundee Industrial Unitholder in the year by Dundee Industrial or if the Dundee Industrial Unitholder is entitled in that year to enforce payment of the amount.

Dundee Industrial will, generally, also not be subject to tax on any amounts received as distributions from Industrial Partnership. Generally, distributions to Dundee Industrial in excess of its allocated share of the income of Industrial Partnership for a fiscal period will result in a reduction of the adjusted cost base of Dundee Industrial's units in Industrial Partnership, by the amount of such excess. If Dundee Industrial's adjusted cost base at the end of a taxation year of its units in Industrial Partnership is a negative amount, Dundee Industrial will be deemed to realize a capital gain in such amount for that year, and Dundee Industrial's adjusted cost base at the beginning of the next taxation year of its units in Industrial Partnership will then be nil.

In computing its income for purposes of the Tax Act, Dundee Industrial may deduct reasonable administrative costs and other reasonable expenses incurred by it for the purpose of earning income. Dundee Industrial may also deduct from its income for the year a portion of any reasonable expenses incurred by Dundee Industrial to issue Dundee Industrial Units. The portion of such issue expenses deductible by Dundee Industrial in a taxation year is 20% of such issue expenses, pro-rated where Dundee Industrial's taxation year is less than 365 days.

Having regard to the present intention of the Dundee Industrial Trustees, Dundee Industrial will make distributions in each year to Dundee Industrial Unitholders in an amount sufficient to ensure that Dundee Industrial will generally not be liable for tax under Part I of the Tax Act in any year (after taking into account any applicable tax refunds to Dundee Industrial). Where income of Dundee Industrial in a taxation year exceeds the total cash distributions for that year, such excess income may be distributed to Dundee Industrial Unitholders in the form of additional Dundee Industrial Units. Income of Dundee Industrial payable to Dundee Industrial Unitholders, whether in cash, additional Dundee Industrial Units or otherwise, will generally be deductible by Dundee Industrial in computing its taxable income.

An *in specie* redemption of any Subsidiary Securities and the transfer by Dundee Industrial of Subsidiary Securities to redeeming Dundee Industrial Unitholders will each be treated as a disposition by Dundee Industrial of such Subsidiary Securities for proceeds of disposition equal to the fair market value thereof. Dundee Industrial will realize a capital gain (or a capital loss) to the extent that the proceeds from these dispositions exceed (or are less than) the adjusted cost base of the Subsidiary Securities, as the case may be, and any reasonable costs of disposition.

Losses incurred by Dundee Industrial cannot be allocated to Dundee Industrial Unitholders, but can be deducted by Dundee Industrial in future years in computing its taxable income, in accordance with the Tax Act. In the event Dundee Industrial would otherwise be liable for tax on its net taxable capital gains realized by Dundee Industrial for a taxation year, it will be entitled for each taxation year to reduce (or receive a refund in respect of) its liability, if any, for such tax by an amount determined under the Tax Act based on the redemption of units of Dundee Industrial during the year (the “**capital gains refund**”). In certain circumstances, the capital gains refund in a particular taxation year may not completely offset Dundee Industrial’s tax liability for the taxation year arising in connection with the transfer of property *in specie* to redeeming Dundee Industrial Unitholders on the redemption of Dundee Industrial Units and the related *in specie* redemption by Dundee Industrial of any Subsidiary Securities. The Declaration of Trust provides that all or a portion of any capital gain or income realized by Dundee Industrial in connection with such redemptions may, at the discretion of the Dundee Industrial Trustees, be treated as capital gains or income paid to, and designated as capital gains or income of, the redeeming Dundee Industrial Unitholder. Such income or the taxable portion of any capital gain so designated must be included in the income of the redeeming Dundee Industrial Unitholders (as income or taxable capital gains) and will be deductible by Dundee Industrial in computing its income.

Taxation of Industrial Partnership

The fiscal period of Industrial Partnership is the calendar year. Industrial Partnership is expected to qualify as an “excluded subsidiary entity” at all relevant times and, as a result, will not be subject to tax under the Tax Act. Generally, each partner of Industrial Partnership, including Dundee Industrial, is required to include in computing the partner’s income the partner’s share of the income (or loss) of Industrial Partnership, for Industrial Partnership’s fiscal year ending in, or coinciding with, the partner’s taxation year end, whether or not any such income is distributed to the partner in the taxation year. For this purpose, the income (or loss) of Industrial Partnership will be computed for each fiscal period as if it were a separate person resident in Canada.

In computing the income or loss of Industrial Partnership, deductions may generally be claimed in respect of its administrative costs and other reasonable expenses incurred by it for the purpose of earning income, including available capital cost allowances. Certain properties have been acquired by Industrial Partnership on a tax deferred basis, whereby the tax cost of these properties is less than their fair market value. For the purposes of claiming capital cost allowances, the undepreciated capital cost (“UCC”) of such property acquired by Industrial Partnership, will be equal to the UCC of the property to the transferors immediately before the acquisition and not the fair market value of the property. In addition, if one or more of such properties are disposed of, the gain recognized by Industrial Partnership for tax purposes will be in excess of that which it would have realized if it had acquired the properties at a tax cost equal to their fair market values.

The income or loss of Industrial Partnership for a fiscal period will be allocated to its partners on the basis of their respective share of such income or loss as provided in the limited partnership agreement of Industrial Partnership, subject to the detailed rules in the Tax Act. Generally, distributions to partners in excess of the income of Industrial Partnership for a fiscal period will result in a reduction of the adjusted cost base of the partner’s units in Industrial Partnership by the amount of such excess, as described above.

Taxation of Dundee Industrial Unitholders

Trust Distributions

A Dundee Industrial Unitholder is generally required to include in computing income for a particular taxation year the portion of the net income of Dundee Industrial for the taxation year of Dundee Industrial ending on or before the particular taxation year end of the Dundee Industrial Unitholder, including net taxable capital gains (determined for the purposes of the Tax Act), that is paid or payable, or deemed to be paid or payable, to the Dundee Industrial Unitholder in the particular taxation year, whether or not those amounts are received in cash, additional Dundee Industrial Units or otherwise.

The non-taxable portion of any net capital gains of Dundee Industrial that is paid or payable, or deemed to be paid or payable, to a Dundee Industrial Unitholder in a taxation year will not be included in computing the Dundee Industrial Unitholder's income for the year. Any other amount in excess of the net income and net taxable capital gains of Dundee Industrial that is paid or payable, or deemed to be paid or payable, by Dundee Industrial to a Dundee Industrial Unitholder in a taxation year, including the further bonus distribution reinvested in Dundee Industrial Units under the DRIP, will not generally be included in the Dundee Industrial Unitholder's income for the year. A Dundee Industrial Unitholder will be required to reduce the adjusted cost base of its Dundee Industrial Units by the portion of any amount (other than proceeds of disposition in respect of the redemption of Dundee Industrial Units and the non-taxable portion of net capital gains) paid or payable to such Dundee Industrial Unitholder that was not included in computing the Dundee Industrial Unitholder's income and will realize a capital gain to the extent that the adjusted cost base of the Dundee Industrial Unitholder's Dundee Industrial Units would otherwise be a negative amount.

Provided that appropriate designations are made by Dundee Industrial, such portions of the net taxable capital gains, taxable dividends received, or deemed to be received, on shares of taxable Canadian corporations and foreign source income as are paid or payable, or deemed to be paid or payable, by Dundee Industrial to the Dundee Industrial Unitholders will effectively retain their character and be treated and taxed as such in the hands of the Dundee Industrial Unitholders for purposes of the Tax Act, and Dundee Industrial Unitholders may be entitled to claim a foreign tax credit for foreign taxes paid by Dundee Industrial. To the extent that amounts are designated as having been paid to Dundee Industrial Unitholders out of the net taxable capital gains of Dundee Industrial, such designated amounts will be deemed for tax purposes to be received by Dundee Industrial Unitholders in the year as a taxable capital gain and will be subject to the general rules relating to the taxation of capital gains described below. To the extent that amounts are designated as having been paid to Dundee Industrial Unitholders out of taxable dividends received, or deemed to be received, on shares of taxable Canadian corporations, they will be subject to the normal gross-up and dividend tax credit provisions in respect of Dundee Industrial Unitholders who are individuals, to the refundable tax under Part IV of the Tax Act in respect of Dundee Industrial Unitholders that are private corporations and certain other corporations controlled directly or indirectly by or for the benefit of an individual (other than a trust) or related group of individuals (other than trusts), and to the deduction in computing taxable income in respect of Dundee Industrial Unitholders that are corporations. A Dundee Industrial Unitholder that is a Canadian-controlled private corporation (as defined in the Tax Act) throughout its taxation year may also be liable to pay an additional refundable tax on certain investment income, including taxable capital gains. Dundee Industrial Unitholders should consult their own tax advisors for advice with respect to the potential application of these provisions.

Certain taxable dividends received by individuals from a corporation resident in Canada will be eligible for the enhanced dividend tax credit to the extent certain conditions are met and designations are made, such as the dividend being sourced out of income that is subject to tax at the general corporate tax rate. This may apply to distributions made by Dundee Industrial to the Dundee Industrial Unitholders that have as their sources eligible dividends received from a corporation resident in Canada, to the extent Dundee Industrial makes the appropriate designation to have such eligible dividends deemed received by the Dundee Industrial Unitholder and provided that the corporate dividend payer makes the required designation to treat such taxable dividends as eligible dividends.

Dispositions of Dundee Industrial Units

On the disposition or deemed disposition of a Dundee Industrial Unit by a Dundee Industrial Unitholder, whether on redemption or otherwise, the Dundee Industrial Unitholder will generally realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition exceed (or are less than) the aggregate of the Dundee Industrial Unitholder's adjusted cost base of the Dundee Industrial Unit and any reasonable costs of disposition. Proceeds of disposition will not include an amount payable by Dundee Industrial that is otherwise required to be included in the Dundee Industrial Unitholder's income (such as an amount designated as payable by Dundee Industrial to a redeeming Dundee Industrial Unitholder out of capital gains or income of Dundee Industrial as described above).

For the purpose of determining the adjusted cost base to a Dundee Industrial Unitholder, when a Dundee Industrial Unit is acquired, the cost of the newly-acquired Dundee Industrial Unit will be averaged with the adjusted cost base of all of the Dundee Industrial Units owned by the Dundee Industrial Unitholder as capital property immediately before that acquisition. The adjusted cost base of a Dundee Industrial Unit to a Dundee Industrial Unitholder will include all amounts paid by the Dundee Industrial Unitholder for the Dundee Industrial Unit, with certain adjustments. The cost to a Dundee Industrial Unitholder of Dundee Industrial Units received in lieu of a cash distribution of income of Dundee Industrial will be equal to the amount of such distribution that is satisfied by the issuance of such Dundee Industrial Units. The cost of Dundee Industrial Units acquired on the reinvestment of distributions under the DRIP will be the amount of such investment. There will be no net increase or decrease in the aggregate adjusted cost base of all of a Dundee Industrial Unitholder's Dundee Industrial Units as a result of the receipt of the further bonus distribution reinvested in Dundee Industrial Units under the DRIP; however, the adjusted cost base per Dundee Industrial Unit will be reduced.

Where the redemption price for Dundee Industrial Units is paid and satisfied by way of a distribution *in specie* to the Dundee Industrial Unitholders of Subsidiary Securities, the proceeds of disposition to the Dundee Industrial Unitholder of the Dundee Industrial Units will be equal to the fair market value of the property so distributed less any income or capital gain realized by Dundee Industrial as a result of the redemption of those Dundee Industrial Units to the extent such income or capital gain is designated by Dundee Industrial to the redeeming Dundee Industrial Unitholder. Where income or capital gain realized by Dundee Industrial as a result of the redemption of Dundee Industrial Units has been so designated by Dundee Industrial, the Dundee Industrial Unitholder will be required to include in computing the Dundee Industrial Unitholder's income for tax purposes, the income and the taxable portion of the capital gain so designated. The cost of any Subsidiary Security distributed by Dundee Industrial to a Dundee Industrial Unitholder upon a redemption of Dundee Industrial Units will generally be equal to the fair market value of such Subsidiary Security at the time of distribution.

Taxation of Capital Gains and Losses

One-half of any capital gains realized by a Dundee Industrial Unitholder of a Dundee Industrial Unit and the amount of any net taxable capital gains designated by Dundee Industrial in respect of a Dundee Industrial Unitholder will be included in the Dundee Industrial Unitholder's income as a taxable capital gain. One-half of any capital loss realized by a Dundee Industrial Unitholder on a disposition, or deemed disposition of a Dundee Industrial Unit, may generally be deducted only from taxable capital gains of the Dundee Industrial Unitholder in the year of disposition, in the three preceding taxation years or in any subsequent taxation years, to the extent and under the circumstances described in the Tax Act.

Where a Dundee Industrial Unitholder that is a corporation or a trust (other than a mutual fund trust) disposes of a Dundee Industrial Unit, the Dundee Industrial Unitholder's capital loss from the disposition will generally be reduced by the amount of any dividends received by Dundee Industrial previously designated by Dundee Industrial to the Dundee Industrial Unitholder, to the extent and under the circumstances prescribed in the Tax Act. Analogous rules apply where a corporation or trust (other than a mutual fund trust) is a member of a partnership that disposes of Dundee Industrial Units.

Alternative Minimum Tax

In general terms, net income of Dundee Industrial, paid or payable, or deemed to be paid or payable, to a Dundee Industrial Unitholder who is an individual or trust (other than certain specified trusts), and that is designated as taxable dividends or as net taxable capital gains, and capital gains realized on the disposition of Dundee Industrial Units may increase the Dundee Industrial Unitholder's liability for alternative minimum tax.

Eligibility for Investment

In the opinion of counsel, based on representations of Dundee Industrial as to certain factual matters and subject to the qualifications and assumptions given under the heading "Certain Canadian Federal Income Tax Considerations" and below, provided that (i) Dundee Industrial qualifies as a "mutual fund trust" for purposes of the Tax Act and the Regulations or (ii) the Dundee Industrial Units are listed on a designated stock exchange, the Dundee Industrial Units will, on the date the Dundee Industrial Units are issued, be qualified investments for trusts governed by Plans. Subsidiary Securities received as a result of a redemption *in specie* of Dundee Industrial Units may not be qualified investments for Plans, and this could give rise to adverse consequences to such Plan or the holder of or the annuitant or beneficiary under that Plan. Accordingly, Plans that own Dundee Industrial Units should consult their own tax advisors before deciding to exercise the redemption rights attached to the Dundee Industrial Units.

Notwithstanding the foregoing, a holder of a TFSA or an annuitant under an RRSP or RRIF, as the case may be, will be subject to a penalty tax if the Dundee Industrial Units held in the TFSA, RRSP or RRIF are a "prohibited investment" as defined in the Tax Act for the TFSA, RRSP or RRIF. The Dundee Industrial Units will generally be a "prohibited investment" for trusts governed by a TFSA, RRSP or RRIF if the holder of the TFSA or the annuitant under the RRSP or RRIF, as applicable, (i) does not deal at arm's length with Dundee Industrial for the purposes of the Tax Act, (ii) has a "significant interest", as defined in the Tax Act, in Dundee Industrial or (iii) has a "significant interest", as defined in the Tax Act, in a person, partnership or trust with which Dundee Industrial does not deal at arm's length for purposes of the Tax Act. Tax Proposals released on December 21, 2012 propose to delete the condition in (iii) above. In addition, pursuant to such Tax Proposals the Dundee Industrial Units will generally not be a "prohibited investment" if the Dundee Industrial Units are "excluded property" (as defined in the Tax Proposals). Holders of a TFSA and annuitants under a RRSP or RRIF should consult their own tax advisors as to whether the Dundee Industrial Units will be a "prohibited investment" in their particular circumstances.

18. Certain Information Concerning the Dundee Industrial Units

Authorized and Outstanding Capital

The aggregate number of Dundee Industrial Units which Dundee Industrial may issue is unlimited. Dundee Industrial Units represent a Dundee Industrial Unitholder's proportionate undivided beneficial interest in Dundee Industrial. As at March 18, 2013, there were 46,749,541 Dundee Industrial Units (and 16,282,096 accompanying Special Trust Units of Dundee Industrial) outstanding. No Dundee Industrial Unit has any preference or priority over another. No Dundee Industrial Unitholder has or is deemed to have any right of ownership in any of the assets of Dundee Industrial. Each Dundee Industrial Unit confers the right to one vote at any meeting of Dundee Industrial Unitholders and to participate equally and rateably in any distributions by Dundee Industrial and, in the event of any required distribution of all of the property of Dundee Industrial, in the net assets of Dundee Industrial remaining after satisfaction of all liabilities.

Distribution Policy

Dundee Industrial has declared distributions of \$0.05625 per Dundee Industrial Unit in each month since October 2012. On February 19, 2013, Dundee Industrial announced that it would increase annual distributions to \$0.70 per Dundee Industrial Unit, an increase of 3.7%, or 2.5 cents, from the previous distribution of \$0.675 per Dundee Industrial Unit on an annualized basis, commencing with the distribution expected to be declared payable to Dundee Industrial Unitholders of record on April 30, 2013.

Dundee Industrial's monthly distributions to Dundee Industrial Unitholders equal to one-twelfth of such percentage of Distributable Income on an annual basis, as determined by the Dundee Industrial Trustees. In addition, on December 31st of each year, Dundee Industrial Unitholders are also entitled to receive a distribution of sufficient net realized capital gains and net income for the taxation year ending on that date, net of any capital losses or non capital losses recognized on or before the end of such year such that Dundee Industrial will not be liable for ordinary income taxes for such year, net of tax refunds. Distributions in respect of a month are generally paid to Dundee Industrial Unitholders of record on or about each distribution date to Dundee Industrial Unitholders of record as at the close of business on the corresponding distribution record date. This means that the distribution for any month is generally paid to the Dundee Industrial Unitholders of record at the close of business on the last day of the month on or about the 15th day of the following month. The annual payment in respect of the December 31st distribution is made on or before the following January 15th. Distributions, if any, are made in cash or, in the event that Dundee Industrial experiences a shortfall of cash related to payment of the full amount of any Distributable Income, the payment may include the issuance of additional Dundee Industrial Units.

Dundee Industrial also has a distribution reinvestment and unit purchase plan (the "DRIP") pursuant to which Dundee Industrial Unitholders are entitled to reinvest all cash distributions in additional Dundee Industrial Units, at a price determined by Dundee Industrial.

Price Range and Trading Volume of Dundee Industrial Units

The Dundee Industrial Units are traded on the TSX under the trading symbol "DIR.UN". On March 18, 2013, the last trading day prior to the announcement of the Offer, the closing price of the Dundee Industrial Units was \$10.96 on the TSX. The following table sets forth the reported high and low daily closing prices and the aggregate volume of trading of the Dundee Industrial Units on the TSX for each month before the date of this Offer, starting with the partial month from October 4, 2012, being the date of closing of Dundee Industrial's initial public offering:

	Trading of Dundee Industrial Units on the TSX		
	<u>High (\$)</u>	<u>Low (\$)</u>	<u>Volume (#)</u>
2012			
September	-	-	-
October	11.49	10.75	7,316,918
November	11.38	10.58	2,473,673
December.....	11.20	10.62	2,981,565
2013			
January	11.75	11.05	1,846,832
February.....	11.70	10.95	2,502,652
March	11.00	10.66	3,236,050
Up to April 4, 2013.....	10.85	10.66	240,793

Price Range and Trading Volume of Dundee Industrial Debentures

Debentures of Dundee Industrial are traded on the TSX under the trading symbols "DIR.DB". The following table set forth the market price range and trading volumes of these debentures on the TSX for each month before the dated of this Offer, starting with the partial month from December 13, 2012, being the date of the first issuance of the Debentures:

DIR.DB**Trading of Debentures on the TSX**

	<u>High (\$)</u>	<u>Low (\$)</u>	<u>Volume (#)</u>
2012			
September	-	-	-
October	-	-	-
November	-	-	-
December	102.75	101.26	140,090
2013			
January	105.25	102.60	23,940
February.....	104.50	103.51	19,210
March	103.88	103.05	7,950
Up to April 4, 2013.....	103.50	103.25	6,530

Material Changes in Capitalization of Dundee Industrial

There have not been any material changes in the capitalization or indebtedness of Dundee Industrial since the completion of its offering pursuant to Dundee Industrial's final short form prospectus dated February 25, 2013. Common Shareholders should refer to Appendix 1 to the Circular for unaudited pro forma consolidated financial statements for Dundee Industrial for the period ended December 31, 2012, which gives effect to the acquisition of C2C by Dundee Industrial.

Distribution of Dundee Industrial Units

Since the date of formation of Dundee Industrial, Dundee Industrial has completed the following distributions of Dundee Industrial Units and securities convertible into Dundee Industrial Units:

On March 6, 2013, Dundee Industrial completed a bought deal public offering of 10,465,000 Dundee Industrial Units at a price of \$11.00 per Dundee Industrial Unit for total gross proceeds of \$115,115,000.

On December 19, 2012, Dundee Industrial issued 2,358,491 Dundee Industrial Units and \$25.0 million principal amount of 5.25% Debentures to an affiliate of KingSett Capital Inc. in order to satisfy a portion of the purchase price payable for Dundee Industrial's acquisition of 79 industrial properties from an affiliate of KingSett Capital Inc. on December 19, 2012;

On December 13, 2012, Dundee Industrial completed a bought deal public offering of 13,570,000 Dundee Industrial Units at a price of \$10.60 per Dundee Industrial Unit and \$86,250,000 aggregate principal amount of 5.25% Debentures for total gross proceeds of \$230,092,000. The 13,570,000 Dundee Industrial Units included Dundee Industrial Units issued on closing pursuant to the exercise by the underwriters of the over-allotment option granted with respect to that offering.

On October 4, 2012, Dundee Industrial completed its initial public offering and issued 15,500,000 Dundee Industrial Units at a price of \$10.00 per Dundee Industrial Unit for gross proceeds \$155,000,000. Concurrently with the completion of its initial public offering on October 4, 2012, Dundee Industrial also issued 1,750,000 Dundee Industrial Units to Dundee Corporation at a price of \$10.00 per Dundee Industrial Unit and 750,000 Dundee Industrial Units to Michael J. Cooper at price of \$10.00 per Dundee Industrial Unit for aggregate gross proceeds of \$25,000,000. Industrial Partnership also issued on that date 16,034,631 LP B Units (together with the same number

of Special Trust Units) to DPLP and certain of its subsidiaries as partial consideration for the indirect acquisition of the Initial Properties. The LP B Units are economically equivalent to and exchangeable for Dundee Industrial Units.

On October 17, 2012, Dundee Industrial completed the issuance of an additional 2,325,000 Dundee Industrial Units at a price of \$10.00 per Dundee Industrial Unit for gross proceeds of \$23,250,000 pursuant to the exercise by the underwriters of the overallotment option granted with respect to Dundee Industrial's initial public offering.

Dundee Industrial distributes Dundee Industrial Units on a monthly basis to existing Dundee Industrial Unitholders who elect to reinvest their monthly distributions in Dundee Industrial Units pursuant to the DRIP of Dundee Industrial. In addition, holders of LP B Units may elect to reinvest the monthly distributions on their LP B Units in Dundee Industrial Units pursuant to DRIP-like arrangements provided for in the limited partnership agreement of Industrial Partnership. Since its formation, Dundee Industrial has issued 278,515 Dundee Industrial Units pursuant to the DRIP and the DRIP-like arrangements under the limited partnership agreement referred to above. Dundee Industrial Units distributed pursuant to the DRIP and the DRIP-like arrangements are issued at a price equal to the weighted average closing price of the Dundee Industrial Units on the TSX for the five trading days immediately preceding the relevant distribution payment date. Dundee Industrial Unitholders who participate in the DRIP or the DRIP-like arrangements receive a "bonus" distribution with each reinvestment equal to 3.0% of the amount of the distribution reinvested in the form of additional Dundee Industrial Units.

Dundee Industrial also has a deferred unit incentive plan, pursuant to which it grants deferred units to the Dundee Industrial Trustees and senior officers and certain of employees of Dundee Industrial. Dundee Industrial Units are issued to participants in the deferred unit incentive plan upon vesting of the deferred units, unless deferred in accordance with the terms of the deferred unit incentive plan. To date, no deferred units have vested and no Dundee Industrial Units have been issued pursuant to the deferred unit incentive plan.

19. Approval of the Offer

Except as set forth herein Dundee Industrial and the Offeror have no knowledge regarding whether any Common Shareholders will accept the Offer.

20. Auditors, Transfer Agent and Registrar

The auditors of Dundee Industrial and the Offeror are PricewaterhouseCoopers LLP, Chartered Accountants, 18 York Street, Suite 2600, Toronto, Ontario, M5J 0B2 (416-863-1133).

The transfer agent and registrar for the Dundee Industrial Units is Computershare Trust Company of Canada at its principal office in Toronto, Ontario.

21. Depositary

Dundee Industrial and the Offeror have engaged Equity Financial Trust Company as the Depositary to receive deposits of Common Shares. The Depositary will also facilitate book-entry transfers of Common Shares. The Depositary will receive reasonable and customary compensation from the Offeror for its services in connection with the Offer, will be reimbursed for certain out-of-pocket expenses and will be indemnified against certain liabilities, including liabilities under securities Laws and expenses in connection therewith.

22. Legal Matters

Certain legal matters in connection with the Offer (including the issuance of Dundee Industrial Units offered hereby) will be passed upon on behalf of Dundee Industrial by Osler, Hoskin & Harcourt LLP, with respect to securities and other matters, and Wilson & Partners LLP, a law firm affiliated with PricewaterhouseCoopers LLP, with respect to certain tax matters.

23. Expenses of the Offer

Dundee Industrial and the Offeror estimates that if it completes all of the Contemplated Transactions, the total amount required to pay the expenses of Dundee Industrial, the Offeror and/or their respective affiliates in connection with the Offer will be approximately \$3.0 million. C2C will also incur expenses.

24. Interests of Experts

As at the date hereof, the partners and associates of Osler, Hoskin & Harcourt LLP, as a group, and Wilson & Partners LLP, as a group, each beneficially own, directly or indirectly, less than 1% of the outstanding securities of Dundee Industrial and its respective affiliates and associates.

25. Documents Incorporated by Reference

The following documents of Dundee Industrial filed with the securities commission or similar authority in each of the provinces of Canada are specifically incorporated by reference into and form an integral part of the Offer to Purchase and the Circular:

- (a) the Dundee Industrial AIF;
- (b) the following sections of the IPO Prospectus, being the final long form prospectus dated September 26, 2012 of Dundee Industrial and the disclosure appearing under such sections:
 - (i) “Trustees and Executive Officers” at pages 98 to 106 of the IPO Prospectus; and
 - (ii) “Executive Compensation” at pages 107 to 110 of the IPO Prospectus;
- (c) the audited consolidated financial statements of Dundee Industrial as at December 31, 2012 and the consolidated statements of comprehensive loss, changes in equity and cash flows for the period from July 20, 2012 to December 31, 2012, together with the notes thereto and the independent auditor’s report thereon;
- (d) management’s discussion and analysis of the financial condition and results of operations of Dundee Industrial for the period from July 20, 2012 to December 31, 2012;
- (e) the material change report of Dundee Industrial dated March 28, 2013 with respect to the entering into of the Support Agreement; and
- (f) the business acquisition report of Dundee Industrial dated November 13, 2012 with respect to the acquisition of a portfolio of 77 industrial properties;
- (g) the business acquisition report of Dundee Industrial dated February 1, 2013 with respect to the acquisition of a portfolio of 79 industrial properties.

Any documents of the type referred to above, any comparative interim financial statements, any management information circular, any business acquisition report and any material change reports (except confidential material change reports, if any), filed by Dundee Industrial with the provincial securities commissions or similar authorities in Canada after the date of the Offer to Purchase and the Circular and prior to the Expiry Time shall be deemed to be incorporated by reference into and form an integral part of the Offer to Purchase and the Circular.

The following sections of the C2C AIF filed with the securities commission or similar authority in each province of Canada where C2C is a reporting issuer are specifically incorporated by reference into and form an integral part of the Offer and the Circular: “Description of the Business –Portfolio” and “Risk Factors”.

Any material change report (except confidential material change reports, if any) filed by C2C with the provincial securities commissions or similar authorities in Canada after the date of the Offer to Purchase and the Circular and prior to the Expiry Time shall be deemed to be incorporated by reference into and form an integral part of the Offer to Purchase and the Circular.

Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of the Offer to Purchase and the Circular to the extent that a statement contained herein, or in any other subsequently filed document which is incorporated or is deemed to be incorporated by reference herein, modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or omission to state a material fact that was required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall be deemed, except as so modified or superseded, not to constitute a part of the Offer to Purchase and the Circular.

Information regarding Dundee Industrial has been incorporated by reference in the Offer to Purchase and the Circular from documents filed with the Canadian securities regulatory authorities. Copies of these documents incorporated herein by reference may be obtained without charge from the Secretary of Dundee Industrial, 30 Adelaide Street East, Suite 1600, Toronto, Ontario, M5C 3H1, telephone: (416) 365-3535) and are also available electronically at www.sedar.com.

Information regarding C2C has been incorporated by reference in the Offer to Purchase and the Circular from the C2C AIF filed with the Canadian securities regulatory authorities. Copies of these documents incorporated herein by reference may be obtained without charge from the Secretary of C2C, 2 Bloor Street West, Suite 1001, Toronto, Ontario M4W 3E2, telephone (416) 642-5548 and are also available electronically at www.sedar.com.

26. Statutory Rights

Securities legislation in certain of the provinces and territories of Canada provides securityholders of C2C with, in addition to any other rights that they may have at law, one or more rights of rescission, price revision or to damages, if there is a misrepresentation in a circular or a notice that is required to be delivered to those securityholders of C2C. However, such rights must be exercised within prescribed time limits. Securityholders of C2C should refer to the applicable provisions of the securities legislation of their province or territory for particulars of those rights or consult with a lawyer.

27. Trustees' and Directors' Approval

The contents of the Offer to Purchase and the Circular have been approved, and the sending of the Offer to Purchase and the Circular to the Common Shareholders and the holders of Convertible Securities has been authorized, by the Dundee Industrial Trustees and the directors of the Offeror.

CERTIFICATE OF DUNDEE INDUSTRIAL ATLANTIC ACQUISITION INC.

Dated: April 5, 2013

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

DUNDEE INDUSTRIAL ATLANTIC ACQUISITION INC.

(Signed) RANDY CAMERON

Interim President and Chief Executive Officer

(Signed) MARIO BARRAFATO

Chief Financial Officer

On Behalf of the Sole Director

(Signed) MICHAEL J. COOPER

Director

CERTIFICATE OF DUNDEE INDUSTRIAL REAL ESTATE INVESTMENT TRUST

Dated: April 5, 2013

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

DUNDEE INDUSTRIAL REAL ESTATE INVESTMENT TRUST

(Signed) RANDY CAMERON

Interim President and Chief Executive Officer

(Signed) MARIO BARRAFATO

Chief Financial Officer

On Behalf of the Board of Trustees

(Signed) MICHAEL COOPER

Trustee

(Signed) ROBERT G. GOODALL

Trustee

CONSENT OF COUNSEL

**To: The Directors of Dundee Industrial Atlantic Acquisition Inc.
The Trustees of Dundee Industrial Real Estate Investment Trust**

We hereby consent to the references to our name and opinion contained under “Certain Canadian Federal Income Tax Considerations” in the take-over bid circular of Dundee Industrial Atlantic Acquisition Inc. (“Dundee Atlantic”) dated April 5, 2013, relating to the offer by Dundee Atlantic to purchase all of the common shares of C2C Industrial Properties Inc.

(Signed) Wilson & Partners LLP

Toronto, Canada
April 5, 2013

APPENDIX I



DUNDEE INDUSTRIAL REAL ESTATE INVESTMENT TRUST

PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

For the period ended December 31, 2012

UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET

As at December 31, 2012
(Amounts in thousands of Canadian dollars)

	Dundee Industrial Real Estate Investment Trust	C2C	Sub-Total	Note	Pro Forma Adjustments	Pro Forma
ASSETS						
<i>Non-current assets</i>						
Investment properties	\$ 1,147,410	\$ 193,430	\$ 1,340,840	3c, 3d, 3g	\$ 25,560	\$1,366,400
Other non-current assets	37,029	1,021	38,050	3d, 3e	4,566	42,616
	<u>1,184,439</u>	<u>194,451</u>	<u>1,378,890</u>		<u>30,126</u>	<u>1,409,016</u>
<i>Current assets</i>						
Amounts receivable	536	417	953		—	953
Prepaid expenses and other assets..	2,944	804	3,748		—	3,748
Cash and cash equivalents	2,306	17,001	19,307	3a(i),3c, 3f	(17,048)	2,259
	<u>5,786</u>	<u>18,222</u>	<u>24,008</u>		<u>(17,048)</u>	<u>6,960</u>
	<u>\$ 1,190,225</u>	<u>\$ 212,673</u>	<u>\$ 1,402,898</u>		<u>\$ 13,078</u>	<u>\$1,415,976</u>
LIABILITIES						
<i>Non-current liabilities</i>						
Debt	\$ 548,959	\$ 116,238	\$ 665,197	3c, 3d	\$ 10,099	\$ 675,296
Subsidiary redeemable units	181,426	—	181,426		—	181,426
Deposits	5,750	1,710	7,460		—	7,460
Conversion feature on the convertible debentures	6,228	—	6,228	3d, 3h	422	6,650
Deferred Unit Incentive plan	51	—	51		—	51
Warrants	—	—	—	3a(iii), 3d	37	37
Deferred tax liability	—	1,274	1,274	3d, 3i	998	2,272
	<u>742,414</u>	<u>119,222</u>	<u>861,636</u>		<u>11,556</u>	<u>873,192</u>
<i>Current liabilities</i>						
Debt	100,886	10,073	110,959		—	110,959
Amounts payable and accrued liabilities	18,675	2,478	21,153	3f	7,250	28,403
Distributions payable	2,039	—	2,039		—	2,039
	<u>121,600</u>	<u>12,551</u>	<u>134,151</u>		<u>7,250</u>	<u>141,401</u>
	<u>864,014</u>	<u>131,773</u>	<u>995,787</u>		<u>18,806</u>	<u>1,014,593</u>
EQUITY						
Unitholders' equity	347,084	—	347,084	3b, 3a(i)	85,422	432,506
Capital stock	—	71,173	71,173	3a(ii)	(71,173)	—
Equity component of convertible debentures	—	1,377	1,377	3a(ii)	(1,377)	—
Warrants	—	909	909	3a(ii)	(909)	—
Contributed surplus	—	184	184	3a(ii)	(184)	—
Retained earnings (deficit)	(20,873)	7,257	(13,616)	3a(ii), 3f	(17,507)	(31,123)
	<u>326,211</u>	<u>80,900</u>	<u>407,111</u>		<u>(5,728)</u>	<u>401,383</u>
	<u>\$ 1,190,225</u>	<u>\$ 212,673</u>	<u>\$ 1,402,898</u>		<u>\$ 13,078</u>	<u>\$1,415,976</u>

See accompanying notes to the unaudited pro forma consolidated financial statements

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

For The Period October 4, 2012 to December 31, 2012
(Amounts in thousands of Canadian dollars)

	Dundee Industrial Real Estate Investment Trust	KingSett Properties	C2C (Appendix A)	Sub-Total	Note	Pro Forma Adjustments	Pro Forma
Investment properties revenue	\$ 17,202	\$ 11,446	\$ 5,431	\$ 34,079	4a	\$ 680	\$ 34,759
Investment properties operating expenses	4,667	5,415	2,189	12,271	4b	366	12,637
Net rental income	<u>12,535</u>	<u>6,031</u>	<u>3,242</u>	<u>21,808</u>		<u>314</u>	<u>22,122</u>
Other income and expenses							
General and administrative	(855)	(240)	(326)	(1,421)	4c	(170)	(1,591)
Asset management fees	—	—	(459)	(459)	4c	459	—
Stock based compensation	—	—	(8)	(8)	4c	8	—
Fair value adjustments to investment properties	6,048	—	630	6,678		—	6,678
Acquisition related costs	(11,528)	—	—	(11,528)		—	(11,528)
Interest:							
Debt	(3,244)	(1,627)	(1,810)	(6,681)	4d	(1,475)	(8,156)
Subsidiary redeemable units ..	(2,711)	—	—	(2,711)		—	(2,711)
Interest and fee income	16	—	—	16		—	16
Fair value adjustments to financial instruments	<u>(21,134)</u>	<u>—</u>	<u>—</u>	<u>(21,134)</u>		<u>—</u>	<u>(21,134)</u>
(Loss) income before taxes	<u>(20,873)</u>	<u>4,164</u>	<u>1,269</u>	<u>(15,440)</u>		<u>(864)</u>	<u>(16,304)</u>
Deferred taxes (expense)	—	—	(184)	(184)		—	(184)
Net comprehensive (loss) income	<u>\$ (20,873)</u>	<u>\$ 4,164</u>	<u>\$ 1,085</u>	<u>\$ (15,624)</u>		<u>\$ (864)</u>	<u>\$ (16,488)</u>

See accompanying notes to the unaudited pro forma consolidated financial statements

NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

(in thousands of Canadian dollars unless otherwise stated and other than Unit or per Unit amounts)

1. BASIS OF PRESENTATION

Dundee Industrial Real Estate Investment Trust (“Dundee Industrial”) is an open-ended real estate investment trust created pursuant to a Declaration of Trust dated July 20, 2012, under the laws of the Province of Ontario.

The unaudited *pro forma* consolidated financial statements have been prepared by management for inclusion in the take-over bid circular of Dundee Industrial dated April 5, 2013 (the “Circular”), relating to Dundee Industrial’s offer to acquire all of the issued and outstanding common shares of C2C Industrial Properties Inc. (“C2C”) in exchange for units of Dundee Industrial (“Units”) and reflects:

- the financial position of Dundee Industrial on December 31, 2012 and its financial performance for the period from October 4, 2012 to December 31, 2012;
- the proposed acquisition of C2C including C2C’s acquisition of two properties and a parcel of land subsequent to December 31, 2012, but contemplated in the purchase price of the transaction (the “Acquisition”); and
- the financial performance of the KingSett portfolio of properties acquired by Dundee Industrial on December 19, 2012 (the “KingSett Properties”) for the period from October 4, 2012 to December 18, 2012.

The unaudited *pro forma* consolidated financial statements have been prepared based on:

- the December 31, 2012 audited consolidated financial statements of Dundee Industrial;
- the December 31, 2012 audited consolidated financial statements of C2C;
- the September 30, 2012 condensed consolidated interim financial statements of C2C; and
- financial information for the KingSett Properties for the period from October 4, 2012 to December 18, 2012.

The unaudited *pro forma* consolidated balance sheet gives effect to the Acquisition as if it had occurred on December 31, 2012. The C2C amounts in the unaudited *pro forma* consolidated balance sheet were obtained from the December 31, 2012 audited consolidated financial statements of C2C.

Dundee Industrial was formed on July 20, 2012 but only commenced operations on October 4, 2012 with the purchase of its initial portfolio and had no significant transactions between July 20, 2012 and October 3, 2012. As such, the unaudited *pro forma* consolidated statement of comprehensive loss is presented for the period October 4, 2012 to December 31, 2012 and gives effect to the Acquisition as if it had occurred on October 4, 2012. The C2C amounts in the unaudited *pro forma* consolidated statement of comprehensive loss were determined by subtracting amounts obtained from the September 30, 2012 condensed consolidated interim financial statements of C2C from the corresponding amounts obtained from the December 31, 2012 audited consolidated financial statements of C2C (see Appendix A). The results for the two operating properties acquired by C2C subsequent to December 31, 2012 have been included in the unaudited *pro forma* consolidated statement of comprehensive loss for the period October 4, 2012 to December 31, 2012 as if they had been acquired on October 4, 2012 based on management prepared information. The results for the KingSett Properties are already included in Dundee Industrial’s financial statements for the period from December 19, 2012 to December 31, 2012. Results for the KingSett Properties for the period of October 4, 2012 to December 18, 2012 have been included in the unaudited *pro forma* consolidated financial statements based on management prepared information.

The unaudited *pro forma* consolidated financial statements are not necessarily indicative of the results that would have occurred had the transactions been consummated at the dates indicated, nor are they necessarily indicative of future operating results or the financial position of Dundee Industrial.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of these unaudited pro forma consolidated financial statements conform to the accounting policies used by Dundee Industrial in the preparation of its audited consolidated financial statements as at December 31, 2012 and for the period from July 20, 2012 to December 31, 2012 prepared in accordance with International Financial Reporting Standards (“IFRS”). An additional policy relating to income taxes in corporate subsidiaries is summarized below. These unaudited pro forma consolidated financial statements do not include all of the information and disclosures required by IFRS for annual consolidated financial statements and therefore, these unaudited pro forma consolidated financial statements should be read in conjunction with the Circular and with the audited consolidated financial statements of Dundee Industrial, including the accompanying notes, as referred to above.

Income taxes

Dundee Industrial is taxed as a mutual fund trust for Canadian income tax purpose. Dundee Industrial expects to distribute all of its taxable income to its unitholders, which enables it to deduct such distributions for income tax purposes. As the income tax obligations relating to the distributions are those of the individual unitholder, no provision for income taxes is required on such amounts. Dundee Industrial expects to continue to distribute its taxable income and to qualify as a real estate investment trust (“REIT”) for the foreseeable future.

For the purposes of the unaudited pro forma consolidated financial statements it has been assumed that all C2C properties acquired will remain in a wholly-owned subsidiary of Dundee Industrial in the form of a corporation, as the determination for which properties will be transferred into wholly-owned partnerships has not yet been finalized for tax planning purposes. For this corporation, income taxes are accounted for using the asset and liability method. Under this method, deferred income taxes are recognized for the expected future tax consequences of temporary differences between the carrying value of balance sheet items and their corresponding tax values. Deferred income taxes are computed using substantively enacted income tax rates or laws for the years in which the temporary differences are expected to reverse or settle.

3. PRO FORMA ASSUMPTIONS AND UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET ADJUSTMENTS

(a) Equity

i) Unitholders' equity

The Acquisition will be paid fully in Units. Accordingly, Dundee Industrial is assumed to purchase all 17,386,620 issued and outstanding C2C common shares as at December 31, 2012 and C2C Common Shares relating to 119,000 stock options that are assumed will be exercised before closing of the Acquisition through the issuance of 7,851,271 Units at an assumed price of \$10.88 (the price of a Unit as at March 25, 2013) at a conversion rate of 0.4485 Units per C2C common share. Pursuant to the C2C Directors, Management, Employees and Consultants Stock Option Plan, all stock options will immediately vest prior to the change of control. In the pro forma adjustments, all stock options currently in-the-money were assumed to have been exercised by the option holders for cash proceeds of \$451 prior to Dundee Industrial's acquisition of C2C.

ii) Shareholders' equity

The pro forma adjustments to shareholders' equity include the elimination of C2C's shareholders' equity of \$80,900.

iii) Warrants

Pursuant to the support agreement, prior to the acquisition of C2C, outstanding warrants of C2C of at least 493,637 of the outstanding 580,749 C2C warrants must be either exercised, or surrendered to C2C. As the warrants are currently out of the money, it is assumed that these will be surrendered to C2C. The remaining 87,112 C2C warrants are assumed to be exchanged for Dundee Industrial warrants at the exchange ratio of 0.4485, resulting in 39,070 Dundee Industrial warrants assumed to be issued. The Dundee Industrial warrants have been recorded as a liability of \$37 and valued using a Black Scholes valuation model.

(b) Proposed acquisition of C2C

The Acquisition is recorded at its purchase price which has been allocated as indicated below as of December 31, 2012 under IFRS.

The allocation of the purchase price is preliminary. The actual fair values of the consideration paid and net assets acquired may differ from the amounts determined upon finalization of the Acquisition. The measurement of the Units issued upon the actual closing of the Acquisition will be based upon the unit price on such date, and accordingly the ultimate consideration on closing could vary materially from the consideration that has been assumed below.

Dundee Industrial's sources and uses of funds after completion of the offer to purchase are assumed as follows:

	\$
Units issued (7,851,271 x \$10.88)	85,422
Consideration paid	85,422

(c) *Events subsequent to December 31, 2012*

Subsequent to December 31, 2012, C2C acquired an industrial property located in Toronto, Ontario, totalling 177,562 square feet of gross leasable area. The purchase price was \$11,100, excluding closing costs and was financed through the assumption of a first mortgage with a principal balance of \$5,123 maturing on June 1, 2016; the remainder was financed with cash on hand.

On February 8, 2013, C2C acquired 5 acres of development land, located in Halifax, Nova Scotia for \$1,022, excluding closing costs and was paid in cash.

On March 21, 2013, C2C waived conditions to purchase an industrial property located in Quebec for \$7,500, excluding closing costs and was paid fully in cash. The acquisition has not yet closed, but is assumed to close before the date of acquisition of C2C by Dundee Industrial.

(d) *Provisional fair value of identifiable assets and liabilities assumed*

The impact of acquiring C2C is as follows:

Historical values of net assets acquired	\$80,900
Cash received from assumed exercise of options	451
Net preliminary adjustments:	
Adjust investment properties to fair value	5,938
Adjust for straight-line rent included in other non-current assets.....	(260)
Adjust transferred debt to fair value (i).....	(4,976)
Adjust for fair value of convertible debenture conversion feature recognized as a liability	(422)
Adjust for fair value of warrants recognized as a liability	(37)
Adjust for deferred tax liabilities related to pro forma adjustments	(998)
Goodwill	4,826
Net assets acquired by Dundee Industrial	<u>\$85,422</u>
Consideration transferred by Dundee Industrial.....	<u>\$85,422</u>

- (i) Reflects reversal of historical financing costs and mark-to-market adjustments on C2C debt of \$1,568 and current mark-to-market adjustments of \$2,172 on mortgages calculated based on estimated market rates at closing of the acquisition of C2C applicable to the mortgage portfolio ranging between 3.01% and 3.85%. The market interest rate assumptions used to calculate the fair value of the mortgage portfolio results in an average effective annual interest rate on C2C debt of 3.38%. The adjustment also reflects a mark-to-market adjustment on the convertible debentures of \$1,236.

The fair values above are provisional; the actual fair value of the identifiable assets and liabilities assumed will differ from the amounts determined upon finalization of the Acquisition.

(e) *Goodwill*

The Acquisition is recorded at its purchase price and the excess of the purchase price over the carrying amount of the net assets acquired is \$4,826, which has been recorded as goodwill.

(f) *Acquisition Costs*

Costs related to the acquisition of C2C are estimated to be \$3,000 and have been recorded in unitholders' equity in the unaudited pro forma consolidated balance sheet as these costs are expensed as incurred, with a corresponding decrease to cash. Additionally, pursuant to the Support Agreement and Termination Agreement, Dundee Industrial has agreed to pay \$4,300 to terminate the existing asset management agreement, property management agreement and non-competition agreement as well as \$2,950 in transaction costs incurred by C2C. These amounts have been recorded in unitholders' equity in the unaudited pro forma consolidated balance sheet along with a corresponding adjustment to amounts payable and accrued liabilities.

(g) *Investment properties*

Investment properties in the historical consolidated financial statements of C2C include \$260 relating to straight-line rent receivable which, for the purposes of these unaudited pro forma consolidated financial statements has been included in other non-current assets. Since the investment properties acquired are recorded at fair value, the straight-line rent receivable balance was reclassified to investment properties in the unaudited *pro-forma* consolidated balance sheet. Investment properties have been adjusted by \$5,938, including the adjustment for straight-line rent to their estimated fair values at the date of acquisition.

(h) *Convertible unsecured subordinated debentures*

In connection with the Acquisition, it has been assumed that none of the C2C convertible debentures will be converted prior to closing of the Acquisition, and accordingly Dundee Industrial will assume \$20,125 in principal amount of convertible debentures which will be convertible into Units as a result of this transaction. The fair value of convertible debentures has been estimated to be \$21,361. The fair value of the conversion feature has been estimated to be \$422 and has been recorded in liabilities on the unaudited pro forma consolidated balance sheet.

(i) *Deferred tax liabilities*

In connection with the estimated fair value increase on investment properties of \$5,938, and the mark-to-market adjustment of \$2,172 on mortgages assumed, Dundee Industrial recorded a net deferred tax liability of \$998.

4. PRO FORMA ASSUMPTIONS AND UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS ADJUSTMENTS

(a) *Investment properties revenue*

Investment properties revenue has been increased by \$680 to reflect the revenue generated by the two operating properties acquired by C2C subsequent to December 31, 2012.

(b) *Investment properties operating expenses*

Investment properties operating expenses has been increased by \$339 to reflect the operating expenses incurred by the two operating properties acquired by C2C subsequent to December 31, 2012. In addition, investment properties operating expenses have been increased by \$27 to reflect property management fee expenses that will be charged under Dundee Industrial's property management agreements.

(c) *General and Administrative expenses*

Asset management fees of \$459 and the stock based compensation of \$8 for C2C have been reclassified to general and administrative expenses.

General and administrative expenses have been adjusted to reduce the asset management fees paid on C2C properties by \$316 to reflect Dundee Industrial's asset management agreement. General and administrative expenses have been adjusted by \$19 to reflect an increase in asset management fees for the KingSett properties for the period October 4, 2012 to December 18, 2012.

(d) *Interest expense on debt*

Interest expense on debt related to C2C has been adjusted to remove the impact of C2C's amortization of financing costs of \$373. Interest expense has been reduced by the amortization of mark-to-market adjustments recorded on

assumed debt of \$175. In connection with one of the properties C2C acquired subsequent to December 31, 2012, interest expense on the assumed mortgage has been recorded in the amount of \$41.

Interest expense on debt related to the acquisition of the KingSett properties has been increased to reflect a period of amortization of mark-to-market adjustments on assumed debt in the amount of \$23. In addition, interest expense related to the acquisition of the KingSett properties has been adjusted by \$1,298, \$275, \$386, respectively, to reflect a full period of interest expense on the convertible debentures, the new portfolio mortgage and the bridge loan facility entered into by Dundee Industrial to finance the acquisition of these properties.

Appendix A

RECONCILIATION OF C2C INDUSTRIAL PROPERTIES INC. FOR THE THREE MONTHS ENDED DECEMBER 31, 2012

(Amounts in thousands of Canadian dollars)

	Year ended December 31, 2012	Nine months ended September 30, 2012	Three months ended December 31, 2012
Investment properties revenue	\$ 15,745	\$ 10,314	\$ 5,431
Investment properties operating expenses	6,179	3,990	2,189
Net rental income	<u>9,566</u>	<u>6,324</u>	<u>3,242</u>
Other income and expenses			
Administrative costs (General and Administrative)	(830)	(504)	(326)
Asset management fees	(1,043)	(584)	(459)
Stock based compensation	(57)	(49)	(8)
Fair value adjustments to investment properties	9,900	9,270	630
Interest:			
Debt	(5,663)	(3,853)	(1,810)
Income before taxes	<u>11,873</u>	<u>10,604</u>	<u>1,269</u>
Deferred taxes (expense)	(2,078)	(1,894)	(184)
Net comprehensive income	<u>\$ 9,795</u>	<u>\$ 8,710</u>	<u>\$ 1,085</u>

The Depositary for the Offer is:



By Mail, Registered Mail, Hand or by Courier

200 University Avenue, Suite 400, Toronto, Ontario
M5H 4H1, Attention: Corporate Actions

North American Toll Free Phone: 1-866-393-4891

E-mail: corporateactions@equityfinancialtrust.com

Facsimile: (416) 361-0470

Outside North America, Banks and Brokers Call Collect: +1 (416) 361-0152

Questions and requests for assistance may be directed to the Depositary at its telephone numbers and location set out above.