



Northern Precious Metals 2012 Limited Partnership

This report is dated October 5, 2018. All the complete annual as well as semi-annual financial statements of the Limited Partnership are filed on the website. You may obtain a copy of these documents, by visiting the website (www.npmfunds.com) or by emailing us at: info@npmfunds.com or by calling us at (514) 898-3959.

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October 5, 2018

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Management Report

The chart below shows the fluctuation in the price of gold over the past 8 years and the formation of a giant Head-and-Shoulder bottom pattern that indicates that gold is soon poised to make a major break out above the 5-year resistance level of \$1,358 per ounce with a target of anywhere between \$1,450 and \$1,550 an ounce. From the \$1,358 level reached last February 14, 2018 the price of gold has completed the correction most technical experts anticipated and has consolidated within a narrow range in recent months in preparation for a major move in the coming weeks..



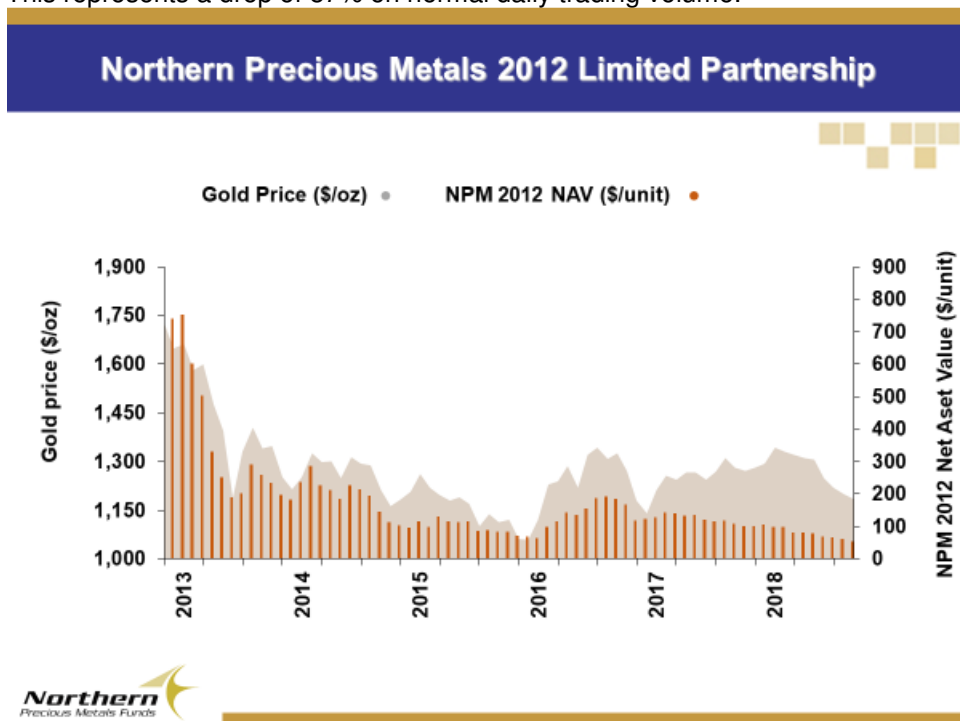
That move will be a confirmation that gold is firmly into a bull market which should have a material impact on the prices of all resource stocks and offer the Partnership the opportunity to complete the liquidation of the portfolio and the distribution of the proceeds.



The chart above shows the fluctuation in the price of the VanEck Junior Gold Miner Index (GDXJ) which compares well with the gold chart above as well as with the 2012 Limited Partnership portfolio, appearing below, although the latter is composed of development and exploration companies which have a much smaller market capitalization than that of miners which compose the GDXJ.

What is most interesting with these charts is that both the GDXJ and the Gold charts are showing the same formation of a giant Head-and-Shoulder bottom pattern which suggests, in the case of GDXJ, a potential target of \$65 to \$70. In addition, what is most surprising between these two charts is that the GDXJ index has not reacted to the improvement in the price of gold between December 2017 and March

2018. On the contrary, it traded at or around the low level of December 2016 during all that period and on extremely low daily trading volume, a rather abnormal situation. In fact, daily trading volume on the above chart for all of 2018 shows 3.8 million shares compared to normal daily trading volume of 29 million shares. This represents a drop of 87% on normal daily trading volume.



In that context of abnormally low trading volumes coupled with weak stock prices in a rising gold price environment, as seen on the graph above, and with a portfolio that holds shares of companies that are potential takeover candidates, these are all the numerous reasons why the Partnership refrained, up to now, from selling the positions at distressed market prices when compared to our evaluations as well as those made by reputable financial analysts. These fair market evaluations amount to anywhere between 5 and 7 times the current market price for these stocks.

Up to now, the partnership has been going through the worst period ever experienced by the resource industry in more than half a century.

The table below shows a portfolio overview as at September 30, 2018.

Northern Precious Metals 2012 Limited Partnership

Portfolio Overview

September 30, 2018

By country (1)	% of total portfolio
Canada	61.9%
Cash and cash equivalents	38.1%
By sector (1)	% of total portfolio
Gold	61.9%
Cash and cash equivalents	38.1%
By asset type (1)	% of total portfolio
Equity	61.9%
Cash and cash equivalents	38.1%

Top holdings	% of total portfolio
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Cash and cash equivalents	38.1%
Eastmain Resources Inc	25.9%
Bonterra Resources Inc.(Metanor Resources Inc.	14.2%
Spanish Mountain Gold Ltd	12.7%
First Mining Finance Corp (Clifton Star Resources Inc)	5.2%
Alexandria Minerals Corp	3.3%
Yellowhead Mining Inc	0.6%

(1) Excludes other net assets (liabilities).

(2) The portfolio overview may change because of transactions by the Partnership.

Caution Regarding Forward-looking Statements

Certain portions of this report may contain forward-looking statements. Forward-looking statements include statements that are predictive in nature. Any statement that may be made concerning future performance, strategies or prospects and possible future action by the Partnership is also a forward-looking statement.