Sprott 2017 Flow-Through L.P.

Annual Report to Unitholders

DECEMBER 31
2017

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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. A copy of the annual financial statements has been included separately within the Report to Unitholders. You can also get a copy of the annual financial statements at your request, and at no cost, by calling 1-866-299-9906, by visiting our website at www.ninepoint.com or SEDAR at www.sedar.com 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 Report of Fund Performance

Investment Objective and Strategies

Sprott 2017 Flow-Through Limited Partnership (the "Partnership") is a non-redeemable investment fund. The Partnership's investment objective is to provide a tax-assisted investment of Resource Issuer Flow-Through shares, with a view to achieving capital appreciation and significant tax benefits for Limited Partners.

The Partnership's investment strategy is to invest in Flow-Through Shares and other securities, if any, of resource issuers whose principal business is mining exploration, development, and/or production, (ii) oil and gas exploration, development, and/or production or (iii) certain energy production that may incur Canadian renewable and conservation expenses. To accomplish this strategy, a strong preference is given to companies with existing production, which Ninepoint Partners LP (the "Manager") believes should mitigate downside risk relative to investing in earlier stage companies.

Risks

The risks of investing in the Partnership are detailed in the prospectus dated January 25, 2017. There have been no material changes to the Partnership since inception that affected the overall level of risk. There were no significant changes to the investment objective and strategies that affected the Partnership's overall level of risk during the reporting period.

Results of Operations and Recent Developments

During the past year, oil prices recovered. Despite this positive backdrop for the energy sector, Canadian equities did not keep pace with oil price performance. Larger cap gold equities performed well, outperforming smaller gold equities. During the period, there was a disconnect between the performance of gold bullion and gold equities. In 2017, bullion had its best performance since 2010, but gold equities continued to struggle as a result of a lack of investor interest.

Significant individual contributors to performance included holdings in Garibaldi Resources Corp. (+7.8%), BonTerra Resources Inc. (+1.6%) and Sabina Gold & Silver Corp. (+1.6%). Shares of Garibaldi Resources rose after the company made a high-grade nickel discovery, while BonTerra continued to post robust gold drilling results. Sabina benefited after it had received some major permits for its flagship project, a considerable milestone for the company.

During the period, the Partnership's allocation to the energy and materials sectors, which declined 11.9% and 9.4%, respectively, detracted from performance. The Fund's materials holdings were predominantly weighted in gold, with a focus on smaller gold equities, which detracted from performance as they underperformed larger gold equities. Individual detractors included holdings in Ikkuma Resources Corp. (-7.1%), Osisko Mining Inc. (-6.2%) and Blackbird Energy Inc. (-4.8%). Canadian natural gas companies Ikkuma Resources and Blackbird Energy were affected by Canadian natural gas prices, which were around their lowest levels in several years. Osisko Mining's performance can be attributable to the timing of the stock purchase, the flow through being issued when the stock was near a 2017 high. More recently, the stock sold off as smaller gold equities continued to struggle, despite good performance from gold bullion.

As a flow-through fund launched in 2017, the Partnership held all new positions during the period

The Partnership ended December 31, 2017 with a total net asset value of $35.3 million, largely the result of the net proceeds from the issuance of partnership units of $46.6 million.

Ninepoint Partners LP is the manager and portfolio advisor of the Partnership. Prior to August 1, 2017, Sprott Asset Management LP was the manager and portfolio advisor of the Partnership. Ninepoint Partners LP assumed the portfolio management of the Canadian diversified asset business of Sprott Asset Management LP on August 1, 2017.

Loan Facility

The Partnership has entered into a loan facility (the "Loan Facility") with a Canadian chartered bank to fund the agents' fees, offering expenses and ongoing expenses of the Partnership, including management fees. The Partnership may borrow a principal amount of up to 10% of any individual gross proceeds of the offering. The Partnership's obligation under the Loan Facility is secured by a pledge of the assets held by the Partnership. Prior to the earlier of: (a) the dissolution of the Partnership, (b) the date on which a Liquidity Alternative is completed, and (c) the maturity date of the Loan Facility all amounts outstanding under the Loan Facility, including all interest accrued thereon, will be repaid in full. Interest is calculated based on the bank's Prime rate. Certain covenants exist that, if breached, would require the immediate payment of accrued interest and the aggregate principal outstanding. As at December 31, 2017 the Partnership was in compliance with all covenants.

As at December 31, 2017, the loan outstanding consists of a prime rate loan with a principal amount (including interest payable) of $2,883,902. The minimum and maximum amounts borrowed during the period ended December 31, 2017 were $nil and $2,883,902, respectively. Interest expense, including standby fees and bank charges, for the period ended December 31, 2017 was $82,147.

Related Party Transactions

MANAGEMENT FEES

The Partnership pays the Manager an annual management fee equal to 2% of the Net Asset Value, calculated and paid monthly in arrears. For the period ended December 31, 2017, the Partnership incurred management fees (including taxes) of $761,558. Of the management fees incurred by the Partnership, 100% is attributed to portfolio advisory services.

OPERATING EXPENSES

The Partnership is responsible for all expenses (inclusive of applicable taxes) incurred in connection with its operation and administration. These include, but are not limited to, legal, audit, transfer agent, custodian and administration services and cost of financial reporting and printing. The Partnership may use the Loan Facility to fund these expenses.

OTHER RELATED PARTY TRANSACTIONS

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

Financial Highlights

The following tables show selected key financial information about the Partnership and is intended to help you understand the Partnership's financial performance for period since inception to December 31, 2017.

The Partnership's Net Assets per unit[1]

	Dec 31, 2017[4]
Initial offering price	**$25.00**
Agents' fee and issue expenses[2]	**(1.69)**
Net assets, beginning of period	**$23.31**
Increase (decrease) from operations:	
Total revenue	**–**
Total expenses	**(0.47)**
Realized gains	**–**
Unrealized losses	**(5.25)**
Total decrease from operations[3]	**(5.72)**
Distributions:	
From income (excluding dividends)	**–**
From dividends	**–**
From capital gains	**–**
Return of capital	**–**
Total annual distributions	**–**
Net assets, end of period	**17.65**

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

2 Agents' fee and issue expenses of the Offering were recorded as a reduction in partners' capital.

3 The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of the beginning to ending net assets per unit.

4 Information provided is for the period from February 8, 2017 (first issuance of unit) to December 31, 2017.

Ratios and Supplemental Data

	Dec 31, 2017
Total net asset value (000's)[1]	**$35,298**
Number of Units outstanding[1]	**2,000,000**
Management expense ratio[2]	**2.48%**
Trading expense ratio[3]	**–**
Portfolio turnover rate[4]	**–**
Net asset value per Unit[1]	**$17.65**

1 This information is provided as at December 31, 2017.

2 Management expense ratio ("MER") is based on total expenses (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.

3 The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

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

Summary of Investment Portfolio

As at December 31, 2017

Portfolio Allocation

	% of Net Asset Value
Long Positions	
Materials	78.6
Energy	31.7
Total Long Positions	110.3
Bank Indebtedness	(2.0)
Other Net Assets	(8.3)
Total Net Asset Value	100.0

Top 25 Long Positions

Issuer	% of Net Asset Value
Garibaldi Resources Corp.	13.0
Sabina Gold & Silver Corp.	9.0
Ikkuma Resources Corp.	8.8
Pretium Resources Inc.	8.0
Blackbird Energy Inc.	7.7
Osisko Mining Inc.	7.6
White Gold Corp.	6.2
Rubicon Minerals Corp.	6.1
Bonterra Resources Inc.	4.6
MGX Minerals Inc.	4.5
Denison Mines Corp.	4.0
Golden Predator Mining Corp.	3.7
Tourmaline Oil Corp.	3.3
Leucrotta Exploration Inc.	2.8
Noront Resources Ltd.	2.6
Uex Corp.	2.6
Dolly Varden Silver Corp.	2.3
Pulse Oil Corp.	2.2
IDM Mining Ltd.	1.9
QMX Gold Corp.	1.6
Metanor Resources Inc.	1.4
Resources Capital Gold Corp.	1.3
Osisko Metals Inc.	1.2
Klondike Gold Corp.	1.1
Red Pine Exploration Inc.	1.0
Top 25 long positions as a percentage of net asset value	108.5

The Partnership held no short positions as at December 31, 2017.

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

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INDEPENDENT AUDITORS' REPORT

To the Partners of Sprott 2017 Flow-Through L.P. (the "Partnership")

We have audited the accompanying financial statements of the Partnership which comprise the statement of financial position as at December 31, 2017, the statements of comprehensive income (loss), changes in net assets attributable to Partners and cash flows for the period from February 8, 2017 (commencement of operations) to December 31, 2017, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Partnership as at December 31, 2017, and its financial performance and cash flows for the period from February 8, 2017 (commencement of operations) to December 31, 2017 in accordance with International Financial Reporting Standards.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants
March 16, 2018
Toronto, Canada

Sprott 2017 Flow-Through L.P.

Statement of Financial Position

(in Canadian Dollars)

As at December 31	**2017**
	$
Assets	
Current assets	
Investments *(note 3, 5)*	**38,943,336**
Total assets	**38,943,336**
Liabilities	
Current liabilities	
Bank indebtedness	**704,486**
Loan payable *(note 7)*	**2,883,902**
Accrued expenses	**57,020**
Total liabilities	**3,645,408**
Net Assets attributable to Partners	**35,297,928**
Net Assets attributable to Partners per unit	**17.65**

See accompanying notes which are an integral part of these financial statements

Approved on behalf of Sprott 2017 Flow-Through L.P.
by the Board of Directors of Sprott 2017 Corporation
as General Partner

John Wilson
DIRECTOR

Kirstin McTaggart
DIRECTOR

Sprott 2017 Flow-Through L.P.

Statement of Comprehensive Income (Loss)

(in Canadian Dollars, except unit amounts)

For the period from February 8, 2017 to December 31, 2017	**2017**
	$
Income	
Net gain (loss) on investments:[1]	
Change in unrealized depreciation in the value of investments	**(10,404,383)**
Total loss	**(10,404,383)**
Expenses *(note 11, 12)*	
Management fees	**761,558**
Interest, standby fees and bank charges *(note 7)*	**82,147**
Administrative fees	**28,684**
Audit fees	**21,634**
Unitholder reporting costs	**14,952**
Filing fees	**4,021**
Custodial fees	**3,051**
Independent Review Committee fees *(note 14)*	**2,556**
Legal fees	**1,586**
Total expenses	**920,189**
Decrease in Net Assets attributable to Partners from operations	**(11,324,572)**
Weighted average number of units	**1,978,261**
Decrease in Net Assets attributable to Partners from operations per unit *(note 3)*	**(5.72)**

[1]Net gain (loss) on investments comprised of:	
Financial assets and liabilities designated at fair value through profit or loss ("FVTPL")	**(10,404,383)**
Financial assets and liabilities classified as held for trading ("HFT")	**-**
	(10,404,383)

See accompanying notes which are an integral part of these financial statements

Sprott 2017 Flow-Through L.P.

Statement of Changes in Net Assets Attributable to Partners

(in Canadian Dollars, except unit amounts)

For the period from February 8, 2017 to December 31, 2017	**2017**
	$
Net Assets attributable to Partners, beginning of period	**-**
Decrease in Net Assets attributable to Partners from operations	**(11,324,572)**
Partners' transactions *(note 1, 9)*	
Proceeds from Partnership units issued	**50,000,000**
Agents' fees and issue expenses *(note 3)*	**(3,377,500)**
	46,622,500
Net increase in Net Assets attributable to Partners	**35,297,928**
Net Assets attributable to Partners, end of period	**35,297,928**

Changes in outstanding Partnership units for the period from February 8, 2017 to December 31, 2017 were as follows:

	2017
Partnership units, beginning of period	**-**
Subscriptions	**2,000,000**
Partnership units, end of period	**2,000,000**

See accompanying notes which are an integral part of these financial statements

Sprott 2017 Flow-Through L.P.

Statement of Cash Flows

(in Canadian Dollars)

For the period from February 8, 2017 to December 31, 2017	**2017**
	$
Cash flow from operating activities	
Decrease in Net Assets attributable to Partners from operations	**(11,324,572)**
Adjustments for:	
Change in unrealized depreciation in the value of investments	**10,404,383**
Purchases of investments	**(49,347,719)**
Net increase (decrease) in other assets and liabilities	**57,020**
Net cash used in operating activities	**(50,210,888)**
Cash flows from financing activities	
Proceeds from issuance of Partnership units	**50,000,000**
Agents' fees and issue expenses	**(3,377,500)**
Increase in loan payable	**2,883,902**
Net cash provided by financing activities	**49,506,402**
Net decrease in cash	**(704,486)**
Cash at beginning of period	**-**
Bank indebtedness at end of period	**(704,486)**
Supplemental Information	
Interest paid	**82,147**

See accompanying notes which are an integral part of these financial statements

Sprott 2017 Flow-Through L.P.

Schedule of Investment Portfolio

As at December 31, 2017		Expiry Date	Average Cost	Fair Value
			$	$
SHARES	EQUITIES [110.33%]			
	MATERIALS [78.66%]			
2,800,000	Bonterra Resources Inc.		980,000	1,624,000
1,562,500	Cobalt Power Group Inc.*	Feb 12, 2018	250,000	295,645
1,175,000	Dolly Varden Silver Corp.*	Jan 12, 2018	998,750	828,281
1,470,000	Garibaldi Resources Corp.*	Feb 2, 2018	1,352,400	3,529,877
735,000	Garibaldi Resources Corp., Warrants	Oct 1, 2019	-	1,070,785
1,622,000	Golden Predator Mining Corp.		3,000,700	1,313,820
6,450,000	IDM Mining Ltd.		999,750	677,250
1,000,000	Klondike Gold Corp.		340,000	350,000
500,000	Klondike Gold Corp., Warrants	Aug 21, 2019	-	21,540
700,000	Metanor Resources Inc.		791,000	490,000
1,500,000	MGX Minerals Inc.		1,500,000	1,470,000
750,000	MGX Minerals Inc., Warrants	Jun 7, 2019	-	102,458
3,000,000	Noront Resources Ltd.*	Jan 16, 2018	1,200,000	933,936
3,125,000	OK2 Minerals Ltd.*	Jan 9, 2018	250,000	186,403
500,000	Osisko Metals Inc.*	Jan 22, 2018	950,000	428,493
700,000	Osisko Mining Inc.		5,005,000	2,373,000
47,420	Osisko Mining Inc.*	Feb 5, 2018	291,159	156,709
197,000	Pretium Resources Inc.		2,994,400	2,824,980
2,250,000	QMX Gold Corp.*	Feb 5, 2018	697,500	570,659
3,500,000	Red Pine Exploration Inc.		507,500	350,000
5,000,000	Resources Capital Gold Corp.		1,000,000	450,000
1,500,000	Rubicon Minerals Corp.		3,855,000	2,160,000
1,400,000	Sabina Gold & Silver Corp.		2,450,000	3,178,000
500,000	Sable Resources Ltd.		100,000	82,500
500,000	Sable Resources Ltd., Warrants	Jun 29, 2018	-	170
1,000,000	Wallbridge Mining Co Ltd.*	Mar 16, 2018	100,000	94,842
1,666,700	White Gold Corp.		3,000,060	2,200,044
			32,613,219	27,763,392
	ENERGY [31.67%]			
7,812,500	Blackbird Energy Inc.		5,000,000	2,734,375
2,050,000	Denison Mines Corp.		2,296,000	1,414,500
6,100,000	Ikkuma Resources Corp.*	Jan 2, 2018	5,002,000	3,088,741
580,000	Leucrotta Exploration Inc.		1,566,000	997,600
2,000,000	Pulse Oil Corp.		260,000	480,000
2,000,000	Pulse Oil Corp., Warrants	Jun 14, 2019	-	300,000
715,000	Return Energy Inc.		100,100	71,500
54,500	Tourmaline Oil Corp.*	Apr 6, 2018	1,700,400	1,161,728
2,700,000	Uex Corp.		810,000	931,500
			16,734,500	11,179,944
Total Equities			49,347,719	38,943,336
Total Investments [110.33%]			**49,347,719**	**38,943,336**
Cash and Other Assets Less Liabilities [-10.33%]				(3,645,408)
Total Net Assets [100.00%]				**35,297,928**

* Securities that are restricted for resale until the date indicated.

See accompanying notes which are an integral part of these financial statements

Financial Risk Management *(note 6)*

Investment Objective

The Partnership's investment objective is to provide a tax-assisted investment of Resource Issuer Flow-Through Shares, with a view to achieving capital appreciation and significant tax benefits for Limited Partners.

The Schedule of Investment Portfolio presents the securities held by the Partnership as at December 31, 2017. Significant risks that are relevant to the Partnership are discussed here. General information on risks and risk management is described in Note 6.

Market Risk

a) Other Price Risk

The Partnership's most significant exposure to market price risk arises from its investment in equity securities. As at December 31, 2017, had the prices on the respective stock exchanges for these securities increased or decreased by 10%, with all other variables held constant, Net Assets attributable to Partners would have increased or decreased by the amount shown in the below table.

December 31, 2017	
Impact ($'000)	**As a % of Net Assets attributable to Partners**
3,894	11.03%

b) Currency Risk

As at December 31, 2017, the Partnership had minimal foreign currency exposure.

c) Interest Rate Risk

As at December 31, 2017, the Partnership did not have a material exposure to interest rate risk from its investments. Assuming the same debt level as at December 31, 2017, a 0.5% increase or decrease in interest rates would result in an increase or decrease of approximately $14,420 to Net Assets attributable to Partners on an annual basis.

Credit Risk

As at December 31, 2017, the Partnership had no investments in debt instruments or derivatives, hence the Partnership did not have a material exposure to credit risk.

Concentration Risk

The table below summarizes the Partnership's concentration risk as a percentage of Net Assets attributable to Partners as at December 31, 2017.

	December 31, 2017
Materials	78.66%
Energy	31.67%
Cash and Other Assets Less Liabilities	(10.33%)
Total Net Assets attributable to Partners	100.00%

Fair Value Measurements *(note 5)*

The Partnership's assets and liabilities measured at fair value as at December 31, 2017, have been categorized based upon the fair value hierarchy in the table below:

December 31, 2017

	Level 1	Level 2	Level 3	Total
	$	$	$	$
Equities – Long	26,173,069	11,275,314	-	37,448,383
Warrants	-	1,494,953	-	1,494,953
	26,173,069	12,770,267	-	38,943,336

During the period ended December 31, 2017, there were no significant transfers between levels.

Loan Facility *(note 7)*

As at December 31, 2017, the loan outstanding consists of a prime rate loan with a principal amount (including interest payable) of $2,883,902. The minimum and maximum amounts borrowed during the period ended December 31, 2017 were $nil and $2,883,902 respectively. Interest expense, including standby fees and bank charges, for the period ended December 31, 2017 was $82,147.

See accompanying notes which are an integral part of these financial statements

Sprott Flow-Through LPs
Generic Notes to Financial Statements *December 31, 2017*

1. Formation of the Partnerships

Sprott 2017 Flow-Through Limited Partnership and Sprott 2017-II Flow-Through Limited Partnership (the "Partnerships" and each a "Partnership") were formed as limited partnerships under the laws of the Province of Ontario. Sprott 2017 Flow-Through Limited Partnership was formed on January 25, 2017 and Sprott 2017-II Flow-Through Limited Partnership was formed on August 30, 2017. The address of the Partnerships' registered office is 200 Bay Street, Toronto, Ontario.

On February 8, 2017, the Sprott 2017 Flow-Through Limited Partnership completed the first closing of its initial public offering of 1,629,297 units at $25 per unit for gross proceeds of $40,732,425. On February 28, 2017, the Partnership completed the final closing of its initial public offering of 370,703 units at $25 per unit for gross proceeds of $9,267,575.

On September 11, 2017, the Sprott 2017-II Flow-Through Limited Partnership completed the first closing of its initial public offering of 535,418 units at $25 per unit for gross proceeds of $13,385,450. On October 3, 2017, the Partnership completed the final closing of its initial public offering of 407,171 units at $25 per unit for gross proceeds of $10,179,275.

The Partnerships have retained Ninepoint Partners LP (the "Manager") to provide investment, management, administrative and other services. Prior to August 1, 2017, Sprott Asset Management LP was the manager of the Partnerships. The Manager assumed the portfolio management of the Canadian diversified asset business of Sprott Asset Management LP on August 1, 2017. The general partner of the Sprott 2017 Flow-Through Limited Partnership is Sprott 2017 Corporation and the general partner of the Sprott 2017-II Flow-Through Limited Partnership is Sprott 2017-II Corporation (each a "General Partner").

The Sprott 2017 Flow-Through Limited Partnership intends to implement a Mutual Fund Rollover Transaction prior to February 28, 2019 and the Sprott 2017-II Flow-Through Limited Partnership intends to implement a Mutual Fund Rollover Transaction prior to February 28, 2019, unless the Limited Partners approve a Liquidity Alternative, as defined in each Partnership's prospectus, at a special meeting held for such purpose. If the Mutual Fund Rollover Transaction is implemented, then pursuant to the Transfer Agreement, the assets of the Partnerships will be transferred to the Mutual Fund Corporation, in exchange for Mutual Fund Shares on a tax-deferred basis, provided appropriate elections are made. In connection with the Mutual Fund Rollover Transaction, the Partnerships will be dissolved and the Limited Partners will receive their pro-rata portion of redeemable Mutual Fund Shares.

The Statements of Financial Position of each of the Partnerships are as at December 31, 2017. The Statements of Comprehensive Income (Loss), Statements of Changes in Net Assets Attributable to Partners and Statements of Cash Flows for each Partnership are for the period ended December 31, 2017. The Schedule of Investment Portfolio for each Partnership is as at December 31, 2017.

These Financial Statements of the Partnerships were approved for issuance by the Manager on March 16, 2018.

2. Basis of Presentation

These financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board ("IASB") and include estimates and assumptions made by the Manager that may affect the reported amounts of assets, liabilities, income, expenses and the reported amounts of changes in Net Assets during the reporting period. Actual results could differ from those estimates.

The financial statements have been prepared on a going concern basis using the historical cost convention. However, each Partnership is an investment entity and primarily all financial assets and financial liabilities are measured at fair value in accordance with IFRS. Accordingly, the Partnerships' accounting policies for measuring the fair value of investments and derivatives are consistent with those used in measuring the Net Asset Value for transactions with unitholders.

The financial statements are presented in Canadian dollars, which is each Partnership's functional currency.

3. Summary of Significant Accounting Policies

The following is a summary of significant accounting policies followed by the Partnerships:

CLASSIFICATION AND VALUATION OF INVESTMENTS

The Partnerships' investments and derivative assets and liabilities are measured at fair value through profit or loss ("FVTPL"). The category of financial assets and liabilities at fair value through profit or loss is sub-divided into:

Financial assets and liabilities held for trading: financial assets and liabilities are classified as held for trading if they are acquired for the purpose of selling and/or repurchasing in the near term. These investments are used principally for the purpose of generating a profit from short-term fluctuations in price. Derivatives held by the Partnerships are classified as held for trading, and they do not meet the definition of effective hedging instruments as defined by IAS 39, *Financial Instruments – Recognition and Measurement* ("IAS 39").

Financial instruments designated as fair value through profit or loss upon initial recognition: All investments owned (excluding derivatives) are designated as fair value through profit or loss upon initial recognition. The Partnerships included equities, bonds, and other interest-bearing investments in this category. These financial assets are designated upon initial recognition on the basis that they are part of a group of financial assets that are managed and have their performance evaluated on a fair value basis, in accordance with risk management and investment strategies of the Partnerships, as set out in each Partnership's prospectus.

The Partnerships' accounting policies for measuring the fair value of its investments and derivatives are identical to those used in measuring its Net Asset Value ("NAV") for transactions with unitholders. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial assets and liabilities at FVTPL are recorded in the Statements of Financial Position at fair value upon initial recognition. All transaction costs such as brokerage commissions incurred in the purchase and sale of such securities are recognized directly in the Statements of Comprehensive Income (Loss). Subsequent to initial measurement, these investments are recorded at fair value which, as at the financial reporting period end is determined as follows:

1. Securities listed upon a recognized public stock exchange are valued at the closing price recorded by the exchange on which the security is principally traded, where the last traded price falls within that day's bid-ask spread. In circumstances where the closing price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

2. Common shares of unlisted companies and warrants that are not traded on an exchange are valued using valuation techniques established by the Manager. Restricted securities are valued in a manner that the Manager determines represents fair value.

The difference between the fair value of investments and the average cost of investments represents the unrealized appreciation or depreciation in the value of investments. The cost of investments for each security is determined on an average cost basis.

Other assets and liabilities are recognized at fair value upon initial recognition. Other assets such as subscriptions receivable, due to broker, and income receivables are classified as loans and receivables and measured at amortized cost. Other financial liabilities (including all financial liabilities other than those measured at FVTPL), are measured at amortized cost. The Partnerships are limited life funds and the partnership interests represents a contractual obligation to deliver cash or another financial instrument. Partnership units have therefore been classified as financial liabilities.

INVESTMENT TRANSACTIONS AND INCOME RECOGNITION

Investment transactions are accounted for on the business day following the date the order to buy or sell is executed. Realized gains and losses arising from the sale of investments and unrealized appreciation and depreciation on investments are calculated with reference to the average cost of the related investments.

Interest income for distribution purposes represents the coupon interest recognized on an accrual basis. Dividend income is recognized on the ex-dividend date.

CASH

Cash is comprised of cash on deposit with financial institutions.

OPTION CONTRACTS

When the Partnerships purchase options, the premiums paid for purchasing options are included as an asset and are subsequently adjusted each valuation day to the fair value of the option contract. Premiums received from writing options are included as a liability and are subsequently adjusted each valuation day to the fair value of the option contract. These amounts are reflected in the Statements of Financial Position as part of "Options purchased" or "Options written". Option contracts are valued each valuation day according to the gain or loss that would be realized if the contracts were closed out on that day. All unrealized gains (losses) arising from option contracts are recorded as "Change in unrealized appreciation (depreciation) on option contracts" in the Statements of Comprehensive Income (Loss), until the contracts are closed out or expire, at which time the gains (losses) are realized and reflected in the Statements of Comprehensive Income as "Net realized gains (losses) on option contracts".

CALCULATION OF NET ASSETS ATTRIBUTABLE TO PARTNERS PER UNIT

Net assets attributable to Partners per unit is calculated on each valuation date by dividing the net assets representing partners' capital of the Partnerships by the total number of units outstanding on that date.

INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO PARTNERS FROM OPERATIONS PER UNIT

"Increase (decrease) in Net Assets attributable to Partners from operations per unit" in the Statements of Comprehensive Income represents the increase (decrease) in Net Assets attributable to Partners from operations, divided by the weighted average number of units outstanding during the period, which is presented in the Statements of Comprehensive Income (Loss).

TRANSACTION COSTS

Transaction costs are expensed and are included in "Transaction costs" in the Statements of Comprehensive Income (Loss). Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commissions paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties.

AGENTS' FEE AND ISSUE EXPENSES

Agents' fees and issue expenses related to the offering of the units are recognized as a reduction of Partners' capital.

INCOME TAXES

The Partnerships themselves are not liable for income tax. As a result, no provision for income taxes has been recorded by the Partnerships. Each Limited Partner will generally be required to include, in computing his or her income or loss for tax purposes for a taxation year, his or her share of the income or loss for tax purposes (including taxable capital gains or allowable capital losses) allocated by the Partnerships to such Limited Partner for each fiscal year of the Partnerships.

SECURITIES LENDING

The Partnerships may enter into securities lending transactions. These transactions involve the temporary exchange of securities as collateral with a commitment to deliver the same securities on a future date. Income is earned from these transactions in the form of fees paid by the counterparty and, in certain circumstances, interest paid on securities held as collateral. Income earned from these transactions is recognized on an accrual basis and included in the Statements of Comprehensive Income (Loss).

Certain Partnerships have entered into a securities lending program with their custodian, RBC Investor Services Trust. The aggregate market value of all securities loaned by a Partnership cannot exceed 50% of the net assets of the Partnership. The Partnership will receive collateral of at least 102% of the value of the securities on loan. Collateral will generally be comprised of cash and obligations of, or guaranteed by, the Government of Canada or a province thereof, or the United States Government or its agencies, or a permitted supranational agency as defined in National Instrument 81-102. Securities lending income reported in the Statements of Comprehensive Income (Loss) is net of securities lending charges which the Partnership's custodian, RBC Investor Services Trust, is entitled to receive.

STANDARDS ISSUED BUT NOT YET EFFECTIVE

Standards issued but not yet effective up to the date of issuance of the Partnerships' financial statements are listed below. The Partnerships intend to adopt applicable standards when they become effective.

IFRS 9, Financial Instruments - Classification and Measurement ("IFRS 9"): In July 2014, the IASB issued the final version of IFRS 9, bringing together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 and all previous versions of IFRS 9. IFRS 9 introduces a logical, single classification and measurement approach for financial assets that reflects the business model in which they are managed and their cash flow characteristics. Built upon this is a forward-looking expected credit loss model that will result in more timely recognition of loan losses and is a single model that is applicable to all financial instruments subject to impairment accounting. In addition, IFRS 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value, such that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognized in profit or loss. IFRS 9 also includes an improved hedge accounting model to better link the economics of risk management with its accounting treatment. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. In addition, the own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments. The new standard is not expected to have a significant impact on the Partnerships.

4. Critical Accounting Estimates and Judgments

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates that the Partnerships have made in preparing the financial statements:

FAIR VALUE MEASUREMENT OF SECURITIES NOT QUOTED IN AN ACTIVE MARKET

The Partnerships hold financial instruments that are not quoted in active markets. Fair values of such instruments are determined using valuation techniques and may be determined using reputable pricing sources (such as pricing agencies) or indicative prices from market makers. Where no market data is available, the Partnerships may value investments using valuation models, which are usually based on methods and techniques generally recognized as standard within the industry. The models used to determine fair values are validated and periodically reviewed by experienced personnel of the Manager, independent of the party that created them. Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require the Manager to make estimates. Changes in assumptions about these factors could affect the reported fair values of financial instruments. The Partnerships consider observable data to be market data that is readily available, regularly distributed and updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. Refer to Note 5 for further information about the fair value measurement of the Partnerships' financial instruments.

CLASSIFICATION AND MEASUREMENT OF INVESTMENTS AND APPLICATION OF THE FAIR VALUE OPTION

In classifying and measuring financial instruments held by the Partnerships, the Manager is required to make judgments about whether or not the business of the Partnerships is to invest on a total return basis for the purpose of applying the fair value option for the financial assets under IAS 39.

5. Fair Value Measurements

The Partnerships use a three-tier hierarchy as a framework for disclosing fair value based on inputs used to value each Partnership's investments. The fair value hierarchy has the following levels:

Level 1 Unadjusted quoted prices in active markets for identical, unrestricted assets or liabilities that the Partnerships have the ability to access at the measurement date;

Level 2 Quoted prices which are not active, or inputs that are observable (either directly or indirectly) for substantially the full term of the asset or liability; and

Level 3 Prices, inputs or complex modeling techniques that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The hierarchy of investments and derivatives for each of the Partnerships is included in the Notes to Financial Statements – Partnership Specific Information of each Partnership.

All fair value measurements above are recurring. The carrying values of cash, subscriptions receivable, interest receivable, payable for investments purchased, redemptions payable, distributions payable and accrued expenses approximate their fair values due to their short-term nature. Fair values are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3.

The following provides details of the categorization in the fair value hierarchy by asset classes:

Level 1 securities include:

- Equity securities using quoted market prices (unadjusted).

Level 2 securities include:

- Equity securities that are not frequently traded in active markets. In such cases, fair value is determined based on observable market data (e.g., transactions for similar securities of the same issuer).

Level 3 securities include:

- Investments valued using valuation techniques that are based on unobservable market data. These techniques are determined pursuant to procedures established by the Manager. Quantitative information about unobservable inputs and related sensitivity of the fair value measurement are disclosed in the Notes to financial statements – Partnership specific information.

Additional disclosures relating to transfers between levels and a reconciliation of the beginning and ending balances in Level 3 are also disclosed in the Notes to financial statements – Partnership specific information.

For the year ended December 31, 2017, the majority of Level 2 securities consisted of common shares acquired pursuant to a private placement and subject to a hold period following the closing date of the purchase, and warrants received in consideration of the private placement purchase. Upon the expiry of the hold period on the common shares, the shares become freely traded and, as such, would be moved from Level 2 to Level 1. The warrants would be Level 2 until either the warrant expires at which time the security would be removed from the Level 2 balance, or the warrant was exercised, at which time the warrant would be converted into a Level 1 common share. There were no other material transfers between Level 1 and Level 2 during the period.

6. Financial Risk Management

The Partnerships are exposed to risks that are associated with their investment strategies, financial instruments and markets in which they invest. The extent of risk within each Partnership is largely contingent upon its investment policy and guidelines as stated in each Partnership's prospectus, and the management of such risks is contingent upon the qualification and diligence of the portfolio manager designated to manage the Partnerships. The Schedule of Investment Portfolio presents the securities held by the Partnerships as at December 31, 2017, and groups the securities by asset type and market segment. Significant risks that are relevant to the Partnerships are discussed below. Refer to the Notes to Financial Statements – Partnership Specific Information of each Partnership for specific risk disclosures.

MARKET RISK

Each Partnership's investments are subject to market risk which is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market variables such as equity prices, currency rates and interest rates.

a) Other Price Risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk). The investments of the Partnerships are subject to normal market fluctuations and the risks inherent in the financial markets. The maximum risk resulting from purchased securities held by the Partnerships is limited to the fair value of these investments. The Manager moderates this risk through a careful selection of securities within specified limits, as well as through the diversification of the investment portfolio.

b) Currency Risk

Currency risk is the risk that arises from the change in price of one currency against another. The Partnerships may hold securities that are denominated in currencies other than the Canadian dollar. These securities are converted to the Partnerships' functional currency (Canadian dollar) in determining fair value, and fair values are subject to fluctuations relative to the strengthening or weakening of the functional currency.

c) Interest Rate Risk

Interest rate risk is the risk borne by an interest-bearing financial instrument that is attributed to interest rate fluctuations. The majority of each Partnership's investments are non-interest bearing. Cash and short-term investments do not expose the Partnerships to significant amounts of interest rate risk. As a result, the Partnerships are not subject to a significant amount of risk related to fluctuations in prevailing market interest rate levels. The loan facility bears interest at prime, therefore, an increase in interest rates would impact the amount of interest paid under the credit facility.

CREDIT RISK

Credit risk is the risk of loss due to the failure of a counterparty to satisfy its obligations. All transactions executed by the Partnerships in listed securities are settled upon delivery using approved brokers. The risk of default is considered minimal, as the delivery of those securities sold is made only when the broker has received payment. Payment is made on purchases only when the security is received by the broker. The trade will fail to consummate if either party fails to meet its obligations.

LIQUIDITY RISK

Liquidity risk is the risk that the Partnerships will not be able to generate sufficient cash resources to fulfill payment obligations. The Partnerships invest in liquid securities that are readily tradable in an active market or maintain sufficient cash to fund expenses in the normal course of operations. The Partnerships may, from time to time, invest in illiquid or restricted securities such as private placements, private companies and warrants as identified in the Schedule of Investment Portfolio. In addition, units are not redeemable by the Limited Partners.

With the exception of loans payable, all of the Partnerships' financial liabilities are short-term liabilities maturing within 90 days after the period end. Any loan payable held by a Partnership matures on the date the Partnership is wound up pursuant to the Mutual Fund Rollover transaction.

CONCENTRATION RISK

Concentration risk arises as a result of the concentration of financial instrument exposures within the same category, whether it is geographic region, asset type or industry sector.

7. Loan Facility

The Partnerships have each entered into a loan facility (the "Loan Facility") with a Canadian chartered bank to fund the agents' fees, offering expenses and ongoing expenses of the Partnerships, including management fees. The Partnerships may borrow a principal amount of up to 10% of the gross proceeds of any individual offering for each of Sprott 2017 Flow-Through Limited Partnership and Sprott 2017-II Flow-Through Limited Partnership. Each Partnership's obligation under the Loan Facility is secured by a pledge of the assets held by the Partnerships. Prior to the earlier of: (a) the dissolution of the Partnerships; (b) the date on which a Liquidity Alternative is completed; and (c) the maturity date of the Loan Facility, all amounts outstanding under the Loan Facility, including all interest accrued thereon, will be repaid in full. Interest is calculated based on the bank's Prime rate. Certain covenants exist that, if breached or not waived, would require the immediate payment of accrued interest and the aggregate principal outstanding. These covenants require that: (a) the outstanding principal of the loan facility not exceed the least of (i) $5.0M for Sprott 2017 Flow-Through Limited Partnership and $3.0M for Sprott 2017-II Flow-Through Limited Partnership; (ii) 10% of the gross proceeds from the sale of partnerships units for each of Sprott 2017 Flow-Through Limited Partnership and Sprott 2017-II Flow-Through Limited Partnership; and (iii) the offering expenses incurred in connection with the initial or any subsequent offering; (b) the Partnerships each maintain a ratio of total assets to indebtedness of 4:1; and (c) the Partnerships each maintain a minimum ratio of total cash and liquid assets to indebtedness of 3:1. As at December 31, 2017, the Partnerships were in compliance with all covenants.

8. Allocation to the Partners

99.99% of the net income or loss of the Partnerships will be allocated pro-rata among the Limited Partners who are holders of units on the last day of each fiscal year, and 0.01% of the net income or loss will be allocated to the General Partner.

For Sprott 2017-II Flow-Through L.P., the General Partner will be entitled to a distribution of Partnerships property on the Performance Bonus Allocation Date (as defined in each Partnership's prospectus) (the "Performance Bonus Allocation") in an amount equal to 20% of the amount by which the Net Asset Value per unit on the Performance Bonus Allocation Date (excluding the effects of distributions, if any) exceeds $28, multiplied by the number of units outstanding at the Performance Bonus Allocation Date. The Performance Bonus Allocation will be calculated on the Performance Bonus Allocation Date and paid as soon as practicable thereafter. The Performance Bonus Allocation will be paid in Mutual Fund Shares in the event of the transfer of the assets of the Partnerships to the Mutual Fund Corporation pursuant to the Mutual Fund Rollover Transaction unless payment in Mutual Fund Shares is not permitted by applicable law. If the Partnership's assets are not transferred to the Mutual Fund Corporation, the Performance Bonus Allocation will be paid to the General Partner in cash. No Performance Bonus was allocated for the period ended December 31, 2017.

9. Partners' Capital and Capital Management

The Partnerships are authorized to issue an unlimited number of units. Each unit subjects the holder thereof to the same obligations and entitles such holder to the same rights as the holder of any other unit, including the right to one vote at all meetings of the Limited Partners and to equal participation in any distribution made by the Partnerships. Each Partnership is a limited life fund and the Partnership interest represents a contractual obligation to deliver cash or another financial instrument. Therefore, Partnership units are classified as financial liabilities.

Units are not redeemable by the Limited Partners.

CAPITAL MANAGEMENT

The Partnerships' capital represents the net assets of the Partnerships and is comprised of issued units net of agents' fees and issue expenses, and retained earnings (deficit). The Manager utilizes the partners' capital in accordance with the Partnerships' investment objectives, strategies and restrictions, as outlined in each Partnership's prospectus. The Partnerships do not have any externally imposed capital requirements.

10. Restricted Cash and Investments

Cash, investments and broker margin include balances with prime brokers held as collateral for securities sold short and other derivatives. This collateral is not available for general use by the Partnerships. The value of any restricted cash and investments held for each of the Partnerships is disclosed in the Notes to financial statements – Fund specific information, if applicable.

11. Related-Party Transactions

MANAGEMENT FEES

In consideration for the Manager's services and pursuant to the terms of the Management Agreement, the Partnerships pay the Manager an annual management fee equal to 2% of their Net Asset Value, calculated and paid monthly in arrears.

ALLOCATION TO PARTNERS

The General Partner will be entitled to a distribution of the Partnerships' property if certain performance criteria are met. Refer to Note 8.

12. Operating Expenses of the Partnerships

The Partnerships are responsible for all expenses (inclusive of applicable taxes) incurred in connection with their operation and administration. These expenses include, but are not limited to, audit, legal, safekeeping, custodial, fund administration expenses, preparation costs of financial statements and other reports to investors and Independent Review Committee ("IRC") member fees and expenses. The Partnerships may use the Loan Facility to fund these expenses.

13. Sharing Arrangements

In addition to paying for the cost of brokerage services in respect of securities transactions, commissions paid to certain brokers may also cover research services provided to the portfolio manager. Sharing arrangements for each Partnership are disclosed in the Notes to financial statements – Partnership specific information, if applicable.

14. Independent Review Committee (“IRC”)

In accordance with National Instrument 81-107, *Independent Review Committee for Investment Funds* (“NI 81-107”), the Manager has established an IRC for the Partnerships. The mandate of the IRC is to consider and provide recommendations to the Manager on conflicts of interest to which the Manager is subject when managing the Partnerships and other funds. Each fund or partnership subject to IRC oversight pays its pro rata share of the IRC member fees, costs and other fees in connection with operation of the IRC. The IRC reports annually to the Limited Partners as required by NI 81-107.

15. Subsequent Events

Effective March 12, 2018, the names of the Partnerships have changed to the below.

Current Partnership Name	**Future Partnership Name**
Sprott 2017 Flow-Through Limited Partnership	Ninepoint 2017 Flow-Through Limited Partnership
Sprott 2017-II Flow-Through Limited Partnership	Ninepoint 2017-II Flow-Through Limited Partnership

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