



# Ninepoint 2019 Short Duration Flow-Through Limited Partnership

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*Annual Report to Unitholders*

December 31  
2019

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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 Securityholders. You can also 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](http://www.ninepoint.com) or SEDAR at [www.sedar.com](http://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

Ninepoint 2019 Short Duration 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: (i) 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 September 26, 2019. 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

Macroeconomic changes can significantly impact equity performance, particularly for resource equities. The most significant developments during the year were the China-U.S. trade dispute, slowing global economic growth and continued growth in global debt. These trends drove the price of gold bullion higher.

The Partnership was invested predominantly in small-capitalization gold equities during the year. The overweight exposure to gold equities was positive for performance as the commodity price increased. However, market sentiment towards small-cap equities continued to be unfavourable, so the overweight exposure to small-cap equities detracted from performance.

At the individual security level, the top contributors to the Partnership’s performance were Osisko Mining Inc. and Rockhaven Resources Ltd. Osisko had a significant weighting in the Partnership.

The top individual detractors from performance were Troilus Gold Corp. and Metallis Resources Inc. The Partnership paid premiums to acquire the flow-through shares, but the share prices declined due to poor sentiment towards these small caps.

The Partnership had a total net asset value of \$12.9 million as at December 31, 2019, largely the result of the net proceeds from the issuance of partnership units of \$13.6 million, offset by unrealized losses on investments of \$0.5 million.

### *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 the gross proceeds of any individual 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, as defined in the Partnership’s prospectus, 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, 2019 the Partnership was not in breach of the covenants or they have been waived.

As at December 31, 2019, the loan outstanding consists of a prime rate loan with a principal amount (including interest payable) of \$848,546. The minimum and maximum amounts borrowed for the period from October 3, 2019 to December 31, 2019 were \$545,296 and \$847,257, respectively. Interest expense, including standby fees and bank charges, for the period from October 3, 2019 to December 31, 2019 was \$9,655.

## 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 from October 3, 2019 to December 31, 2019, the Partnership incurred management fees (including taxes) of \$63,310. 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 the period since inception to December 31, 2019.

The Partnership's Net Assets per unit<sup>1</sup>

	<b>Dec 31, 2019<sup>4</sup></b>
	<b>\$</b>
<b>Initial offering price</b>	<b>\$25.00</b>
Agents' fee and issue expenses <sup>2</sup>	<b>(1.94)</b>
<b>Net assets, beginning of period</b>	<b>\$23.06</b>
<b>Increase (decrease) from operations:</b>	
Total revenue	-
Total expenses	<b>(0.22)</b>
Realized losses	-
Unrealized losses	<b>(0.90)</b>
<b>Total decrease from operations<sup>3</sup></b>	<b>(1.12)</b>
<b>Distributions:</b>	
<b>Total annual distributions</b>	-
<b>Net assets, end of period</b>	<b>22.00</b>

1 This information is derived from the Partnership's annual and 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 October 3, 2019 (first issuance) to December 31, 2019.

## Ratios and Supplemental Data

	<b>Dec 31, 2019</b>
Total net asset value (000's) <sup>1</sup>	<b>\$12,930</b>
Number of Units outstanding <sup>1</sup>	<b>587,657</b>
Management expense ratio <sup>2</sup>	<b>4.26%</b>
Trading expense ratio <sup>3</sup>	-%
Portfolio turnover rate <sup>4</sup>	-%
Net asset value per Unit <sup>1</sup>	<b>\$22.00</b>

1 This information is provided as at December 31, 2019.

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.

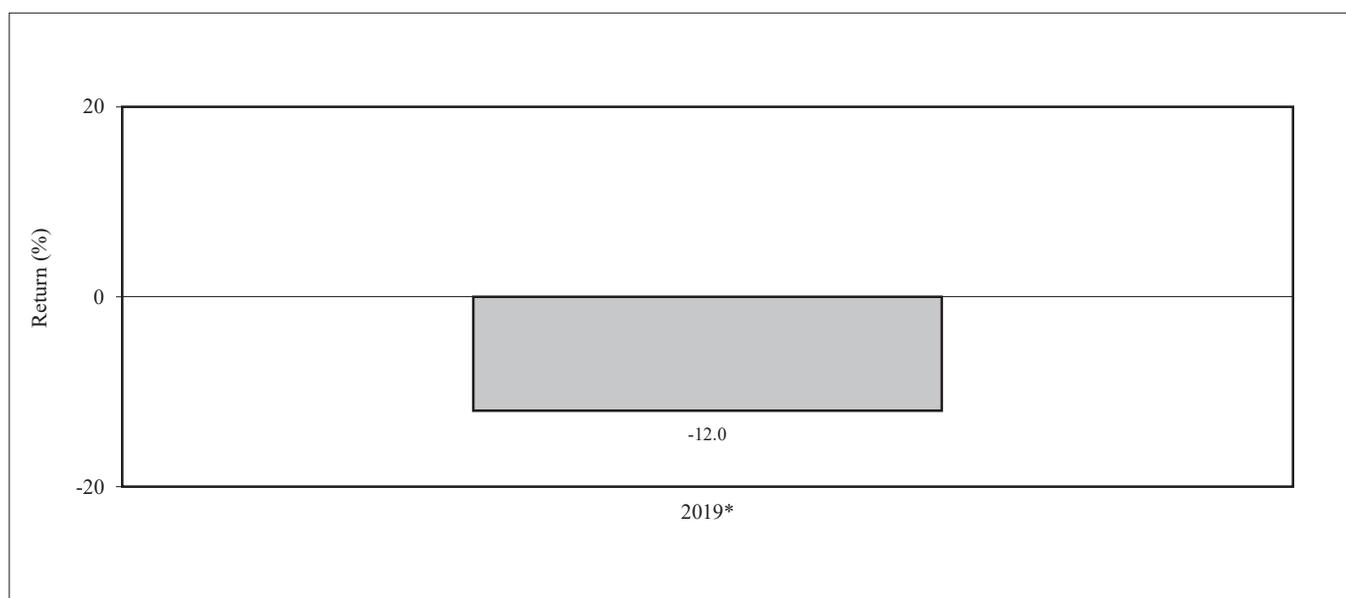
4 The Partnership's portfolio turnover rate indicates how actively the Partnership's portfolio adviser trades its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Partnership buying and selling all of the securities in its portfolio once in the course of the year. The higher 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.

## Past Performance

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

### Year-by-Year Returns

The following chart indicates the non-annualized performance of the Partnership for the period since inception to December 31, 2019. The chart shows, in percentage terms, how much an investment made on the first day of the period would have grown or decreased by the last day of the year.



\* Return from October 3, 2019 (first issuance) to December 31, 2019 (not annualized).

## Summary of Investment Portfolio

As at December 31, 2019

### Portfolio Allocation

	% of Net Asset Value
Long Positions	
Materials	101.8
Energy	4.3
Warrants	2.9
<b>Total Long Positions</b>	<b>109.0</b>
Bank Indebtedness	(2.5)
Other Net Liabilities	(6.5)
<b>Total Net Asset Value</b>	<b>100.0</b>

### All Positions

Issuer	% of Net Asset Value
Osisko Mining Inc.	25.2
Bonterra Resources Inc.	10.8
Pacton Gold Inc.	8.2
Benchmark Metals Inc.	7.1
Troilus Gold Corp.	6.7
Sun Metals Corp.	6.5
Rockhaven Resources Ltd.	6.1
IsoEnergy Ltd.	5.7
Tudor Gold Corp.	5.7
First Mining Gold Corp.	5.5
Cartier Resources Inc.	5.5
Star Diamond Corp.	4.6
Denison Mines Corp.	4.3
UEX Corp.	2.1
Group Ten Metals Inc.	2.1
Metallis Resources Inc.	1.5
Banyan Gold Corp., Class A	1.4
Bank Indebtedness	(2.5)
<b>All positions as a percentage of net asset value</b>	<b>106.5</b>

The Partnership held no short positions as at December 31, 2019.

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](http://www.ninepoint.com).



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## INDEPENDENT AUDITORS' REPORT

To the Partners of Ninepoint 2019 Short Duration Flow-Through Limited Partnership

### *Opinion*

We have audited the financial statements of Ninepoint 2019 Short Duration Flow-Through Limited Partnership (the "Partnership"), which comprise:

- the statement of financial position as at December 31, 2019
- the statement of comprehensive loss for the period from October 3, 2019 to December 31, 2019
- the statements of changes in net assets attributable to partners for the period from October 3, 2019 to December 31, 2019
- the statements of cash flows for the period from October 3, 2019 to December 31, 2019
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Partnership as at December 31, 2019, and its financial performance and its cash flows for the period from October 3, 2019 to December 31, 2019 in accordance with International Financial Reporting Standards ("IFRS").

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the Partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other responsibilities in accordance with these requirements.

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



## ***Other Information***

Management is responsible for the other information. Other information comprises:

- the information included in the Management Report of Fund Performance filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information or appears to be materially misstated.

We obtained the Management Report of Fund Performance filed with the relevant Canadian Securities Commissions as at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

## ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, 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.

In preparing the financial statements, management is responsible for assessing the Partnership's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Partnership or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Partnership's financial reporting process.

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.



As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Partnership's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Partnership's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Partnership to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Chartered Professional Accountants, Licensed Public Accountants  
The engagement partner on the audit resulting in this auditors' report is James Loewen  
Toronto, Canada  
March 27, 2020

# Ninepoint 2019 Short Duration Flow-Through Limited Partnership

## Statement of Financial Position

(in Canadian Dollars)

As at December 31, 2019

2019

	5
<b>Assets</b>	
<b>Current assets</b>	
Investments (note 3, 5, 10)	14,093,661
Prepaid expenses	10,996
<b>Total assets</b>	<b>14,104,657</b>
<b>Liabilities</b>	
<b>Current liabilities</b>	
Bank indebtedness	326,059
Loan payable (note 7)	848,546
<b>Total liabilities</b>	<b>1,174,605</b>
<b>Net Assets attributable to Partners</b>	<b>12,930,052</b>
<b>Net Assets attributable to Partners per unit</b>	<b>22.00</b>

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

Approved on behalf of Ninepoint 2019 Short Duration Flow-Through  
Limited Partnership by the Board of Directors  
of Ninepoint 2019 Corporation as General Partner



John Wilson  
DIRECTOR



Kirstin McTaggart  
DIRECTOR

# Ninepoint 2019 Short Duration Flow-Through Limited Partnership

## Statement of Comprehensive Income (Loss)

(in Canadian Dollars, except unit amounts)

For the period from October 3, 2019 to December 31, 2019

	2019
	s
<b>Income</b>	
Change in unrealized appreciation (depreciation) in the value of investments	(501,453)
<b>Total Income (loss)</b>	<b>(501,453)</b>
<b>Expenses (note 11, 12)</b>	
Management fees	63,310
Audit fees	16,671
Administrative fees	11,228
Interest, standby charges and bank charges (note 7)	9,655
Unitholder reporting costs	9,638
Filing fees	4,036
Independent Review Committee fees (note 14)	2,186
Custodial fees	1,410
Legal fees	700
<b>Total expenses</b>	<b>118,834</b>
<b>Increase (Decrease) in Net Assets attributable to Partners from operations</b>	<b>(620,287)</b>
<b>Weighted average number of units</b>	<b>554,981</b>
<b>Increase (Decrease) in Net Assets attributable to Partners from operations per unit (note 3)</b>	<b>(1.12)</b>

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

# Ninepoint 2019 Short Duration Flow-Through Limited Partnership

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## Statement of Changes in Net Assets Attributable to Partners

*(in Canadian Dollars, except unit amounts)*

*For the period from October 3, 2019 to December 31, 2019*

	<b>2019</b>
	\$
<b>Net Assets attributable to Partners, beginning of period</b>	<b>-</b>
<b>Increase (Decrease) in Net Assets attributable to Partners from operations</b>	<b>(620,287)</b>
<b>Partners' transactions (note 1, 9)</b>	
Proceeds from Partnership units issued	14,691,424
Agents' fees and issue expenses	(1,141,085)
	13,550,339
<b>Net increase (decrease) in Net Assets attributable to Partners</b>	<b>12,930,052</b>
<b>Net Assets attributable to Partners, end of period</b>	<b>12,930,052</b>

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

# Ninepoint 2019 Short Duration Flow-Through Limited Partnership

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## Statement of Changes in Net Assets Attributable to Partners *continued*

Changes in outstanding Partnership units for the period from October 3, 2019 to December 31, 2019 were as follows:

	<b>2019</b>
Partnership units, beginning of period	-
Subscriptions	<b>587,657</b>
Partnership units, end of period	<b>587,657</b>

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

# Ninepoint 2019 Short Duration Flow-Through Limited Partnership

## Statement of Cash Flows

(in Canadian Dollars)

For the period from October 3, 2019 to December 31, 2019

	2019
	5
<b>Cash flows from operating activities</b>	
Increase (Decrease) in Net Assets attributable to Partners from operations	(620,287)
Adjustments for:	
Change in unrealized (appreciation) depreciation in value of investments	501,453
Purchases of investments	(14,595,114)
Net increase (decrease) in other assets and liabilities	837,550
<b>Net cash provided by (used in) operating activities</b>	<b>(13,876,398)</b>
<b>Cash flows from financing activities</b>	
Proceeds from issuance of Partnership units	14,691,424
Agents' fees and issue expenses	(1,141,085)
<b>Net cash provided by (used in) financing activities</b>	<b>13,550,339</b>
Net increase (decrease) in cash	(326,059)
Cash (Bank indebtedness) at beginning of period	-
<b>Cash (Bank indebtedness) at end of period</b>	<b>(326,059)</b>
<b>Supplemental Information</b>	
Interest paid	9,655

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

# Ninepoint 2019 Short Duration Flow-Through Limited Partnership

## Schedule of Investment Portfolio

As at December 31, 2019

		Restriction/Expiry Date	Average Cost	Fair Value
			\$	\$
SHARES	EQUITIES [106.11%]			
	MATERIALS [101.82%]			
2,273,000	Banyan Gold Corp., Class A*	Feb 19, 2020	125,015	176,021
2,500,000	Benchmark Metals Inc.*	Feb 8, 2020	1,000,000	913,750
666,666	Bonterra Resources Inc.*	Apr 13, 2020	1,499,999	1,396,999
4,761,905	Cartier Resources Inc.*	Feb 29, 2020	1,000,000	707,587
1,030,000	Group Ten Metals Inc.*	Mar 22, 2020	175,100	213,608
2,000,000	IsoEnergy Ltd.*	Apr 3, 2020	900,000	741,333
3,000,000	First Mining Gold Corp.*	Apr 19, 2020	810,000	711,960
570,000	Metallis Resources Inc.*	Feb 9, 2020	501,600	194,047
864,000	Osisko Mining Inc.*	Apr 5, 2020	2,937,600	3,272,918
7,700,000	Pacton Gold Inc.*	Apr 24, 2020	1,001,000	1,064,140
3,333,333	Rockhaven Resources Ltd.*	Mar 13, 2020	500,000	459,811
1,750,000	Star Diamond Corp.*	Apr 5, 2020	490,000	598,297
3,880,000	Sun Metals Corp.*	Feb 23, 2020	970,000	840,990
1,380,000	Troilus Gold Corp.*	Feb 8, 2020	1,186,800	860,826
1,000,000	Tudor Gold Corp.*	Apr 6, 2020	500,000	739,440
2,000,000	UEX Corp.*	Mar 29, 2020	250,000	273,180
			13,847,114	13,164,907
	ENERGY [4.29%]			
1,100,000	Denison Mines Corp.*	Apr 6, 2020	748,000	555,192
			748,000	555,192
<b>Total Equities</b>			<b>14,595,114</b>	<b>13,720,099</b>
SHARES	WARRANTS [2.89%]			
	MATERIALS [2.89%]			
515,000	Group Ten Metals Inc.	Mar 22, 2020*, Nov 21, 2022	-	51,800
3,333,333	Rockhaven Resources Ltd.	Mar 13, 2020*, Nov 12, 2022	-	321,762
<b>Total Warrants</b>			<b>-</b>	<b>373,562</b>
<b>Total Investments [109.00%]</b>			<b>14,595,114</b>	<b>14,093,661</b>
Cash and Other Assets Less Liabilities [-9.00%]				(1,163,609)
<b>Total Net Assets [100.00%]</b>				<b>12,930,052</b>

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

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

# Ninepoint 2019 Short Duration Flow-Through Limited Partnership

## Notes to financial statements – Partnership specific information December 31, 2019

### Financial Risk Management (note 6)

#### Investment Objective

The Partnership's investment objective is to achieve capital appreciation and significant tax benefits for Limited Partners by investing in a diversified portfolio of Flow-Through Shares and other securities, if any, of Resource Issuers whose principal business will be: (i) mining exploration, development, and/or production, (ii) certain energy production that may incur Canadian renewable and conservation expense or, to a lesser extent, (iii) oil and gas exploration, development, and/or production.

The Schedule of Investment Portfolio presents the securities held by the Partnership as at December 31, 2019. 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, 2019, 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, 2019**

Impact	As a % of Net Assets attributable to Partners
\$	%
1,409,366	10.90

##### b) Currency Risk

As at December 31, 2019, the Partnership did not have a significant exposure to currency risk.

##### c) Interest Rate Risk

As at December 31, 2019, the Partnership did not have a material exposure to interest rate risk from its investments. Assuming the same debt level as at December 31, 2019, a 0.5% change in interest rates would result in an increase or decrease of approximately \$4,243 to Net Assets attributable to Partners on an annual basis.

#### Credit Risk

As at December 31, 2019, the Partnership did not have a significant 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, 2019.

	<b>December 31, 2019</b>
	%
Equities:	
Materials	101.82
Industrials	4.29
Warrants	2.89
Cash and Other Assets Less Liabilities	(9.00)
<b>Total Net Assets attributable to Partners</b>	<b>100.00</b>

# Ninepoint 2019 Short Duration Flow-Through Limited Partnership

## Notes to financial statements – Partnership specific information December 31, 2019

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### Fair Value Measurements (note 5)

The Partnership's assets and liabilities measured at fair value have been categorized based upon the fair value hierarchy in the table below as at December 31, 2019.

<b>December 31, 2019</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	\$	\$	\$	\$
Equities	–	13,720,099	–	13,720,099
Warrants	–	373,562	–	373,562
	–	14,093,661	–	14,093,661

During the period from October 3, 2019 to December 31, 2019, there were no significant transfers between levels.

### Loan Facility (note 7)

As at December 31, 2019, the loan outstanding consists of a prime rate loan with a principal amount (including interest payable) was \$848,546. The minimum and maximum amounts borrowed for the period from October 3, 2019 to December 31, 2019 were \$545,296 and \$847,257 respectively. Interest expense, including standby fees and bank charges, for the period from October 3, 2019 to December 31, 2019 was \$9,655.

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

# Generic Notes to Financial Statements December 31, 2019

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## 1. Formation of the Partnerships

Ninepoint 2019 Flow-Through Limited Partnership and Ninepoint 2019 Short Duration Flow-Through Limited Partnership (the “Partnerships” and each a “Partnership”) were formed as limited partnerships under the laws of the Province of Ontario. Ninepoint 2019 Flow-Through Limited Partnership was formed on January 29, 2019 and Ninepoint 2019 Short Duration Flow-Through Limited Partnership was formed on September 26, 2019. The address of the Partnerships’ registered office is 200 Bay Street, Toronto, Ontario.

On February 14, 2019, Ninepoint 2019 Flow-Through Limited Partnership completed the first closing of its initial public offering of 622,936 units at \$25 per unit for gross proceeds of \$15,573,400. On March 26, 2019, the Partnership completed the second closing of its initial public offering of 487,238 units at \$25 per unit for gross proceeds of \$12,180,950. On April 16, 2019, the Partnership completed the final closing of its initial public offering of 180,800 units at \$25 per unit for gross proceeds of \$4,520,000.

On October 3, 2019, Ninepoint 2019 Short Duration Flow-Through Limited Partnership completed the first closing of its initial public offering of 377,597 units at \$25 per unit for gross proceeds of \$9,439,925. On October 17, 2019, the Partnership completed the final closing of its initial public offering of 210,060 units at \$25 per unit for gross proceeds of \$5,251,500.

The Partnerships have retained Ninepoint Partners LP (the “Manager”) to provide investment, management, administrative and other services. The general partner of Ninepoint 2019 Flow-Through Limited Partnership and Ninepoint 2019 Short Duration Flow-Through Limited Partnership is Ninepoint 2019 Corporation (“General Partner”).

Ninepoint 2019 Flow-Through Limited Partnership and Ninepoint 2019 Short Duration Flow-Through Limited Partnership intend to implement a Mutual Fund Rollover Transaction prior to February 28, 2021, 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 Statement of Financial Position of each of the Partnerships are as at December 31, 2019. The Statement of Comprehensive Income (Loss), Statement of Changes in Net Assets Attributable to Partners and Statement of Cash Flows for each Partnership are for the period ended December 31, 2019. The Schedule of Investment Portfolio for each Partnership is as at December 31, 2019.

These financial statements were approved for issuance by the Manager on March 27, 2020.

## 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.

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 MEASUREMENT OF INVESTMENTS

The Partnerships classify and measure financial instruments in accordance with IFRS 9, *Financial Instruments* (“IFRS 9”). Based on the Partnerships’ business model for managing the financial assets and the contractual cash flow characteristics of these assets, it requires financial assets to be classified as amortized cost, fair value through profit or loss (“FVTPL”), or fair value through other comprehensive income (“FVOCI”).

The Partnerships’ investments, investments sold short and derivative assets and liabilities are classified as FVTPL and measured at fair value, with changes in fair value recorded in the Statement of Comprehensive Income (Loss).

# Generic Notes to Financial Statements December 31, 2019

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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 for transactions with partners. 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.
3. Bonds, debentures and other debt obligations are valued at the mean of bid/ask prices provided by recognized investment dealers. Unlisted bonds are valued using valuation techniques established by the Manager.

The difference between the fair value of investments and the 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.

All other financial assets and financial liabilities are classified at amortized cost. They are recognized at fair value upon initial recognition and subsequently measured at amortized cost. IFRS 9 requires that an entity recognize a loss allowance for expected credit losses on financial assets which are at amortized cost or FVOCI. The Partnerships consider both historical analysis and forward-looking information in determining any expected credit loss. The Partnerships' obligation for Net Assets attributable to partners is presented at the redemption amount.

## 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.

## 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 Statement of Comprehensive Income (Loss) 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 Statement 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.

# Generic Notes to Financial Statements December 31, 2019

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## STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Partnerships have determined there are no IFRS standards that are issued but not yet effective that could materially impact the Partnerships' financial statements.

## 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

In classifying and measuring financial instruments held by the Partnerships, the Manager is required to make significant judgments in determining the most appropriate classification in accordance with IFRS 9. The Manager has assessed the Partnerships' business models and concluded that FVTPL, in accordance with IFRS 9, provides the most appropriate classification of the Partnerships' financial instruments.

## 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.

# Generic Notes to Financial Statements December 31, 2019

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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 period ended December 31, 2019, 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 Schedules of Investment Portfolio presents the securities held by the Partnerships as at December 31, 2019, 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.

# Generic Notes to Financial Statements December 31, 2019

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## 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 loan 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 Schedules 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 Ninepoint 2019 Flow-Through Limited Partnership and Ninepoint 2019 Short Duration 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 Ninepoint 2019 Flow-Through Limited Partnership and Ninepoint 2019 Short Duration Flow-Through Limited Partnership ; (ii) 10% of the gross proceeds from the sale of partnerships units for each Ninepoint 2019 Flow-Through Limited Partnership and Ninepoint 2019 Short Duration 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, 2019, the Partnerships were not in breach of the covenants or they have been waived.

## 8. Allocation to the Partners

On the last day of each fiscal year, 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 and 0.01% of the net income or loss will be allocated to the General Partner.

# Generic Notes to Financial Statements December 31, 2019

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For Ninepoint 2019 Flow-Through Partnership, and Ninepoint 2019 Short Duration Flow-Through Limited Partnership, the General Partner will be entitled to a distribution of each Partnership's 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 Partnerships' 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, 2019.

## 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 – Partnership 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

Management has evaluated subsequent events for the Funds through to March 27, 2020, the date the financial statements were available to be issued, and has concluded that there were no subsequent events relevant for financial statement disclosure, except as discussed below.

### ECONOMIC CONDITIONS

In January 2020, the World Health Organization declared the coronavirus a global health emergency and declared it as a global pandemic on March 11, 2020. This has presented many uncertainties which have reflected in the subsequent stock market volatility.

Equity markets have reacted with the biggest decline experienced in more than a decade. In response, both the U.S. Federal Reserve and the Bank of Canada quickly reduced their key interest rates by 50 basis points. At this time, governments and businesses around the world are introducing significant new measures to contain and control the spread of the coronavirus. The full impact of these circumstances on global growth and businesses will not be fully understood until more time has passed.

The ultimate extent of the effect of this on the Funds is uncertain. As a result, the Manager has and will continually assess the performance of the portfolios and make investment decisions that are aligned with each of the Fund’s respective mandates and the best interest of its unitholders.

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