

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

PROSPECTUS

Initial Public Offering

April 26, 2021

NINEPOINT BITCOIN ETF

Managed by Ninepoint Partners LP



Ninepoint Bitcoin ETF (“Ninepoint Bitcoin ETF”) invests in the digital currency Bitcoin (as defined herein). Given the speculative nature of Bitcoin and the volatility of the Bitcoin markets, there is considerable risk that Ninepoint Bitcoin ETF will not be able to meet its investment objectives. An investment in Ninepoint Bitcoin ETF is not intended as a complete investment program and is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment. An investment in Ninepoint Bitcoin ETF is considered high risk.

This prospectus qualifies the distribution of units (“**Units**”) of Ninepoint Bitcoin ETF, an alternative mutual fund trust within the meaning of National Instrument 81-102 - *Investment Funds* (“**NI 81-102**”) created under the laws of the Province of Ontario. Ninepoint Bitcoin ETF was originally established as a closed-end investment trust (“**Bitcoin Trust**”) under the laws of Ontario. As approved by the unitholders at a special meeting held on April 19, 2021, Bitcoin Trust will change its name to “Ninepoint Bitcoin ETF”, and convert into an exchange-traded fund (the “**Conversion**”). Unless indicated otherwise, this prospectus describes the Units of Ninepoint Bitcoin ETF following the Conversion.

Ninepoint Bitcoin ETF has the ability to invest in asset classes and use investment strategies that are not permitted for conventional mutual funds. While these strategies will be used in accordance with Ninepoint Bitcoin ETF’s investment objective and strategies, during certain market conditions, they may accelerate the pace at which your investment decreases in value. Ninepoint Bitcoin ETF is subject to restrictions and practices contained in Canadian securities legislation applicable to alternative mutual funds, including NI 81-102, and is managed in accordance with these restrictions, except as otherwise permitted by exemptions provided by Canadian securities regulatory authorities. The Units are purchased and sold in Canadian dollars and U.S. dollars.

Ninepoint Partners LP (the “**Manager**”) is the trustee and manager of Ninepoint Bitcoin ETF and is responsible for providing certain general management and administrative services to Ninepoint Bitcoin ETF. See “*Organization and Management Details – The Trustee, Manager and Promoter*”.

Ninepoint Bitcoin ETF’s investment objectives are to seek to provide holders of Units (“**Unitholders**”) of Ninepoint Bitcoin ETF with exposure to digital currency Bitcoin (“**Bitcoin**”) through an institutional-quality platform that is cost-efficient to Unitholders and to provide a secure, simpler and exchange-traded investment alternative for buying and holding Bitcoin. See “*Investment Objectives*”.

Ninepoint Bitcoin ETF seeks to achieve its investment objectives by investing directly in Bitcoin while using high quality service providers, including digital asset trading counterparties, trading platforms and custodians, and independent auditors, legal and valuation agents, in order to manage the assets of Ninepoint Bitcoin ETF. By having

in-house expertise, the Manager offers a cost-efficient structure to Unitholders for ongoing management fees. See “*Investment Strategies*”.

As Ninepoint Bitcoin ETF invests in Bitcoin on a passive basis, Ninepoint Bitcoin ETF does not speculate with regard to changes in Bitcoin prices and sales of Bitcoin will generally only be undertaken by Ninepoint Bitcoin ETF as required in order to fund expenses and redemptions. In addition, Ninepoint Bitcoin ETF does not hedge any U.S. dollar currency exposure back to the Canadian dollar. Ninepoint Bitcoin ETF provides investors with the ability to invest in Bitcoin without the inconvenience and additional transaction and storage costs associated with a direct investment in Bitcoin. See “*Investment Strategies*”.

Ninepoint Bitcoin ETF purchases Bitcoin through established, regulated platforms as well as in the OTC market using regulated counterparties. See “*Investment Strategies*”.

The Manager believes an investment in Bitcoin provides investors exposure to a low-correlated asset class which complements traditional investment strategies.

Purchase and Listing of Units

The Units have been conditionally approved for listing on the Toronto Stock Exchange (the “**TSX**”). Subject to satisfying the TSX’s original listing requirements in respect of Ninepoint Bitcoin ETF, the Units will be listed on the TSX and offered on a continuous basis, and an investor will be able to buy or sell Units on the TSX through registered brokers and dealers in the province or territory where the investor resides. Investors will incur customary brokerage commissions in buying and selling the Units.

Additional Considerations

No Authorized Dealer (as defined herein) has been involved in the preparation of this prospectus or has performed any review of the contents of this prospectus. The Manager has made an application to the securities regulatory authorities for an exemption from the requirement to include a certificate of an underwriter in this prospectus. The Designated Broker (as defined herein) and Dealers (as defined herein) are not underwriters of Ninepoint Bitcoin ETF in connection with the distribution of Units under this prospectus.

The Units of Ninepoint Bitcoin ETF are highly speculative and involve a high degree of risk. You may lose a substantial portion or even all of the money you place in Ninepoint Bitcoin ETF. The risk of loss in buying, holding and selling Bitcoin can be substantial. In considering whether to invest in Ninepoint Bitcoin ETF, you should be aware that an investment in Bitcoin can quickly lead to large losses as well as gains. Such investment losses can sharply reduce the net asset value of Ninepoint Bitcoin ETF and consequently the value of your interest in Ninepoint Bitcoin ETF. Also, market conditions may make it difficult or impossible for Ninepoint Bitcoin ETF to liquidate a position.

For a discussion of the risks associated with an investment in Units of Ninepoint Bitcoin ETF, see “*Risk Factors*”.

In the opinion of KPMG LLP, tax advisor to Ninepoint Bitcoin ETF, provided that Ninepoint Bitcoin ETF qualifies as a mutual fund trust within the meaning of the *Income Tax Act* (Canada) (the “**Tax Act**”), or the Units of Ninepoint Bitcoin ETF are listed on a “designated stock exchange” within the meaning of the Tax Act, such Units will be qualified investments for trusts governed by Registered Plans (as defined herein).

Registration of interests in, and transfer of, the Units will be made only through CDS Clearing and Depository Services Inc. Beneficial owners will not have the right to receive physical certificates evidencing their ownership.

Additional information about Ninepoint Bitcoin ETF is or will be available in the most recently-filed annual financial statements, any interim financial statements filed after the most recent annual financial statements, the most recently-filed annual management report of fund performance (“**MRFP**”), any interim MRFP filed after the most recently-filed annual MRFP and the most recently-filed ETF Facts for Ninepoint Bitcoin ETF. These documents are or will be incorporated by reference into, and legally form an integral part of, this prospectus. See “*Documents Incorporated by Reference*”.

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GLOSSARY OF TERMS

Unless otherwise indicated, all references to dollar amounts in this prospectus are to Canadian dollars and all references to times in this prospectus are to Toronto time.

“**Administrator**” means the company appointed from time to time by the Manager to calculate the Net Asset Value of Ninepoint Bitcoin ETF and the Net Asset Value per Unit, currently CIBC Mellon Global Securities Services Company.

“**AML Regulation**” means statutes, regulations and other laws enacted by the government of the applicable jurisdiction aimed at the prevention and detection of money laundering and terrorist financing activities.

“**Bitcoin**” refers to the digital currency that is the native unit of account within the Bitcoin Network.

“**Bitcoin Network**” is the network of computers running the software protocol underlying Bitcoin, which maintains the database of Bitcoin ownership and facilitates the transfer of Bitcoin among parties.

“**Bitcoin Source**” means Coinbase and other Bitcoin trading platforms and OTC counterparties.

“**Bitcoin Trust**” means the closed-end investment fund managed by Ninepoint Partners LP that will convert into Ninepoint Bitcoin ETF pursuant to the Conversion.

“**Canadian securities legislation**” means the applicable securities legislation in force in each province and territory of Canada, all regulations, rules, orders and policies made thereunder and all multilateral and national instruments adopted by the securities regulatory authorities.

“**CDS**” means CDS Clearing and Depository Services Inc. and includes any successor corporation or any other depository subsequently appointed by Ninepoint Bitcoin ETF as the depository in respect of the Units.

“**CDS Participant**” means a broker, dealer, bank or other financial institution or other person for whom, from time to time, CDS effects book entries for the Units deposited with CDS.

“**Conversion**” or “**the Conversion**” means the conversion of Bitcoin Trust from a closed-end investment fund into an exchange-traded fund, Ninepoint Bitcoin ETF, approved at a special meeting of unitholders of Bitcoin Trust held on April 19, 2021.

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

“**CRS Rules**” has the meaning given to it under “*International Information Reporting*”.

“**Custodian**” means Cidel Trust Company or its successor, in its capacity as custodian under the Custodian Agreement.

“**Custodian Agreement**” means the custodian agreement dated January 12, 2021 between the Manager on behalf of Ninepoint Bitcoin ETF and the Custodian, as it may be amended from time to time.

“**Dealer**” means a registered dealer (that may or may not be the Designated Broker) that has entered into a Dealer Agreement with the Manager, on behalf of Ninepoint Bitcoin ETF, pursuant to which the Dealer may subscribe for Units of Ninepoint Bitcoin ETF as described under “*Purchases of Units – Issuance of Units To the Designated Broker and Dealers*”)

“**Dealer Agreement**” means an agreement between the Manager, on behalf of Ninepoint Bitcoin ETF, and a Dealer, as amended from time to time.

“**Declaration of Trust**” means the master declaration of trust to be dated on or about May 6, 2021, as it may be amended from time to time.

“**Designated Broker**” means a registered dealer that has entered into a Designated Broker Agreement with the Manager, on behalf of Ninepoint Bitcoin ETF pursuant to which the Designated Broker agrees to perform certain duties in relation to Ninepoint Bitcoin ETF.

“**Designated Broker Agreement**” means an agreement between the Manager, on behalf of Ninepoint Bitcoin ETF, and a Designated Broker, as amended from time to time.

“**ETF**” means an exchange traded fund.

“**Excise Tax Act**” means the *Excise Tax Act* (Canada), as now or hereafter amended, or successor statutes, and includes regulations promulgated thereunder.

“**Extraordinary Resolution**” means a resolution passed by the affirmative vote of at least two-thirds of the votes cast, either in person, virtually, or by proxy, at a meeting of Unitholders called for the purpose of considering such resolution.

“**FinCEN**” has the meaning given to it under “*Organization and Management Details of Ninepoint Bitcoin ETF – Sub-Custodian*”.

“**Fork Asset**” has the meaning given to it under “*Risk Factors – Bitcoin’s Blockchain May Temporarily or Permanently Fork and/or Split*”.

“**Gemini**” means Gemini Trust Company, LLC.

“**Gemini BSA/AML Program**” means the program adopted by Gemini for the purpose of compliance with the U.S. Bank Secrecy Act and U.S. AML Regulation, as described under “*Organization and Management Details for Ninepoint Bitcoin ETF – Sub Custodian*”.

“**HSMs**” has the meaning given to it under “*Organization and Management Details of Ninepoint Bitcoin ETF – Sub-Custodian –Bitcoin Storage, Security Policies and Practices*”.

“**HST**” means the harmonized sales tax imposed under the *Excise Tax Act* (Canada) that is applicable in certain provinces of Canada.

“**IFRS**” means International Financial Reporting Standards as published by the International Accounting Standards Board and adopted in Canada, as amended from time to time.

“**Index Licensing Agreement**” has the meaning given to it under “*Calculation of Net Asset Value – MVIS CryptoCompare Bitcoin Benchmark Rate Index*”.

“**IRC**” means the independent review committee of Ninepoint Bitcoin ETF.

“**KYC**” means identity verification and recordkeeping procedures under AML Regulation and applicable securities laws.

“**Management Fee**” has the meaning given to it under “*Fees and Expenses – Fees and Expenses Payable by Ninepoint Bitcoin ETF – Fees Payable to the Manager for Acting as Manager of Ninepoint Bitcoin ETF*”.

“**Management Fee Distributions**” has the meaning given to it under “*Fees and Expenses – Fees and Expenses Payable by Ninepoint Bitcoin ETF – Management Fees*”.

“**Manager**” means Ninepoint Partners LP, the trustee, manager and promoter of Ninepoint Bitcoin ETF, and, if applicable, its successor.

“**MER**” means management expense ratio.

“**MRF**” means management report of fund performance.

“**MVIBBR**” and “**the MVIBBR**” mean the MVIS CryptoCompare Bitcoin Benchmark Rate Index, described at <https://mvis-indices.com/indices/digital-assets/mvis-cryptocompare-bitcoin-benchmark-rate>.

“**MVIS**” means MV Index Solutions GmbH, an index provider based in Frankfurt, Germany regulated under the EU benchmark regulations.

“**NAV**” and “**NAV per Unit**” mean the net asset value of Ninepoint Bitcoin ETF and the net asset value per Unit of Ninepoint Bitcoin ETF, calculated by the Administrator as described under “*Calculation of Net Asset Value*”.

“**NI 81-102**” means National Instrument 81-102 – *Investment Funds*.

“**NI 81-107**” means National Instrument 81-107 – *Independent Review Committee for Investment Funds*.

“**Ordinary Resolution**” means a resolution passed by the affirmative vote of at least a majority of the votes cast, either in person, virtually, or by proxy, at a meeting of Unitholders called for the purpose of considering such resolution.

“**OTC**” means “over the counter”.

“**Permitted Merger**” has the meaning given to it under “*Unitholder Matters – Matters Requiring Unitholder Approval*”.

“**Prescribed Number of Units**” means the number of Units determined by the Manager from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes.

“**RDSPs**” means registered disability savings plans as defined in the Tax Act.

“**Redemption Fee**” has the meaning given to it under “*Fees and Expenses – Redemption Fee*”.

“**Registered Plan**” means an RRSP, RRIF, DPSP, RDSP, RESP and a TFSA.

“**Registrar and Transfer Agent**” means TSX Trust Company or, if applicable, its successor or any other registrar and transfer agent that may be appointed by the Manager from time to time.

“**RESPs**” means registered education savings plans as defined in the Tax Act.

“**RRIFs**” means registered retirement income funds as defined in the Tax Act.

“**RRSPs**” means registered retirement savings plans as defined in the Tax Act.

“**securities regulatory authorities**” means the securities commission or similar regulatory authority in each province and territory of Canada that is responsible for administering the Canadian securities legislation in force in such province or territory.

“**SEDAR**” means System for Electronic Document Analysis and Retrieval.

“**SIFT**” means a specified investment flow-through trust or partnership as defined in the Tax Act.

“**SIFT Rules**” means the provisions of the Tax Act, including those contained in sections 104, 122 and 122.1 of the Tax Act, which apply to the taxation of a “specified investment flow through trust” and its unitholders.

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

“**Sub-Custodian**” means Gemini or its successor, in its capacity as sub-custodian under the Sub-Custodian Agreement, and any additional sub-custodian appointed by the Custodian and Ninepoint Bitcoin ETF from time to time, if any.

“**Sub-Custodian Agreement**” has the meaning given to it under “*Organization and Management Details of Ninepoint Bitcoin ETF – Sub-Custodian*”.

“**substituted property**” has the meaning given to it under “*Canadian Federal Income Tax Considerations – Taxation of Ninepoint Bitcoin ETF*”.

“**Tax Act**” means the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended from time to time.

“**Tax Proposals**” means all specific proposals to amend the Tax Act or Excise Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof.

“**TER**” means trading expense ratio.

“**TFSAs**” means tax-free savings accounts as defined in the Tax Act.

“**Trading Day**” means a day on which: (i) a regular session of the TSX is held; and (ii) the primary market or exchange for the majority of the assets held by Ninepoint Bitcoin ETF is open for trading.

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

“**United States**” or “**U.S.**” means the United States of America.

“**Unit**” means a redeemable, transferable Unit of Ninepoint Bitcoin ETF, which represents an equal (with all Units of the same class), undivided interest in the net assets of Ninepoint Bitcoin ETF.

“**Unitholder**” means a holder of Units of Ninepoint Bitcoin ETF.

“**Valuation Date**” means each Trading Day and any other day designated by the Manager on which the NAV and NAV per Unit of Ninepoint Bitcoin ETF will be calculated. If Ninepoint Bitcoin ETF elects to have a December 15 year-end for tax purposes as permitted by the Tax Act, the NAV per Unit will be calculated on December 15.

PROSPECTUS SUMMARY

The following is a summary of the principal features of the Units of Ninepoint Bitcoin ETF and should be read together with the more detailed information and statements contained elsewhere in this prospectus or incorporated by reference in this prospectus.

Issuer: Ninepoint Bitcoin ETF (“**Ninepoint Bitcoin ETF**”) is an alternative mutual fund trust within the meaning of National Instrument 81-102 – *Investment Funds* (“**NI 81-102**”) created under the laws of the Province of Ontario. Ninepoint Bitcoin ETF was originally established as a closed-end investment trust (“**Bitcoin Trust**”) under the laws of Ontario. As approved by unitholders at a special meeting held on April 19, 2021, Bitcoin Trust will change its name to “Ninepoint Bitcoin ETF”, and convert into an exchange-traded fund (the “**Conversion**”). Unless indicated otherwise, this prospectus describes the Units of Ninepoint Bitcoin ETF following the Conversion.

While Ninepoint Bitcoin ETF is a mutual fund under the securities legislation of each of the Provinces and Territories of Canada, certain provisions of Canadian securities legislation applicable to conventional mutual funds do not apply to Ninepoint Bitcoin ETF because Ninepoint Bitcoin ETF is an “alternative mutual fund” within the meaning of NI 81-102. Ninepoint Bitcoin ETF is subject to restrictions and practices contained in Canadian securities legislation applicable to alternative mutual funds, including NI 81-102, and is managed in accordance with these restrictions, except as otherwise permitted by exemptions provided by Canadian securities regulatory authorities.

Ninepoint Partners LP is the trustee, manager and promoter of Ninepoint Bitcoin ETF. See “*Overview of the Legal Structure of Ninepoint Bitcoin ETF*”.

Offering: Ninepoint Bitcoin ETF is offering one class of units (the “**Units**” and each a “**Unit**”). The Units are purchased and sold in Canadian dollars and U.S. dollars.

Continuous Distribution: Units of Ninepoint Bitcoin ETF are being issued and sold on a continuous basis and there is no maximum number of Units that may be issued. Investors may incur customary brokerage commissions in buying or selling Units of Ninepoint Bitcoin ETF.

Ninepoint Bitcoin ETF issues Units directly to its Designated Broker (as defined herein) and Dealers (as defined herein). See “*Purchases of Units – Offerings and Continuous Distribution*” and “*Purchases of Units – Buying and Selling Units*”.

Investment Objectives: Ninepoint Bitcoin ETF’s investment objectives are to seek to provide holders of Units (“**Unitholders**”) of Ninepoint Bitcoin ETF with exposure to digital currency Bitcoin (“**Bitcoin**”) through an institutional-quality platform that is cost-efficient to Unitholders and to provide a secure, simpler and exchange-traded investment alternative for buying and holding Bitcoin. See “*Investment Objectives*”.

Investment Strategies: Ninepoint Bitcoin ETF seeks to achieve its investment objectives by investing directly in Bitcoin while using high quality service providers, including digital asset trading counterparties, trading platforms and custodians, and independent auditors, legal and valuation agents, in order to manage the assets of Ninepoint Bitcoin ETF. By having in-house expertise, the Manager offers a cost-efficient structure to Unitholders for ongoing management fees.

Ninepoint Bitcoin ETF’s Bitcoin is valued based on the MVIS CryptoCompare Bitcoin Benchmark Rate Index (“**MVIBBR**”) maintained by MV Index Solutions GmbH (“**MVIS**”), or a successor or alternative institutional-quality index. MVIS is a wholly-owned subsidiary of Van Eck Associates Corporation, a large, long-standing, and well-regarded financial services firm.

As Ninepoint Bitcoin ETF invests in Bitcoin on a passive basis, Ninepoint Bitcoin ETF does not speculate with regard to changes in Bitcoin prices and sales of Bitcoin will generally only

be undertaken by Ninepoint Bitcoin ETF as required in order to fund expenses and redemptions. In addition, Ninepoint Bitcoin ETF does not hedge any U.S. dollar currency exposure back to the Canadian dollar. Ninepoint Bitcoin ETF provides investors with the ability to invest in Bitcoin without the inconvenience and additional transaction and storage costs associated with a direct investment in Bitcoin.

Ninepoint Bitcoin ETF purchases Bitcoin through established, regulated platforms as well as in the OTC market using regulated counterparties. The Manager has undertaken and will undertake due diligence to ensure that all counterparties and vendors adhere to know your customer and anti-money laundering rules and requirements. See *“Overview of the Sector Ninepoint Bitcoin ETF Invests In”*.

Generally, Ninepoint Bitcoin ETF does not intend to borrow money or employ other forms of leverage to acquire Bitcoin for its portfolio. Ninepoint Bitcoin ETF may however borrow money on a temporary short term basis to acquire Bitcoin in connection with a subscription for Units by a Dealer. Any borrowing by Ninepoint Bitcoin ETF will be made in accordance with the borrowing restrictions applicable to an alternative mutual fund under NI 81-102.

See *“Investment Strategies”*.

Special Considerations for Purchasers:

The provisions of the so-called “early warning” requirements set out in Canadian securities legislation do not apply in connection with the acquisition of Units. In addition, Ninepoint Bitcoin ETF has received exemptive relief from the securities regulatory authorities to permit Unitholders to acquire more than 20% of the Units of Ninepoint Bitcoin ETF through purchases on a stock exchange without regard to the take-over bid requirements of Canadian securities legislation, provided that any such Unitholder, and any person acting jointly or in concert with the Unitholder, undertakes to the Manager not to vote more than 20% of the Units of Ninepoint Bitcoin ETF at any meeting of Unitholders.

Distributions:

Ninepoint Bitcoin ETF does not intend to pay distributions to Unitholders.

On an annual basis, Ninepoint Bitcoin ETF will ensure that its income and net realized capital gains, if any, have been distributed to Unitholders to such an extent that Ninepoint Bitcoin ETF will not be liable for ordinary income tax thereon. To the extent that Ninepoint Bitcoin ETF has not distributed the full amount of its net income or capital gains in any year, the difference between such amount and the amount actually distributed by Ninepoint Bitcoin ETF will be paid as a “reinvested distribution”. Reinvested distributions by Ninepoint Bitcoin ETF, net of any required withholding taxes, will be reinvested automatically in additional Units at a price equal to the NAV per Unit and the Units will be immediately consolidated such that the number of outstanding Units following the distribution will equal the number of Units outstanding prior to the distribution.

In addition to the distributions described above, Ninepoint Bitcoin ETF may from time to time pay additional distributions on its Units, including without restriction in connection with a special distribution or in connection with returns of capital.

See *“Distribution Policy”*.

Exchanges and Redemptions:

Unitholders may redeem Units for cash, subject to a redemption discount. Unitholders may also exchange a Prescribed Number of Units (or integral multiple thereof) for cash. See *“Redemption and Exchange of Units”*.

Termination:

Ninepoint Bitcoin ETF does not have a fixed termination date but may be terminated by the Manager upon not less than 60 days’ written notice to Unitholders. See *“Termination of Ninepoint Bitcoin ETF”*.

Documents Incorporated by Reference:

Additional information about Ninepoint Bitcoin ETF is or will be available in the most recently-filed annual financial statements, any interim financial statements filed after the most recent annual financial statements, the most recently-filed annual MRFP, any interim MRFP filed after the most recently-filed annual MRFP and the most recently-filed ETF Facts for

Ninepoint Bitcoin ETF. These documents are or will be incorporated by reference into, and legally form an integral part of, this prospectus. These documents are or will be publicly available on Ninepoint Bitcoin ETF's website at www.ninepoint.com and may be obtained upon request, at no cost, by calling (416) 943-6707 or by contacting a registered dealer. These documents and other information about Ninepoint Bitcoin ETF are or will be publicly available at www.sedar.com. See "*Documents Incorporated by Reference*".

Risk Factors: There are certain risks inherent in an investment in Ninepoint Bitcoin ETF, including:

Risk Factors Relating to an Investment in Ninepoint Bitcoin ETF

- (a) No Assurance in Achieving Investment Objectives
- (b) Loss of Investment
- (c) Fluctuations in Value of Bitcoin
- (d) Concentration Risk
- (e) Risks Related to Passive Investments
- (f) Reliance on the Manager and the Sub-Custodian
- (g) Trading Price of Units
- (h) No Ownership Interest in the Portfolio
- (i) Changes in Legislation
- (j) Conflicts of Interest
- (k) Valuation of Ninepoint Bitcoin ETF
- (l) Manager, Custodian and Sub-Custodian Standard of Care
- (m) SOC 2 Type 2 Report of the Sub-Custodian
- (n) Potential Conflicts of Interest
- (o) Limited Operating History
- (p) Not a Trust Company
- (q) U.S. Currency Exposure
- (r) Cyber Security Risk
- (s) Tax Risk
- (t) COVID-19 Outbreak
- (u) Multi-Class Structure Risk

The following are certain considerations relating to an investment in Units of Ninepoint Bitcoin ETF which prospective investors should consider before purchasing such securities.

Risks Associated with Investing in Bitcoin

- (a) Cryptocurrency Risk
- (b) Short History Risk
- (c) Limited History of the Bitcoin Market
- (d) Volatility in the Price of Bitcoin
- (e) Potential Decrease in Global Demand for Bitcoin
- (f) Financial Institutions May Refuse to Support Transactions Involving Bitcoin
- (g) Insurance Risk

- (h) Residency of the Sub-Custodian
- (i) Liability of Unitholders
- (j) Underlying Value Risk
- (k) Top Bitcoin Holders Control a Significant Percentage of the Outstanding Bitcoin
- (l) Regulation of Bitcoin
- (m) Loss of “Private Keys”
- (n) Ninepoint Bitcoin ETF’s Holdings May Become Illiquid
- (o) Improper Transfers
- (p) Uncertain Regulatory Framework

Risks Associated with the Bitcoin Network

- (a) Dependence on Bitcoin Developers
- (b) Issues with the Cryptography Underlying the Bitcoin Network
- (c) Disputes on the Development of the Bitcoin Network may Lead to Delays in the Development of the Network
- (d) Significant Increase in Bitcoin Interest Could Affect the Ability of the Bitcoin Network to Accommodate Demand
- (e) Bitcoin’s Blockchain may Temporarily or Permanently Fork and/or Split
- (f) Dependence on the Internet
- (g) Risk if Entity Gains a 51% Share of the Bitcoin Network
- (h) Concentration of Transaction Confirmation Processing Power in China
- (i) Possible Increase in Transaction Fees
- (j) Attacks on the Bitcoin Network
- (k) Decrease in Block Reward
- (l) Competitors to Bitcoin
- (m) Significant Energy Consumption to run the Bitcoin Network

Risks Associated with Bitcoin Trading Platforms

- (a) Regulation of Bitcoin Trading Platforms
- (b) Limited Operating History of Bitcoin Trading Platforms
- (c) Hacking of Bitcoin Trading Platforms May Have a Negative Impact on Perception of the Security of the Bitcoin Network
- (d) Different Prices of Bitcoin on the Bitcoin Trading Platforms May Adversely Affect the NAV of the Units
- (e) Closure of Bitcoin Trading Platform(s)
- (f) Liquidity Constraints on Bitcoin Markets may Impact Ninepoint Bitcoin ETF’s Holdings
- (g) Risk of Manipulation on Bitcoin Trading Platforms
- (h) Settlement of Transactions on the Bitcoin Network

**Canadian
Federal Income**

This summary of Canadian federal income tax considerations for Ninepoint Bitcoin ETF and for Canadian resident Unitholders is subject in its entirety to the qualifications, limitations and assumptions set out under “*Canadian Federal Income Tax Considerations*”.

**Tax
Considerations:**

A Unitholder who is an individual (other than a trust) resident in Canada and who holds Units as capital property (all within the meaning of the Tax Act) will generally be required to include in the Unitholder's income for tax purposes for any year the amount of net income and net taxable capital gains of Ninepoint Bitcoin ETF paid or payable to the Unitholder (including any reinvested distributions) in the year and deducted by Ninepoint Bitcoin ETF in computing its income. Any non-taxable distributions from Ninepoint Bitcoin ETF (other than the non-taxable portion of any net realized capital gains of Ninepoint Bitcoin ETF) paid or payable to a Unitholder in a taxation year, such as a return of capital, will reduce the adjusted cost base of the Unitholder's Units of Ninepoint Bitcoin ETF. To the extent that a Unitholder's adjusted cost base would otherwise be a negative amount, the negative amount will be deemed to be a capital gain realized by the Unitholder and the adjusted cost base of the Unit to the Unitholder will be nil immediately thereafter. Any loss of Ninepoint Bitcoin ETF cannot be allocated to, and cannot be treated as a loss of, the Unitholders of Ninepoint Bitcoin ETF. Upon the actual or deemed disposition of a Unit, including the exchange or redemption of a Unit, a capital gain (or a capital loss) will generally be realized by the Unitholder to the extent that the proceeds of disposition of the Unit exceeds (or is less than) the aggregate of the adjusted cost base to the Unitholder of the Unit and any reasonable costs of disposition.

The Declaration of Trust requires that Ninepoint Bitcoin ETF distribute its net income and net realized capital gains, if any, for each taxation year to Unitholders to such an extent that Ninepoint Bitcoin ETF will not be liable in respect of the taxation year for ordinary income tax.

Each investor should satisfy himself or herself as to the tax consequences of an investment in Units by obtaining advice from his or her own tax advisor. See "*Canadian Federal Income Tax Considerations*".

**Taxation of
Registered
Plans:**

In the opinion of KPMG LLP, tax advisor to Ninepoint Bitcoin ETF, provided that Ninepoint Bitcoin ETF qualifies as a "mutual fund trust" within the meaning of the Tax Act, or the Units of Ninepoint Bitcoin ETF are listed on a "designated stock exchange" within the meaning of the Tax Act, such Units will be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered disability savings plans, registered education savings plans and tax-free savings accounts (collectively, "**Registered Plans**"). Holders of tax-free savings accounts and registered disability savings plans, annuitants under registered retirement savings plans and registered retirement income funds, and subscribers under registered education savings plans should consult their own tax advisors to ensure Units would not be a "prohibited investment" for the purposes of the Tax Act in their particular circumstances. See "*Canadian Federal Income Tax Considerations – Status of Ninepoint Bitcoin ETF*".

Organization and Management Details

Manager: Ninepoint Partners LP acts as trustee, manager and promoter of Ninepoint Bitcoin ETF. The principal office of the Manager is located at Royal Bank Plaza, South Tower, 200 Bay Street, Suite 2700, P.O. Box 27, Toronto, Ontario, M5J 2J1. See "*Organization and Management Details of Ninepoint Bitcoin ETF – Trustee, Manager and Promoter of Ninepoint Bitcoin ETF*".

Promoter: The Manager may be considered a promoter of Ninepoint Bitcoin ETF within the meaning of applicable securities legislation by reason of its initiative in organizing Ninepoint Bitcoin ETF. See "*Organization and Management Details of Ninepoint Bitcoin ETF – Trustee, Manager and Promoter of Ninepoint Bitcoin ETF*".

- Auditor:** The independent auditor of Ninepoint Bitcoin ETF is KPMG LLP, Chartered Professional Accountants, Licensed Public Accountants, Toronto, Ontario. See “*Organization and Management Details of Ninepoint Bitcoin ETF – Auditor*”.
- Custodian:** Cidel Trust Company (the “**Custodian**”) acts as the custodian of the assets of Ninepoint Bitcoin ETF pursuant to a custodian agreement dated January 12, 2021, as it may be amended from time to time. The Custodian is a federally regulated trust company based in Calgary, Alberta and provides services to Ninepoint Bitcoin ETF from its office in Toronto, Ontario. The Custodian is a wholly-owned subsidiary of Cidel Bank Canada, a Schedule II Bank regulated by the Office of the Superintendent of Financial Institutions. The Custodian may appoint one or more sub-custodians from time to time with the consent of Ninepoint Bitcoin ETF in accordance with NI 81-102. See “*Organization and Management Details of Ninepoint Bitcoin ETF – Custodian*”.
- Sub-Custodian:** Gemini Trust Company, LLC (“**Gemini**” or the “**Sub-Custodian**”) acts as sub-custodian of Ninepoint Bitcoin ETF in respect of Ninepoint Bitcoin ETF’s holdings of Bitcoin pursuant to a sub-custodian agreement between the Custodian, Ninepoint Bitcoin ETF, and the Sub-Custodian dated January 12, 2021, as it may be amended from time to time. Gemini is a trust company licensed by the New York State Department of Financial Services and is qualified to act as a sub-custodian of Ninepoint Bitcoin ETF for assets held outside of Canada in accordance with National Instrument 81-102. See “*Organization and Management Details of Ninepoint Bitcoin ETF – Sub-Custodian*”.
- Registrar and Transfer Agent:** TSX Trust Company (the “**Registrar and Transfer Agent**”), at its principal offices in Toronto, is the registrar and transfer agent for the Units pursuant to a registrar and transfer agency agreement dated January 19, 2021, as it may be amended from time to time. The Registrar and Transfer Agent is located in Toronto, Ontario. See “*Organization and Management Details of Ninepoint Bitcoin ETF – Registrar and Transfer Agent*”.
- Administrator:** CIBC Mellon Global Securities Services Company (the “**Administrator**”), at its principal offices in Toronto, has been appointed the administrator of Ninepoint Bitcoin ETF and is responsible for calculating the Net Asset Value and Net Asset Value per Unit of Ninepoint Bitcoin ETF as described under “*Calculation of Net Asset Value*”.

SUMMARY OF FEES AND EXPENSES

The following table contains a summary of the fees and expenses payable by Ninepoint Bitcoin ETF which will therefore reduce the value of a Unitholder’s investment in Ninepoint Bitcoin ETF. All fees are subject to current and future taxes. For further particulars, see “Fees and Expenses”.

Fees and Expenses Payable by Ninepoint Bitcoin ETF

- Management Fees:** Ninepoint Bitcoin ETF will pay an annual management fee (the “**Management Fee**”) to the Manager for acting as trustee and manager of Ninepoint Bitcoin ETF equal to 0.70% of the NAV of Ninepoint Bitcoin ETF, calculated daily and payable monthly in arrears, plus applicable taxes.

The Manager may, at its discretion, agree to charge a reduced Management Fee for some Unitholders as compared to the Management Fee that the Manager would otherwise be entitled to receive from Ninepoint Bitcoin ETF, provided that the difference between the fee otherwise chargeable and the reduced fee is distributed periodically by Ninepoint Bitcoin ETF to the applicable Unitholders as a management fee distribution (the “**Management Fee Distributions**”). Any reduction will depend on a number of factors, including the amount invested, the NAV of Ninepoint Bitcoin ETF and the expected amount of account activity. Management Fee Distributions will be paid first out of net income of Ninepoint Bitcoin ETF then out of capital gains of Ninepoint Bitcoin ETF and thereafter out of capital. See “*Fees and Expenses – Management Fees*”.

Operating Expenses:

In addition to the Management Fee, Ninepoint Bitcoin ETF will pay for all ordinary expenses incurred in connection with its operation and administration. Unless otherwise waived or reimbursed by the Manager, and subject to compliance with National Instrument 81-102 – *Investment Funds* (“**NI 81-102**”), it is expected that the expenses for Ninepoint Bitcoin ETF will include, as applicable, without limitation: all costs and expenses associated with the execution of transactions in respect of Ninepoint Bitcoin ETF’s investment in Bitcoin; audit fees; fees payable to third-party service providers; trustee and custodial expenses including fees payable to the custodian and sub-custodian; valuation, accounting and record keeping costs; legal expenses; prospectus preparation and filing expenses; costs associated with delivering documents to Unitholders of Ninepoint Bitcoin ETF; listing fees and expenses and other administrative expenses and costs incurred in connection with the continuous public filing requirements; costs and expenses of preparing financial and other reports, costs and expenses arising as a result of complying with all applicable laws, regulations and policies; depositary fees; bank related fees and interest charges; extraordinary expenses; reports to Unitholders of Ninepoint Bitcoin ETF and servicing costs; registrar and transfer agent fees; fees and expenses of the members of the Independent Review Committee (the “**IRC**”); expenses related to compliance with National Instrument NI 81-107 – *Independent Review Committee for Investment Funds* (“**NI 81-107**”); fees and expenses relating to the voting of proxies by a third party; premiums for directors’ and officers’ insurance coverage for the members of the IRC; income taxes; all applicable sales taxes; brokerage expenses and commissions; and withholding taxes. Such expenses will also include expenses of any action, suit or other proceedings in which or in relation to which the Manager, the Custodian, the Sub-Custodian, the IRC and/or any of their respective officers, directors, employees, consultants or agents is entitled to indemnity by Ninepoint Bitcoin ETF.

See “*Fees and Expenses – Operating Expenses*” and “*Organization and Management Details – The Trustee, Manager and Promoter – Fees and Expenses Payable Directly by the Unitholders*”.

Redemption Fee:

An amount as may be agreed to between the Manager and the Designated Broker or a Dealer of Ninepoint Bitcoin ETF may be charged by the Manager at its discretion, on behalf of Ninepoint Bitcoin ETF, to the Designated Broker and/or Dealers to offset certain transaction costs including brokerage expenses, commissions and other costs and expenses associated with the issue and redemption of Units of Ninepoint Bitcoin ETF to or by such Designated Broker and/or Dealer (the “**Redemption Fee**”). The Manager will publish the current Redemption Fee, if any, on its website, www.ninepoint.com. This fee does not apply to Unitholders who buy and sell their Units through the facilities of the TSX.

See “*Fees and Expenses – Redemption Fee*”.

Annual Returns, Management Expense Ratio and Trading Expense Ratio:

The annual returns, management expense ratio and trading expense ratio of Ninepoint Bitcoin ETF are not yet available because Ninepoint Bitcoin ETF is new. See “*Overview of the Legal Structure of Ninepoint Bitcoin ETF*” and the descriptions of Bitcoin Trust and the Conversion therein.

OVERVIEW OF THE LEGAL STRUCTURE OF NINEPOINT BITCOIN ETF

Ninepoint Bitcoin ETF (“**Ninepoint Bitcoin ETF**”) is an alternative mutual fund within the meaning of National Instrument 81-101 - *Investment Funds* (“**NI 81-102**”) established as a trust under the laws of the Province of Ontario, pursuant to the Declaration of Trust. Ninepoint Bitcoin ETF was originally established as a closed-end investment trust (“**Bitcoin Trust**”) under the laws of Ontario. As approved by unitholders at a special meeting held on April 19, 2021, Bitcoin Trust will change its name to “Ninepoint Bitcoin ETF”, and convert into an exchange-traded fund (the “**Conversion**”).

While Ninepoint Bitcoin ETF is a mutual fund under the securities legislation of certain provinces and territories of Canada, certain provisions of Canadian securities legislation applicable to conventional mutual funds do not apply to Ninepoint Bitcoin ETF because Ninepoint Bitcoin ETF is an “alternative mutual fund” within the meaning of NI 81-102. Ninepoint Bitcoin ETF is subject to restrictions and practices contained in Canadian securities legislation applicable to alternative mutual funds, including NI 81-102, and is managed in accordance with these restrictions, except as otherwise permitted by exemptions provided by Canadian securities regulatory authorities.

Ninepoint Bitcoin ETF is offering one class of units (the “**Units**” and each a “**Unit**”). The Units are purchased and sold in Canadian dollars and U.S. dollars.

The head and registered office of Ninepoint Bitcoin ETF and the Manager is located at Royal Bank Plaza, South Tower, 200 Bay Street, Suite 2700, P.O. Box 27, Toronto, Ontario, M5J 2J1.

The following table sets out the full legal name as well as the ticker symbol for Ninepoint Bitcoin ETF:

Legal Name of Ninepoint Bitcoin ETF	Currency	Ticker Symbol (Before Conversion)	Ticker Symbol (After Conversion)
Ninepoint Bitcoin ETF	US\$	BITC.U	BITC.U
Ninepoint Bitcoin ETF	CAD\$	BITC.UN	BITC

INVESTMENT OBJECTIVES

Ninepoint Bitcoin ETF’s investment objectives are to seek to provide holders of Units (“**Unitholders**”) of Ninepoint Bitcoin ETF with exposure to digital currency bitcoin (“**Bitcoin**”) through an institutional-quality platform that is cost-efficient to Unitholders and to provide a secure, simpler and exchange-traded investment alternative for buying and holding Bitcoin.

INVESTMENT STRATEGIES

Ninepoint Bitcoin ETF seeks to achieve its investment objectives by investing directly in Bitcoin while using high quality service providers, including digital asset trading counterparties, trading platforms and custodians, and independent auditors, legal and valuation agents, in order to manage the assets of Ninepoint Bitcoin ETF. By having in-house expertise, the Manager offers a cost-efficient structure to Unitholders for ongoing management fees.

Ninepoint Bitcoin ETF’s Bitcoin is valued based on the MVIS CryptoCompare Bitcoin Benchmark Rate Index (“**MVIBBR**”) maintained by MV Index Solutions GmbH (“**MVIS**”), or a successor or alternative institutional-quality index. MVIS is a wholly-owned subsidiary of Van Eck Associates Corporation, a large, long-standing, and well-regarded financial services firm.

As Ninepoint Bitcoin ETF invests in Bitcoin on a passive basis, Ninepoint Bitcoin ETF does not speculate with regard to changes in Bitcoin prices and sales of Bitcoin will generally only be undertaken by Ninepoint Bitcoin ETF as required in order to fund expenses and redemptions. In addition, Ninepoint Bitcoin ETF does not hedge any U.S. dollar currency exposure back to the Canadian dollar. Ninepoint Bitcoin ETF provides investors with the ability

to invest in Bitcoin without the inconvenience and additional transaction and storage costs associated with a direct investment in Bitcoin.

Ninepoint Bitcoin ETF purchases Bitcoin through established, regulated platforms as well as in the OTC market using regulated counterparties. The Manager has undertaken and will undertake due diligence to ensure that all counterparties and vendors adhere to know your customer and anti-money laundering rules and requirements.

Generally, Ninepoint Bitcoin ETF does not intend to borrow money or employ other forms of leverage to acquire Bitcoin for its portfolio. Ninepoint Bitcoin ETF may however borrow money on a temporary short term basis to acquire Bitcoin in connection with a subscription for Units by a Dealer. Any borrowing by Ninepoint Bitcoin ETF will be made in accordance with the borrowing restrictions applicable to an alternative mutual fund under NI 81-102.

OVERVIEW OF THE SECTOR IN WHICH NINEPOINT BITCOIN ETF INVESTS

Ninepoint Bitcoin ETF invests substantially all of its assets in Bitcoin. Bitcoin is a digital currency that facilitates peer to peer payments without the need for an intermediary, like a bank. Bitcoin is not issued by a government, central bank or other central authority, rather Bitcoin works by employing an open source, decentralized, cryptographic Peer-to-Peer network, known as the Bitcoin Network. Transactions on the Bitcoin Network are recorded to the Bitcoin blockchain, an immutable, trustworthy and secure ledger that serves as the official record of transactions. The Manager believes that: (i) Bitcoin is provably scarce: the current supply of Bitcoin is known, and the total supply is capped at a pre-defined 21 million Bitcoins; (ii) Bitcoin is permissionless: users do not need permission from a third party to access it; and (iii) Bitcoin is trustworthy: the immutable Bitcoin blockchain is secured by a vast and decentralized network of computers incentivized to keep it secure.

In order to access the Bitcoin Network, users must have a Bitcoin wallet. A Bitcoin wallet is an open source software program that generates a public key or collection of public keys that function, in effect, like a user's account number. To move Bitcoin out of a wallet requires a private key, which when paired with the public key, gives the user the ability to unlock the Bitcoin and move or spend it. This process of combining the private and public key pair is known as "signing" a transaction. However, while a public key can be derived from its corresponding private key pair, a public key cannot be used to discover the private key. In this sense, a private key is akin to a very strong password. If a user loses the private key, they cannot access the Bitcoin held in the wallet until the private key is recovered. There are two main kinds of wallets: hot wallets and cold storage. A hot wallet is connected to the internet. Being connected to the internet makes it generally more convenient to use but can expose the user to risks. Cold storage is generally more secure, however because the wallet is offline, a user can not trade Bitcoin until the wallet is connected to the internet again.

Bitcoin users who have established a Bitcoin wallet can freely enter into a transaction using the process described above. Transactions are batched together approximately every ten minutes into a "block" with other transactions on the network, where they are recorded, time-stamped and added to a "chain" of blocks containing transaction records going all the way back to the beginning of the Bitcoin Network, hence the term "blockchain."

The Bitcoin Network is comprised of thousands of computers, called 'nodes' which synchronize and maintain the blockchain across the world. Certain nodes on the network are called miners, who provide the hardware that helps secure the network. Miners buy specialized hardware, called ASICs (application specific integrated circuits) to conduct computations, also known as "proof of work," to ensure that only verified blocks get added to the blockchain, and prevent fraudulent blocks from being entered. The miners who solve the proof of work first are rewarded with new Bitcoin, known as the block reward. Transactions on the Bitcoin Network only get recorded into the Bitcoin blockchain if the majority of miners accept the block as being valid. This process helps to ensure the security of the network. Moreover, once a block is added, any third party can independently verify the transaction by looking at the blockchain, which is public and transparent. This market-based competition creates a financial incentive to secure the Bitcoin Network.

Additionally, each new block added to the blockchain contains a reference to the preceding block, which acts as an additional confirmation of a transaction recorded in an earlier block. Thus, with every new block that gets added, it becomes much harder to change or erase the entry in an earlier block, because doing so would require rewriting the

entire history of commerce on the blockchain, which would require the overwhelming computing force to take over 51% of the network.

Proof of work not only secures the Bitcoin Network, but also adds to the supply of Bitcoin outstanding, as every newly mined block creates new Bitcoin. Like gold, Bitcoin's rate of inflation is gradual. Like gold, Bitcoin takes energy and effort to produce. Moreover, just as new gold is harder to come by as humans extract the easy-to-reach gold from Earth, so too is new Bitcoin: approximately every four years, the block reward is cut in half, so that by 2140 all the Bitcoin that will ever exist will have been mined. The total final supply will equal 21 million Bitcoin, of which approximately 18.6 million already exists.¹ This is very different from traditional government issued currencies which can be created by government fiat, with no theoretical limit to their supply, and are not backed by anything intrinsic such as gold, making them prone to inflation and devaluation.² By contrast Bitcoin is deflationary meaning its supply is pre-programmed to have a periodically declining rate of growth until the limit of 21 million Bitcoin is finally reached.

Over a thirty-day period in February and March of 2021, the Bitcoin Network facilitated an average transaction volume of 129,000 Bitcoin per day, or approximately \$8.41 billion equivalent based on the thirty-day average price.³

In summary, the Manager believes that the core properties of Bitcoin are:

Scarcity and Store of Value – Bitcoin is provably scarce, with a finite supply and a declining rate of inflation. There are currently approximately 18.6 million Bitcoin today and will only ever be 21 million Bitcoin. The rate of supply growth will continue to decline at regular intervals. This is different from government or “fiat” currencies which have no supply constraints.

Permissionless Payment Network – Bitcoin functions as a peer-to-peer payment network that enables rapid, frictionless, immutable and global online payments between parties without the need for a trusted central party, such as a bank or other financial institution. This can lower transaction fees for users and merchants and increase speed and efficiency in the financial system.

Immutable and Trustworthy – The Bitcoin blockchain is an immutable and trusted record of every transaction in the Bitcoin Network dating back to the first transaction in 2009. The architecture of the blockchain makes it very difficult to rewrite the history of transactions or send the same Bitcoin twice.

Decentralization – The Bitcoin Network is global and decentralized. There are over 10,000 nodes connected to the Bitcoin Network in 96 countries and a user base that is global in nature. Bitcoin does not have a centralized form of governance, management or oversight.

Ninepoint Bitcoin ETF Benefits

The Manager believes that Unitholders of Ninepoint Bitcoin ETF will receive the following benefits:

Convenient Way to Own Bitcoin – Ninepoint Bitcoin ETF provides investors a convenient way to obtain exposure to Bitcoin by providing an opportunity to purchase a listed Unit on a recognized global stock exchange, the TSX.

Liquidity – Many cryptocurrency platforms have withdrawal limits. Investors in Ninepoint Bitcoin ETF will only be limited by how much liquidity exists in the market for Units of Ninepoint Bitcoin ETF.

¹ See Blockchain (Website), *Total Circulating Bitcoin*, online: <<https://www.blockchain.com/charts/total-bitcoins>>.

² See Cato Institute, *Working Paper: World Hyperinflations* (August 15, 2013), online: <https://www.cato.org/sites/cato.org/files/pubs/pdf/workingpaper-8_1.pdf>.

³ See Blockchain (Website), *Estimated Transaction Volume*, online: <<https://www.blockchain.com/charts/estimated-transaction-volume>>.

Lower Fees and Transaction Costs – Relative to buying Bitcoin and holding it on a cryptocurrency platform or buying Bitcoin on a cryptocurrency platform and self-custodying, the Manager believes that Ninepoint Bitcoin ETF offers lower fees and have lower overall transaction costs. The Manager also believes that Ninepoint Bitcoin ETF has the lowest management fee structure for a listed Bitcoin vehicle in Canada.

Low Tracking Error and Reduced Bid/Ask Spread – Market makers for ETFs are able to price their bids and asks for ETF units tightly around their estimate of NAV. This is beneficial to investors because a smaller bid/ask spread is expected to result in a lower effective cost to buy or sell Ninepoint Bitcoin ETF units.

Experienced Manager with Track Record in Alternative Assets – The Manager has a long and successful track record of launching ETF products that provide investors with exposure to novel or emerging asset classes. The Manager believes its operations and compliance expertise in managing physical bullion businesses, including a sales team of 28 people, is key to Ninepoint Bitcoin ETF and to the Manager building an international digital asset management business.

Knowledge and Expertise About Bitcoin – The Manager has differentiating expertise in this asset class.

Eligibility for Registered Accounts – Units of Ninepoint Bitcoin ETF will be eligible for registered accounts in Canada whereas the CRA guidance is not definitive on owning Bitcoin on its own in a registered account.

Access to Trading Venues – Due to the expertise and relationships of its principals, the Manager has access to many large, regulated trading venues and can access large pools of liquidity.

Best-in-Class Custody Counterparties – Cidel Trust Company and Gemini.

Bitcoin: Growing Acceptance as a Digital Alternative to Gold

Like gold, Bitcoin is a scarce asset with a limited supply that takes energy and time to produce and is thus viewed increasingly by investors as an attractive and “digital” alternative to gold. This is especially true given the macroeconomic backdrop of a low-rate environment and high levels of monetary and fiscal intervention into the economy. Like gold, Bitcoin does not generate any cash flow however in a low rate environment, the opportunity cost of not owning a so-called risk-free asset declines significantly thus making assets like Bitcoin and gold more attractive. However, unlike gold, Bitcoin is easily transferable at a low cost, has low storage costs and is impossible to forge. Moreover, whereas the known use cases for gold are limited, Bitcoin is an open-source protocol with a lively ecosystem of developers, companies and users which are adding to its utility. This investment thesis, that Bitcoin is a form of “digital gold” is becoming increasingly widely accepted by large financial institutions.

Security of the Bitcoin Network

One of the most important measures for the security of the Bitcoin Network is the “hash rate”. As described above, miners solve these difficult computational challenges (solving the “hash”) in order to secure the network and earn newly minted Bitcoin. The hash-rate is the easiest way to measure the processing power of all the miners working to secure the network. Since inception, the total hash rate has steadily increased. However, it is not static. It can be adjusted up or down as unprofitable miners disconnect from the Bitcoin Network. All things being equal, having fewer miners connected to the network lowers the difficulty level, which incentivizes sidelined miners to enter the market again. This equilibrium of market forces ensures that the Bitcoin Network has a high enough hash rate and difficulty rating to keep it secure.

Hash rate is measured in hashes per second, or computations per second. The thirty-day moving average hash rate is 134 million tera hash per second. A tera hash is 1,000,000,000,000 (1 trillion) hashes per second.⁴

Another important metric is the number of nodes connected to the network. A node is a computer connected into the Bitcoin Network. A “full node” is a computer connected to the Bitcoin Network which hosts and synchronizes

⁴ See Blockchain (Website), *Hash Rate*, online: <https://www.blockchain.com/charts/hash-rate>.

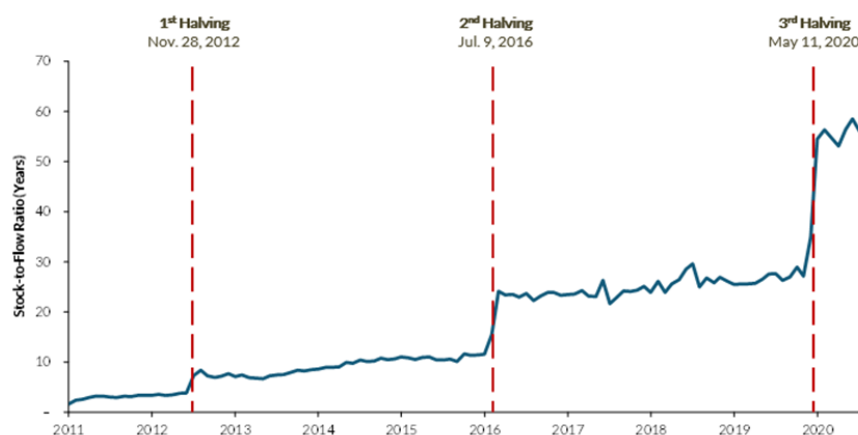
a copy of the entire Bitcoin blockchain. According to the Bitcoin Core documentation, “a full node is a program that fully validates transactions and blocks”.⁵ Almost all full nodes also support the network by accepting transactions and blocks from other full nodes, validating those transactions and blocks, and then relaying them to further full nodes. This differs from a light node, which requires less download and storage capacity as its only task is to verify transactions in the blockchain, along with all the other nodes. The number of nodes is important, but so too is the geographically decentralized distribution. A decentralized network ensures that the network can continue to run, even in the event of natural disaster, a change in the law, a black-out or some other unforeseen event. In this respect, it is similar to the internet. As of the date herein, there are over 10,000 nodes being run in 102 different countries, with the United States, Germany, France, the Netherlands, Canada, the United Kingdom, Singapore, the Russian Federation and China as part of the top ten.⁶

Supply Characteristics

Bitcoin is a deflationary currency with a known rate of inflation, which declines periodically. When Bitcoin was first launched, the rate of inflation was quite high, but has declined steadily. This steadily declining growth in the Bitcoin outstanding will continue until all 21 million Bitcoin are mined, in approximately 2140. Every 210,000 blocks or approximately every four years, the amount of new Bitcoin issued to miners for securing the network declines by 50%. This is known colloquially in the industry as the “halving.” The first such event where the supply was halved occurred on November 28, 2012. Prior to that, miners received 50 Bitcoin per block hashed, in what is known as the “coinbase transaction.” From November 28, 2012 until July 9, 2016 the mining reward was 25 Bitcoin. From this point until May 11, 2020, the reward was 12.5 Bitcoin. Since then the reward has been 6.25 Bitcoin. These adjustments are all programmatic and predetermined based on the number of blocks mined and thus happen automatically.

The Manager believes that this steady declining rate of growth in the supply of Bitcoin will not adversely affect the economic incentive of miners to support and secure the network. However, the Manager does think that this steadily declining rate of inflation is constructive for the price of an individual Bitcoin. So long as growth in demand remains constant, a declining supply of new Bitcoin will cause the supply/demand to fall out of equilibrium, thus putting upward pressure on the price of Bitcoin. One metric used to assess this supply/demand imbalance is the stock to flow ratio. The stock to flow ratio expresses the number of years it would take to double the total stock of something at the current rate of production. Today there are approximately 18,650,000 Bitcoins in circulation. At the current block reward of 6.5 Bitcoins/block, there are approximately 908 new Bitcoin created per day or 331,542 per year. This gives us a stock-to-flow ratio of approximately 56.0. With each halving, the stock to flow ratio increases.⁷

Figure 1: Stock to Flow Ratio⁸



⁵ See BitcoinCore, *What is a Full Node?*, online: <<https://Bitcoin.org/en/full-node>>.

⁶ See Bitnodes (Website), *Global Bitcoin Nodes Distribution Map*, online: <<https://bitnodes.io/>>.

⁷ See Buy Bitcoins Worldwide (Website), *How Many Bitcoins are There?*, online: <<https://www.buyBitcoinworldwide.com/how-many-bitcoins-are-there>>.

⁸ See CMC Markets, *Bitcoin Halving*, online: <<https://www.cmcmarkets.com/en/learn-cryptocurrencies/bitcoin-halving>>.

Corporate Adoption

Bitcoin and other digital assets are being adopted widely by Fidelity, Square, PayPal and numerous other large corporations. Fidelity announced the launch of Fidelity Digital Assets in 2018. In 2020, Square announced that it would allocate a percentage of its treasury to holding Bitcoin, in addition to offering a number of Bitcoin services to customers.⁹ It joined other firms, including NASDAQ-listed Microstrategy, which has so far purchased more than \$1 billion of Bitcoin for its treasury.¹⁰ PayPal, after rolling out Bitcoin buying and selling to a select group of customers, made it available to all customers in November 2020 and to its network of 26 million merchants.¹¹ VISA and Mastercard have turned their attention towards central bank digital currencies and other implementations of blockchain and payments.

Furthermore, enterprise adoption of the underlying blockchain technology is widespread and goes beyond the financial services industry. This broad enterprise acceptance of blockchain is also reflected in industry surveys. Deloitte, a consultancy, released the results of its 2019 Blockchain Survey, in which it found that 53% of enterprise respondents cited blockchain as a top five strategic priority and 56% said blockchain will disrupt their industry.

Source: Individual companies' websites.

Low Correlation and Sharpe Ratio Analysis

The Manager has deep experience in specialty alternative investment solutions and understands that the benefit of diversification in a well-balanced portfolio is to improve risk adjusted returns, reduce the maximum drawdown and reduce the overall volatility of a portfolio. In order to achieve this, when constructing a portfolio, the Manager believes that it is important to select not only sound investments but also investments which have a low correlation to other investments in the portfolio. Bitcoin, despite being a volatile asset, has a low correlation to many major financial assets, commodities and indices including the S&P500, TSX Composite, NASDAQ Composite, US Crude Oil, Gold and the MSCI World Index. Where 1 equals a 100% correlation, and where -1 equals a 100% inverse correlation, Bitcoin broadly has a low correlation to other asset classes ranging from roughly 0.1 to 0.2.

5-Year Correlation Matrix ⁽¹⁾	Bitcoin	S&P/TSX Composite Index	Canada Aggregate Bond Index	S&P 500 Index	NASDAQ Composite Index	MSCI World Index	U.S. Crude Oil	Spot Gold	U.S. Dollar
Bitcoin	1.000								
S&P/TSX Composite Index	0.174	1.000							
Canada Aggregate Bond Index	0.034	(0.197)	1.000						
S&P 500 Index	0.146	0.807	(0.247)	1.000					
NASDAQ Composite Index	0.153	0.730	(0.214)	0.952	1.000				
MSCI World Index	0.146	0.869	(0.224)	0.960	0.903	1.000			
U.S. Crude Oil	0.051	0.182	(0.044)	0.168	0.140	0.172	1.000		
Spot Gold	0.116	0.128	0.334	(0.019)	(0.007)	0.014	(0.010)	1.000	
U.S. Dollar	(0.024)	(0.173)	(0.113)	(0.003)	0.014	(0.106)	(0.027)	(0.436)	1.000

⁹ See SquareUp (Website), *Square Inc. Invests \$50 Million in Bitcoin*, online: <<https://squareup.com/us/en/press/2020-bitcoin-investment>>.

¹⁰ See MicroStrategy (Website), *MicroStrategy Announces Over \$1B in Total Bitcoin Purchases in 2020*, online: <<https://www.microstrategy.com/en/company/company-videos/microstrategy-announces-over-1b-in-total-bitcoin-purchases-in-2020>>.

¹¹ See PayPal Newsroom, *PayPal Launches New Service Enabling Users to Buy, Hold, and Sell Cryptocurrency*, online: <<https://newsroom.paypal-corp.com/2020-10-21-PayPal-Launches-New-Service-Enabling-Users-to-Buy-Hold-and-Sell-Cryptocurrency>>.

Source: Bloomberg; Date range: December 29, 2015 – December 24, 2020.

Investing in Bitcoin

There are numerous ways for investors to get exposure to Bitcoin today, however the Manager believes that each has its own specific limitations which disadvantage investors who want long-term, low-fee, liquid and secure exposure to Bitcoin:

1. *Purchase and hold on cryptocurrency platforms*

Limitations: lack of liquidity, withdrawal limits, trading limits, risk of theft, unexpected down-time of platforms

2. *Purchase on cryptocurrency platform and self-custody*

Limitations: liquidity, risk of theft if not stored properly, cumbersome, requires technical know-how

3. *Invest into private Bitcoin funds or partnership as a Limited Partner (LP):*

Limitations: Typically limited to accredited investors only, often unregulated, lack of trust, often uninsured

4. *Purchase in-app through fintech apps:*

Limitations: Withdrawal limits, trading limits, limits on removing Bitcoin into cold storage

Market Dynamics and Bitcoin Trading Platforms

Today, there are over 200 trading venues that operate globally trading Bitcoin. The largest by real trading volume include Coinbase Pro, Gemini, Binance, Huobi Global, Bitfinex, Kraken, Bitstamp and OKEEx.¹² In addition to these platforms, a sizable (but undisclosed) amount of Bitcoin trades in the OTC market globally.¹³

The Manager believes that the platform ecosystem has matured and developed significantly in recent years. To the Manager's knowledge, many platforms now require customers to adhere to anti-money laundering and know your customer requirements and procedures. Additionally, to the Manager's knowledge, a growing number of platforms have taken additional steps to become regulated as trust companies and are now vertically integrating their services across trading execution, custody and other services, much like a more traditional financial services firm. The Manager understands that many of these firms have insurance for assets held in cold storage as well as general insurance policies to protect against theft or malfeasance, similar to many mature companies. The Manager also understands that it is fairly common for these policies to be underwritten by major brand-name insurance companies and to cover over \$100 million of lost or stolen assets or other unforeseen losses. The Manager believes that this is a significant change from only two or three years ago when few, if any, companies operating in this industry had insurance.

Some regulators have also clarified existing financial market rules and in some cases implemented new ones to ensure the market matures in an orderly and stable manner. For example, in 2015 the New York Department of Financial Services introduced the BitLicense, a specific licensing and regulatory requirement for cryptocurrency companies. Since then a number of platforms who also operate other services such as custody, have been granted that license. Additionally, the SEC, Commodity Futures Trading Commission, and Financial Industry Regulatory

¹² See Massari (Website), *Bitcoin Exchanges*, online: <<https://messari.io/asset/Bitcoin/exchanges>>.

¹³ See Coindesk, *On-Chain Data Suggests More Institutions Are Buying Bitcoin Over the Counter*, online: <<https://www.coindesk.com/institutions-over-the-counter-bitcoin-trades>>.

Authority, as well as the U.S. Office of the Comptroller of the Currency have all clarified their positions related to Bitcoin and the custody of digital assets by regulated financial institutions.¹⁴

The Manager believes that the recent entrance of large, mature, and sophisticated financial institutions such as Fidelity, CME Group, PayPal and Square is helping to grow and advance the industry, which will in turn attract incremental participants, including institutions, to the asset class. The Manager also believes that absent the clarification of rules and regulations by governing bodies, that this recent maturation would not have occurred. It would appear that encouraging regulators to continue to engage with industry will enable it to grow in a sustainable and mature manner.

The Manager expects to purchase Bitcoin for Ninepoint Bitcoin ETF from a combination of regulated, licensed platforms that adhere to AML and KYC requirements, as well as certain OTC providers where it already has relationships and who also adhere to the same rules and requirements.

INVESTMENT RESTRICTIONS

Ninepoint Bitcoin ETF is subject to certain restrictions and practices contained in Canadian securities legislation applicable to alternative mutual funds, including NI 81-102. Additionally, Ninepoint Bitcoin ETF is subject to certain investment restrictions that, among other things, limit the assets that Ninepoint Bitcoin ETF may acquire for its portfolio. Ninepoint Bitcoin ETF is managed in accordance with these restrictions and practices, except as otherwise permitted by exemptions provided by Canadian securities regulatory authorities. See “Exemptions and Approvals”. A change to the fundamental investment objective of Ninepoint Bitcoin ETF would require the approval of the Unitholders of Ninepoint Bitcoin ETF. See “*Unitholder Matters – Matters Requiring Unitholder Approval*”.

FEES AND EXPENSES

Fees and Expenses Payable by Ninepoint Bitcoin ETF

Management Fees

Ninepoint Bitcoin ETF will pay an annual management fee (the “**Management Fee**”) to the Manager for acting as trustee and manager of Ninepoint Bitcoin ETF equal to 0.70% of the NAV of Ninepoint Bitcoin ETF, calculated daily and payable monthly in arrears, plus applicable taxes. See “*Organization and Management Details – The Trustee, Manager and Promoter*”.

The Manager may, at its discretion, agree to charge a reduced Management Fee for some Unitholders as compared to the Management Fee that the Manager would otherwise be entitled to receive from Ninepoint Bitcoin ETF, provided that the difference between the fee otherwise chargeable and the reduced fee is distributed periodically by Ninepoint Bitcoin ETF to the applicable Unitholders as a management fee distribution (the “**Management Fee Distributions**”). Any reduction will depend on a number of factors, including the amount invested, the NAV of Ninepoint Bitcoin ETF and the expected amount of account activity. Management Fee Distributions will be paid first out of net income of Ninepoint Bitcoin ETF then out of capital gains of Ninepoint Bitcoin ETF and thereafter out of capital. See “*Fees and Expenses – Management Fees*”.

Operating Costs and Expenses

In addition to the Management Fee, Ninepoint Bitcoin ETF will pay for all ordinary expenses incurred in connection with its operation and administration. Unless otherwise waived or reimbursed by the Manager, and subject to compliance with NI 81-102, it is expected that the expenses for Ninepoint Bitcoin ETF will include, as applicable, without limitation: all costs and expenses associated with the execution of transactions in respect of Ninepoint Bitcoin ETF’s investment in Bitcoin; audit fees; fees payable to third-party service providers; trustee and custodial expenses including fees payable to the Custodian and Sub-Custodian; valuation, accounting and record keeping costs; legal

¹⁴ See FINRA, *Cryptocurrencies*, online: <<https://www.finra.org/investors/learn-to-invest/types-investments/initial-coin-offerings-and-cryptocurrencies/cryptocurrencies>>.

expenses; prospectus preparation and filing expenses; costs associated with delivering documents to Unitholders of Ninepoint Bitcoin ETF; listing fees and expenses and other administrative expenses and costs incurred in connection with the continuous public filing requirements; costs and expenses of preparing financial and other reports, costs and expenses arising as a result of complying with all applicable laws, regulations and policies; depositary fees; bank related fees and interest charges; extraordinary expenses; reports to Unitholders of Ninepoint Bitcoin ETF and servicing costs; registrar and transfer agent fees; fees and expenses of the members of the Independent Review Committee (the “IRC”); expenses related to compliance with National Instrument NI 81-107 – *Independent Review Committee for Investment Funds* (“NI 81-107”); fees and expenses relating to the voting of proxies by a third party; premiums for directors’ and officers’ insurance coverage for the members of the IRC; income taxes; all applicable sales taxes; brokerage expenses and commissions; and withholding taxes. Such expenses will also include expenses of any action, suit or other proceedings in which or in relation to which the Manager, the custodian, the sub-custodian, the IRC and/or any of their respective officers, directors, employees, consultants or agents is entitled to indemnity by Ninepoint Bitcoin ETF.

Fees and Expenses Payable Directly by the Unitholders

Redemption Fee

An amount as may be agreed to between the Manager and the Designated Broker or a Dealer of Ninepoint Bitcoin ETF may be charged by the Manager at its discretion, on behalf of Ninepoint Bitcoin ETF, to the Designated Broker and/or Dealers to offset certain transaction costs including brokerage expenses, commissions and other costs and expenses associated with the issue and redemption of Units of Ninepoint Bitcoin ETF to or by such Designated Broker and/or Dealer (the “**Redemption Fee**”). The Manager will publish the current Redemption Fee, if any, on its website, www.ninepoint.com. This fee does not apply to Unitholders who buy and sell their Units through the facilities of the TSX.

ANNUAL RETURNS, MANAGEMENT EXPENSE RATIO AND TRADING EXPENSE RATIO

The annual returns, management expense ratio and trading expense ratio of Ninepoint Bitcoin ETF are not yet available because Ninepoint Bitcoin ETF is new. See “*Overview of the Legal Structure of Ninepoint Bitcoin ETF*” and the descriptions of Bitcoin Trust and the Conversion therein.

RISK FACTORS

In addition to the considerations set out elsewhere in this prospectus, the following are certain considerations relating to an investment in Units that prospective investors should consider before purchasing such Units.

Risk Factors Relating to an Investment in Ninepoint Bitcoin ETF

No Assurance in Achieving Investment Objectives

There is no assurance that Ninepoint Bitcoin ETF will be able to achieve its investment objectives.

Loss of Investment

An investment in Ninepoint Bitcoin ETF is appropriate only for investors who have the capacity to absorb a loss on their investment.

Fluctuation in Value of Bitcoin

The NAV of the Units will vary according to, among other things, the value of Bitcoin included in Ninepoint Bitcoin ETF’s portfolio. The value of the Bitcoin will be influenced by factors which are not within the control of Ninepoint Bitcoin ETF or the Manager, including factors that affect the cryptocurrency markets generally such as general economic and political conditions, fluctuations in interest rates and factors unique to Bitcoin.

Concentration Risk

Ninepoint Bitcoin ETF was created to invest in Bitcoin and is not expected to have exposure to any other investments or assets. Other than cash or cash equivalents, Ninepoint Bitcoin ETF invests substantially all of its assets in Bitcoin. Because it is Ninepoint Bitcoin ETF's objective to invest on a passive basis, Ninepoint Bitcoin ETF's holdings are not actively managed and accordingly, are not and will not be hedged or repositioned to attempt to take defensive positions if the price of Bitcoin declines or is expected to decline. The Net Asset Value per Unit may be more volatile than the value of a more broadly diversified portfolio and may fluctuate substantially over short periods of time. This may have a negative impact on the Net Asset Value of the Units.

Risks Related to Passive Investments

An investment in the Units should be made with an understanding that the Net Asset Value of Ninepoint Bitcoin ETF will generally fluctuate in accordance with the price of Bitcoin based on the MVIBBR. Because it is Ninepoint Bitcoin ETF's objective to invest in Bitcoin on a passive basis, Ninepoint Bitcoin ETF's holdings are not actively managed and accordingly, are not and will not be hedged or repositioned to attempt to take defensive positions if the price of Bitcoin declines or is expected to decline. Ninepoint Bitcoin ETF invests substantially all of its assets in Bitcoin.

Reliance on the Manager and the Sub-Custodian

Unitholders will be dependent on the abilities of the Manager to effectively administer the affairs of Ninepoint Bitcoin ETF. The Manager depends, to a great extent, on a limited number of individuals in the administration of its activities as manager of Ninepoint Bitcoin ETF. The loss of the services of one or more of these individuals for any reason could impair the ability of the Manager to perform its duties as manager on behalf of Ninepoint Bitcoin ETF. If the Sub-Custodian did not adequately safeguard Ninepoint Bitcoin ETF's Bitcoin, Ninepoint Bitcoin ETF could suffer significant issues.

Trading Price of Units

Units may trade in the market at a premium or discount to the NAV per Unit. There can be no assurance that Units will trade at prices that reflect their net asset value. The trading price of the Units will fluctuate in accordance with changes in Ninepoint Bitcoin ETF's NAV, as well as market supply and demand on the stock exchange. However, given that generally only a PNU are issued to designated brokers and dealers, and that holders of a PNU (or an integral multiple thereof) may redeem such Units at their NAV, the Manager believes that large discounts or premiums to the NAV of the Units should not be sustained.

No Ownership Interest in the Portfolio

An investment in Units does not constitute an investment by Unitholders in Bitcoin, cash and cash equivalents included in Ninepoint Bitcoin ETF's portfolio. Unitholders will not own Bitcoin or cash or cash equivalents held by Ninepoint Bitcoin ETF.

Changes in Legislation

There can be no assurance that certain laws applicable to Ninepoint Bitcoin ETF, including income tax laws, government incentive programs and the treatment of mutual fund trusts under the Tax Act, will not be changed in a manner which adversely affects Ninepoint Bitcoin ETF or Unitholders.

Conflicts of Interest

Although none of the directors or officers of the Manager devotes his or her full time to the business and affairs of Ninepoint Bitcoin ETF, each director and officer of the Manager devotes as much time as is necessary to

supervise the management of (in the case of the directors) or to manage the business and affairs of (in the case of officers) Ninepoint Bitcoin ETF and the Manager.

Valuation of Ninepoint Bitcoin ETF

Valuation of Ninepoint Bitcoin ETF may involve uncertainties and judgement determinations, and, if such valuations should prove to be incorrect, the Net Asset Value of Ninepoint Bitcoin ETF could be adversely affected. The Manager may face a conflict of interest in valuing Bitcoin held by Ninepoint Bitcoin ETF because the values assigned will affect the calculation of the Management Fee payable by Ninepoint Bitcoin ETF to it.

Manager, Custodian and Sub-Custodian Standard of Care

Each of the Manager, the Custodian and the Sub-Custodian are subject to a contractual standard of care in carrying out its duties concerning Ninepoint Bitcoin ETF (See “*Organization and Management Details of Ninepoint Bitcoin ETF – Details of the Declaration of Trust*”, “*Organization and Management Details of Ninepoint Bitcoin ETF – Custodian*” and “*Organization and Management Details of Ninepoint Bitcoin ETF – Sub-Custodian*”). In the case that Ninepoint Bitcoin ETF suffers a loss of its Bitcoin and each of the Manager, the Custodian and the Sub-Custodian satisfied its respective standard of care, Ninepoint Bitcoin ETF will bear the risk of loss with respect to these parties.

Under the terms of the Custodian Agreement, the Custodian is required to exercise the standard of care required by NI 81-102. However, the Custodian will not be liable to Ninepoint Bitcoin ETF for any loss of Ninepoint Bitcoin ETF’s Bitcoin held by the Sub-Custodian unless such loss is directly caused by the Custodian’s gross negligence, fraud, wilful default, or the breach of its standard of care. In the event of such loss, the Custodian is required to take reasonable steps to enforce such rights as it may have against the Sub-Custodian pursuant to the terms of the Sub-Custodian Agreement and applicable law.

SOC 2 Type 2 Report of the Sub-Custodian

The Sub-Custodian has advised the Manager that a SOC 2 Type 2 Report of its internal controls will be available for review by the auditor of Ninepoint Bitcoin ETF in connection with the audit of the annual financial statements of Ninepoint Bitcoin ETF. However, there is a risk that such SOC 2 Type 2 Report of the Sub-Custodian will not be available. In the event that the SOC 2 Type 2 Report is not available, the Manager will request confirmation from the Sub-Custodian in writing to permit the auditor of Ninepoint Bitcoin ETF to test its internal controls. Although the Manager has received reasonable assurances from the Custodian and the Sub-Custodian that such written confirmation will be provided in the event that a SOC 2 Type 2 Report of the Sub-Custodian is not available, there is a risk that such written confirmation will not be provided and/or that the auditor will not be able to test the internal controls of the Custodian and the Sub-Custodian directly. Ninepoint Bitcoin ETF has filed an undertaking with applicable securities regulatory authorities that provides that while it remains a reporting issuer, Ninepoint Bitcoin ETF will obtain from the Sub-Custodian of Bitcoin of Ninepoint Bitcoin ETF either a SOC 2 Type 2 Report or written confirmation from the Sub-Custodian to permit the auditor of Ninepoint Bitcoin ETF to test its controls.

In the event that the auditor of Ninepoint Bitcoin ETF cannot: (i) review a SOC 2 Type 2 Report of the Sub-Custodian; and/or (ii) test the internal controls of, and other audit procedures at, the Sub-Custodian directly in connection with its audit of Ninepoint Bitcoin ETF’s annual financial statements, the auditor would not be able to complete its audit of the annual financial statements of Ninepoint Bitcoin ETF in accordance with the professional standards.

Potential Conflicts of Interest

The Manager and its directors and officers may engage in the promotion, management or investment management of one or more funds or trusts with similar investment objectives to those of Ninepoint Bitcoin ETF. Although none of the directors or officers of the Manager will devote his or her full time to the business and affairs of Ninepoint Bitcoin ETF, each director and officer of the Manager will devote as much time as is necessary to supervise the management of (in the case of the directors) or to manage the business and affairs of (in the case of officers) Ninepoint Bitcoin ETF and the Manager.

Limited Operating History

Ninepoint Bitcoin ETF is a newly organized investment trust with limited operating history.

Not a Trust Company

Ninepoint Bitcoin ETF is not a trust company and, accordingly, is not registered under the trust company legislation of any jurisdiction. Units are not “deposits” within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under provisions of that statute or any other legislation.

U.S. Currency Exposure

Ninepoint Bitcoin ETF’s functional and presentation currency is in part, and the investor’s investment may be made in, U.S. dollars. Ninepoint Bitcoin ETF will purchase Bitcoin which is currently denominated in U.S. dollars.

Canadian investors should be aware that Ninepoint Bitcoin ETF will not hedge the investor’s investment in Ninepoint Bitcoin ETF against Canadian currency exposure. Fluctuations in the value of the Canadian dollar relative to the U.S. dollar will impact the relative value of an investor’s investment in Canadian dollars. If the value of the Canadian dollar has increased relative to the U.S. dollar, the return on Bitcoin converted into Canadian dollars may be reduced, eliminated or made negative. The opposite can also occur and if it does occur, a Canadian investor and the value of such investor’s investment converted into Canadian dollars may benefit from an increase in the value of the U.S. dollar relative to the Canadian dollar.

Cyber Security Risk

As the use of technology has become more prevalent in the course of business, investment funds like Ninepoint Bitcoin ETF have become potentially more susceptible to operational risks through breaches in cyber security. A breach in cyber security refers to both intentional and unintentional events that may cause Ninepoint Bitcoin ETF to lose proprietary information or other information subject to privacy laws, suffer data corruption, or lose operational capacity. This in turn could cause Ninepoint Bitcoin ETF to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures and/or financial loss. Cyber security breaches may involve unauthorized access to Ninepoint Bitcoin ETF’s digital information systems (e.g. through “hacking” or malicious software coding), but may also result from outside attacks such as denial-of-service attacks (i.e. efforts to make network services unavailable to intended users). In addition, cyber security breaches of Ninepoint Bitcoin ETF’s third-party service providers (e.g. the Registrar and Transfer Agent, the Custodian and the Sub-Custodian) can also subject Ninepoint Bitcoin ETF to many of the same risks associated with direct cyber security breaches. Like with operational risk in general, Ninepoint Bitcoin ETF has established risk management systems designed to reduce the risks associated with cyber security.

Tax Risk

“Mutual fund trust” status - In order to qualify as a mutual fund trust under the Tax Act, Ninepoint Bitcoin ETF must comply with various requirements contained in the Tax Act, including to restrict its undertaking to the investment of its funds in property. If Ninepoint Bitcoin ETF were to cease to qualify as a mutual fund trust (whether as a result of a change in law or administrative practice, or due to its failure to comply with the Canadian requirements for qualification as a mutual fund trust), it may experience various potential adverse consequences, including: potentially becoming subject to a requirement to withhold tax on distributions made to non-resident Unitholders of any taxable capital gains; Units not qualifying for investment by Registered Plans; and Units ceasing to qualify as “Canadian securities” for the purposes of the election provided in subsection 39(4) of the Tax Act.

“SIFT Rules” - The SIFT Rules apply to trusts that are resident in Canada for the purposes of the Tax Act and that hold one or more “non-portfolio properties” (as defined in the Tax Act) and the units of which are listed or traded on a stock exchange or other public market (“**SIFT trust**”). Under the SIFT Rules, if Ninepoint Bitcoin ETF were a SIFT

trust it will generally be subject to tax at rates applicable to a Canadian corporation on income from a non-portfolio property (other than a taxable dividend) and net taxable capital gains realized on the disposition of a non-portfolio property (generally, “non-portfolio earnings” under the Tax Act). Unitholders who receive distributions from Ninepoint Bitcoin ETF of this income and gain are deemed to receive an eligible dividend from a Canadian corporation for tax purposes. The total of the tax payable by Ninepoint Bitcoin ETF on its non-portfolio earnings and the tax payable by a Unitholder on the distribution of those earnings will generally be more than the tax that would have been payable in the absence of the tax rules that apply to a SIFT trust. Even if units of Ninepoint Bitcoin ETF are listed or traded on a stock exchange or other public market, provided Ninepoint Bitcoin ETF only invests in Bitcoin, Ninepoint Bitcoin ETF should not be a SIFT trust; however, no assurance can be given in this regard.

Treatment of gains and losses on dispositions of Bitcoin - Ninepoint Bitcoin ETF generally will treat gains (or losses) as a result of any disposition of Bitcoin as capital gains (or capital losses). The determination of whether property is held on income or capital account is a factual inquiry. In determining whether a transaction is on income or capital account in particular circumstances, the CRA and Canadian jurisprudence have generally stated that the course of conduct and intention of the taxpayer should be examined to determine whether the taxpayer is dealing with property in the manner of an ordinary trader or dealer in such property or otherwise acquired the property with the intention (including a secondary intention) of selling it at a profit. Factors to be considered in this regard include the intention of the taxpayer, the course of conduct of the taxpayer (including frequency of transactions and time spent on the activity), the nature of the property, and the period of ownership. The CRA has taken the administrative position that Bitcoins are generally treated as a commodity for income tax purposes. The CRA has also expressed the opinion that gains (or losses) of mutual fund trusts resulting from transactions in commodities should generally be treated for income tax purposes as ordinary income rather than as capital gains, although the treatment in each particular case remains a question of fact to be determined having regard to all the circumstances. Certain Canadian income tax jurisprudence is consistent with transactions in commodities being treated for tax purposes as giving rise to capital gains in certain circumstances, particularly where a holder does not deal with the commodity in the manner of an ordinary trader or dealer and the asset is regarded as a store of value. However, the Canadian income tax jurisprudence in relation to the characterization of gains as being on income or capital account is very fact specific (and has not yet addressed the characterization of gains on the disposition of Bitcoin or any other cryptocurrency). Accordingly, the support in Canadian jurisprudence for the treatment of gains on the disposition of Bitcoin on capital account is limited at this time, and there can be no assurances in this regard. Ninepoint Bitcoin ETF intends to be a long-term holder of Bitcoin, and does not anticipate to sell Bitcoin (otherwise than where necessary to fund expenses of Ninepoint Bitcoin ETF and redemptions of Unitholders) or speculate with regard to short-term changes in Bitcoin prices. In addition, the Manager does not intend for Ninepoint Bitcoin ETF to undertake transactions in Bitcoin which would characterize Ninepoint Bitcoin ETF as an ordinary trader or dealer. The investment strategy of Ninepoint Bitcoin ETF is to be a long-term holder of Bitcoin with the intention that the holding of such Bitcoin serves as a store of value and a hedge against inflation. Based on the investment strategy, investment restrictions, and intention of the Manager, Ninepoint Bitcoin ETF generally intends to treat gains (or losses) as a result of any disposition of Bitcoin as capital gains (or capital losses). If any transactions of Ninepoint Bitcoin ETF are reported by it on capital account, but are subsequently determined by the CRA to be on income account, there may be an increase in the net income of Ninepoint Bitcoin ETF, which is automatically distributed by Ninepoint Bitcoin ETF to its Unitholders under the terms of the Declaration of Trust at Ninepoint Bitcoin ETF’s taxation year end; with the result that Canadian-resident Unitholders could be reassessed by the CRA to increase their taxable income by the amount of such increase, and non-resident Unitholders potentially could be assessed directly by the CRA for Canadian withholding tax on the amount of net gains on such transactions that were treated by the CRA as having been distributed to them. The CRA could assess Ninepoint Bitcoin ETF for a failure of Ninepoint Bitcoin ETF to withhold tax on distributions made by it to non-resident Unitholders that are subject to withholding tax, and typically would do so rather than assessing the non-resident Unitholders directly. Accordingly, any such re-determination by the CRA may result in Ninepoint Bitcoin ETF being liable for unremitted withholding taxes on prior distributions made to Unitholders who were not resident in Canada for the purposes of the Tax Act at the time of the distribution. As Ninepoint Bitcoin ETF may not be able to recover such withholding taxes from the non-resident Unitholders whose Units are redeemed, payment of any such amounts by Ninepoint Bitcoin ETF would reduce the net asset value of Ninepoint Bitcoin ETF.

“Loss restriction event” - If Ninepoint Bitcoin ETF experiences a “loss restriction event”, it will: (i) be deemed to have a year-end for tax purposes (which would result in an allocation of Ninepoint Bitcoin ETF’s taxable income at such time to Unitholders so that Ninepoint Bitcoin ETF is not liable for income tax on such amounts); and (ii) become subject to the loss restriction rules generally applicable to corporations that experience an acquisition of control,

including a deemed realization of any unrealized capital losses and restrictions on their ability to carry forward losses. Generally, Ninepoint Bitcoin ETF will be subject to a loss restriction event when a person becomes a “majority-interest beneficiary” of Ninepoint Bitcoin ETF, or a group of persons becomes a “majority-interest group of beneficiaries” of Ninepoint Bitcoin ETF, as those terms are defined in the affiliated persons rules contained in the Tax Act, with appropriate modifications. Generally, a majority-interest beneficiary of Ninepoint Bitcoin ETF will be a beneficiary who, together with the beneficial interests of persons and partnerships with whom the beneficiary is affiliated, has a fair market value that is greater than 50% of the fair market value of all the interests in the income or capital, respectively, in Ninepoint Bitcoin ETF.

COVID-19 Outbreak

The novel coronavirus (COVID-19) outbreak was characterized as a pandemic by the World Health Organization on March 11, 2020. The outbreak has spread throughout Asia, Europe, the Middle East, Canada and the United States, causing companies and various governments to impose restrictions, such as quarantines, closures, cancellations and travel restrictions. The effects of COVID-19 and the measures taken by companies and governments to combat the coronavirus have negatively affected asset values and increased volatility in the financial markets, including the market price and volatility of Bitcoin. At this point, the extent to which the coronavirus may impact, or may continue to impact, the market price of Bitcoin and, in turn, the market price of the Units, is uncertain and cannot be predicted.

Multi-Class Structure Risk

Units of Ninepoint Bitcoin ETF may be available in multiple classes. If Ninepoint Bitcoin ETF cannot pay the expenses or satisfy the obligations entered into by Ninepoint Bitcoin ETF for the sole benefit of one of those classes of Units using that class of Units’ proportionate share of the assets, Ninepoint Bitcoin ETF may have to pay those expenses or satisfy those obligations out of another class of Units’ proportionate share of the assets, which would lower the investment return of such other class of Units. In addition, a creditor of Ninepoint Bitcoin ETF may seek to satisfy its claim from the assets of Ninepoint Bitcoin ETF as a whole, even though its claim or claims relate only to a particular class of Units of Ninepoint Bitcoin ETF.

Risks Associated with Investing in Bitcoin

Cryptocurrency Risk

Cryptocurrency (notably, Bitcoin), often referred to as “virtual currency” or “digital currency”, operates as a decentralized, peer-to-peer financial exchange and value storage that is used like money. Cryptocurrency operates without the oversight of a central authority or the banks and is not backed by any government. Even indirectly, cryptocurrencies (i.e. Bitcoin) may experience high volatility and related investment vehicles may be affected by such volatility. Funds holding cryptocurrency may also trade at a significant premium to net asset value. Cryptocurrency is not legal tender. Federal, state, provincial, territorial or foreign governments may restrict the use and exchange of cryptocurrency, and regulation in North America is still developing. Cryptocurrency platforms may stop operating or permanently shut down due to fraud, technical glitches, hackers or malware which could have an adverse impact on the Net Asset Value of the Units.

Short History Risk

Bitcoin is just over a decade old, which makes it one of the youngest multi-billion dollar assets in the world. Due to this short history, it is not clear how all elements of Bitcoin will unfold over time, specifically with regard to governance between miners, developers and users, as well as the long-term security model as the rate of inflation of Bitcoin decreases. Since the Bitcoin community has successfully navigated a considerable number of technical and political challenges since its inception, the Manager believes that it will continue to engineer its way around future challenges. The history of open source software development would indicate that vibrant communities are able to change the software under development at a pace sufficient to stay relevant. That said, the continuation of such vibrant communities is not guaranteed, and insufficient software development or any other unforeseen challenges that the community is not able to navigate could have an adverse impact on Ninepoint Bitcoin ETF’s portfolio.

Limited History of the Bitcoin Market

Bitcoin is a new technological innovation with a limited history. There is no assurance that usage of Bitcoin and its blockchain will continue to grow. A contraction in use of Bitcoin or its blockchain may result in increased volatility or a reduction in the price of Bitcoin, which could adversely impact the Net Asset Value of the Units.

Volatility in the Price of Bitcoin

The Bitcoin markets are sensitive to new developments, and since volumes are still maturing, any significant changes in market sentiment (by way of sensationalism in the media or otherwise) can induce large swings in volume and subsequent price changes. Such volatility can adversely affect the Net Asset Value of the Units.

The price of Bitcoin on public Bitcoin trading platforms has a limited history. Bitcoin prices on the Bitcoin trading platforms as a whole have been volatile and subject to influence by many factors including the levels of liquidity on Bitcoin trading platforms. Even the largest Bitcoin trading platforms have been subject to operational interruption (e.g., the temporary halt of Mt. Gox due to distributed denial of service attacks by hackers and/or malware, and its permanent closure in February 2014), limiting the liquidity of Bitcoin on the Bitcoin trading platform market and resulting in volatile prices and a reduction in confidence in the Bitcoin Network and the Bitcoin trading platform market generally.

Momentum pricing typically is associated with growth stocks and other assets whose valuation, as determined by the public, accounts for anticipated future appreciation in value. The Manager believes that momentum pricing of Bitcoin has resulted, and may continue to result, in speculation regarding future appreciation in the value of Bitcoin, inflating and making more volatile the value of a Bitcoin. As a result, Bitcoin may be more likely to fluctuate in value due to changing investor confidence in future appreciation, which could adversely affect an investment in the Units.

Despite the marked first-mover advantage of the Bitcoin Network over other digital assets, it is possible that another digital asset could become materially popular due to either a perceived or exposed shortcoming of the Bitcoin Network protocol that is not immediately addressed by the Bitcoin contributor community or a perceived advantage of an altcoin that includes features not incorporated into Bitcoin. If a digital asset obtains significant market share (either in market capitalization, mining power or use as a payment technology), this could reduce Bitcoin's market share and have a negative impact on the demand for, and price of, Bitcoin and thereby adversely affect the Net Asset Value of the Units.

Potential Decrease in Global Demand for Bitcoin

As a currency Bitcoin must serve as a means of exchange, store of value, and unit of account. Many people using Bitcoin as money-over-internet-protocol (MoIP) do so with it as an international means of exchange. Speculators and investors using Bitcoin as a store of value then layer on top of means of exchange users, creating further demand. If consumers stop using Bitcoin as a means of exchange, or its adoption therein slows, then Bitcoin's price may suffer, adversely affecting Ninepoint Bitcoin ETF.

Investors should be aware that there is no assurance that Bitcoin will maintain its long-term value in terms of purchasing power in the future or that the acceptance of Bitcoin for payments by mainstream retail merchants and commercial businesses will continue to grow. In the event that the price of Bitcoin declines, the Manager expects the Net Asset Value of the Units to decline proportionately. As relatively new products and technologies, Bitcoin and the Bitcoin Network have only recently become widely accepted as a means of payment for goods and services by many major retail and commercial outlets, and use of Bitcoin by consumers to pay such retail and commercial outlets remains limited. Banks and other established financial institutions may refuse to process funds for Bitcoin transactions, process wire transfers to or from Bitcoin trading platforms, Bitcoin-related companies or service providers, or maintain accounts for persons or entities transacting in Bitcoin. Conversely, a significant portion of Bitcoin demand is generated by speculators and investors seeking to profit from the short- or long-term holding of Bitcoin. Price volatility undermines Bitcoin's role as a medium of exchange as retailers are much less likely to accept it as a form of payment. Market capitalization for Bitcoin therefore, as a medium of exchange and payment method, may continue to be low. A lack of expansion by Bitcoin into retail and commercial markets, or a contraction of such use, may result in increased

volatility which could adversely impact the Net Asset Value of the Units. The Manager believes that, like any commodity, Bitcoin will fluctuate in value, but over time will gain a level of acceptance as a store of value, similar to precious metals.

Financial Institutions may refuse to Support Transactions involving Bitcoin

In the uncertain regulatory climate for cryptoassets, including Bitcoin, Canadian regulated financial institutions may cease to support transactions involving cryptoassets, including the receipt of cash proceeds from sales of cryptoassets.

Should this occur, Ninepoint Bitcoin ETF would be unable to pay out redemption proceeds within the timeframe set out under “*Redemption of Units*”.

Insurance Risk

Neither Ninepoint Bitcoin ETF nor the Custodian maintains insurance against risk of loss of Bitcoin held by Ninepoint Bitcoin ETF, as such insurance is not currently available in Canada on economically reasonable terms, but the Sub-Custodian maintains commercial crime insurance in respect of the Bitcoin held by it. Ninepoint Bitcoin ETF’s Bitcoin is held in cold storage vaults only. See “*Organization and Management Details of Ninepoint Bitcoin ETF – Sub-Custodian – Insurance*”.

Residency of the Sub-Custodian

The Sub-Custodian is resident outside Canada and all or a substantial portion of its assets are located outside Canada. As a result, anyone seeking to enforce legal rights against it in Canada, including Ninepoint Bitcoin ETF, may find it difficult to do so.

Liability of Unitholders

Ninepoint Bitcoin ETF is a unit trust and as such its Unitholders do not receive the protection of statutorily mandated limited liability in some provinces and territories as in the case of shareholders of most Canadian corporations. There is no guarantee, therefore, that Unitholders could not be made party to legal action in connection with Ninepoint Bitcoin ETF. However, the Declaration of Trust provides that no Unitholder, in its capacity as such, will be subject to any liability whatsoever, in tort, contract or otherwise, to any person in connection with Ninepoint Bitcoin ETF’s property or the obligations or the affairs of Ninepoint Bitcoin ETF and all such persons are to look solely to Ninepoint Bitcoin ETF’s property for satisfaction of claims of any nature arising out of or in connection therewith and only Ninepoint Bitcoin ETF’s property will be subject to levy or execution. Pursuant to the Declaration of Trust, Ninepoint Bitcoin ETF will indemnify and hold harmless each Unitholder from any costs, damages, liabilities, expenses, charges and losses suffered by a Unitholder resulting from or arising out of such Unitholder not having limited liability.

As a result of the foregoing, it is considered that the risk of any personal liability of Unitholders is minimal in view of the nature of its activities. In the event that a Unitholder should be required to satisfy any obligation of Ninepoint Bitcoin ETF, such Unitholder will be entitled to reimbursement from any available assets of Ninepoint Bitcoin ETF.

Underlying Value Risk

Bitcoin represents a new form of digital value that is still being digested by society. Its underlying value is driven by its utility as a store of value, means of exchange, and unit of account, and the demand for Bitcoin within those use cases. Just as oil is priced by the supply and demand of global markets, as a function of its utility to, for instance, power machines and create plastics, so too is Bitcoin priced by the supply and demand of global markets for its own utility within remittances, B2B payments, time-stamping, etc.

Utility and the associated value of Bitcoin can be thought of in two time frames: “current utility value” and “discounted expected utility value”. For example, if Bitcoin were facilitating 10% of the \$500 billion remittances market, then it would need to facilitate the transfer of \$50 billion a year. With a velocity of 5, that would mean Bitcoin needs to store \$10 billion in value to fulfill this use case. If at that point Bitcoin is at the maximum of 21 million units, that would mean each Bitcoin is worth \$476 in its utility value towards the remittance use case. Each use case can be stacked additively in order to derive the market price of Bitcoin. However, since this level of penetration will likely not occur for 5-10 years, such value in the case of remittances needs to be discounted back to the present. The combination of “current utility value” and “discounted expected utility value” is what creates the current market price. That aside, this is an entirely new method of valuation that has not been sufficiently tested by the market given its short operating history. If these means of valuing Bitcoin prove to be fundamentally flawed, then the market may undergo a repricing of Bitcoin, which could have an adverse impact on Ninepoint Bitcoin ETF’s portfolio.

Top Bitcoin Holders Control a Significant Percentage of the Outstanding Bitcoin

The top 115 Bitcoin addresses hold roughly 20% of the Bitcoin currently outstanding. While this concentration has decreased significantly over the years it is still concentrated. If one of these top holders were to exit their Bitcoin position it could cause volatility that may adversely affect the Net Asset Value of the Units.

Regulation of Bitcoin

The regulation of Bitcoin continues to evolve in North America and within foreign jurisdictions, which may restrict the use of Bitcoin or otherwise impact the demand for Bitcoin.

Loss of “Private Keys”

The loss or destruction of certain “private keys” (numerical codes required by Ninepoint Bitcoin ETF to access its Bitcoin) could prevent Ninepoint Bitcoin ETF from accessing its Bitcoin. Loss of these private keys may be irreversible and could result in the loss of all or substantially all of an investment in Ninepoint Bitcoin ETF.

Ninepoint Bitcoin ETF’s Holdings May Become Illiquid

Ninepoint Bitcoin ETF may not always be able to liquidate its Bitcoin at a desired price. It may become difficult to execute a trade at a specific price when there is a relatively small volume of buy and sell orders in the marketplace, including on Bitcoin trading platforms. Unexpected market illiquidity may cause major losses to the holders of Bitcoin. The large size of Bitcoin that Ninepoint Bitcoin ETF may acquire increases the risks of illiquidity by both making its Bitcoin difficult to liquidate and in liquidating, Ninepoint Bitcoin ETF may affect Bitcoin’s price significantly.

Improper Transfers

Bitcoin transfers are irreversible. An improper transfer (whereby Bitcoin is accidentally sent to the wrong recipient), whether accidental or resulting from theft, can only be undone by the receiver of the Bitcoin agreeing to send the Bitcoin back to the original sender in a separate subsequent transaction. To the extent Ninepoint Bitcoin ETF erroneously transfers, whether accidental or otherwise, Bitcoin in incorrect amounts or to the wrong recipients, Ninepoint Bitcoin ETF may be unable to recover the Bitcoin, which could adversely affect an investment in the Units.

Uncertain Regulatory Framework

Due to Bitcoin’s short history, and its emergence as a new asset class, regulation of Bitcoin is still a work in progress. For example, in the United States the Commodity Futures Trading Commission has ruled it a commodity, while the IRS has ruled it a property. The U.S. Securities and Exchange Commission (the “SEC”) and the Canadian Securities Administrators generally take the view that Bitcoin is a commodity, however, they have not made a formal statement regarding its classification. On May 17, 2019, the Department of Finance (Canada) introduced proposed amendments to the Excise Tax Act that, if enacted as proposed, would, as of May 18, 2019, treat Bitcoin as a “financial instrument” for purposes of the Excise Tax Act. Meanwhile, other jurisdictions, like the European Union, Russia and

Japan have moved to treat Bitcoin like a currency for taxation purposes, which the Manager believes is likely helping to fuel adoption in those areas. In some other nations, like China, regulation is evolving constantly. The Manager believes that the Bitcoin regulatory situation will continue to evolve to allow for innovation while also protecting consumers. Regulators worldwide are increasingly recognizing the powerful innovation of Bitcoin and blockchain technology, and therefore the Manager believes that it is unlikely that a hostile regulatory environment will develop. However, if a hostile regulatory environment were to emerge against Bitcoin, it could have an adverse impact on the Net Asset Value of the Units.

Because the cryptoasset markets are largely unregulated today, many marketplaces and OTC counterparties that trade or facilitate trading exclusively in cryptoassets are not subject to registration or licensing requirements with any financial services regulatory body and, therefore, are not directly subject to prescribed KYC, reporting and recordkeeping requirements which apply financial services firms and other “reporting entities” under AML Regulation. The Manager will use all reasonable efforts to confirm that each platform and institutional liquidity provider from which Ninepoint Bitcoin ETF may purchase Bitcoin has adopted KYC procedures which reflect industry best practices to seek to ensure compliance with AML Regulation requirements which apply generally in the jurisdictions where they carry on business. In addition, the Sub-Custodian is a reporting entity under the U.S. Bank Secrecy Act and AML Regulation in the U.S. and has adopted the Gemini BSA/AML Compliance Program.

Risks Associated with the Bitcoin Network

Dependence on Bitcoin Developers

While many contributors to Bitcoin’s software are employed by companies in the industry, most of them are not directly compensated for helping to maintain the protocol. As a result, there are no contracts or guarantees that they will continue to contribute to Bitcoin’s software.

Issues with the Cryptography Underlying the Bitcoin Network

Although the Bitcoin Network is the most established digital asset network, the Bitcoin Network and other cryptographic and algorithmic protocols governing the issuance of digital assets represent a new and rapidly evolving industry that is subject to a variety of factors that are difficult to evaluate. In the past, flaws in the source code for digital assets have been exposed and exploited, including flaws that disabled some functionality for users, exposed users’ personal information and/or resulted in the theft of users’ digital assets. The cryptography underlying Bitcoin could prove to be flawed or ineffective, or developments in mathematics and/or technology, including advances in digital computing, algebraic geometry and quantum computing, could result in such cryptography becoming ineffective. In any of these circumstances, a malicious actor may be able to take Ninepoint Bitcoin ETF’s Bitcoin, which would adversely affect an investment in the Units. Moreover, functionality of the Bitcoin Network may be negatively affected such that it is no longer attractive to users, thereby dampening demand for Bitcoin. Even if another digital asset other than Bitcoin were affected by similar circumstances, any reduction in confidence in the source code or cryptography underlying digital assets generally could negatively affect the demand for digital assets and therefore adversely affect an investment in the Units.

Disputes on the Development of the Bitcoin Network may lead to Delays in the Development of the Network

There can be disputes between contributors on the best paths forward in building and maintaining Bitcoin’s software. Furthermore, the miners supporting the network and companies using it can disagree with the contributors as well, creating greater debate. Therefore, the Bitcoin community often iterates slowly upon contentious protocol issues, which many perceive as prudently conservative, while others worry that it inhibits innovation.

Significant Increase in Bitcoin Interest Could Affect the Ability of the Bitcoin Network to Accommodate Demand

One of the most contentious issues within the Bitcoin community has been around how to scale the network as user demand continues to rise. The debate goes back to the earliest days of Bitcoin. There are many possible solutions, and most of them boil down to different ideologies on how Bitcoin should be used. However, it will be

important for the community to continue to develop at a pace that meets the demand for transacting in Bitcoin, otherwise users may become frustrated and lose faith in the network.

Bitcoin's Blockchain may Temporarily or Permanently Fork and/or Split

The Bitcoin software and protocol are open source. When a modification is released by the developers and a substantial majority of miners consent to the modification, the change is implemented and the Bitcoin Network continues uninterrupted. However, if a change were activated with less than a substantial majority consenting to the proposed modification, and the modification is not compatible with the software prior to its modification, the consequence would be what is known as a “hard fork” (i.e. a split) of the Bitcoin Network (and the blockchain). One blockchain would be maintained by the pre-modified software and the other by the post-modification software. The effect is that both blockchain algorithms would be running parallel to one another, but each would be building an independent blockchain with independent native assets (e.g., Bitcoin 1 and Bitcoin 2).

Although forks are likely to be addressed by a community-led effort to merge the two groups, such a fork could adversely affect Bitcoin's viability. There is a precedent for this occurring, as witnessed with two Bitcoin hard forks in 2017. Following long-term debate on how to scale the Bitcoin Network's transaction capacity, on August 1, 2017 the digital currency forked into Bitcoin Classic (BTC) and Bitcoin Cash (BCH). On October 24, 2017, Bitcoin further forked to create Bitcoin Gold (BTG). Bitcoin Classic, Bitcoin Cash, and Bitcoin Gold continue to exist today, and though their combined value exceeds the value of the network prior to the fork, future forking events could prove substantially more detrimental to the value of the Bitcoin Network.

In the event that a fork in the Bitcoin blockchain results in: (i) issuance to Ninepoint Bitcoin ETF of an additional cryptoasset alongside the Bitcoin held by Ninepoint Bitcoin ETF; or (ii) a choice to keep the existing Bitcoin or exchange or replace it with a different cryptoasset, the Manager will make the investment decision that it believes is in the best interest of Ninepoint Bitcoin ETF and the Unitholders at the time.

The Sub-Custodian Agreement provides that the Sub-Custodian will support the forked network that requires the greatest total threshold number of hash attempts to mine all existing blocks measured during the 48-hour period following the fork, subject to its ability to, under certain circumstances and in consultation with the New York State Department of Financial Services and its licensing partners, make a good faith determination as to the forked network that is most likely to be supported by the greatest number of users and miners and support that network. The Sub-Custodian may, in its discretion, choose to not support the forked network, in which case the Sub-Custodian may abandon the Fork Asset (as defined below), retain the Fork Asset for itself or allow a one-time withdrawal of the Fork Asset by Ninepoint Bitcoin ETF. The Sub-Custodian may also choose to support the forked network.

It is ultimately an investment decision of the Manager to determine how Ninepoint Bitcoin ETF will deal with a fork in the Bitcoin blockchain. There will likely be many factors relevant to such decision, including the value and liquidity of the new/replacement asset (the “**Fork Asset**”) and whether a disposition of such Fork Asset would trigger a taxable event for Ninepoint Bitcoin ETF. As such, if it were in the best interest of Ninepoint Bitcoin ETF to receive a Fork Asset or otherwise participate in a fork in the Bitcoin blockchain that is not supported by the Sub-Custodian, the Manager could instruct the Custodian to move Ninepoint Bitcoin ETF's Bitcoin from the Sub-Custodian to an account with another sub-custodian which would support such fork.

The Manager will consult with the auditor of Ninepoint Bitcoin ETF to ensure that all Fork Assets held by Ninepoint Bitcoin ETF are properly valued in accordance with International Financial Reporting Standards for the purpose of calculating the Net Asset Value of Ninepoint Bitcoin ETF.

The Manager will ensure that redeeming Unitholders receive the appropriate redemption price for their Units of Ninepoint Bitcoin ETF, including in circumstances where a Fork Asset held by Ninepoint Bitcoin ETF cannot be liquidated due to restrictions imposed by the custodian of the Fork Asset or other market forces.

Dependence on the Internet

Bitcoin miners (and full nodes) relay transactions to one another via the internet, and when blocks are mined they are also forwarded via the internet. Companies access Bitcoin's blockchain via the internet, and most customers access these companies via the internet. Thus, the entire system is dependent upon the continued functioning of the internet.

Risk if Entity Gains a 51% Share of the Bitcoin Network

If an entity gains controls over 51% of the compute power (hash rate) the entity could use its majority share to double spend Bitcoin. Essentially, the entity would send Bitcoin to one recipient, which is confirmed in the existing blockchain, while also creating a shadow blockchain that sends that same Bitcoin to another entity under its control. After a period of time, the entity will release its hidden blockchain and reverse previously confirmed transactions, and due to the way mining works, that new blockchain will become the record of truth. This would significantly erode trust in the Bitcoin Network to store value and serve as a means of exchange which may significantly decrease the value of Bitcoin and in turn the Net Asset Value of the Units.

Concentration of Transaction Confirmation Processing Power in China

Due to preferential electricity discounts, there are large mining pools operating in China which have significant sway over the Bitcoin Network. The Chinese government could affect the operations of these miners in a number of ways. First, all traffic to the mining pools must pass through the Great Firewall of China, which means the Chinese government could cut off their connection to the Bitcoin Network. Second, the Chinese government has previously partially banned Bitcoin, and there is no guarantee that it will not attempt to do so in full. If it were to ban Bitcoin, it may make mining Bitcoin an unpalatable activity to most Chinese miners, which could be detrimental to the Bitcoin Network.

Possible Increase in Transaction Fees

Bitcoin miners, functioning in their transaction confirmation capacity, collect fees for each transaction they confirm. Miners confirm transactions by adding previously unconfirmed transactions to new blocks in the blockchain. Miners are not forced to confirm any specific transaction, but they are economically incentivized to confirm valid transactions as a means of collecting fees. Miners have historically accepted relatively low transaction confirmation fees because miners have very low marginal cost of validating unconfirmed transactions. If miners collude in an anticompetitive manner to reject low transaction fees, then Bitcoin users could be forced to pay higher fees, thus reducing the attractiveness of the Bitcoin Network. Bitcoin mining occurs globally and it may be difficult for authorities to apply antitrust regulations across multiple jurisdictions. Any collusion among miners may adversely impact the Net Asset Value of the Units.

Attacks on the Bitcoin Network

The Bitcoin Network is periodically subject to distributed denial of service attacks to clog the list of transactions being tabulated by miners, which can slow the confirmation of authentic transactions. Another avenue of attack would be if a large number of miners were taken offline then it could take some time before the difficulty of the mining process algorithmically adjusts, which would stall block creation time and therefore transaction confirmation time. Thus far these scenarios have not plagued the network for long or in a systemic manner.

Decrease in Block Reward

The block reward will decrease over time. On May 13, 2020, the block reward was reduced from 12.5 to 6.25 Bitcoin, and will reduce to 3.125 Bitcoin in 2024. As the block reward continues to decrease over time, the mining incentive structure will transition to a higher reliance on transaction verification fees in order to incentivize miners to continue to dedicate processing power to the blockchain. If transaction verification fees become too high, the marketplace may be reluctant to use Bitcoin. Decreased demand for Bitcoin may adversely affect the Net Asset Value of the Units.

Competitors to Bitcoin

To the extent a competitor to Bitcoin gains popularity and greater market share, the use and price of Bitcoin could be negatively impacted, which may adversely affect an investment in Units of Ninepoint Bitcoin ETF. Similarly, Bitcoin and the price of Bitcoin could be negatively impacted by competition from incumbents in the credit card and payments industries, which may adversely affect the Net Asset Value of the Units.

Significant Energy Consumption to run the Bitcoin Network

Because of the significant computing power required to mine Bitcoin, the network's energy consumption as a whole may ultimately be deemed to be or indeed become unsustainable (barring improvements in efficiency which could be designed for the protocol). This could pose a risk to broader and sustained acceptance of the network as a peer-to-peer transactional platform.

Risks Associated with Bitcoin Trading Platforms

Regulation of Bitcoin Trading Platforms

Bitcoin trading platforms are spot markets in which Bitcoin can be exchanged for U.S. dollars. Bitcoin trading platforms are not regulated as securities exchanges or commodity futures exchanges under the securities or commodity futures laws of Canada, the United States or other global jurisdictions. The Manager will seek to ensure that the Bitcoin trading platforms on which Ninepoint Bitcoin ETF transacts are reputable, stable and in compliance with AML Regulation.

Limited Operating History of Bitcoin Trading Platforms

Bitcoin trading platforms have a limited operating history. Since 2009 several Bitcoin trading platforms have been closed or experienced disruptions due to fraud, failure, security breaches or distributed denial of service attacks. In many of these instances, the customers of such trading platforms were not compensated or made whole for the partial or complete loss of funds held at Bitcoin trading platforms. The potential for instability of Bitcoin trading platforms and the closure or temporary shutdown of platforms due to fraud, business failure, hackers, distributed denial of service attacks or malware or government-mandated regulation may reduce confidence in Bitcoin, which may adversely affect the Net Asset Value of the Units.

Hacking of Bitcoin Trading Platforms May Have a Negative Impact on Perception of the Security of the Bitcoin Network

While Bitcoin's blockchain has never been compromised by hackers, cryptocurrency platforms frequently have. Bitcoin trading platforms that adhere to best practices are insured, and most of these have not been hacked, or if they have the loss has been minimal. Although there is ample evidence which indicates that almost all of the economic trading volumes in Bitcoin occur on the top ten global trading platforms, many of which are regulated by the New York State Department of Financial Services, carry insurance for their hot wallet assets, such platforms, or other, smaller or less reputable platforms, may get hacked. Bitcoin's price is at risk if a platform is hacked as it can shake consumer confidence for those that do not understand the difference between a weakness in the platform versus a weakness in Bitcoin and its blockchain.

Different Prices of Bitcoin on the Bitcoin Trading Platforms May Adversely Affect the Net Asset Value of the Units

Most platforms operate as isolated pools of liquidity, and so when demand spikes for a specific platform the market price for Bitcoin on that platform can also spike, making it trade at a premium to other platforms. This tendency is common geographically, with Chinese platforms frequently trading at a premium to platforms in Europe or America.

Closure of Bitcoin Trading Platform(s)

Between 2013 and 2019, a number of Bitcoin trading platforms have been closed due to fraud, failure or security breaches. In many of these instances, the customers of such Bitcoin trading platforms were not compensated or made whole for the partial or complete losses of their account balances in such Bitcoin trading platforms. While smaller Bitcoin trading platforms are less likely to have the infrastructure and capitalization that make larger Bitcoin trading platforms more stable, larger Bitcoin trading platforms are more likely to be appealing targets for hackers and “malware” (i.e., software used or programmed by attackers to disrupt computer operation, gather sensitive information or gain access to private computer systems).

Liquidity Constraints on Bitcoin Markets may Impact Ninepoint Bitcoin ETF’s Holdings

While the liquidity and traded volume of Bitcoin are continually growing, they are still maturing assets. Ninepoint Bitcoin ETF may not always be able to acquire or liquidate its assets at a desired price. It may become difficult to execute a trade at a specific price when there is a relatively small volume of buy and sell orders in the marketplace, including on cryptoasset platforms. When transacting in the cryptoasset markets, Ninepoint Bitcoin ETF competes for liquidity with other large investors, including speculators, miners and other investment funds and institutional investors.

Unexpected market illiquidity, and other conditions beyond the Manager’s control, may cause major losses to the holders of a cryptoasset, including Bitcoin. The large position in Bitcoin that Ninepoint Bitcoin ETF may acquire increases the risks of illiquidity by making its Bitcoin difficult to liquidate. In addition, liquidation of significant amounts of Bitcoin by Ninepoint Bitcoin ETF may impact the market price of Bitcoin.

Risk of Manipulation on Bitcoin Trading Platforms

Bitcoin trading platforms are spot markets in which Bitcoin can be exchanged for U.S. dollars. Bitcoin trading platforms are not regulated as securities exchanges or commodity futures exchanges under the securities or commodity futures laws of Canada, the United States or other global jurisdictions.

Some Bitcoin trading platforms have been known to permit and/or report artificially high order volumes and/or trading volumes. Bitcoin trading platforms are not required to adopt policies and procedures for the purpose detecting and preventing manipulative and deceptive trading activities and, in the event that manipulative and deceptive trading activities are detected, Bitcoin trading platforms may not have procedures for, or jurisdiction to, sanction or otherwise deter such activities and/or to detect, investigate and prosecute fraud.

The Manager will seek to ensure that the Bitcoin trading platforms on which Ninepoint Bitcoin ETF transacts are reputable, stable and in compliance with AML Regulation.

Settlement of Transactions on the Bitcoin Network

There is no central clearing house for cash-to-Bitcoin transactions. Current practice is for the purchaser of Bitcoin to send fiat currency to a bank account designated by the seller, and for the seller to broadcast the transfer of Bitcoin to the purchaser’s public Bitcoin address upon receipt of the cash. The purchaser and seller monitor the transfer with a transaction identification number that is available immediately upon transfer and is expected to be included in the next block confirmation. When Ninepoint Bitcoin ETF purchases Bitcoin from a Bitcoin Source, there is a risk that the Bitcoin Source will not initiate the transfer on the Bitcoin network upon receipt of cash from Ninepoint Bitcoin ETF, or that the bank where the Bitcoin Source’s account is located will not credit the incoming cash from Ninepoint Bitcoin ETF for the account of the Bitcoin Source. The Manager mitigates this risk by transacting with regulated Bitcoin Sources that have undergone due diligence and by confirming the solvency of the Bitcoin Source and the bank designated by each Bitcoin Source based on publicly available information.

Risk Rating of Ninepoint Bitcoin ETF

The Manager assigns a risk rating to Ninepoint Bitcoin ETF as an additional guide to help investors decide whether it is right for them. This information is only a guide. The Manager determines the risk rating for Ninepoint Bitcoin ETF in accordance with NI 81-102. The investment risk level of Ninepoint Bitcoin ETF is required to be determined in accordance with standardized risk classification methodology that is based on the historical volatility of Ninepoint Bitcoin ETF as measured by the 10-year standard deviation of the returns of Ninepoint Bitcoin ETF. Just as historical performance may not be indicative of future returns, Ninepoint Bitcoin ETF's historical volatility may not be indicative of its future volatility. Investors should be aware that other types of risk, both measurable and non-measurable, also exist.

Standard deviation is a statistical measure used to estimate the dispersion of a set of data around the average value of the data. In the context of investment returns, it measures the amount of variability of returns that has historically occurred relative to the average return. The higher the standard deviation, the greater the variability of returns it has experienced in the past.

Using this methodology, the Manager assigns a risk rating to Ninepoint Bitcoin ETF as either low, low to medium, medium, medium to high, or high risk as follows:

- **Low** – for funds with a level of risk typically associated with investments in Canadian fixed income funds and money market funds;
- **Low to Medium** – for funds with a level of risk typically associated with investments in balanced funds and global or corporate fixed income funds;
- **Medium** – for funds with a level of risk typically associated with investments in equity portfolios diversified among a number of large-capitalization Canadian or international equity securities;
- **Medium to High** – for funds with a level of risk typically associated with investments in equity funds that may concentrate their investments in specific regions or specific sectors of the economy; and
- **High** – for funds with a level of risk typically associated with investments in equity portfolios that may concentrate their investments in specific regions or specific sectors of the economy where there is a substantial risk of loss (such as emerging markets or precious metals).

Ninepoint Bitcoin ETF's risk rating is determined by calculating its standard deviation for the most recent 10 years using monthly returns and assuming the reinvestment of all income and capital gains distributions in additional Units of Ninepoint Bitcoin ETF. As Ninepoint Bitcoin ETF does not have at least 10 years of performance history, the Manager uses a reference index that is reasonably expected to approximate, the standard deviation of Ninepoint Bitcoin ETF as a proxy. There may be times when the Manager believes this methodology produces a result that does not reflect Ninepoint Bitcoin ETF's risk based on other qualitative factors. As a result, the Manager may place Ninepoint Bitcoin ETF in a higher risk rating category, as appropriate. The Manager will review the risk rating for Ninepoint Bitcoin ETF on an annual basis or if there has been a material change to Ninepoint Bitcoin ETF's investment objectives or investment strategies.

A copy of the methodology used by the Manager to identify the investment risk levels of Ninepoint Bitcoin ETF is available on request, at no cost, by calling 1 (866) 299-9906. The risk rating set forth in the table below does not necessarily correspond to an investor's risk tolerance assessment. Investors are advised to consult their financial advisor for advice regarding their personal circumstances.

Legal Name	Risk Rating
Ninepoint Bitcoin ETF	High

Ninepoint Bitcoin ETF's risk classification is based on Ninepoint Bitcoin ETF's return and the return of the MVIBBR.

DISTRIBUTION POLICY

Ninepoint Bitcoin ETF does not intend to pay distributions to Unitholders.

On an annual basis, Ninepoint Bitcoin ETF will ensure that its income and net realized capital gains, if any, have been distributed to Unitholders to such an extent that Ninepoint Bitcoin ETF will not be liable for ordinary income tax thereon. To the extent that Ninepoint Bitcoin ETF has not distributed the full amount of its net income or capital gains in any year, the difference between such amount and the amount actually distributed by Ninepoint Bitcoin ETF will be paid as a "reinvested distribution". Reinvested distributions by Ninepoint Bitcoin ETF, net of any required withholding taxes, will be reinvested automatically in additional Units at a price equal to the NAV per Unit and the Units will be immediately consolidated such that the number of outstanding Units following the distribution will equal the number of Units outstanding prior to the distribution.

In addition to the distributions described above, Ninepoint Bitcoin ETF may from time to time pay additional distributions on its Units, including without restriction in connection with a special distribution or in connection with returns of capital.

PURCHASES OF UNITS

Initial Investment

Following the Conversion, units of Bitcoin Trust will be redesignated as Ninepoint Bitcoin ETF Units and, subject to the receipt of conditional approval and satisfaction of the original listing requirements of the Toronto Stock Exchange ("TSX"), will continue to be listed on the TSX.

Offerings and Continuous Distribution

Units of Ninepoint Bitcoin ETF are being issued and sold on a continuous basis and there is no maximum number of Units that may be issued.

Designated Broker

The Manager, on behalf Ninepoint Bitcoin ETF, has entered into a Designated Broker Agreement with the Designated Broker pursuant to which the Designated Broker agreed to perform certain duties relating to Ninepoint Bitcoin ETF including, without limitation: (i) to subscribe for a sufficient number of Units to satisfy the stock exchange's original listing requirements; (ii) to subscribe for Units on an ongoing basis in connection with the rebalancing of and adjustments to Ninepoint Bitcoin ETF's portfolio when redemptions of Units occur as described under "*Redemption and Exchange of Units – Redemption of Units*"; and (iii) to post a liquid two-way market for the trading of Units on the stock exchange. The Manager may, in its discretion from time to time, reimburse the Designated Broker for certain expenses incurred by the Designated Broker in performing these duties.

The Designated Broker Agreement provides that the Manager may from time to time and, in any event not more than once quarterly, require the Designated Broker to subscribe for Units of Ninepoint Bitcoin ETF for cash in a dollar amount not to exceed 0.30% of the NAV of Ninepoint Bitcoin ETF. The number of Units issued will be the subscription amount divided by the NAV per Unit next determined following the delivery by the Manager of a subscription notice to the Designated Broker. Payment for the Units must be made by the Designated Broker, and the Units will be issued, by no later than the second Trading Day after the subscription notice has been delivered.

Issuance of Units To the Designated Broker and Dealers

All orders to purchase Units directly from Ninepoint Bitcoin ETF must be placed by the Designated Broker or Dealers. Ninepoint Bitcoin ETF reserves the absolute right to reject any subscription order placed by the Designated

Broker or Dealer. No fees will be payable by Ninepoint Bitcoin ETF to the Designated Broker or Dealer in connection with the issuance of Units. On the issuance of Units, the Manager may, in its discretion, charge a Redemption Fee to the Designated Broker or a Dealer to offset the expenses (including any applicable stock exchange additional listing fees) incurred in issuing the Units.

On any Trading Day, the Designated Broker or Dealer may place a subscription order for the Prescribed Number of Units (or an integral multiple thereof) of Ninepoint Bitcoin ETF. If a subscription order is received by Ninepoint Bitcoin ETF by 9:00 a.m. (Toronto time) on a Trading Day (or such later time on such Trading Day as the Manager may permit), Ninepoint Bitcoin ETF will issue to the Designated Broker or Dealer the Prescribed Number of Units (or an integral multiple thereof) by no later than the second Trading Day after the date on which the subscription order is accepted, provided that payment for such Units has been received.

The Designated Broker or Dealer must deliver cash in an amount equal to the NAV of the Units next determined following the receipt of the subscription order.

The Manager may, in its discretion, increase or decrease the Prescribed Number of Units from time to time. The Prescribed Number of Units will be available on Ninepoint Bitcoin ETF's website at www.ninepoint.com.

Buying and Selling Units

Investors are able to buy or sell Units through registered brokers and dealers in the province or territory where the investor resides. Investors may incur customary brokerage commissions in buying or selling Units. Ninepoint Bitcoin ETF issues Units directly to the Designated Broker and Dealers.

Special Considerations for Unitholders

The provisions of the so-called "early warning" requirements set out in Canadian securities legislation do not apply in connection with the acquisition of Units. In addition, Ninepoint Bitcoin ETF has received exemptive relief from the securities regulatory authorities to permit Unitholders to acquire more than 20% of the Units of Ninepoint Bitcoin ETF through purchases on the stock exchange without regard to the take-over bid requirements of Canadian securities legislation, provided that any such Unitholder, and any person acting jointly or in concert with the Unitholder, undertakes to not vote more than 20% of the Units of Ninepoint Bitcoin ETF at any meeting of Unitholders.

Non-Resident Unitholders

At no time may: (i) non-residents of Canada; (ii) partnerships that are not Canadian partnerships; or (iii) a combination of non-residents of Canada and such partnerships (all as defined in the Tax Act) be the beneficial owners of a majority of the Units of Ninepoint Bitcoin ETF. The Manager may require declarations as to the jurisdictions in which a beneficial owner of Units is resident and, if a partnership, its status as a Canadian partnership. If the Manager becomes aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of 40% of the Units of Ninepoint Bitcoin ETF then outstanding are, or may be, non-residents and/or partnerships that are not Canadian partnerships, or that such a situation is imminent, the Manager may make a public announcement thereof. If the Manager determines that more than 40% of such Units are beneficially held by non-residents and/or partnerships that are not Canadian partnerships, the Manager may send a notice to such non-resident Unitholders and partnerships, chosen in inverse order to the order of acquisition or in such manner as the Manager may consider equitable and practicable, requiring them to sell their Units or a portion thereof within a specified period of not less than 30 days. If the Unitholders receiving such notice have not sold the specified number of Units or provided the Manager with satisfactory evidence that they are not non-residents or partnerships other than Canadian partnerships within such period, the Manager may on behalf of such Unitholders sell such Units and, in the interim, shall suspend the voting and distribution rights attached to such Units. Upon such sale, the affected holders shall cease to be beneficial holders of Units and their rights shall be limited to receiving the net proceeds of sale of such Units.

Notwithstanding the foregoing, the Manager may determine not to take any of the actions described above if the Manager has been advised by legal counsel that the failure to take any of such actions would not adversely impact the status of Ninepoint Bitcoin ETF as a mutual fund trust for purposes of the Tax Act or, alternatively, may take such other action or actions as may be necessary to maintain the status of Ninepoint Bitcoin ETF as a mutual fund trust for purposes of the Tax Act.

Registration and Transfer through CDS

Registration of interests in, and transfers of, the Units will be made only through CDS. Units must be purchased, transferred and surrendered for exchange or redemption only through a CDS Participant. All rights of an owner of Units must be exercised through, and all payments or other property to which such owner is entitled will be made or delivered by, CDS or the CDS Participant through which the owner holds such Units. Upon purchase of any Units, the owner will receive only the customary confirmation and physical certificates evidencing ownership will not be issued. References in this prospectus to a holder of Units mean, unless the context otherwise requires, the owner of the beneficial interest in such Units.

Neither Ninepoint Bitcoin ETF nor the Manager will have any liability for: (i) records maintained by CDS relating to the beneficial interests in the Units or the book entry accounts maintained by CDS; (ii) maintaining, supervising or reviewing any records relating to such beneficial ownership interests; or (iii) any advice or representation made or given by CDS and made or given with respect to the rules and regulations of CDS or any action taken by CDS or at the direction of the CDS Participants.

The ability of a beneficial owner of Units to pledge such Units or otherwise take action with respect to such owner's interest in such Units (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

Ninepoint Bitcoin ETF has the option to terminate registration of the Units through the book based system in which case certificates for Units in fully registered form may be issued to beneficial owners of such Units or to their nominees.

REDEMPTION AND EXCHANGE OF UNITS

Redemption of Units

On any Trading Day, Unitholders may redeem Units of Ninepoint Bitcoin ETF for cash at a redemption price per Unit equal to the lesser of (i) 95% of the closing price for the Units on the stock exchange on the effective day of the redemption; and (ii) the NAV per Unit. Because Unitholders will generally be able to sell Units at the market price on the stock exchange through a registered broker or dealer subject only to customary brokerage commissions, Unitholders are advised to consult their brokers, dealers or investment advisors before redeeming their Units for cash.

In order for a cash redemption to be effective on a Trading Day, a cash redemption request in the form prescribed by the Manager from time to time must be delivered to Ninepoint Bitcoin ETF at its registered office by 9:00 a.m. (Toronto time) on the Trading Day (or such later time on such Trading Day as the Manager may permit). If a cash redemption request is not received by the delivery deadlines noted immediately above on a Trading Day, the cash redemption request will be effective only on the next Trading Day. Payment of the redemption price will be made by no later than the second Trading Day after the effective day of the redemption. The cash redemption request forms may be obtained from any registered broker or dealer.

Investors that redeem Units prior to the distribution record date for any distribution will not be entitled to receive that distribution.

In connection with the redemption of Units, Ninepoint Bitcoin ETF may dispose of securities or other assets to satisfy the redemption.

Exchange of Units

On any Trading Day, Unitholders may exchange the Prescribed Number of Units (or an integral multiple thereof) for cash.

To effect an exchange of Units, a Unitholder must submit an exchange request in the form prescribed by the Manager from time to time to Ninepoint Bitcoin ETF at its registered office by 9:00 a.m. (Toronto time) on a Trading Day (or such later time on such Trading Day as the Manager may permit). The exchange price will be equal to the NAV of the Units on the effective day of the exchange request, payable by delivery of cash. The Units will be redeemed in the exchange.

If an exchange request is not received by the submission deadlines noted immediately above on a Trading Day, the exchange order will be effective only on the next Trading Day. Settlement of exchanges will be made by no later than the second Trading Day after the effective day of the exchange request.

Unitholders should be aware that the NAV per Unit will decline on the date of declaration of any distribution payable in cash on Units. A Unitholder that is no longer a holder of record on the applicable distribution record date will not be entitled to receive that distribution.

Requests for Exchange and Redemption

A Unitholder submitting an exchange or redemption request is deemed to represent to Ninepoint Bitcoin ETF and the Manager that: (i) it has full legal authority to tender the Units for exchange or redemption and to receive the proceeds of the exchange or redemption; and (ii) the Units have not been loaned or pledged and are not the subject of a repurchase agreement, securities lending agreement or a similar arrangement that would preclude the delivery of the Units to Ninepoint Bitcoin ETF. The Manager reserves the right to verify these representations at its discretion. Generally, the Manager will require verification with respect to an exchange or redemption request if there are unusually high levels of exchange or redemption activity or short interest in Ninepoint Bitcoin ETF. If the Unitholder, upon receipt of a verification request, does not provide the Manager with satisfactory evidence of the truth of the representations, the Unitholder's exchange or redemption request will not be considered to have been received in proper form and will be rejected.

Suspension of Exchange and Redemption

The Manager may suspend the redemption of Units or payment of redemption proceeds of Ninepoint Bitcoin ETF: (i) during any period when normal trading is suspended on a stock exchange or other market on which securities owned by Ninepoint Bitcoin ETF are listed and traded, if these securities represent more than 50% by value or underlying market exposure of the total assets of Ninepoint Bitcoin ETF, without allowance for liabilities, and if these securities are not traded on any other exchange that represents a reasonably practical alternative for Ninepoint Bitcoin ETF; or (ii) with the prior permission of the securities regulatory authorities for any period not exceeding 30 days during which the Manager determines that conditions exist that render impractical the sale of assets of Ninepoint Bitcoin ETF or that impair the ability of the Valuation Agent to determine the value of the assets of Ninepoint Bitcoin ETF. The suspension may apply to all requests for redemption received prior to the suspension but as to which payment has not been made, as well as to all requests received while the suspension is in effect. All Unitholders making such requests shall be advised by the Manager of the suspension and that the redemption will be effected at a price determined on the first Valuation Date following the termination of the suspension. All such Unitholders shall have and shall be advised that they have the right to withdraw their requests for redemption. The suspension shall terminate in any event on the first day on which the condition giving rise to the suspension has ceased to exist, provided that no other condition under which a suspension is authorized then exists. To the extent not inconsistent with official rules and regulations promulgated by any government body having jurisdiction over Ninepoint Bitcoin ETF, any declaration of suspension made by the Manager shall be conclusive.

Costs Associated with Exchange and Redemption

Unitholders who buy and sell Units of Ninepoint Bitcoin ETF through the facilities of a stock exchange on which Units of Ninepoint Bitcoin ETF are traded do not pay a fee directly to the Manager or Ninepoint Bitcoin ETF in respect of those purchases and sales.

An amount as may be agreed to between the Manager and the Designated Broker or a Dealer of Ninepoint Bitcoin ETF may be charged by the Manager at its discretion, on behalf of Ninepoint Bitcoin ETF, to the Designated Broker and/or Dealers to offset certain transaction costs including brokerage expenses, commissions and other costs and expenses associated with the issue, exchange or redemption of Units of Ninepoint Bitcoin ETF to or by such Designated Broker and/or Dealer. The Manager will publish the current Redemption Fee, if any, on its website, www.ninepoint.com.

Allocations of Capital Gains to Redeeming or Exchanging Unitholders

Pursuant to the Declaration of Trust, Ninepoint Bitcoin ETF may allocate and designate as payable any capital gains realized by Ninepoint Bitcoin ETF as a result of any disposition of property of Ninepoint Bitcoin ETF. In addition, Ninepoint Bitcoin ETF has the authority to distribute, allocate and designate any capital gains of Ninepoint Bitcoin ETF to a Unitholder of Ninepoint Bitcoin ETF who has redeemed or exchanged Units during a year. Any such allocations and designations will reduce the redemption price otherwise payable to the redeeming Unitholder.

Legislative Proposals released by the Minister of Finance (Canada) on July 30, 2019 proposed amendments to the Tax Act that would deny Ninepoint Bitcoin ETF a deduction for the portion of a capital gain designated to a Unitholder on a redemption of Units that is greater than the Unitholder's accrued gain on those Units, where the Unitholder's proceeds of disposition are reduced by the designation. If such proposed amendments to the Tax Act are enacted in their current form, any amounts that would otherwise have been designated to redeeming Unitholders may be made payable to the remaining, non-redeeming Unitholders to ensure Ninepoint Bitcoin ETF will not be liable for non-refundable income tax thereon.

Accordingly, the amounts of taxable distributions made to Unitholders of Ninepoint Bitcoin ETF may be greater than they would have been in the absence of such amendments. See "*Canadian Federal Income Tax Considerations*".

Exchange and Redemption of Units through CDS Participants

The exchange and redemption rights described above must be exercised through the CDS Participant through which the owner holds Units. Beneficial owners of Units should ensure that they provide exchange and/or redemption instructions to the CDS Participants through which they hold Units sufficiently in advance of the cut-off times described above to allow such CDS Participants to notify CDS and for CDS to notify the Manager prior to the relevant cut-off time.

Short-Term Trading

At the present time, the Manager is of the view that it is not necessary to impose any short-term trading restrictions on Ninepoint Bitcoin ETF as Units of Ninepoint Bitcoin ETF are generally traded by investors on an exchange in the secondary market in the same way as other listed securities. In the few situations where Ninepoint Bitcoin ETF are not purchased in the secondary market, purchases usually involve the Designated Broker or a Dealer upon whom the Manager may impose a Redemption Fee, which is intended to compensate Ninepoint Bitcoin ETF for any costs and expenses incurred in relation to the trade.

PRIOR SALES

Bitcoin Trust completed its initial public offering ("**IPO**") on January 27, 2021, resulting in the listing of 18,473,866 Class A Units on the TSX. In connection with the IPO, Bitcoin Trust issued 7,318,276 Class A Units at a price of US\$10.00 per Class A Unit (or the Canadian dollar equivalent being CAD\$12.762, as applicable), 2,865,314 Class F Units at a price of US\$10.00 per Class F Unit (or the Canadian dollar equivalent being CAD\$12.762, as applicable) and 7,806,901 Class S Units at a price of US\$10.00 per Class S Unit (or the Canadian dollar equivalent being CAD\$12.762, as applicable). Immediately upon closing of the IPO, the Class F Units and Class S Units were reclassified as Class A Units based on the Net Asset Value per Class F Unit or Class S Unit, as applicable, divided by the Net Asset Value per Class A Unit, in each case calculated after payment of the Agents' fees. Accordingly, the

2,865,314 Class F Units were reclassified as 2,956,276 Class A Units and 7,806,901 Class S Units were reclassified as 8,199,314 Class A Units.

Price Range and Trading Volume of Units

The following chart provides the price ranges and monthly trading volume of units of Bitcoin Trust traded on the TSX for each month or partial month, as applicable, from the completion of Bitcoin Trust's initial public offering on January 27, 2021, to the date of this prospectus.

<u>Month</u>	<u>Market Price</u> <u>BITC.U</u>			<u>Market Price</u> <u>BITC.UN</u>		
	<u>High</u>	<u>Low</u>	<u>Volume</u>	<u>High</u>	<u>Low</u>	<u>Volume</u>
January 27-31, 2021	US\$11.25	US\$8.75	556,541	CAD\$14.52	CAD\$11.55	448,905
February 1-28, 2021	US\$16.89	US\$9.42	3,080,853	CAD\$21.52	CAD\$12.00	5,937,433
March 1-31, 2021	US\$18.05	US\$12.59	2,555,396	CAD\$22.01	CAD\$15.92	2,806,003
April 1-25, 2021	US\$19.88	US\$14.45	1,255,849	CAD\$24.47	CAD\$18.10	1,381,956

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations under the Tax Act for Ninepoint Bitcoin ETF and for a prospective investor in Ninepoint Bitcoin ETF who, for the purpose of the Tax Act at all relevant times, is an individual (other than a trust), is resident in Canada, holds Units of Ninepoint Bitcoin ETF as capital property, is not affiliated and deals at arm's length with Ninepoint Bitcoin ETF, and has not entered into a "derivative forward agreement" (as defined in the Tax Act) with respect to Units of Ninepoint Bitcoin ETF. Generally, Units will be considered to be capital property to a Unitholder provided that the Unitholder does not hold such Units in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. A Unitholder whose Units might not otherwise be considered to be capital property may, in certain circumstances, be entitled to make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have such Units, and any other "Canadian security", as defined in the Tax Act, owned by such Unitholder in the taxation year in which the election is made or any subsequent taxation year, deemed to be capital property. Unitholders who do not hold their Units as capital property should consult their own tax advisors regarding their particular circumstances.

This summary is not applicable to a Unitholder (i) that is a "financial institution" for purposes of the "mark-to-market rules" in the Tax Act, (ii) an interest in which is a "tax shelter investment", (iii) that has elected to report its "Canadian tax results" in a currency other than Canadian currency, or (iv) that has entered or will enter into a "derivative forward agreement" with respect to Units (in each case within the meaning of the Tax Act). Such holders should consult their own tax advisors to determine the tax consequences to them of the acquisition, holding and disposition of Units. In addition, this summary does not address the deductibility of interest by a Unitholder who has borrowed money to acquire Units.

This summary is based upon the current provisions of the Tax Act and regulations thereunder, the Excise Tax Act and regulations thereunder, the Tax Proposals and the Manager's understanding of the current published administrative policies and assessing practices of the CRA publicly available prior to the date hereof. This summary does not take into account or anticipate any other changes in law whether by legislative, administrative or judicial action, or changes in CRA's administrative policies and assessment practices, and it does not take into account provincial, territorial or foreign income tax legislation or considerations, which may differ from the considerations

described below. This summary assumes that the Tax Proposals will be enacted as currently proposed, but no assurances can be given that this will be the case. There can be no assurances that CRA will not change its administrative policies or assessing practices.

This summary is of a general nature only and is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in the Units. The income and other tax consequences of acquiring, holding or disposing of Units will vary depending on a Unitholder's particular status and circumstances, including the province or territory in which the Unitholder resides or carries on business. This summary is not intended to be, and should not be construed to be, legal or tax advice to any particular Unitholder. Prospective investors should therefore consult their own tax advisors about their individual circumstances.

Status of Ninepoint Bitcoin ETF

Qualification as a "Mutual Fund Trust"

This summary is based on the assumption that Ninepoint Bitcoin ETF will comply at all material times with the conditions prescribed in the Tax Act and otherwise so as to qualify as a "mutual fund trust" as defined in the Tax Act and that Ninepoint Bitcoin ETF will validly elect under the Tax Act to be a mutual fund trust from the date it was established. Ninepoint Bitcoin ETF is expected to qualify as a "mutual fund trust" under the Tax Act at all material times. If Ninepoint Bitcoin ETF were to not qualify as a "mutual fund trust" for the purposes of the Tax Act for any period of time, the tax considerations could be materially different from those described below.

SIFT Rules

This summary assumes that at no time will Ninepoint Bitcoin ETF be a SIFT trust. Even if units of Ninepoint Bitcoin ETF are listed or traded on a stock exchange or other public market, provided Ninepoint Bitcoin ETF only invests in Bitcoin, Ninepoint Bitcoin ETF should not be a SIFT trust; however, no assurance can be given in this regard.

Under the SIFT Rules, trusts or partnerships (defined as "SIFT trusts" and "SIFT partnerships", respectively) the securities of which are listed or traded on a stock exchange or other public market, and that hold one or more "non-portfolio properties" (as defined), are effectively taxed on income and taxable capital gains in respect of such non-portfolio properties at combined rates comparable to the rates that apply to income earned and distributed by Canadian corporations. Distributions of such income received by unitholders of SIFT trusts (and allocations of such income made to members of SIFT partnerships) are treated as eligible dividends from a taxable Canadian corporation.

The SIFT Rules could affect Ninepoint Bitcoin ETF and its Unitholders to the extent that Ninepoint Bitcoin ETF is a SIFT trust to which the SIFT Rules apply, and Ninepoint Bitcoin ETF earns income from non-portfolio property or taxable capital gains from the disposition of "non-portfolio property". The Manager believes that the SIFT Rules were not intended to apply to trusts such as Ninepoint Bitcoin ETF and Ninepoint Bitcoin ETF is subject to investment restrictions intended to restrict its ability to hold "non-portfolio property". If Ninepoint Bitcoin ETF is considered to be a SIFT trust, "non-portfolio earnings" of Ninepoint Bitcoin ETF will be subject to the tax under the SIFT Rules when such amounts are distributed by Ninepoint Bitcoin ETF to its Unitholders and such distributions will be treated in the hands of such Unitholders as eligible dividends from a taxable Canadian corporation.

Eligibility for Registered Accounts

Based on the current provisions of the Tax Act, provided that Ninepoint Bitcoin ETF qualifies as a "mutual fund trust" within the meaning of the Tax Act, or the Units of a class of Ninepoint Bitcoin ETF continue to be listed on a "designated stock exchange" within the meaning of the Tax Act, such Units will be qualified investments for Registered Plans.

However, in the case of a tax-free savings account (“**TFSA**”), a registered retirement savings plan (“**RRSP**”), a registered retirement income fund (“**RRIF**”), a registered disability savings plan (“**RDSP**”), and a registered education savings plan (“**RESP**”), if the holder of such TFSA or RDSP, the subscriber of such RESP, or annuitant under such RRSP or RRIF, as the case may be, holds a “significant interest” in Ninepoint Bitcoin ETF, or if such holder, subscriber or annuitant does not deal at arm’s length with Ninepoint Bitcoin ETF for purposes of the Tax Act, the Units of Ninepoint Bitcoin ETF will be a “prohibited investment” for such TFSA, RDSP, RESP, RRSP or RRIF. If Units of Ninepoint Bitcoin ETF are a “prohibited investment” for a TFSA, RDSP, RESP, RRSP or RRIF that acquires such Units, the holder of the TFSA or RDSP, subscriber of the RESP, or annuitant under the RRSP or RRIF will be subject to a penalty tax as set out in the Tax Act. Generally, a holder, subscriber or annuitant will not be considered to have a “significant interest” in Ninepoint Bitcoin ETF unless the holder, subscriber or annuitant owns 10% or more of the value of the outstanding Units of Ninepoint Bitcoin ETF, either alone or together with persons and partnerships with which the holder, subscriber or annuitant does not deal at arm’s length. Holders of TFSAs and RDSPs, subscribers of RESPs, and annuitants under RRSPs and RRIFs should consult their own tax advisors to ensure Units of Ninepoint Bitcoin ETF would not be a “prohibited investment” for purposes of the Tax Act in their particular circumstances.

Bitcoin received in connection with termination of the Ninepoint Bitcoin ETF may not be a qualified investment for Registered Plans, which may give rise to adverse tax consequences for a trust governed by a Registered Plan that receives such Bitcoin, or to the annuitant, beneficiary, subscriber or holder of such Registered Plan. Accordingly, each annuitant, beneficiary, holder or subscriber under or of a Registered Plan should consult with his or her own tax advisors in connection with any proposed termination of the Ninepoint Bitcoin ETF.

At the date hereof, the assets of a pension plan may be invested in Units provided that the assets of such plan are invested in accordance with the applicable laws and regulations, investment criteria and statement of investment policies and procedures established for such pension plan. However, no purchase of Units should be made solely in reliance on the above general statement. A pension plan wishing to invest in Units should make its own assessment, including by consulting its advisors, of its ability to make such an investment in its particular circumstances.

Taxation of Ninepoint Bitcoin ETF

Ninepoint Bitcoin ETF will be subject to tax under Part I of the Tax Act on its income for each taxation year, including taxable distributions received or deemed to be received on assets held by it, the taxable portion of capital gains realized by Ninepoint Bitcoin ETF on the disposition of assets held by it, and other income, less the portion thereof that it deducts in respect of amounts paid or payable to Unitholders in the year. The Declaration of Trust requires that Ninepoint Bitcoin ETF distribute its net income and net realized capital gains, if any, for each taxation year of Ninepoint Bitcoin ETF to Unitholders to such an extent that Ninepoint Bitcoin ETF will not be liable in any taxation year for ordinary income tax (after taking into account any applicable losses of Ninepoint Bitcoin ETF and any capital gains refunds to which Ninepoint Bitcoin ETF is entitled). If in a taxation year the income for tax purposes of Ninepoint Bitcoin ETF exceeds the cash available for distribution by Ninepoint Bitcoin ETF, Ninepoint Bitcoin ETF will distribute its income through a payment of reinvested distributions.

The determination of whether property is held on income or capital account is a factual inquiry. In determining whether a transaction is on income or capital account in particular circumstances, the CRA and Canadian jurisprudence have generally stated that the course of conduct and intention of the taxpayer should be examined to determine whether the taxpayer is dealing with property in the manner of an ordinary trader or dealer in such property or otherwise acquired the property with the intention (including a secondary intention) of selling it at a profit. Factors to be considered in this regard include the intention of the taxpayer, the course of conduct of the taxpayer (including frequency of transactions and time spent on the activity), the nature of the property, and the period of ownership.

The CRA generally treats cryptocurrency such as Bitcoin as a commodity for income tax purposes. The CRA has also expressed the opinion that gains (or losses) of mutual fund trusts resulting from transactions in commodities should generally be treated for tax purposes as being derived from an adventure in the nature of trade, so that such transactions give rise to ordinary income rather than capital gains, although the treatment in each particular case remains a question of fact to be determined having regard to all the circumstances.

Certain Canadian jurisprudence is consistent with transactions in commodities being treated for income tax purposes as giving rise to capital gains in certain circumstances, particularly where a holder does not deal with the commodity in the manner of an ordinary trader or dealer and the asset is regarded as a store of value, similar to gold bullion. However, the Canadian income tax jurisprudence in relation to the characterization of gains as being on income or capital account is very fact specific (and has not yet addressed the characterization of gains on the disposition of Bitcoin or any other cryptocurrency). Accordingly, the support in Canadian jurisprudence for the treatment of gains on the disposition of Bitcoin on capital account is limited at this time, and there can be no assurances in this regard.

Ninepoint Bitcoin ETF intends to be a long-term holder of Bitcoin, and does not anticipate to sell Bitcoin (otherwise than where necessary to fund expenses and redemptions of Unitholders) or speculate with regard to changes in Bitcoin prices such that Ninepoint Bitcoin ETF does not intend to act in the manner of an ordinary trader or dealer in Bitcoin. The investment strategy of Ninepoint Bitcoin ETF is to generally be a long-term holder of Bitcoin with the intention that the holding of such Bitcoin serves as a store of value and a hedge against inflation. Based on the investment strategy, investment restrictions, and intention of the Manager, Ninepoint Bitcoin ETF intends to treat gains (or losses) as a result of any disposition of Bitcoin as capital gains (or capital losses). If Ninepoint Bitcoin ETF realizes capital gains as a result of a transfer or disposition of its property undertaken to permit an exchange or redemption of Units by a Unitholder, all or a portion of the amount received by the Unitholder may be designated and treated for income tax purposes as a distribution to the Unitholder out of such capital gains rather than being treated as proceeds of disposition of the Units. The Tax Proposals include proposed amendments to the Tax Act that would deny Ninepoint Bitcoin ETF a deduction for the portion of a capital gain designated to a Unitholder on a redemption of Units that is greater than the Unitholder's accrued gain on those Units, where the Unitholders' proceeds of disposition are reduced by the designation. If such proposed amendments to the Tax Act are enacted in their current form, any taxable capital gains that would otherwise have been designated to redeeming unitholders may be made payable to the remaining, non-redeeming Unitholders to ensure Ninepoint Bitcoin ETF will not be liable for non-refundable income tax thereon. Accordingly, the amounts of taxable distributions made to Unitholders of Ninepoint Bitcoin ETF may be greater than they would have been in the absence of such amendments.

Any losses incurred by Ninepoint Bitcoin ETF may not be allocated to Unitholders, but may generally be carried forward and back and deducted in computing the taxable income of Ninepoint Bitcoin ETF in accordance with the detailed rules and limitations in the Tax Act.

Ninepoint Bitcoin ETF is subject to the suspended loss rules contained in the Tax Act. A loss realized on a disposition of capital property is considered to be a suspended loss when Ninepoint Bitcoin ETF acquires a property (a "substituted property") that is the same as or identical to the property disposed of, within 30 days before and 30 days after the disposition and Ninepoint Bitcoin ETF owns the substituted property 30 days after the original disposition. If a loss is suspended, Ninepoint Bitcoin ETF cannot deduct the loss until the substituted property is sold and is not reacquired within 30 days before and after the sale, which may increase the amount of net realized capital gains of Ninepoint Bitcoin ETF to be made payable to its Unitholders.

Ninepoint Bitcoin ETF is required to compute its income and gains for tax purposes in Canadian dollars. Therefore, the amount of income, cost, proceeds of disposition and other amounts in respect of investments that are not Canadian dollar denominated will be affected by fluctuations in the exchange rate of the Canadian dollar against the relevant foreign currency.

Taxation of Unitholders

A Unitholder will be required to include in the Unitholder's income for tax purposes for any year the amount of net income and net taxable capital gains of Ninepoint Bitcoin ETF, if any, paid or payable to the Unitholder in the year and deducted by Ninepoint Bitcoin ETF in computing its income, whether or not such amounts are reinvested in additional Units. The non-taxable portion of any net realized capital gains of Ninepoint Bitcoin ETF that is paid or payable to a Unitholder in a taxation year will not be included in computing the Unitholder's income for the year and, provided appropriate designations are made by Ninepoint Bitcoin ETF, will not reduce the adjusted cost base of the Unitholder's Units. Any returns of capital will reduce the Unitholder's adjusted cost base. To the extent that a Unitholder's adjusted cost base would otherwise be a negative amount, the negative amount will be deemed to be a capital gain realized by the Unitholder and the Unitholder's adjusted cost base will be nil immediately thereafter.

Ninepoint Bitcoin ETF will designate, to the extent permitted by the Tax Act, the portion of the net income distributed to Unitholders as may reasonably be considered to consist of net taxable capital gains realized or considered to be realized by Ninepoint Bitcoin ETF. Any such designated amount will be deemed for tax purposes to be realized by Unitholders in the year as a taxable capital gain. Capital gains so designated will be subject to the general rules relating to the taxation of capital gains described below.

Any loss of Ninepoint Bitcoin ETF for purposes of the Tax Act cannot be allocated to, and cannot be treated as a loss of, the Unitholders of Ninepoint Bitcoin ETF.

Composition of Distributions

Unitholders will be informed each year of the composition of the amounts distributed to them, including amounts in respect of both cash and reinvested distributions. This information will indicate whether distributions are to be treated as ordinary income, taxable capital gains and returns of capital, as those items are applicable.

Tax Implications of Ninepoint Bitcoin ETF's Distribution Policy

When a Unitholder acquires Units of Ninepoint Bitcoin ETF, a portion of the price may reflect income and capital gains of Ninepoint Bitcoin ETF that have not been realized or distributed. This may particularly be the case near year-end before year-end distributions have been made. When such income and capital gains are distributed by Ninepoint Bitcoin ETF, they must be taken into account by the Unitholder in computing its income for tax purposes even though such amounts may have been reflected in the price paid by the Unitholder.

Disposition of Units

Upon the actual or deemed disposition of a Unit, including the exchange or redemption of a Unit, a capital gain (or a capital loss) will generally be realized by the Unitholder to the extent that the proceeds of disposition of the Unit exceed (or are less than) the aggregate of the adjusted cost base to the Unitholder of the Unit and any reasonable costs of disposition. The Unitholder's proceeds of disposition will not include an amount payable by Ninepoint Bitcoin ETF that the Unitholder is otherwise required to include in income, nor any capital gain realized by Ninepoint Bitcoin ETF in connection with a redemption which Ninepoint Bitcoin ETF has allocated to the redeeming Unitholder.

In general, the adjusted cost base of all Units held by the Unitholder is the total amount paid for the Units (including brokerage commissions paid), regardless of when the investor bought them, less any returns of capital and less the adjusted cost base of any Units previously disposed of by the Unitholder. For the purpose of determining the adjusted cost base of Units to a Unitholder, when Units are acquired, the cost of the newly acquired Units will be averaged with the adjusted cost base of all Units owned by the Unitholder as capital property immediately before that time.

Where, on termination of Ninepoint Bitcoin ETF, a Unitholder receives Bitcoin, or a combination of Bitcoin and cash, for his or her Units, the proceeds of disposition to the Unitholder of the Units will be equal to the fair market value of the Bitcoin, plus the amount of any cash, so received, and less any capital gain or income realized by Ninepoint Bitcoin ETF as a result of the transfer of the Bitcoin. If any income or capital gain realized by Ninepoint Bitcoin ETF as a result of the transfer of Bitcoin on the redemption of Units were designated by Ninepoint Bitcoin ETF to a redeeming Unitholder, the Unitholder would be required to include in income the income or taxable portion of the capital gain so designated. The cost for tax purposes of Bitcoin acquired by a redeeming Unitholder on the exchange or redemption of Units will generally be the fair market value of the Bitcoin at that time.

Taxation of Capital Gains and Capital Losses

One-half of any capital gain realized by an investor and the amount of any net taxable capital gains realized or considered to be realized by Ninepoint Bitcoin ETF and designated by Ninepoint Bitcoin ETF in respect of an investor will be included in the investor's income as a taxable capital gain. One-half of a capital loss will be an allowable capital loss realized by an investor that will be deducted from taxable capital gains subject to and in accordance with detailed rules in the Tax Act.

Taxation of Registered Plans

In general, the amount of a distribution paid or payable to a Registered Plan from Ninepoint Bitcoin ETF and gains realized by a Registered Plan on a disposition of a Unit will not be taxable under the Tax Act. As is the case for all investments held in Registered Plans, amounts withdrawn from a Registered Plan (other than from a TFSA or a return of contributions from an RESP or certain withdrawals from an RDSP) will generally be subject to tax. To the extent Units of Ninepoint Bitcoin ETF are exchanged by the redeeming Unitholder for Bitcoin, or liquidation of the Bitcoin of Ninepoint Bitcoin ETF is not practicable upon termination of Ninepoint Bitcoin ETF, any Bitcoin received by a Unitholder would not be a qualified investment for Registered Plans.

Alternative Minimum Tax

In general terms, in the case of a Unitholder that is an individual or trust (other than certain specified types of trusts), the Unitholder's liability for alternative minimum tax may be increased if Ninepoint Bitcoin ETF designates a portion of its income that it pays or makes payable to the Unitholder as net taxable capital gains, or if the Unitholder realizes a capital gain on the disposition or deemed disposition of Units.

International Information Reporting

Ninepoint Bitcoin ETF is required to comply with due diligence and reporting obligations in the Tax Act enacted to implement the Canada-United States Enhanced Tax Information Exchange Agreement (the "IGA"). As long as Units of Ninepoint Bitcoin ETF continue to be registered in the name of CDS or are approved to be listed on the stock exchange, Ninepoint Bitcoin ETF should not have any U.S. reportable accounts and, as a result, it should not be required to provide information to the CRA in respect of its Unitholders. However, dealers through which Unitholders hold their Units are subject to due diligence and reporting obligations with respect to financial accounts that they maintain for their clients. Unitholders (and, if applicable, the controlling person(s) of a Unitholder) may be requested to provide information to their dealer to identify U.S. persons holding Units. If a Unitholder, or its controlling person(s), is a "Specified U.S. Person", as defined under the IGA (including a U.S. citizen who is a resident of Canada), if no such determination has been made but the information provided includes indicia of U.S. status and sufficient evidence to the contrary is not timely provided, or if the Unitholder fails to provide the requested information and indicia of U.S. status is present, then Part XVIII of the Tax Act will generally require information about the Unitholder's investments held in the financial account maintained by the dealer to be reported to the CRA, unless the investments are held within a Registered Plan. The CRA will then provide that information to the U.S. Internal Revenue Service.

In addition, pursuant to Part XIX of the Tax Act implementing the Organization for Economic Co-operation and Development Common Reporting Standard (the "CRS Rules"), Canadian financial institutions are required to have procedures in place to identify accounts held by tax residents of foreign countries other than the U.S. ("Reportable Jurisdictions") or by certain entities any of whose "controlling persons" are tax residents of Reportable Jurisdictions. The CRS Rules provide that Canadian financial institutions must report certain account information and other personal identifying details of Unitholders (and, if applicable, of the controlling persons of such Unitholders) who are tax residents of Reportable Jurisdictions to the CRA annually. Such information would generally be exchanged on a reciprocal, bilateral basis with Reportable Jurisdictions in which the account holders or such controlling persons are tax resident under the provisions and safeguards of the Multilateral Convention on Mutual Administrative Assistance in Tax Matters or the relevant bilateral tax treaty. Under the CRS Rules, Unitholders will be required to provide such information regarding their investment in Ninepoint Bitcoin ETF to their dealer for the purpose of such information exchange, unless the investment is held within a Registered Plan.

ORGANIZATION AND MANAGEMENT DETAILS

The Trustee, Manager and Promoter

Ninepoint Partners LP is the trustee and manager of Ninepoint Bitcoin ETF and provides or causes to be provided all administrative services required by Ninepoint Bitcoin ETF. The Manager may be considered to be a

promoter of Ninepoint Bitcoin ETF within the meaning of applicable securities legislation by reason of its initiative in forming and establishing Ninepoint Bitcoin ETF.

The Manager is a leading alternative investment management firm overseeing approximately CAD\$8.0 billion in assets under management and institutional contracts. The Manager, through its parent company, is primarily owned by John Wilson and James Fox, both former senior executives of Sprott Asset Management LP with over 27 and 20 years of experience in the investment industry, respectively. John Wilson is the Ultimate Designated Person (as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*) of the Manager.

The head office and principal place of business of the Manager is at Royal Bank Plaza, South Tower, 200 Bay Street, Suite 2700, PO Box 27, Toronto, Ontario M5J 2J1. The general partner of the Manager is Ninepoint Partners GP Inc.

The Manager also serves as trustee of Ninepoint Bitcoin ETF pursuant to the Declaration of Trust and as such provides administrative services to Ninepoint Bitcoin ETF. See “Declaration of Trust”.

Officers and Directors of the Trustee, Manager and Promoter

Name and Municipality of Residence	Position with the Manager	Position with the General Partner of the Manager	Principal Occupation
John Wilson Toronto, Ontario	Senior Portfolio Manager, Managing Partner and Ultimate Designated Person	Co-Chief Executive Officer, Managing Partner and Director	Senior Portfolio Manager and Managing Partner of the Manager
James R. Fox Toronto, Ontario	Managing Partner	Co-Chief Executive Officer, Managing Partner and Director	Managing Partner of the Manager
Kirstin H. McTaggart Mississauga, Ontario	Partner, Chief Compliance Officer and Chief Administrative Officer	Partner, Chief Compliance Officer and Chief Administrative Officer and Director	Partner, Chief Compliance Officer and Chief Administrative Officer of the Manager
Shirin Kabani Toronto, Ontario	Chief Financial Officer	Chief Financial Officer	Chief Financial Officer of the Manager
Alex Tapscott Toronto, Ontario	Managing Director, Ninepoint Digital Asset Group, a division of the Manager	N/A	Managing Director, Ninepoint Digital Asset Group, a division of the Manager

Alex Tapscott, in his role as Managing Director of Ninepoint Digital Asset Group, a division of the Manager, provides the Manager with ongoing analysis regarding the Bitcoin market and the digital asset sector more generally. In addition, Mr. Tapscott supports the investment management and marketing teams of the Manager, including, but not limited to, with respect to Ninepoint Bitcoin ETF, in providing information regarding the digital asset space.

Set out below are the particulars of the professional experience of the directors and senior officers of the Manager:

John Wilson – Mr. Wilson established the Manager in April 2017. Mr. Wilson has over 27 years of investment and business experience. Mr. Wilson currently serves as the Senior Portfolio Manager and Managing Partner of the Manager and as Co-Chief Executive Officer of the general partner of the Manager. Most recently, Mr. Wilson was Chief Executive Officer and co-Chief Investment Officer of Sprott Asset Management LP. Prior to joining Sprott in January 2012, Mr. Wilson was the Chief Investment Officer of Cumberland Private Wealth Management from March 2009 to January 2012. Previously, Mr. Wilson was the founder of DDX Capital Partners, an alternative investment manager, where he worked from September 2004 to March 2009. Prior to that, from December 2000 to January 2004, he was a Managing Director and a top-rated technology analyst at RBC Capital Markets; and previously, a Director at UBS Canada from November 1996 to November 2000. Mr. Wilson is an MBA graduate of The Wharton School, University of Pennsylvania in 1996.

James Fox – Mr. Fox established the Manager with Mr. Wilson in April 2017. Mr. Fox currently serves as Managing Partner of the Manager and as Co-Chief Executive Officer of the general partner of the Manager. Prior to establishing the Manager, Mr. Fox was President of Sprott Asset Management LP. Mr. Fox led the launch of three Bullion Trust investment vehicles that are dually listed on NYSE Arca and TSX exchanges, raising approximately \$4B in assets. Furthermore, Mr. Fox helped lead the successful hostile take-over bid of +\$1B TSX listed Central Gold Trust by Sprott Physical Gold Trust. In 2009, Mr. Fox co-founded PayBright, a fintech company in consumer lending. Mr. Fox served as Chairman of the Board of Directors and Advisory Board. In 2019, PayBright, was awarded the FinTech Company of the Year at the 5th Annual Canadian FinTech & AI Awards. Mr. Fox holds a Masters of Business Administration degree from the Rotman School of Management at the University of Toronto (1999) and holds a B.A. in Finance and Economics at the University of Western Ontario (1996).

Kirstin McTaggart – Ms. McTaggart joined the Manager in July 2017 and is the Chief Compliance Officer and Chief Administrative Officer of the Manager. Prior to joining the Manager, Ms. McTaggart was Chief Compliance Officer of Sprott Asset Management LP since April 2007. Ms. McTaggart currently also serves as the Corporate Secretary of the general partner of the Manager. Ms. McTaggart has accumulated over 29 years of experience in the financial and investment industry. Prior to joining Sprott in April 2003, Ms. McTaggart spent five years as a Senior Manager at Trimark Investment Management Inc., where her focus was the development of formal compliance and internal control policies and procedures.

Shirin Kabani – Ms. Kabani is the Chief Financial Officer of the Manager and has over 14 years of experience in Finance, Planning, Budgeting and Accounting. Prior to joining the Manager, Ms. Kabani was a Senior Manager in Finance at Sprott Asset Management LP for approximately 2 years. Prior to joining Sprott Asset Management, Ms. Kabani was with IBM where she managed various operations and processes, including financial planning, forecasting, accounting, capital budgeting, cost management, governance and controls. Ms. Kabani received a Honors Bachelor of Commerce (High distinction) from McMaster University and is a CPA, CMA (Ontario).

Alex Tapscott – Mr. Tapscott is an entrepreneur, author and seasoned capital markets professional focused on the impact of Bitcoin, blockchain and other digital assets on business and financial markets. Mr. Tapscott is the co-author of the critically acclaimed non-fiction best-seller, *Blockchain Revolution*, which has been translated into more than 15 languages and has sold more than 500,000 copies worldwide. He is also the Editor and Co-author of *Financial Services Revolution* (January 2020). Mr. Tapscott is sought after world-wide for his expertise by business and government audiences. He has delivered over 200 lectures and executive briefings at firms like Goldman Sachs (Talks at GS), Google, Allianz, IBM, Microsoft and Accenture. His TedX talk, “Blockchain is Eating Wall Street” has been viewed over 700,000 times. Mr. Tapscott has also written for *The New York Times*, *Harvard Business Review*, *The Globe and Mail*, *National Post* and many other publications. In 2017, Mr. Tapscott co-founded the Blockchain Research Institute (BRI), a global think-tank investigating blockchain strategies, opportunities and use-cases. Previously, Mr. Tapscott was Director of institutional equity sales at Canaccord Genuity. Mr. Tapscott is a graduate of Amherst College (Cum Laude) and is a CFA Charterholder.

Ownership of the Securities of the General Partner of the Manager

The sole limited partner of the Manager is Ninepoint Financial Group Inc. and the general partner of the Manager is wholly-owned by Ninepoint Financial Group Inc. John Wilson and James Fox, in the aggregate, indirectly own and/or control 100% of the class A common shares in the capital of Ninepoint Financial Group Inc. and, as of the date of this prospectus, 79.1% of the class B common shares in the capital of Ninepoint Financial Group Inc. John

Wilson and James Fox expect their ownership of the class B common shares to be further diluted as a result of issuances under certain employee option and incentive plans.

Duties and Services to be Provided by the Manager

Ninepoint Bitcoin ETF has retained the Manager to manage and administer the day-to-day business and affairs of Ninepoint Bitcoin ETF. The Manager is responsible for providing managerial, administrative and compliance services to Ninepoint Bitcoin ETF pursuant to the Declaration of Trust, including, without limitation, acquiring or arranging to acquire Bitcoin on behalf of Ninepoint Bitcoin ETF, calculating the NAV of Ninepoint Bitcoin ETF and NAV per Unit of Ninepoint Bitcoin ETF, net income and net realized capital gains of Ninepoint Bitcoin ETF, authorizing the payment of operating expenses incurred on behalf of Ninepoint Bitcoin ETF, preparing financial statements and financial and accounting information as required by Ninepoint Bitcoin ETF, ensuring that Unitholders are provided with financial statements (including interim and annual financial statements) and other reports as are required by applicable law from time to time, ensuring that Ninepoint Bitcoin ETF complies with regulatory requirements and applicable stock exchange listing requirements, preparing Ninepoint Bitcoin ETF's reports to unitholders and the securities regulatory authorities and negotiating contractual agreements with third-party providers of services, including the Custodian, the Sub-Custodian, the Registrar and Transfer Agent (each as defined herein), the auditor and printers. The Manager may from time to time employ or retain any other person or entity to perform, or to assist the Manager in the performance of management, administrative and advisory services to all or any portion of Ninepoint Bitcoin ETF's assets and in performing other duties of the Manager as set out in the Declaration of Trust.

Details of the Declaration of Trust

The Manager is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of Unitholders of Ninepoint Bitcoin ETF, and in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent trustee and manager would exercise in similar circumstances.

The Manager may resign as trustee and manager of Ninepoint Bitcoin ETF upon 60 days' notice to the Unitholders. If the Manager resigns it may appoint its successor but, unless its successor is an affiliate of the Manager, its successor must be approved by the Unitholders. If the Manager is in material default of its obligations under the Declaration of Trust and such default has not been cured within 30 days after notice of the same has been given to the Manager, the Unitholders may remove the Manager and appoint a successor trustee and/or manager.

The Manager is entitled to fees for its services as manager under the Declaration of Trust as described under "*Fees and Expenses – Management Fees*". In addition, the Manager and its affiliates and each of their directors, officers, employees and agents will be indemnified by Ninepoint Bitcoin ETF for all liabilities, costs and expenses incurred in connection with any action, suit or proceeding that is proposed or commenced or other claim that is made against any of them in the exercise of the Manager's duties under the Declaration of Trust, if they do not result from the Manager's wilful misconduct, bad faith, gross negligence or breach of its standard of care thereunder.

The services of the Manager are not exclusive and nothing in the Declaration of Trust or any agreement prevents the Manager from providing similar services to other investment funds and other clients (whether or not their investment objectives and policies are similar to those of Ninepoint Bitcoin ETF) or from engaging in other business activities.

Conflicts of Interest – Manager

The Manager and its affiliates or associates may be managers or investment managers of trusts or funds that invest in Bitcoin. The services of the Manager are not exclusive to Ninepoint Bitcoin ETF and none of the directors or officers of the Manager devotes his or her full time to the business and affairs of Ninepoint Bitcoin ETF. The Manager may in the future act as the manager or investment advisor to other trusts, funds and companies and may in the future act as the manager or investment advisor to other trusts or funds which invest in Bitcoin and which are considered competitors of Ninepoint Bitcoin ETF.

The General Partner and the Manager

Ninepoint Financial Group Inc. wholly-owns the general partner of the Manager and is the sole limited partner of the Manager. The Manager is entitled to receive certain consideration from Ninepoint Bitcoin ETF and the Manager is reimbursed for certain of its expenses by Ninepoint Bitcoin ETF. Ninepoint Financial Group Inc., therefore, has an interest in the consideration paid to the Manager. See “*Fees and Expenses*”.

Management Conflicts

Conflicts may arise because none of the directors or officers of Ninepoint Bitcoin ETF and the Manager devotes his or her full time to the business and affairs of Ninepoint Bitcoin ETF.

Investment Opportunities and Duty of Care

The services of the Manager are not exclusive to Ninepoint Bitcoin ETF. The Manager may act as the investment advisor to other funds and may in the future act as the investment advisor to other funds which invest in Bitcoin and other securities which may have similar investment mandates to Ninepoint Bitcoin ETF. Conflicts of interest may arise from time to time in allocating investment opportunities, timing investment decisions and exercising rights in respect of and otherwise dealing with such securities. Where conflicts of interest arise, the Manager will address such conflicts of interest with regard to the investment objectives of each of the persons involved and will act in accordance with the duty of care owed to each of them.

Similarly, Ninepoint Financial Group Inc., certain of its affiliates and the directors and officers of the foregoing are and/or may in the future be actively engaged in a wide range of investment and management activities, some of which are or will be similar to and in competition with the business of Ninepoint Bitcoin ETF, including acting in the future as directors and officers of the general partners of other issuers engaged in the same business as Ninepoint Bitcoin ETF.

Independent Review Committee

The Independent Review Committee for Ninepoint Bitcoin ETF deals with conflict of interest matters presented to it by the Manager in accordance with NI 81-107. The Manager is required under NI 81-107 to identify conflicts of interest inherent in its management of Ninepoint Bitcoin ETF and the other investment funds managed by it, and request input from the Independent Review Committee on how it manages those conflicts of interest matters. NI 81-107 also requires the Manager to establish written policies and procedures outlining its management of those conflicts of interest. The Independent Review Committee provides its recommendations or approvals, as required, to the Manager with a view to the best interests of Ninepoint Bitcoin ETF. The Independent Review Committee reports annually to Unitholders as required by NI 81-107. The reports of the Independent Review Committee will be available free of charge from the Manager on request by contacting the Manager at invest@ninepoint.com and will be posted on the Manager’s website at www.ninepoint.com. Information contained on the Manager’s website is not part of this prospectus and is not incorporated herein by reference.

The initial Independent Review Committee members are Lawrence A. Ward, Eamonn McConnell and W. William Woods.

Lawrence A. Ward (Chair) – Mr. Ward is a consultant and a retired partner of PricewaterhouseCoopers LLP, Chartered Accountants.

Eamonn McConnell – Mr. McConnell is a consultant and a former managing director of Deutsche Bank (Europe and Asia).

W. William Woods – Mr. Woods is a consultant and a lawyer, and the former Chief Executive Officer of the Bermuda Stock Exchange.

Each member of the Independent Review Committee is independent, as that term is defined in NI 81-107, of Ninepoint Bitcoin ETF and the Manager.

The compensation and other reasonable expenses of the Independent Review Committee are paid by Ninepoint Bitcoin ETF. The main components of compensation for members of the Independent Review Committee are an annual retainer and a fee for each committee meeting attended. The Chair of the Independent Review Committee receives an annual retainer of \$24,500 and each of the other members receives an annual retainer of \$21,000. The fees and expenses, plus associated legal costs, are allocated among all of the funds managed by the Manager to which NI 81-107 applies, in a manner that is considered by the Manager to be fair and reasonable. In addition, Ninepoint Bitcoin ETF has agreed to indemnify the members of the Independent Review Committee against certain liabilities.

Custodian

Cidel Trust Company has been appointed as the custodian of the assets of Ninepoint Bitcoin ETF. The Custodian is a federally regulated trust company based in Calgary, Alberta and provides services to Ninepoint Bitcoin ETF from its office in Toronto, Ontario. The Custodian is a wholly-owned subsidiary of Cidel Bank Canada, a Schedule II Bank regulated by the Office of the Superintendent of Financial Institutions. The Custodian is responsible for safekeeping of all the investments and other assets of Ninepoint Bitcoin ETF delivered to it (but not those assets of Ninepoint Bitcoin ETF not directly controlled or held by the Custodian, as the case may be). The Custodian may appoint one or more sub-custodians from time to time with consent of Ninepoint Bitcoin ETF in accordance with NI 81-102.

The Manager, on behalf of Ninepoint Bitcoin ETF, or the Custodian may terminate the Custodian Agreement upon at least 120 days' written notice. The Manager, on behalf of Ninepoint Bitcoin ETF, may terminate the Custodian Agreement immediately if the Custodian ceases to be qualified to act as a custodian of Ninepoint Bitcoin ETF under applicable law. The Custodian may terminate the Custodian Agreement on 30 days' written notice to Ninepoint Bitcoin ETF in the event that the Custodian has delivered a termination notice to the Sub-Custodian, or is entitled to deliver a termination notice to the Sub-Custodian upon the occurrence of certain termination events, pursuant to the terms of the Sub-Custodian Agreement. The Custodian is entitled to receive fees from Ninepoint Bitcoin ETF as described under "*Fees and Expenses – Ongoing Expenses of Ninepoint Bitcoin ETF*" and to be reimbursed for all expenses and liabilities that are properly incurred by the Custodian in connection with the activities of Ninepoint Bitcoin ETF.

The Custodian, in carrying out its duties concerning the safekeeping of, and dealing with, the portfolio assets of Ninepoint Bitcoin ETF, is required to exercise (a) the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances; or (b) at least the same degree of care as they exercise with respect to their own property, if this is a higher degree of care than the degree of care referred to in (a).

Sub-Custodian

Gemini acts as a sub-custodian of Ninepoint Bitcoin ETF in respect of Ninepoint Bitcoin ETF's holdings of Bitcoin pursuant to a sub-custodian agreement between the Custodian, Ninepoint Bitcoin ETF, and Gemini dated January 12, 2021, as it may be amended from time to time (the "**Sub-Custodian Agreement**").

Gemini is a trust company licensed by the New York State Department of Financial Services and is qualified to act as a sub-custodian of Ninepoint Bitcoin ETF for assets held outside of Canada in accordance with NI 81-102. Gemini operates in 49 U.S. states, Canada and certain other international jurisdictions.

As a fiduciary under Section 100 of the New York Banking Law, Gemini is held to specific capital reserve requirements and banking compliance standards. Gemini is also subject to the laws, regulations and rules of applicable governmental or regulatory authorities, including: money service business regulations under the Financial Crimes Enforcement Network ("**FinCEN**"); U.S. state money transmission laws; laws, regulations, and rules of relevant tax authorities; applicable regulations and guidance set forth by FinCEN; the Bank Secrecy Act of 1970; the USA PATRIOT Act of 2001; AML Regulations as mandated by U.S. federal law and any other rules and regulations regarding anti-money laundering/counter-terrorist financing; issuances from the Office of Foreign Assets Control; the New York Banking Law; regulations promulgated by the New York Department of Financial Services from time to

time; the National Futures Association; the Financial Industry Regulatory Authority; and the Commodity Exchange Act.

Gemini uses segregated cold storage Bitcoin addresses for Ninepoint Bitcoin ETF which are separate from the Bitcoin addresses that Gemini uses for its other customers and which are directly verifiable via the Bitcoin blockchain. Gemini will at all times record and identify in its books and records that such Bitcoins constitute the property of Ninepoint Bitcoin ETF. Gemini will not loan, hypothecate, pledge or otherwise encumber Ninepoint Bitcoin ETF's Bitcoins without Ninepoint Bitcoin ETF's instruction. Gemini, in carrying out its duties concerning the safekeeping of, and dealing with, Ninepoint Bitcoin ETF's Bitcoins, is required to take reasonable care and use commercially reasonable efforts in executing its responsibilities under the Sub-Custodian Agreement, and has agreed to adhere to the standard of care required by law, including NI 81-102.

Bitcoin Storage, Security Policies and Practices

Bitcoin private keys are stored in two different forms: "hot wallet" storage, whereby the private keys are connected to the internet, and "cold" storage, where digital currency private keys are stored completely offline. The Bitcoin that Gemini holds for Ninepoint Bitcoin ETF are stored offline in cold storage.

Gemini has adopted the following security policies and practices with respect to digital assets held in cold storage: hardware security modules ("HSMs") are used to generate, store and manage cold storage private keys; multi-signature technology is used to provide both security against attacks and tolerance for losing access to a key or facility, eliminating single points of failure; all HSMs are stored in guarded, monitored and access-controlled facilities that are geographically distributed; hardware is sourced from diverse manufacturers to guard against supply-chain risks; and all fund transfers require the coordinated actions of multiple employees.

Gemini BSA/AML Program

Gemini has adopted the Gemini BSA/AML Program for its digital asset exchange and custody service in an effort to maintain the highest possible compliance with applicable laws and regulations relating to anti-money laundering in the United States and other countries where it conducts business. This program includes robust internal policies, procedures and controls that combat any attempted use of Gemini for illegal or illicit purposes, including a customer identification program, annual training of all employees and officers in AML Regulation, filing of Suspicious Activity Reports and Currency Transaction Reports with the U.S. Financial Crimes Enforcement Network and annual internal and independent audits of the Gemini BSA/AML Program.

Website Security

Gemini has implemented certain security policies and practices to enhance security on its website, including through the use of two-factor authentication for certain user actions, such as withdrawals; a requirement for strong passwords from its users, which are cryptographically hashed using modern standards; encryption of sensitive user information, both in transit and at rest; the application of rate-limiting procedures to certain account operations such as login attempts to thwart brute force attacks; the transmission of website data over encrypted transport layer security connections; the leveraging of content-security policy and HTTP strict transport security features in modern browsers; partnerships with enterprise vendors to mitigate potential distributed denial-of-service attacks; and the use of separate access controls on internal-only sections of Gemini's website.

Internal Controls

In addition to the security policies and procedures discussed above, Gemini has also instituted the following internal controls: multiple signatories are required to transfer funds out of cold storage; Gemini's Chief Executive Officer and President are unable to individually or jointly transfer funds out of cold storage; all private keys are stored offsite in secure facilities; all employees undergo criminal and credit background checks, and are subject to ongoing background checks throughout their employment; and all remote-access by employees uses public-key authentication (e.g. no passwords, one-time passwords or other phishable credentials are used).

Insurance

As sub-custodian, Gemini is responsible for securing the Bitcoin owned by Ninepoint Bitcoin ETF.

Gemini maintains commercial crime insurance in respect of the Bitcoin held by it (e.g., Bitcoin held in “cold storage”). To date, Gemini has never experienced a loss due to unauthorized access from its hot wallet or the cold storage vaults where Ninepoint Bitcoin ETF’s Bitcoin is custodied. Ninepoint Bitcoin ETF’s Bitcoin is held in cold storage vaults only.

Auditor

KPMG LLP is the independent auditor of Ninepoint Bitcoin ETF. The principal office of the auditor is located in Toronto, Ontario.

Registrar and Transfer Agent

TSX Trust Company acts as registrar and transfer agent for the Units and maintains the securities registers at its office in Toronto, Ontario.

Administrator

The Manager has engaged CIBC Mellon Global Securities Services Company to provide certain administrative services to Ninepoint Bitcoin ETF including calculation of Net Asset Value and Net Asset Value per Unit and related fund accounting services. The principal office of the Administrator is located in Toronto, Ontario.

The Administrator is entitled to receive fees from Ninepoint Bitcoin ETF as described under “*Fees and Expenses – Fees and Expenses Payable by Ninepoint Bitcoin ETF – Ongoing Expenses of Ninepoint Bitcoin ETF*” and to be reimbursed for all expenses and liabilities which are properly incurred by the Administrator in connection with the activities of Ninepoint Bitcoin ETF.

CALCULATION OF NET ASSET VALUE

Calculation of Net Asset Value

The Net Asset Value of Ninepoint Bitcoin ETF and the Net Asset Value per Unit is calculated by the Administrator as at 4:00 p.m. (Toronto time) or such other time as the Manager deems appropriate on each Valuation Date. Ninepoint Bitcoin ETF makes available to the financial press for publication on a daily basis, the Net Asset Value per Unit. Such amount is also be available on the Manager’s website at www.ninepoint.com.

Valuation Policies and Procedures

The Net Asset Value of Ninepoint Bitcoin ETF on a particular date will be equal to (i) the aggregate fair value of the assets of Ninepoint Bitcoin ETF less (ii) the aggregate fair value of the liabilities of Ninepoint Bitcoin ETF. The net asset value of Units for each class of Units on a particular date will be equal to the Net Asset Value of Ninepoint Bitcoin ETF allocated to the Units of such class, including an allocation of any net realized capital gains or other amounts payable to Unitholders on or before such date. The Net Asset Value of Ninepoint Bitcoin ETF will be calculated in U.S. dollars. The Net Asset Value per Unit of a class on any day will be obtained by dividing the Net Asset Value of Ninepoint Bitcoin ETF allocated to the Units of such class on such day by the number of Units of that class then outstanding.

For the purpose of calculating Net Asset Value of Ninepoint Bitcoin ETF on a Valuation Date, the value of the aggregate assets of Ninepoint Bitcoin ETF on such Valuation Date will be determined by the Administrator as follows:

1. the value of any cash on hand or on deposit, bill, demand note, account receivable, prepaid expense, dividend, or other amount receivable (or declared to holders of record of securities owned on a date before the Valuation Date as of which the value of the assets is being determined, and to be receivable) and interest accrued and not yet received will be deemed to be the full amount thereof provided that if the Manager has determined that any such deposit, bill, demand note, account receivable, prepaid expense, dividend, or other amount receivable (or declared to holders of record of securities owned on a date before the Valuation Date as of which the value of the assets is being determined, and to be receivable) or interest accrued and not yet received is not otherwise worth the full amount thereof, the value thereof will be deemed to be such value as the Manager determines to be the fair value thereof;
2. Ninepoint Bitcoin ETF's Bitcoin will be valued based on the MVIS CryptoCompare Bitcoin Benchmark Rate Index ("MVIBBR") maintained by MV Index Solutions GmbH ("MVIS"), as described below under "MVIS CryptoCompare Bitcoin Benchmark Rate Index" (<https://mvis-indices.com/indices/digital-assets/mvis-cryptocompare-bitcoin-benchmark-rate>), or a successor or alternative institutional-quality index;
3. any market price reported in currency other than U.S. dollars will be translated into U.S. currency at the rate of exchange available from the Administrator on the Valuation Date on which the value of the assets is being determined;
4. estimated operating expenses by Ninepoint Bitcoin ETF shall be accrued to the Valuation Date; and
5. the value of any security, property or other assets (including any illiquid investments) to which, in the reasonable opinion of the Manager, the above principles cannot be applied (whether because no price or yield equivalent quotations are available as above provided, no published market exists or for any other reason) shall be the fair market value thereof determined in good faith in such manner as the Manager, in consultation with the Administrator, adopts from time to time.

Each portfolio transaction will be reflected in the calculation of the Net Asset Value per Unit no later than the calculation of Net Asset Value per Unit next made after the date on which the transaction becomes binding. The issue of Units will be reflected in the calculation of Net Asset Value per Unit next made after the issue date for such Units, which may be up to three trading days after the date that the subscription order for such Units is accepted. The exchange or redemption of Units will be reflected in the calculation of the Net Asset Value per Unit next made after the exchange request or redemption request is accepted.

The Net Asset Value per Unit of a class of Ninepoint Bitcoin ETF is calculated in U.S. dollars in accordance with the rules and policies of the Canadian Securities Administrators or in accordance with any exemption therefrom that Ninepoint Bitcoin ETF may obtain. The Net Asset Value per Unit of a class determined in accordance with the principles set out above may differ from the Net Asset Value per Unit determined under International Financial Reporting Standards.

MVIS CryptoCompare Bitcoin Benchmark Rate Index

The MVIS CryptoCompare Bitcoin Benchmark Rate Index, maintained by MVIS, is designed to be a robust price for Bitcoin in U.S. dollars. There is no component other than Bitcoin in the MVIBBR. The MVIBBR is reviewed by MVIS on a semi-annual basis. MVIS selects the top 5 rated bitcoin trading platforms for inclusion in the MVIBBR based on their CryptoCompare Benchmark Rating. All Bitcoin trading platforms that provide input data to the calculation of the MVIBBR adhere to AML and KYC regulations, as they are requirements enforced by the benchmark administrator.

The MVIBBR ranks more than 165 global digital currency trading platforms through an assessment of their risk profile based on the following factors: legal/regulatory, data provision, security, team/exchange, market quality, KYC/transaction risk, asset quality/diversity and includes a penalty factor for negative events. CryptoCompare employs a qualitative (due diligence) and quantitative (market quality, based on order book and trade data) approach and uses correlation of volume to volatility and standard deviation of volume as inputs to the analysis. MVIS is an

index provider based in Frankfurt, Germany and regulated as an index administrator by the German Federal Financial Supervisory Authority (BaFin). MVIS has adopted indexing practices and operations for its digital assets indices, including MVIBBR, which comply with the EU benchmark regulations. MVIS's pricing benchmarks are also compliant with International Organisation of Securities Commissions regulations. At this time, there are no guidelines for the calculation of indices that are based on digital assets under the EU benchmark regulations, however MVIS expects to comply with any such guidelines when they are released. MVIS follows the ESMA Regulatory Technical Standards (RTS) in the creation and maintenance of its indices.

Further information regarding MVIBBR is available at: <https://mvis-indices.com/indices/digital-assets/mvis-cryptocompare-bitcoin-benchmark-rate>.

Index Licensing Agreement

The Manager and MVIS entered into a license agreement dated January 14, 2021, as amended on April 21, 2021 (the “**Index Licensing Agreement**”), pursuant to which MVIS has granted the Manager the right to use the MVIBBR in connection with Ninepoint Bitcoin ETF subject to the terms and conditions provided for in the Index Licensing Agreement. The term of the Index Licensing Agreement will automatically renew for successive renewal terms of one year unless the Manager provides MVIS with at least 90 days' prior written notice of its intention not to renew the Index Licensing Agreement effective on the expiration of the then-current-term or renewal term.

Reporting of Net Asset Value

The Net Asset Value per Unit of a class is available to Unitholders at no cost on the Manager's website at www.ninepoint.com posted daily and displaying the date upon which it was calculated.

ATTRIBUTES OF THE UNITS

Description of the Securities Distributed

Ninepoint Bitcoin ETF is authorized to issue an unlimited number of redeemable, transferable units of an unlimited number of classes of units, each of which represents an equal, undivided interest in the net assets of Ninepoint Bitcoin ETF.

On December 16, 2004, the *Trust Beneficiaries' Liability Act, 2004* (Ontario) came into force. This statute provides that holders of units of a trust are not, as beneficiaries, liable for any default, obligation or liability of the trust if, when the default occurs or the liability arises: (i) the trust is a reporting issuer under the *Securities Act* (Ontario); and (ii) the trust is governed by the laws of the Province of Ontario. Ninepoint Bitcoin ETF is a reporting issuer under the *Securities Act* (Ontario) and Ninepoint Bitcoin ETF is governed by the laws of the Province of Ontario by virtue of the provisions of the Declaration of Trust.

Certain Provisions of the Units

All Units of the same class of Ninepoint Bitcoin ETF have equal rights and privileges. Each whole Unit is entitled to one vote at all meetings of Unitholders and is entitled to participate equally with respect to any and all distributions made by Ninepoint Bitcoin ETF to Unitholders of the same class, including distributions of net income and net realized capital gains and distributions upon the termination of Ninepoint Bitcoin ETF. Units are issued only as fully-paid and are non-assessable.

Exchange of Units

On any Trading Day, Unitholders may exchange the Prescribed Number of Units (or an integral multiple thereof) for cash or. See “*Redemption and Exchange of Units – Exchange of Units*”.

Redemption of Units for Cash

On any Trading Day, Unitholders may redeem Units of Ninepoint Bitcoin ETF for cash at a redemption price per Unit equal to the lesser of (i) 95% of the closing price for the Units on a stock exchange on the effective day of the redemption; and (ii) the NAV per Unit on the effective day of the redemption. See “*Redemption and Exchange of Units – Redemption of Units for Cash*”.

Modification of Terms

All rights attached to the Units may only be modified, amended or varied in accordance with the terms of the Declaration of Trust. See “*Unitholder Matters – Amendments to the Declaration of Trust*”. The Manager may amend the Declaration of Trust from time to time to redesignate the name of Ninepoint Bitcoin ETF or to create a new class or series of units of Ninepoint Bitcoin ETF without notice to existing Unitholders of Ninepoint Bitcoin ETF.

UNITHOLDER MATTERS

Meeting of Unitholders

A meeting of the Unitholders of Ninepoint Bitcoin ETF voting as a single class (unless the circumstances are such that one class is affected differently in which case the holders of each class of Ninepoint Bitcoin ETF will vote separately) may be called at any time by the Manager and shall be called by the Manager upon the request of four or more Unitholders of Ninepoint Bitcoin ETF holding, in aggregate, at least 50% of the issued and outstanding Units. Except as otherwise required or permitted by law, meetings of Unitholders of Ninepoint Bitcoin ETF will be held if called by the Manager or such Unitholders upon written notice of not less than 21 days nor more than 50 days before the meeting. At any meeting of the Unitholders of Ninepoint Bitcoin ETF, a quorum shall consist of two or more Unitholders present in person, virtually, or by proxy. In the event of such quorum not being present at the appointed place on the date for which the meeting is called within 30 minutes after the time fixed for the holding of such meeting, the meeting, if called at the request of Unitholders of Ninepoint Bitcoin ETF, shall be terminated (and not adjourned) and, if otherwise called, shall stand adjourned to such day being not less than one day later and to such place and time as may be appointed by the chairperson of the meeting. If at such adjourned meeting a quorum as above defined is not present, the Unitholders of Ninepoint Bitcoin ETF present either personally, virtually, or by proxy shall form a quorum, and any business may be brought before or dealt with at such an adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same. If the meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as for the original meeting.

Matters Requiring Unitholder Approval

NI 81-102 requires a meeting of Unitholders of Ninepoint Bitcoin ETF to be called to approve certain changes as follows:

1. the basis of the calculation of a fee or expense that is charged to Ninepoint Bitcoin ETF is changed in a way that could result in an increase in charges to Ninepoint Bitcoin ETF, except where:
 - (a) Ninepoint Bitcoin ETF is at arm’s length with the person or company charging the fees;
 - (b) the Unitholders have received at least 60 days’ notice before the effective date of the change; and
 - (c) the right to notice described in (b) is disclosed in the prospectus of Ninepoint Bitcoin ETF;
2. a fee or expense is introduced that is to be charged to Ninepoint Bitcoin ETF or directly to its Unitholders by Ninepoint Bitcoin ETF or the Manager in connection with the holding of Units of Ninepoint Bitcoin ETF that could result in an increase in charges to Ninepoint Bitcoin ETF or its Unitholders, except where:
 - (a) Ninepoint Bitcoin ETF is at arm’s length with the person or company charging the fees;

- (b) the Unitholders have received at least 60 days' notice before the effective date of the change; and
 - (c) the right to notice described in (b) is disclosed in the prospectus of Ninepoint Bitcoin ETF;
3. the Manager is changed, unless the new manager of Ninepoint Bitcoin ETF is an affiliate of the Manager;
 4. Ninepoint Bitcoin ETF's fundamental investment objectives of Ninepoint Bitcoin ETF has changed;
 5. Ninepoint Bitcoin ETF decreases the frequency of calculating its NAV per Unit;
 6. Ninepoint Bitcoin ETF undertakes a reorganization with, or transfers its assets to, another mutual fund, if Ninepoint Bitcoin ETF ceases to continue after the reorganization or transfer of assets and the transaction results in the Unitholders of Ninepoint Bitcoin ETF becoming securityholders in the other mutual fund unless:
 - (a) the IRC of Ninepoint Bitcoin ETF has approved the change;
 - (b) Ninepoint Bitcoin ETF is being reorganized with, or its assets are being transferred to, another mutual fund that is managed by the Manager, or an affiliate of the Manager;
 - (c) the Unitholders have received at least 60 days' notice before the effective date of the change;
 - (d) the right to notice described in (c) is disclosed in the prospectus of Ninepoint Bitcoin ETF; and
 - (e) the transaction complies with certain other requirements of applicable Canadian securities legislation;
 7. Ninepoint Bitcoin ETF undertakes a reorganization (other than a Permitted Merger as defined below) with, or acquisition of assets of, a mutual fund trust, if:
 - (a) Ninepoint Bitcoin ETF continues after the reorganization or acquisition of assets;
 - (b) the transaction results in the securityholders of the mutual fund trust becoming Unitholders of Ninepoint Bitcoin ETF; and
 - (c) the transaction would be a material change to Ninepoint Bitcoin ETF;
 8. a reorganization that results in Ninepoint Bitcoin ETF becoming a non-redeemable investment fund or an issuer that is not an investment fund; or
 9. any matter which is required by the constating documents of Ninepoint Bitcoin ETF or by the laws applicable to Ninepoint Bitcoin ETF or by any agreement to be submitted to a vote of the Unitholders of Ninepoint Bitcoin ETF.

Approval of the foregoing matters will be deemed to have been given by a resolution passed by at least a majority of the votes cast at a meeting called and held for such purpose. Unitholders are entitled to one vote per whole Unit held on the record date established for voting at any meeting of Unitholders.

Ninepoint Bitcoin ETF may, without Unitholders' approval, enter into a merger or other similar transaction that has the effect of combining Ninepoint Bitcoin ETFs or their assets (a "**Permitted Merger**") with any other investment fund or funds managed by the Manager or an affiliate of the Manager that have investment objectives that are substantially similar to those of Ninepoint Bitcoin ETF, subject to:

1. approval of the merger by the IRC;

2. compliance with certain merger pre-approval conditions set out in section 5.6 of NI 81-102; and
3. written notice to Unitholders at least 60 days before the effective date of the merger.

In connection with a Permitted Merger, the merging funds will be valued at their respective net asset values for the purpose of such transaction.

In addition, the auditor of Ninepoint Bitcoin ETF may not be changed unless:

1. the IRC has approved the change; and
2. Unitholders have received at least 60 days' notice before the effective date of the change.

Amendments to the Declaration of Trust

The Manager may, without the approval of or notice to Unitholders, amend the Declaration of Trust for certain limited purposes specified therein, including to:

1. redesignate the name of Ninepoint Bitcoin ETF or to create a new class or series of Units;
2. remove any conflicts or other inconsistencies which may exist between any terms of the Declaration of Trust and any provisions of any law or regulation applicable to or affecting Ninepoint Bitcoin ETF;
3. make any change or correction in the Declaration of Trust which is of a typographical nature or is required to cure or correct any ambiguity or defective or inconsistent provision, or clerical omission;
4. bring the Declaration of Trust into conformity with applicable laws, including the rules and policies of Canadian securities regulators or with current practice within the securities or investment fund industries provided that any such amendment does not adversely affect the rights, privileges or interests of Unitholders;
5. maintain, or permit the Manager to take such steps as may be desirable or necessary to maintain, the status of Ninepoint Bitcoin ETF as a "mutual fund trust" and a "unit trust" for the purposes of the Tax Act or to respond to amendments to the Tax Act or to the interpretation or administration thereof; or
6. provide added protection to Unitholders.

Except for changes to the Declaration of Trust which require the approval of Unitholders or changes described above which do not require approval of or prior notice to Unitholders, the Declaration of Trust may be amended from time to time by the Manager upon not less than 30 days' prior written notice to Unitholders.

Reporting to Unitholders

Ninepoint Bitcoin ETF's fiscal year is the calendar year. The taxation year will be the calendar year or such other fiscal period permitted under the Tax Act as Ninepoint Bitcoin ETF elects. The annual financial statements of Ninepoint Bitcoin ETF shall be audited by Ninepoint Bitcoin ETF's auditor in accordance with Canadian generally accepted auditing standards. The auditor will be asked to report on the fair presentation of the annual financial statements in accordance with IFRS. The Manager will ensure that Ninepoint Bitcoin ETF complies with all applicable reporting and administrative requirements.

The Manager, on behalf of Ninepoint Bitcoin ETF, will furnish Unitholders of Ninepoint Bitcoin ETF with unaudited interim financial statements, audited annual financial statements, interim MRFPs and the annual MRFPs of Ninepoint Bitcoin ETF, in accordance with applicable laws.

Any tax information necessary for Unitholders to prepare their annual federal income tax returns will be distributed to them within 90 days after the end of each financial year of Ninepoint Bitcoin ETF.

The Manager will keep adequate books and records reflecting the activities of Ninepoint Bitcoin ETF. A Unitholder or his or her duly authorized representative has the right to examine the books and records of Ninepoint Bitcoin ETF during normal business hours at the registered office of the Manager. Notwithstanding the foregoing, a Unitholder shall not have access to any information that, in the opinion of the Manager, should be kept confidential in the interests of Ninepoint Bitcoin ETF.

TERMINATION OF NINEPOINT BITCOIN ETF

Ninepoint Bitcoin ETF may be terminated by the Manager on at least 60 days' notice to Unitholders of such termination and the Manager will issue a press release in advance thereof. Upon termination of Ninepoint Bitcoin ETF, the cash and other assets remaining after paying or providing for all liabilities and obligations of Ninepoint Bitcoin ETF, determined in accordance with Ninepoint Bitcoin ETF's valuation policies and procedures, shall be distributed *pro rata* among the Unitholders of Ninepoint Bitcoin ETF.

The rights of Unitholders to exchange and redeem Units described under "*Redemption and Exchange of Units*" will cease as and from the date of termination of Ninepoint Bitcoin ETF.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The Manager will receive fees for its services to Ninepoint Bitcoin ETF. See "*Fees and Expenses*".

MATERIAL CONTRACTS

The following contracts can reasonably be regarded as material to purchasers of Units:

1. the Declaration of Trust (see "*Organization and Management Details – The Trustee, Manager and Promoter*");
2. the Custodian Agreement (see "*Organization and Management Details – Custodian*"); and
3. the Sub-Custodian Agreement (see "*Organization and Management Details – Sub-Custodian*").

Copies of the agreements referred to above may be inspected during business hours at the registered office of the Manager.

LEGAL AND ADMINISTRATIVE PROCEEDINGS

Ninepoint Bitcoin ETF is not involved in any legal proceedings nor is the Manager aware of existing or pending legal or arbitration proceedings involving Ninepoint Bitcoin ETF.

Alex Tapscott, in his role as a co-founder and the Chief Executive Officer of NextBlock Global ("**NextBlock**"), as well as NextBlock itself, entered into a settlement agreement with the Ontario Securities Commission (the "**OSC**") on April 9, 2019 that was subsequently ratified by the OSC on May 13, 2019. As part of the agreement, Mr. Tapscott and NextBlock each agreed to pay an administrative penalty in settlement of claims that offering materials provided to investors in 2017 in connection with a private placement of securities contained misleading statements. Mr. Tapscott's administrative penalty by the terms of the settlement agreement was CAD\$300,000. In connection with the settlement agreement, Mr. Tapscott also agreed, among other things, to perform community service and publish an open letter in a national newspaper regarding the consequences of his actions. In addition, Mr. Tapscott also agreed to pay a US\$25,000 penalty to settle administrative proceedings with the SEC arising based upon the same offering materials. Since entering into the settlement agreement, NextBlock has been wound-up and has ceased operations. None of the Manager, the general partner of the Manager or any of their directors

or principals were involved with Mr. Tapscott or NextBlock at the time the events giving rise to the settlement agreement occurred.

Mr. Tapscott was hired as Managing Director of Ninepoint Digital Asset Group, a division of the Manager, to leverage his expertise within the digital asset sector on October 30, 2020. Mr. Tapscott possesses a unique skill set focused on Bitcoin and blockchain technology which will lead the Digital Asset Group in its strategic initiatives. The Manager considered Mr. Tapscott's settlement actions with the OSC and SEC prior to his hiring. Given Mr. Tapscott's clear and public acknowledgment of responsibility, immediate remedial action and the fact that he took full accountability for the consequences of his actions, the Manager is confident that Alex fully understands the important role of oversight and regulation. Mr. Tapscott appreciates the importance of adhering to regulatory requirements in order to foster trust when operating in the digital asset sector or any other sector. In addition, the Manager's leadership team has a long history in Canadian and global capital markets and has always built an organizational culture grounded in compliance, regulation and oversight, understanding that this is a key ingredient to fair and efficient financial markets.

EXPERTS

Certain legal matters in connection with the issuance and sale of the Units offered by this prospectus will be passed upon on behalf of Ninepoint Bitcoin ETF by McCarthy Tétrault LLP, legal counsel to Ninepoint Bitcoin ETF, and KPMG LLP, tax advisor to Ninepoint Bitcoin ETF.

The independent auditor of Ninepoint Bitcoin ETF is KPMG LLP, Chartered Professional Accountants, Licensed Public Accountants. KPMG LLP is independent of Ninepoint Bitcoin ETF within the meaning of the relevant rules and related interpretations prescribed in the relevant professional bodies in Canada and any applicable legislation or regulations.

EXEMPTIONS AND APPROVALS

Ninepoint Bitcoin ETF has received exemptive relief from the Canadian securities regulatory authorities to permit the following:

1. the purchase by a Unitholder of Ninepoint Bitcoin ETF of more than 20% of the Units of Ninepoint Bitcoin ETF through purchases on the stock exchange without regard to the take-over bid requirements of Canadian securities legislation; and
2. to relieve Ninepoint Bitcoin ETF from the requirement that a prospectus contain a certificate of the underwriters.

NOTICE OF TRADEMARKS/DISCLAIMER

Ninepoint Bitcoin ETF is not sponsored, endorsed, sold or promoted by MVIS. MVIS makes no representation or warranty, express or implied, to Unitholders or any member of the public regarding the advisability of investing in securities generally or in Units particularly or the ability of the MVIBBR to track the performance of the digital assets market. MVIS's only relationship to Ninepoint Bitcoin ETF is the licensing of certain service marks and trade names of MVIS and of the MVIBBR that is determined, composed and calculated by MVIS without regard to Ninepoint Bitcoin ETF. MVIS has no obligation to take the needs of Ninepoint Bitcoin ETF or Unitholders into consideration in determining, composing or calculating the MVIBBR. MVIS is not responsible for and has not participated in the determination of the timing of, prices at, or quantities of the Units to be issued or in the determination or calculation of the equation by which the Units can be redeemed for cash. MVIS has no obligation or liability in connection with the administration, marketing or trading of Ninepoint Bitcoin ETF.

MVIS DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE MVIBBR OR ANY DATA INCLUDED THEREIN AND MVIS SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. MVIS MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY NINEPOINT BITCOIN ETF, UNITHOLDERS, OR ANY

OTHER PERSON OR ENTITY FROM THE USE OF THE MVIBBR OR ANY DATA INCLUDED THEREIN. MVIS MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE MVIBBR OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL MVIS HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

Ninepoint Bitcoin ETF is not sponsored, promoted, sold or supported in any other manner by CryptoCompare Data Limited nor does CryptoCompare Data Limited offer any express or implicit guarantee or assurance either with regard to the results of using the MVIBBR and/or MVIBBR trade mark or the MVIBBR Price at any time or in any other respect. The MVIBBR is calculated and published by CryptoCompare Data Limited. CryptoCompare Data Limited uses its best efforts to ensure that the MVIBBR is calculated correctly. Irrespective of its obligations towards Ninepoint Bitcoin ETF, CryptoCompare Data Limited has no obligation to point out errors in the MVIBBR to third parties including but not limited to investors and/or financial intermediaries of Ninepoint Bitcoin ETF. Neither publication of the MVIBBR by CryptoCompare Data Limited nor the licensing of the MVIBBR or MVIBBR trade mark for the purpose of use in connection with Ninepoint Bitcoin ETF constitutes a recommendation by CryptoCompare Data Limited to invest capital in Ninepoint Bitcoin ETF nor does it in any way represent an assurance or opinion of CryptoCompare Data Limited with regard to any investment in Ninepoint Bitcoin ETF. CryptoCompare Data Limited is not responsible for fulfilling the legal requirements concerning the accuracy and completeness of this prospectus.

Ninepoint Bitcoin ETF is not sponsored, endorsed, sold or promoted by Van Eck Associates Corporation or any other VanEck entity (altogether “**VanEck**”). VanEck makes no representation or warranty, express or implied, nor accepts any responsibility, regarding the accuracy or completeness of this prospectus, or the advisability of investing in securities or financial instruments, or in Ninepoint Bitcoin ETF.

VANECK AND ITS AFFILIATES SHALL NOT HAVE ANY LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS, AND MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY UNITHOLDERS OR ANY OTHER PERSON OR ENTITY FROM AN INVESTMENT IN NINEPOINT BITCOIN ETF. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL VANECK OR ANY OF ITS AFFILIATES HAVE ANY LIABILITY FOR ANY LOST PROFITS OR INDIRECT, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES OR LOSSES, EVEN IF NOTIFIED OF THE POSSIBILITY THEREOF.

PURCHASERS’ STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase ETF securities within 48 hours after the receipt of a confirmation of a purchase of such securities. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation, or for non-delivery of the ETF Facts, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory.

The purchaser should refer to the applicable provisions of the securities legislation of the province or territory for the particulars of these rights or consult with a legal advisor.

DOCUMENTS INCORPORATED BY REFERENCE

Additional information about Ninepoint Bitcoin ETF is or will be available in the following documents:

1. the most recently-filed comparative annual financial statements of Ninepoint Bitcoin ETF, together with the accompanying report of the auditor;

2. any interim financial statements of Ninepoint Bitcoin ETF filed after the most recently-filed comparative annual financial statements of Ninepoint Bitcoin ETF;
3. the most recently-filed annual MRFP of Ninepoint Bitcoin ETF;
4. any interim MRFP of Ninepoint Bitcoin ETF filed after that most recently-filed annual MRFP of Ninepoint Bitcoin ETF; and
5. the most recently filed ETF Facts of Ninepoint Bitcoin ETF.

These documents are or will be incorporated by reference in this prospectus, which means that they legally form part of this prospectus. An investor can get a copy of these documents, when available, upon request and at no cost by calling the Manager at (416) 943-6707 or by contacting a registered dealer. These documents are or will also be available on the Manager's website at www.ninepoint.com as well as on SEDAR at www.sedar.com. In addition, any such types of documents, if filed by Ninepoint Bitcoin ETF after the date of this prospectus and before the termination of the distribution of Units, are deemed to be incorporated by reference into this prospectus.

INDEPENDENT AUDITORS' REPORT

To the Unitholders of Bitcoin Trust and the Board of Directors of Ninepoint Partners LP

Opinion

We have audited the statement of financial position of Bitcoin Trust (the “**Fund**”) which comprises:

- the statement of financial position as at January 26, 2021;
- and notes to the financial statement, including a summary of significant accounting policies

(hereinafter referred to as the “**financial statement**”).

In our opinion, the accompanying financial statement presents fairly, in all material respects, the financial position of the Fund as at January 26, 2021 in accordance with those requirements of International Financial Reporting Standards (“**IFRS**”) relevant to preparing such a financial statement.

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 statement” section of our report.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statement

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

In preparing the financial statement, management is responsible for assessing the Fund’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 Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund’s financial reporting process.

Auditors’ Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s 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 statement.

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 statement, 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 Fund'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 Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statement 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 auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the statement of financial position, including the disclosures, and whether the financial statement represents 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; and
- 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.

(signed) "KPMG LLP"

Chartered Professional Accountants, Licensed Public Accountants

The engagement partner on the audit resulting in this auditors' report is Kathleen L. McGarry

Toronto, Canada

April 26, 2021

BITCOIN TRUST STATEMENT OF FINANCIAL POSITION

(Expressed in US\$)

As at January 26, 2021

Cash.....	<u>\$10.00</u>
Net Assets attributable to holders of redeemable Class A Units (one unit issued and redeemable)	<u>\$10.00</u>

Approved by the board of directors of Ninepoint Partners LP, the trustee and manager of Bitcoin Trust.

(Signed) James R. Fox
Director

(Signed) Kirstin H. McTaggart
Director

NOTES TO FINANCIAL STATEMENT

For the period January 19, 2021 to January 26, 2021

(1) GENERAL INFORMATION

Bitcoin Trust (the “**Fund**”) is a closed-end investment trust established under the laws of the Province of Ontario pursuant to a declaration of trust dated as of January 12, 2021. The beneficial interests in the net assets and net income of the Fund are divided into units of three classes, Class A Units, Class F Units and Class S Units. The Fund is authorized to issue an unlimited number of units of each class. The Class A Units, the Class F Units and the Class S Units were available for purchase under the IPO (as defined below) in both U.S. and Canadian dollars and the Class A Units trade in both U.S. and Canadian dollars under the symbols BITC.U and BITC.UN, respectively, on the Toronto Stock Exchange (“**TSX**”).

On January 12, 2021, the Fund was settled and issued one Class A Unit for cash consideration of \$10.00 to Ninepoint Partners LP, the manager of the Fund (the “**Manager**”).

The Fund’s investment objectives are to seek to provide holders of units (“**Unitholders**”) of the Fund with exposure to digital currency bitcoin (“**Bitcoin**”) through an institutional-quality platform that is cost-efficient to Unitholders and to provide a secure, simpler and exchange-traded investment alternative for buying and holding Bitcoin.

The statement of financial position was approved by the board of directors of the Trustee and Manager on April 26, 2021.

The novel coronavirus (COVID-19) outbreak was characterized as a pandemic by the World Health Organization on March 11, 2020. The outbreak has spread throughout Asia, Europe, the Middle East, Canada and the United States, causing companies and various governments to impose restrictions, such as quarantines, closures, cancellations and travel restrictions. The effects of COVID-19 and the measures taken by companies and governments to combat the coronavirus have negatively affected asset values and increased volatility in the financial markets, including the market price and volatility of Bitcoin. At this point, the extent to which the coronavirus may impact, or may continue to impact, the market price of Bitcoin and, in turn, the market price of the Units, is uncertain and cannot be predicted.

(2) SIGNIFICANT ACCOUNTING POLICIES

The financial statement of the Fund has been prepared in accordance with those requirements of International Financial Reporting Standards (“**IFRS**”) relevant to preparing such a financial statement. In applying IFRS, management makes estimates and assumptions that affect the reported amounts of assets and liabilities. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statement.

Cash

Cash is comprised of cash on deposit with a Canadian financial institution.

Functional and Presentation Currency

The U.S. dollar is the functional and presentation currency for the Fund.

Valuation of Units for Transaction Purposes

The Net Asset Value per Unit on any day will be obtained by dividing the Net Asset Value of the Fund allocable to the Units of such class on such day, by the total number of Units of such class outstanding on such day.

As used herein, (i) “Net Asset Value” means the net asset value of the Fund determined by subtracting the aggregate liabilities of the Fund from the Total Assets on the date on which the calculation is being made; and (ii) “Total Assets” means the aggregate value of the assets of the Fund.

Classifications of Redeemable Units

The Fund’s outstanding redeemable Class A Units entitlement include a contractual obligation to deliver cash or another financial asset on the Fund’s termination date, and therefore the ongoing redemption feature is not the Fund’s only contractual obligation. Consequently the Fund’s outstanding redeemable Class A Units are classified as financial liabilities in accordance with the requirements of International Accounting Standard 32 Financial Instruments Presentation.

(3) RELATED PARTY TRANSACTIONS

As at January 26, 2021, the Manager had subscribed for one Class A Unit for \$10.00 in the Fund, and therefore held all of the issued and outstanding Units of the Fund. An annual management fee equal to 0.70% of the Net Asset Value of the Fund is paid to the Manager by the Fund, calculated daily and payable monthly in arrears, plus applicable taxes. The Fund will not pay trailing commissions on Class A Units.

(4) REDEMPTIONS

Units may be redeemed annually on the second last business day of January commencing in 2022 at a redemption price per Unit of a class equal to 100% of the Net Asset Value per Unit of a class, subject to the Manager’s right to suspend redemptions in certain circumstances. In order to effect such a redemption, the Units must be surrendered for redemption from the first business day of November to the tenth business day of November in each year commencing in 2021. Units may also be redeemed monthly at a redemption price based on a discount to the market price of such Units. Redemption proceeds will be paid in U.S. dollars for Units priced in U.S. dollars and in Canadian dollars for Units priced in Canadian dollars. U.S. dollar amounts will be converted to Canadian dollars using the exchange rate at the time of conversion on the Monthly Redemption Date.

(5) SUBSEQUENT EVENTS

The Fund completed its initial public offering (the “**IPO**”) on January 27, 2021, resulting in the listing of 18,473,866 Class A Units on the TSX. In connection with the IPO, the Fund issued 7,318,276 Class A Units at a price of \$10.00 per Class A Unit, 2,865,314 Class F Units at a price of \$10.00 per Class F Unit and 7,806,901 Class S Units at a price of \$10.00 per Class S Unit. Immediately upon closing of the IPO, the Class F Units and Class S Units were reclassified as Class A Units based on the Net Asset Value per Class F Unit or Class S Unit, as applicable, divided by the Net Asset Value per Class A Unit, in each case calculated after payment of the Agents’ fees. Accordingly, the 2,865,314 Class F Units were reclassified as 2,956,276 Class A Units and 7,806,901 Class S Units were reclassified as 8,199,314 Class A Units. The total net assets immediately following the closing of the IPO on January 27, 2021 (and prior to the reclassification of the Class F Units and Class S Units described above) amounted to \$173,688,012, after agents’ fees of \$5,326,898 and offering expenses of \$890,000.

As approved by unitholders of the Fund at a special meeting held on April 19, 2021, the Fund will change its name to “Ninepoint Bitcoin ETF”, and convert into an exchange-traded fund (the “**Conversion**”). The Conversion is expected to be implemented on or about May 6, 2021, or such other date as the Manager may determine in its sole discretion, subject to obtaining the required regulatory approvals.

CERTIFICATE OF NINEPOINT BITCOIN ETF AND THE TRUSTEE, MANAGER AND PROMOTER

Dated: April 26, 2021

This prospectus together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces and territories of Canada.

**Ninepoint Partners LP
(as trustee and manager of Ninepoint Bitcoin ETF)**

(signed) "*John Wilson*"
JOHN WILSON
CO-CHIEF EXECUTIVE OFFICER

(signed) "*Shirin Kaban*"
SHIRIN KABANI
CHIEF FINANCIAL OFFICER

**On behalf of the Board of Directors of
Ninepoint Partners LP**

(signed) "*John Wilson*"
JOHN WILSON
DIRECTOR

(signed) "*James R. Fox*"
JAMES R. FOX
DIRECTOR

(signed) "*Kirstin H. McTaggart*"
KIRSTIN H. MCTAGGART
DIRECTOR

**Ninepoint Partners LP
(as promoter of Ninepoint Bitcoin ETF)**

(signed) "*James R. Fox*"
JAMES R. FOX
CO-CHIEF EXECUTIVE OFFICER