



**NOTICE AND MANAGEMENT PROXY CIRCULAR
FOR THE SPECIAL MEETING OF LIMITED PARTNERS OF**

**NORTHERN PRECIOUS METALS 2012 LIMITED
PARTNERSHIP**

**TO BE HELD ON
MARCH 30, 2016**

Notice of Special Meeting of Northern Precious Metals 2012 Limited Partnership

NOTICE IS HEREBY GIVEN THAT a special meeting of the limited partners (the "Limited Partners") of Northern Precious Metals 2012 Limited Partnership (the "Partnership") will be held at 1500 Robert- Bourassa Blvd, 7th Floor, Montreal, Quebec H3A 3S8 at 10:00 a.m. (Eastern Standard Time) on Wednesday, March 30, 2016 (the "Meeting"), for the following purposes:

1. To consider, and if thought advisable, to pass a resolution approving an amendment to Article 14 of the Limited Partnership Agreement dated as of May 1, 2012, as amended and restated on June 14, 2012, on February 28, 2014, on October 29, 2014, and on July 23, 2015 to provide for the extension of the term of the Partnership from a date that is March 31, 2016 to a date that shall not be later than December 31, 2016 (the "Extraordinary Resolution"); and
2. To transact such other business as may properly come before the Meeting or any adjournment thereof.

The management proxy circular enclosed herein provides detailed information on the items that will be brought before the Meeting and is therefore to be considered as forming a part of this notice.

Montréal, March 7, 2016.

**By order of the Board of Directors of
Northern Precious Metals 2012 Inc.,
in its capacity as General Partner of
NORTHERN PRECIOUS METALS 2012
LIMITED PARTNERSHIP**

(signed) Jean-Guy Masse

President and Chief Executive Officer

Limited Partners may exercise their rights by attending the Meeting or by completing a proxy form or by voting by telephone or internet. Those who are unable to attend the Meeting in person or vote by telephone or internet are urged to complete and return to the Partnership's transfer agent, Computershare Investor Services Inc. ("Computershare"), the enclosed form of proxy before 5:00 p.m. (Eastern Standard Time) on Monday, March 28, 2016. A person appointed as proxy need not be a Limited Partner of the Partnership. For any additional information concerning this matter, please contact Computershare by phone at no charge to 1-800-564-6253 or by fax to 1-888-453-0330 (within North America) or 1-416-263-9394 (outside North America) or by e-mail at services@computershare.com.

Notice is also hereby given that the board of directors of the General Partner has fixed the record date for the Meeting at the close of business on March 7, 2016 (the "**Record Date**"). Only holders of Units as of the Record Date are entitled to receive notice of the Meeting. Limited Partners of the Record Date will be entitled to vote their Units at the Meeting.

NORTHERN PRECIOUS METALS 2012 LIMITED PARTNERSHIP

MANAGEMENT PROXY CIRCULAR

March 7, 2016

This Management Proxy Circular (the "**Management Proxy Circular**") is furnished by Northern Precious Metal 2012 Inc. (the "**General Partner**"), the general partner of Northern Precious Metals 2012 Limited Partnership (the "**Partnership**") in connection with the solicitation of proxies to be used at the special meeting (the "**Meeting**") of the limited partners (the "**Limited Partners**") to be held on March 30, 2016 at 10:00 a.m. (Eastern Standard Time) at 1500 Robert-Bourassa Blvd, 7th Floor, Montreal, Quebec H3A 3S8 and at any adjournment or postponement thereof for the purposes set forth in the accompanying Notice of Special Meeting. This Management Proxy Circular sets forth the relevant information about the items of business proposed to be transacted at the Meeting which a Limited Partner should know before making a decision with respect to voting on such items of business.

You will have received a form of proxy from the Partnership's transfer agent, Computershare Investor Services Inc. ("**Computershare**"). **Complete, sign and mail your form of proxy or if you prefer to submit the form by way of telephone or Internet, follow the instructions on the form to that effect.**

PROXY VOTING

Who is soliciting my proxy?

The enclosed form of proxy is being solicited by the General Partner on behalf of the Partnership in connection with a special meeting of the Limited Partners and the associated costs will be borne by the Partnership. The solicitation of proxies will be primarily by mail, but may be by telephone or other personal contact by officers and directors of the General Partners, such officers and directors receiving no compensation therefore.

How do I vote?

You may vote in person at the Meeting or you may vote using the telephone or internet according to the instructions in the enclosed form of proxy, or you may sign the enclosed form of proxy appointing the named persons or some other person you choose, who need not be a Limited Partner, to represent you as proxyholder and vote your Units at the Meeting.

What if I plan to attend the Meeting and vote in person?

If you plan to attend the Meeting on March 30, 2016 and wish to vote your Units in person at the Meeting, do not complete or return the form of proxy. Your vote will be taken and counted at the Meeting. Please register with the transfer agent, Computershare, upon arrival at the Meeting.

What am I voting on?

Limited Partners are voting on a resolution approving an amendment to Article 14 of the Limited Partnership Agreement dated as of May 1, 2012, as amended and restated on June 14, 2012, on February 28, 2014 and on October 29, 2014 and on July 23, 2015 (the “**Partnership Agreement**”) to provide for the extension of the term of the Partnership from a date that is March 31, 2016 to a date that shall be no later than December 31, 2016 (the “**Extraordinary Resolution**”). Please refer to the heading “**Agenda for Limited Partners Meeting**”.

What if I sign the form of proxy enclosed with this Management Proxy Circular?

Signing the enclosed form of proxy gives authority to Jean-Guy Masse, President and Chief Executive Officer, and Marcel Bergeron, Chief Financial Officer, of the General Partner, or to another person you have appointed, to vote your Units at the Meeting.

Can I appoint someone other than the above officers to vote my Units?

Yes. Write the name of this person, who need not be a Limited Partner, in the blank space provided in the form of proxy. It is important to ensure that any other person you appoint is attending the Meeting and is aware that he or she has been appointed to vote your Units. Proxy holders should, upon arrival at the Meeting, present themselves to a representative of Computershare.

What do I do with my completed proxy?

If you do not vote by telephone or internet, return your proxy to Computershare, 100, University, 8th Floor, Toronto, Ontario, M5J 2Y1, no later than 5:00 p.m. (Eastern Standard Time) on Monday, March 28, 2016. This will ensure that your vote is recorded.

If I change my mind, can I take back my proxy once I have given it?

Yes. If you change your mind and wish to revoke your proxy, prepare a written statement to this effect. The statement must be signed by you or your attorney as authorized in writing or, if the Limited Partner is a corporation, under its corporate seal or by an officer or attorney of the corporation duly authorized. This statement must be delivered at the above-mentioned registered office of Computershare, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, and upon either of such deposits the proxy is revoked.

How will my Units be voted if I give my proxy?

The persons named on the form of proxy must vote or refrain from voting your Units, or must vote for or against the matters on the agenda, in accordance with your directions, or you can let your proxyholder decide for you. **In the absence of such directions, proxies received by management will be voted in favour of the Extraordinary Resolution.** Please refer to the heading “**Agenda for Limited Partners Meeting**”.

What if amendments are made to these matters or if other matters are brought before the Meeting?

The persons named in the form of proxy will have discretionary authority with respect to amendments or variations to matters identified in the enclosed form of proxy and with respect to other matters which may properly come before the Meeting. As of the time of printing of this Management Proxy Circular, management of the General Partner knows of no such amendment, variation or other matter expected to come before the Meeting. If any other matters properly come before the Meeting, the persons named in the form of proxy will vote on them in accordance with their best judgment.

Who counts the votes?

The Partnership's transfer agent, Computershare, counts and tabulates the proxies. This is done independently of the Partnership to preserve the confidentiality of individual Limited Partners votes. Proxies are referred to the General Partner only in cases where a Limited Partners clearly intends to communicate with management or when it is necessary to do so to meet the requirements of applicable law.

If I need to contact the transfer agent, how do I reach them?

For general Limited Partners enquiries, you can contact the transfer agent by mail at:

Computershare Investor Services Inc.
100, University
8th Floor
Toronto, Ontario M5J 2Y1

or by telephone:
1-800-564-6253

or by email:
at services@computershare.com

or by fax:
within North America at no charge to 1-888-453-0330 or outside North America to 1-416-263-9394.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As of the date hereof, there are 4,609 Units of the Partnership issued and outstanding, each of which is entitled to one vote at the Meeting. Only Limited Partners registered at the close of business on March 7, 2016 (the "**Record Date**") are entitled to receive notice of and to vote at the Meeting.

To the knowledge of the management of the General Partner, at the date hereof, no person holds, directly or indirectly, nor exercises control or direction over Units carrying more than 10% of the voting rights attached to all Units of the Partnership. A quorum at the Meeting will consist of two persons, neither of which is the General Partner, present in person at the Meeting holding or representing by proxy 1% or more of the Units outstanding.

AGENDA FOR LIMITED PARTNERS MEETING

Extraordinary Resolution

The Meeting will be held for the purposes of approving the Extraordinary Resolution attached as Schedule A.

The General Partner has the right to revoke or postpone the implementation of the Extraordinary Resolution at its discretion.

Unless directed to the contrary, the persons named in the enclosed proxy intends to vote FOR the Extraordinary Resolution.

The Extraordinary Resolution is an alternative to the dissolution of the Partnership, which will otherwise occur at 11:59 p.m. (Eastern Standard Time) on March 31, 2016, and it is intended to provide Limited Partners enhanced liquidity and the potential for better performance. The General Partner has determined that, based on current market factors and the prospects of the issuers in which the Partnership holds securities, it is beneficial, from the point of view of the Limited Partners, for the Partnership to extend its term.

In the event the Extraordinary Resolution is not approved by the Limited Partners at the Meeting, the Partnership will be dissolved at 11:59 p.m. (Eastern Standard Time) on March 31, 2016 in accordance with the terms of the amended Partnership Agreement. In such circumstances, the General Partner or its designee will ensure that, to the extent practicable, the assets of the Partnership are converted to cash or distributed to Limited Partners pro rata to their respective interest in the Partnership or a combination of both these possibilities.

<p>There is no guarantee that the extension of the term of the Partnership will provide better performance to the Limited Partners.</p>
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Recommendation of the General Partner

The Board of Directors of the General Partner, on behalf of the Partnership, has unanimously determined that the extension of the term of the Partnership is in the best interests of the Limited Partners. The General Partner recommends that the Limited Partners vote in favour of the Extraordinary Resolution for the following reasons:

1. Although the bear market for gold continued until the end of November 2015, the months of January and February 2016 have signed the end of this five year bear market as gold started to heavily pour into exchange-traded funds.

In February 2016, gold ETF holdings rose by 185.6 tonnes which is the highest monthly inflow in seven years. The total inflow for January and February combined was around 240 tonnes, the highest two-month total since the start of 2009 which is equivalent to nearly one month of global gold mining production. As a result, the entire drop in ETF holdings seen in 2014 and 2015 has been totally erased and ETF holdings are now backed to the early 2014 levels.

In the U.S. the last data shows that sales of various denominations of American Eagle and Buffalo gold coins totalled 226,500 ounces for the first two months of 2016, up 236% from the same period last year.

2. Pierre Lassonde, chairman and co-founder of Franco-Nevada, said in a recent interview that “After five years, the bear market in gold has ended; the biggest driver for gold is negative interest rates around the globe; with \$7 trillion of negative interest rate bonds, the bond market is described as confiscation by the state; as a result investors with money are now turning to gold; and gold ETF holdings are sharply on the rise”.
3. Since late December 2015, the \$HUI Gold Bugs Index which is composed of senior gold producers has jumped by roughly 65% from its 13-years low and further advances are anticipated in the coming quarters. Most Canadian gold producers should be reporting higher earnings in the quarter ahead considering that they are receiving a high gold price of about \$1,665 currently, expressed in Canadian dollars, and that they have all been working on cost reduction in recent past. As a result, merger and acquisition activity is expected to accelerate in the coming quarters. In addition, new financing for the development and exploration of attractive gold projects is anticipated to revive from almost none existing over the past two years.
4. With senior gold stocks rising from their lows at a fairly rapid rate, it is just a question of time for investors to move to the junior mining stocks. An early-stage recovery, considering current depressed prices, could move attractive junior mining stocks by two to five times and would greatly benefit the portfolio of Northern 2012 and all Limited partners.

On technical and fundamental grounds, the price of gold is now turning the corner and seems to be on a material upswing. This is what financial advisors as well as Limited Partners have been anticipating for quite a while now.

5. In the above context, the General Partner is of the opinion that the timing for the dissolution of the partnership on March 31, 2016 is not considered appropriate and recommends that Limited Partners vote for a resolution to extend the dissolution date from March 31 2016 to December 31, 2016.
6. Dissolution on March 31, 2016 could result in Limited Partners being issued odd lots of junior issuers, which might be difficult to dispose of and the costs associated therewith high, thereby dampening the investment return.
7. Finally, several holders of units have asked the General Partner to seek the amendment to the Partnership Agreement.

The Extraordinary Resolution requires the approval of not less than 66 2/3 % of the votes cast by the Limited Partners represented in person or by proxy at the Meeting.

ADDITIONAL INFORMATION

Additional information relating to the Partnership is available on the website at www.npmfunds.com. Financial information is provided in the Partnership's financial statements for the period ending June 30, 2015 , a copy of which may be obtained on request to the General Partner at 630 René Levesque boul. West, Suite 2780, Montreal, Québec H3B 1S6. The Partnership may require the payment of a reasonable charge when the request is made by someone other than a Limited Partner.

APPROVAL OF CIRCULAR

The board of directors of the General Partner has approved the contents of the Management Proxy Circular and its sending to the Limited Partners.

Montréal, Québec, March 7, 2016

**By order of the Board of Directors of
NORTHERN PRECIOUS METALS 2012 INC., in
its capacity as General Partner of
NORTHERN PRECIOUS METALS 2012
LIMITED PARTNERSHIP**

Per: (signed) Jean-Guy Masse
Jean- Guy Masse, President and Chief
Executive Officer

SCHEDULE "A"

EXTRAORDINARY RESOLUTION OF LIMITED PARTNERS

OF

**NORTHERN PRECIOUS METALS 2012 LIMITED PARTNERSHIP
(the "Partnership")**

APPROVING THE EXTENSION OF THE TERM OF THE PARTNERSHIP

BE IT RESOLVED THAT:

1. Northern Precious Metals 2012 Inc. (the "**General Partner**"), in its capacity as general partner of the Partnership and on behalf of the partners of the Partnership, is hereby authorized to amend Article 14 of the Limited Partnership Agreement dated as of May 1, 2012, as amended and restated on June 14, 2012, on February 28, 2014, October 29, 2014 and July 23, 2015 and governing the Partnership (the "**Partnership Agreement**") in order to extend the term of the Partnership before its dissolution from March 31, 2016 to a date that is no later than December 31, 2016;
2. Any one director or officer of the General Partner, in its capacity as general partner of the Partnership, is hereby authorized and directed to do all such acts and things and sign all such documents and instruments as he or she may consider necessary or desirable to give effect to the purpose and intent of this resolution including, without limitation, all conveyances and other instruments necessary to reflect the amendment to the Partnership Agreement; and
3. Notwithstanding the provisions hereof, the General Partner is hereby authorized to delay or determine not to proceed with the implementation of any of the matters contemplated by the foregoing resolution and the Management Proxy Circular at any time, without further approval of the Limited Partners, if in the opinion of the General Partner, it is necessary or advisable to do so.