



Northern Precious Metals 2012 Limited Partnership

This report is dated April 25, 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: jgmasse@npmfunds.com or by calling us at (514) 898-3959.

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April 25, 2019

Northern Precious Metals 2012 Limited Partnership

Management Report

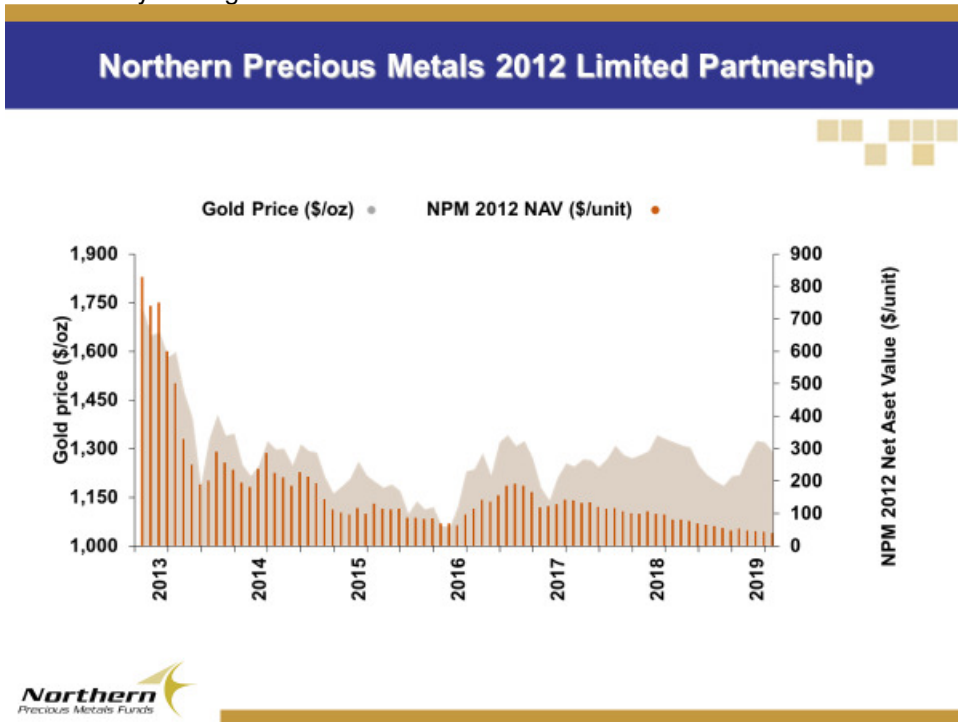
The chart below shows the fluctuation in the price of gold over the past 8 years. From its peak in September 2011, the price of gold took a deep dive to end the journey at US\$1,040 an ounce. The VanEck Junior Gold Miner Index (GDXJ), as also shown below, followed a similar pattern than gold and, needless to say, the chart of the NPM 2012, plotted below, acted in a somewhat more negative manner as the portfolio of the Partnership is composed of development and exploration companies that have a much smaller market capitalization than that of the companies which compose the GDXJ Index. Not even six months after the closing of the NPM 2012 Partnership, the value of its portfolio was down by 75% and, on December 2015, the price of gold was down 46%, the GDXJ Index 87% and the NPM 2012 by 90%, a total disaster which impacted only the resource sector.



In 2016, stocks recovered along with a strong rise in the price of gold from the US\$1,040 to the US\$1,360 level where it faced a strong resistance due mainly to higher US interest rates which helped trigger a correction and depressed the price of gold down to the US\$1,140/oz level by late December 2016. While gold stocks have since continue to decline on low daily trading volumes, the price of gold tried again on two more occasions to make the break out over the US\$1,360 level. Although not successful to date, the price of gold on the chart above is showing the formation of a giant Head-and-Shoulder bottom pattern that indicates that gold is soon poised to make that major break out above the 5-year resistance level of US\$1,360 per ounce with a short-term target of anywhere between \$1,450 and \$1,550 an ounce.



In the case of GDXJ, it suggests a potential target of \$65 to \$70 from the current level of \$28. 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 2019. 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.



A break out over the resistance level of US\$1,360 would have a material impact on the prices of all resource stocks, would bring higher daily trading volumes and provide the Partnership with the opportunity to complete the liquidation of the portfolio and the distribution of the proceeds. It is difficult and somewhat shocking to sell shares on thin daily trading volumes with prices under constant downward pressure, particularly when their estimated intrinsic values are anywhere between 6 to 11 times their current market prices.

Up to now, the partnership has navigated through the worst period ever experienced by the resource industry in almost a century.

The table below shows a portfolio overview as at December 31, 2018.

Northern Precious Metals 2012 Limited Partnership

Portfolio Overview

December 31, 2018

By country (1)	% of total portfolio
Canada	71.3%
Cash and cash equivalents	28.7%

By sector (1)	% of total portfolio
Gold	71.3%
Cash and cash equivalents	28.7%

By asset type (1)	% of total portfolio
Equity	71.3%
Cash and cash equivalents	28.7%

Top holdings	% of total portfolio
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Eastmain Resources Inc	32.9%
Cash and cash equivalents	28.7%
Spanish Mountain Gold Ltd	15.5%
Bonterra Resources Inc.(Metanor Resources Inc.	14.2%
First Mining Finance Corp (Clifton Star Resources Inc)	5.0%
Alexandria Minerals Corp	3.7%
55 North Mining Inc.	0.0%

(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.