



Ninepoint Resource Fund

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

DECEMBER 31

2023

The annual management report of fund performance is an analysis and explanation that is designed to complement and supplement an investment fund's financial statements. This report contains financial highlights but does not contain the complete annual financial statements of the investment fund. You can get a copy of the annual financial statements at your request, and at no cost, by calling 1-888-362-7172, by visiting our website at www.ninepoint.com or SEDAR+ at www.sedarplus.ca or by writing to us at: Ninepoint Partners LP, Royal Bank Plaza, South Tower, 200 Bay Street, Suite 2700, P.O. Box 27, Toronto, Ontario M5J 2J1. Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure.

Management Discussion of Fund Performance

Investment Objective and Strategies

The objective of the Ninepoint Resource Fund (the “Fund”) is to seek to achieve long-term capital growth. The Fund invests primarily in equity and equity-related securities of companies in Canada and around the world that are involved directly or indirectly in the natural resource sector. To achieve the Fund’s investment objective, the sub-advisor uses macro-economic research to identify the most attractive resource sub-sectors to invest in. The sub-advisor employs an opportunistic investment approach by being able to invest across the global resource universe (oil & gas, coal, uranium, renewable energy, base metals, precious metals, agriculture, forestry, water, commodity infrastructure and service companies). The Fund may also invest in gold and/or silver in the form of bullion, coins and storage receipts and certificates relating to such metals when deemed appropriate by the sub-advisor.

As part of its investment strategy, the Fund may:

- engage in short selling in a manner that is consistent with the Fund’s investment objectives and as permitted by the securities regulations;
- hold cash, overweight cash equivalents and fixed income securities based on the market outlook for the resource sector;
- invest in Commodity exchange-traded funds (“ETFs”) and in aggregate, up to 10% of its net assets in underlying ETFs as measured at the time of investment;
- engage in securities lending, repurchase and reverse repurchase transactions as permitted by securities regulations; and
- use derivative instruments, such as options, futures, forward contracts and swaps, for both hedging and non-hedging strategies.

Sprott Asset Management LP is the sub-advisor of the Fund.

Risks

The risks of investing in the Fund are described in the Fund’s simplified prospectus. This Fund is suitable only for investors seeking long-term capital growth with a high tolerance for risk and volatility. Investors should be comfortable with a high investment risk and a long-term investment horizon.

Results of Operations and Recent Developments

The Fund, Series A, returned -10.5% in 2023, while its blended benchmark index, returned 2.4%.

An increasing Federal Funds Rate, sluggish global growth, Europe’s industrial slump and China’s sputtering post Covid recovery were the major themes impacting resource equities in 2023. Most of the commodities impacting resource portfolios struggled in 2023. Copper, nickel, zinc and crude oil returned 2%, -47%, -8% and -6%, respectively. The Bloomberg Commodity Index, which is comprised of a broad basket of commodities, fell 13% in 2023 to levels last seen in January 2022. Gold bullion was one of the of the exceptions, having appreciated 13% in 2023 as the Federal Reserve became moderately less hawkish throughout the year before abruptly changing course in December 2023, when it signaled a willingness to significantly reduce the Federal Funds Rate in 2024.

The Fund’s overweight allocation to resource equities detracted from performance. In terms of individual securities, Collective Mining Limited and NexGen Energy Limited were the top contributors. The top individual detractors from performance were Yangarra Resources Limited and Thesis Gold Inc.

The Fund’s net asset value decreased by 25.6% during the year, from \$44.4 million as at December 31, 2022 to \$33.1 million as at December 31, 2023. This change was predominantly due to net redemptions of \$5.2 million and net realized and unrealized loss on investments of \$6.2 million.

Recent Developments

There were no material changes to the investment strategy and features of the Fund during the year ended December 31, 2023. The Manager actively monitors the positioning of the Fund’s portfolio for changes in current market conditions and the economic environment.

Related Party Transactions

MANAGEMENT FEES

The Fund pays a management fee to the Manager, at an annual rate of 2.50% for Series A units, 1.50% for Series D and Series F units, and as negotiated by the unitholder for Series I. The management fee is calculated and accrued daily based on daily net asset value of that series of the Fund, and is paid monthly. During the year ended December 31, 2023, the Fund incurred management fees of \$752,001 (including taxes). The breakdown of the services received in consideration of the management fees, as a percentage of management fees, is as follows:

	Portfolio Advisory	Trailing Commissions
Ninepoint Resource Fund – Series A	60%	40%
Ninepoint Resource Fund – Series D	100%	–
Ninepoint Resource Fund – Series F	100%	–

Out of the management fees that the Manager received from the Fund, the Manager paid trailer commissions of \$6,148 during the year ended December 31, 2023 to Sightline Wealth Management, an affiliate of the manager.

INCENTIVE FEES

The Fund also pays the Manager an annual incentive fee, equal to a percentage of the average net asset value of the applicable series of the Fund. Such percentage will be equal to 10% of the difference by which the return in net asset value per share of the applicable series from January 1 to December 31 exceeds the percentage return of the blended benchmark consisting of 50% of the daily return of the S&P/TSX Capped Materials Total Return Index and 50% of the daily return of the S&P/TSX Capped Energy Total Return Index (the “blended index”) for the same period. If the performance of a series of the Fund in any year is less than the performance of the blended index (the “Deficiency”), then no incentive fee will be payable until the performance of the applicable series, on a cumulative basis, has exceeded the amount of the Deficiency. During the year ended December 31, 2023, the Fund did not accrue incentive fees.

OPERATING EXPENSES

The Fund pays its own operating expenses, which include, but are not limited to, audit, legal, custodial, filing and administrative expenses as well as unitholder reporting costs. The Manager pays certain of these expenses on behalf of the Fund and then is reimbursed by the Fund. At its sole discretion, the Manager may waive or absorb a portion of the operating expenses of the Fund. Amounts waived or absorbed by the Manager are reported in the Statements of Comprehensive Income (Loss). Waivers or absorptions can be terminated at any time without notice. During the year ended December 31, 2023, the Manager did not absorb any expenses.

OTHER RELATED PARTY TRANSACTIONS

The Fund relied on the approval, positive recommendation or standing instruction from the Fund’s Independent Review Committee with respect to any related party transactions.

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the years ended December 31 shown, unless otherwise indicated.

The Fund's Net Assets per Share¹

	Dec 31, 2023	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019
Series A	\$	\$	\$	\$	\$
Net assets, beginning of period	8.60	9.54	7.58	5.88	6.05
Increase (decrease) from operations:					
Total revenue	0.73	0.21	0.10	0.03	0.02
Total expenses	(0.27)	(0.34)	(0.32)	(0.24)	(0.24)
Realized gains (losses) for the period	(0.18)	1.41	1.10	0.09	(1.04)
Unrealized gains (losses) for the period	(1.16)	(1.15)	1.00	1.61	1.05
Total increase (decrease) from operations²	(0.88)	0.13	1.88	1.49	(0.21)
Distributions:					
From dividends	(0.46)	–	(0.00)	(0.02)	–
From capital gains	–	(0.61)	–	–	–
Total distributions³	(0.46)	(0.61)	(0.00)	(0.02)	–
Net assets, end of period	7.23	8.60	9.54	7.58	5.88

	Dec 31, 2023	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019
Series D	\$	\$	\$	\$	\$
Net assets, beginning of period	9.65	10.58	8.33	6.39	6.54
Increase (decrease) from operations:					
Total revenue	0.82	0.27	0.10	0.03	0.02
Total expenses	(0.20)	(0.19)	(0.27)	(0.20)	(0.23)
Realized gains (losses) for the period	(0.18)	1.67	1.23	(2.11)	(0.55)
Unrealized gains (losses) for the period	(1.32)	(5.13)	0.92	(6.26)	0.22
Total increase (decrease) from operations²	(0.88)	(3.38)	1.98	(8.54)	(0.54)
Distributions:					
From dividends	(0.65)	–	(0.00)	(0.02)	–
From capital gains	–	(0.68)	–	–	–
Total distributions³	(0.65)	(0.68)	(0.00)	(0.02)	–
Net assets, end of period	8.09	9.65	10.58	8.33	6.39

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Series F	Dec 31, 2023	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019
	\$	\$	\$	\$	\$
Net assets, beginning of period	9.51	10.42	8.19	6.28	6.40
Increase (decrease) from operations:					
Total revenue	0.80	0.23	0.11	0.03	0.02
Total expenses	(0.20)	(0.24)	(0.25)	(0.18)	(0.18)
Realized gains (losses) for the period	(0.20)	1.54	1.24	(0.35)	(0.78)
Unrealized gains (losses) for the period	(1.29)	(1.52)	1.03	1.83	0.32
Total increase (decrease) from operations²	(0.89)	0.01	2.13	1.33	(0.62)
Distributions:					
From dividends	(0.64)	–	(0.00)	(0.02)	–
From capital gains	–	(0.68)	–	–	–
Total distributions³	(0.64)	(0.68)	(0.00)	(0.02)	–
Net assets, end of period	7.96	9.51	10.42	8.19	6.28

1 This information is derived from the Fund's audited annual financial statements.

2 The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period. Net assets and distributions are based on the actual number of units outstanding at the relevant time. This table is not intended to be a reconciliation of beginning to ending net assets per share.

3 Dividend distributions were made in cash and capital gains are notional distributions.

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Ratios and Supplemental Data

Series A	Dec 31, 2023	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019
Total net asset value (000s) ¹	\$8,011	\$11,011	\$15,483	\$8,910	\$9,070
Number of units outstanding ¹	1,107,474	1,279,920	1,623,779	1,176,187	1,543,198
Management expense ratio ²	3.16%	3.07%	3.26%	3.43%	3.58%
Management expense ratio before incentive fees ²	3.16%	3.07%	3.26%	3.43%	3.58%
Trading expense ratio ³	0.08%	0.19%	0.48%	0.52%	0.44%
Portfolio turnover rate ⁴	5.33%	14.93%	111.15%	123.27%	139.06%
Net asset value per share ¹	\$7.23	\$8.60	\$9.54	\$7.58	\$5.88

Series D	Dec 31, 2023	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019
Total net asset value (000s) ¹	\$1,181	\$1,459	\$223	\$181	\$449
Number of units outstanding ¹	146,089	151,215	21,127	21,695	70,315
Management expense ratio ²	2.06%	1.49%	2.30%	3.01%	3.13%
Management expense ratio before incentive fees ²	2.06%	1.49%	2.30%	2.96%	3.13%
Trading expense ratio ³	0.08%	0.19%	0.48%	0.52%	0.44%
Portfolio turnover rate ⁴	5.33%	14.93%	111.15%	123.27%	139.06%
Net asset value per share ¹	\$8.09	\$9.65	\$10.58	\$8.33	\$6.39

Series F	Dec 31, 2023	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019
Total net asset value (000s) ¹	\$23,864	\$31,933	\$42,362	\$26,742	\$13,296
Number of units outstanding ¹	2,997,118	3,358,786	4,065,204	3,266,044	2,115,963
Management expense ratio ²	2.06%	1.94%	2.13%	2.31%	2.47%
Management expense ratio before incentive fees ²	2.06%	1.94%	2.13%	2.31%	2.47%
Trading expense ratio ³	0.08%	0.19%	0.48%	0.52%	0.44%
Portfolio turnover rate ⁴	5.33%	14.93%	111.15%	123.27%	139.06%
Net asset value per share ¹	\$7.96	\$9.51	\$10.42	\$8.19	\$6.28

1 The information is provided as at December 31, 2023 for the years shown.

2 Management expense ratio ("MER") is based on total expenses (including incentive fees, if any; excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. The Manager may waive or absorb a portion of the operating expenses of the Fund. Waivers and absorption can be terminated at any time.

3 The trading expense ratio ("TER") represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The TER includes dividend expense and securities borrowing expense paid by the Fund in connection with securities sold short.

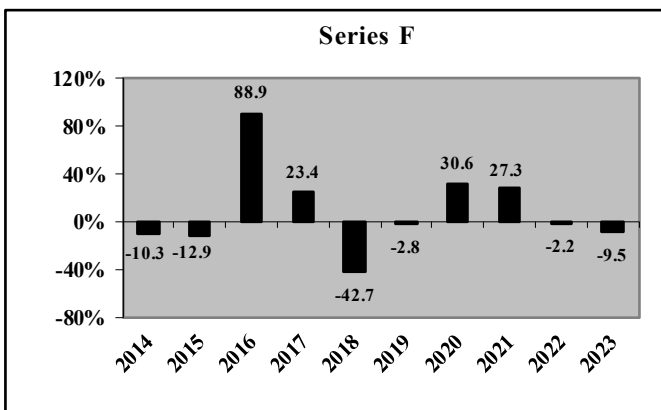
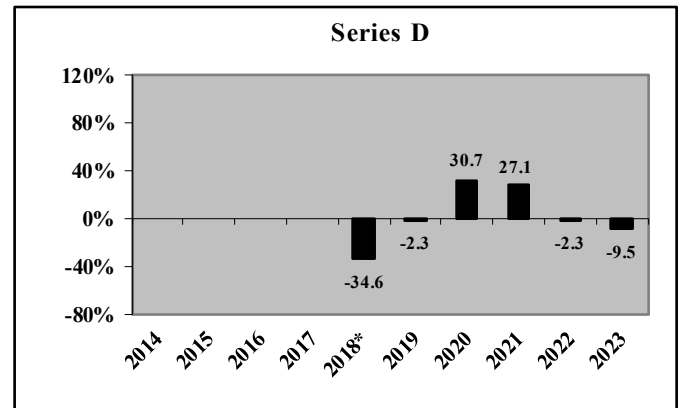
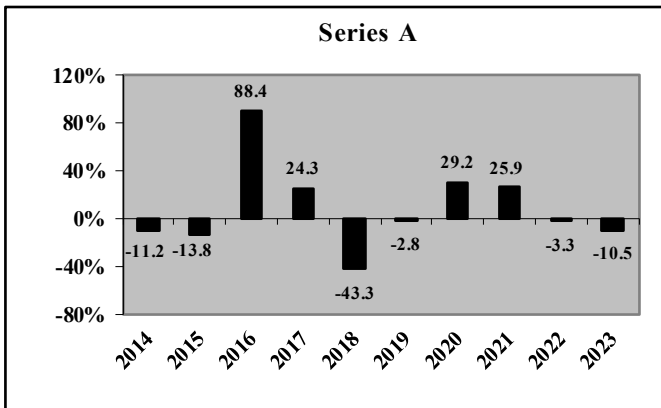
4 The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor trades its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

Past Performance

The indicated rates of return are the historical total returns including changes in share values and assume reinvestment of all distributions in additional units of the relevant Series of the Fund. These returns do not take into account sales, redemption, distribution or optional charges or income taxes payable by any shareholder that may reduce returns. Please note that past performance is not indicative of future performance. All rates of returns are calculated based on the Net Asset Value of the particular Series of the Fund.

Year-by-Year Returns

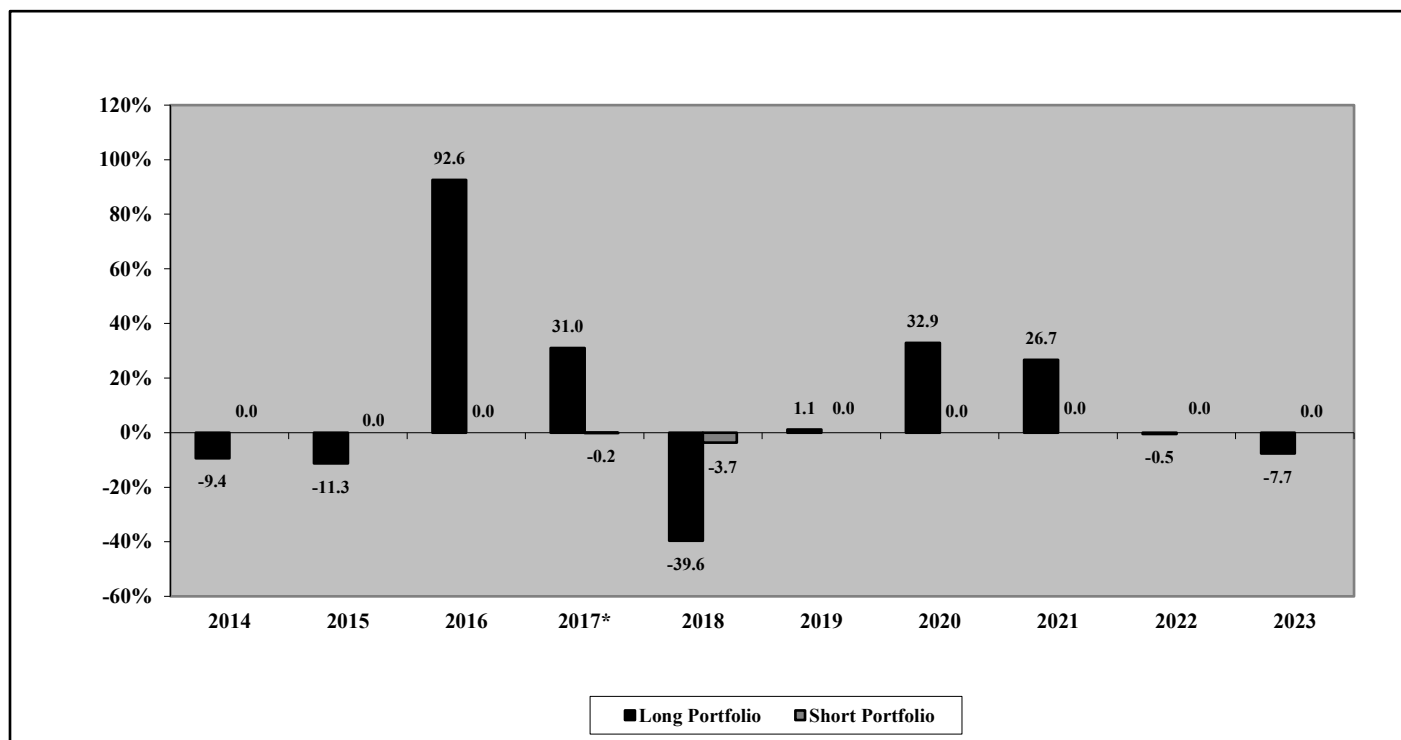
The following chart indicates the performance of each Series of the Fund for the years ended December 31 shown, unless otherwise indicated. The chart shows, in percentage terms, how much an investment made on the first day of each period would have grown or decreased by the last day of each period. Returns are not shown for a Series in any period in which there were zero outstanding units as at the end of the period.



* Return from May 18, 2018 (first issuance) to December 31, 2018 for Series D units (not annualized).

Long and Short Portfolio Returns

The following table illustrates the contribution to the return of the Fund by the long portfolio and the short portfolio of the Fund (before the impact of Fund expenses) for the years ended December 31 shown, unless otherwise indicated. For the purposes of this disclosure, certain derivatives may be considered to be part of the short portfolio.



* The Fund did not hold any short portfolio positions prior to 2014.

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Annual Compound Returns

The following table illustrates the annual compound total return for each Series of units of the Fund for the periods shown. As a basis of performance comparison, the annual compound return of the Fund is compared to that of the blended index of 50% S&P/TSX Capped Materials Total Return Index and 50% S&P/TSX Capped Energy Total Return Index (the “Blended Benchmark Index”). The S&P/TSX Capped Materials Total Return Index is comprised of securities of Canadian materials sector issuers listed on the TSX. The S&P/TSX Capped Energy Total Return Index is comprised of securities of Canadian energy sector issuers listed on the TSX. Since the Fund does not necessarily invest in the same securities or in the same proportion as the Blended Benchmark Index, the performance of the Fund is not expected to equal the performance of the Blended Benchmark Index.

	1-Year	3-Year	5-Year	10-Year	Since Inception*
Ninepoint Resource Fund – Series A	-10.5%	2.9%	6.5%	3.4%	-1.1%
Blended Benchmark Index	2.4%	22.2%	15.3%	5.4%	3.0%
Ninepoint Resource Fund – Series D	-9.5%	4.0%	7.5%	–	-1.1%
Blended Benchmark Index	2.4%	22.2%	15.3%	–	8.6%
Ninepoint Resource Fund – Series F	-9.5%	4.1%	7.7%	4.3%	-0.2%
Blended Benchmark Index	2.4%	22.2%	15.3%	5.4%	3.0%
Long Portfolio	-7.7%	5.2%	9.4%	6.7%	
Short Portfolio	0.0%	0.0%	0.0%	-0.4%	

* Since launch date of October 17, 2011 for Series A and Series F, and May 18, 2018 for Series D.

Summary of Investment Portfolio

As at December 31, 2023

Portfolio Allocation

	% of Net Asset Value
Long Positions	
Energy	61.0
Materials	39.3
Health Care	0.0
Financials	0.0
Total Positions	100.3
Other Net Assets	0.1
Bank indebtedness	(0.4)
Total Net Asset Value	100.0

Top 25 Long Positions

Issuer	% of Net Asset Value
NexGen Energy Limited	13.2
Advantage Energy Limited	12.8
Tourmaline Oil Corporation	12.1
Collective Mining Limited	8.6
Parex Resources Inc.	4.9
Troilus Gold Corporation	4.6
Arizona Metals Corporation	4.4
Birchcliff Energy Limited	4.4
Thesis Gold Inc.	3.7
Logan Energy Corporation	3.5
Spartan Delta Corporation	3.4
Denison Mines Corporation	3.3
Lithium Ionic Corporation	3.3
Skyharbour Resources Limited	3.1
Asante Gold Corporation	3.1
K92 Mining Inc.	3.0
Yangarra Resources Limited	2.7
Canada Nickel Company Inc.	1.7
First Mining Gold Corporation	0.8
Heliostar Metals Limited	0.8
Roscan Gold Corporation	0.8
NG Energy International Corporation	0.6
White Gold Corporation	0.6
Nighthawk Gold Corporation	0.3
McEwen Mining Inc.	0.2
Top 25 long positions as a percentage of Net Asset Value	99.9

The Fund held no short positions as at December 31, 2023.

This summary of investment portfolio may change due to the ongoing portfolio transactions of the Fund. Quarterly updates of the Fund's investment portfolio are available on the Internet at www.ninepoint.com.

Corporate Information

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