



Ninepoint Flow-Through Midyear Update

June 03, 2021

Three Flow-Through funds were terminated earlier this year. What was noteworthy was the rollover of the 2020 Flow-Through LP a full year in advance of what was initially planned and expected.

We were thrilled to return capital to investors ahead of schedule. This is something I had told investors would happen if the performance of the fund merited an early termination.

The after-tax* performance of the funds that rolled in February is as follows:

- Ninepoint 2020 Flow-Through LP Class A: 129.7%
- Ninepoint 2020 Flow-Through LP Class F: 136.89%
- Ninepoint 2019 Flow-Through Short Duration LP: 150.4%
- Ninepoint 2019 Flow-Through LP: 161.6%

Following the rollover of the aforementioned funds, the 2021 Flow-Through LP completed a raise of \$66M+.

By the end of May, approximately 80% of the 2021 Flow-Through LP gross proceeds had been invested and/or committed (46% gold equities, 23% base metal equities, 8% uranium and 3% platinum/palladium). The weighted average market and weighted average premium paid are \$210M and 5%, respectively. Flow-through issuance has been and is expected to remain robust.

While junior resource exploration companies have been able to access capital, valuations continue to be attractive and considerably discounted to producers. Year to date, commodity prices have performed strongly with the Bloomberg Commodity Index back to 2015 levels, although still 150+% from the 2008 peak (chart attached). Following a strong 2020, gold bullion and mining equities corrected in Q1/21 as bond yields rose, the US dollar strengthened and general equities hit record highs. Gold mining equities are the least expensive relative to bullion in decades and cheap by any standard valuation metric (EV/EBITDA, FCF, etc.). The discounted valuations and valuation discrepancies between juniors and senior companies drove precious metal M&A activity to a nine-year quarterly high in Q1/21. Base metal prices have been hitting or flirting with all-time highs as the market focuses on impending demand driven by the upcoming transition to electric vehicles.

Investment Team



Ninepoint / Sprott,
Sub Advised by Sprott Asset
Management (SAM)

Uranium equities have gained traction as governments globally have indicated a potential reversal in policy position towards nuclear energy by finally acknowledging that nuclear energy is the only base load, carbon free source of electricity. The backdrop looks good.

Have a good summer.

Jason Mayer CFA, MBA

Sprott Asset Management

Sub-Advisor to the Fund

*The after-tax rate of return has been calculated assuming: I. The Limited Partner is an individual resident of Ontario and who was subject to the highest marginal tax rate; II. Disposition proceeds were equal to the net asset value per unit of each partnership as at the date of the rollover on February 5, 2021; III. The Limited Partner is not liable for alternative minimum tax; and IV. Certain other assumptions made in the prospectus may also be relevant.

NAV Details (\$) Per Unit as at June 02, 2021 (Before Tax)

Fund Name	NAV
Ninepoint 2021 Flow Through National Series F	\$27.1
Ninepoint 2021 Flow Through Quebec Series F	\$24.6

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