Northern Precious Metals 2019 Limited Partnership

Annual Financial Statements

December 31, 2019

PETRIE RAYMOND
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LLP

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Independent Auditor's Report

To the shareholders of
Northern Precious Metals 2019 Limited Partnership:

Opinion

We have audited the financial statements of **Northern Precious Metals 2019 Limited Partnership** (the "Partnership"), which comprise the statement of financial position as at December 31, 2019, and the statements of comprehensive loss, changes in net assets attributable to unitholders and cash flows for the period from the commencement of operations on September 23, 2019 to December 31, 2019, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Partnership as at December 31, 2019, and the results of its operations and its cash flows for the period from the commencement of operations on September 23, 2019 to December 31, 2019 in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other 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.

Other Information

Management is responsible for the other information of the Partnership. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Partnership's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Partnership to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We 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.

Petrie Raymond [1]

Chartered Professional Accountant Partnership LLP

Montréal, Québec
March 27, 2020

[1] CPA Auditor, CA, Public Accountancy permit No. A121724

Statement of Financial Position

December 31, 2019

ASSETS		
Current assets		
Investments	**$**	**196,705**
Cash		**226**
Total assets	**$**	**196,931**
LIABILITIES		
Current liabilities		
Accounts payable	**$**	**3,490**
Net assets attributable to unitholders		
Units issued (Note 6)		**293,000**
Unit issuance costs		**(39,990)**
Partners' equity		**253,010**
Deficit		**(59,569)**
Net assets attributable to unitholders (Note 7)		**193,441**
Total liabilities and net assets attributable to unitholders	**$**	**196,931**
Number of units outstanding (Note 6)		**2,930**
Net assets attributable to unitholders per unit	**$**	**66.02**

Northern Precious Metals 2019 Inc., General Partner

Director

(S) Jean-Guy Masse

The accompanying notes are an integral part of these financial statements.

Statement of Comprehensive Loss

For the period from commencement of operations on September 23, 2019 to December 31, 2019

Loss		
Unrealized change in fair value of investments	**$**	**(10,000)**
Expenses		
Unitholders' administration costs		**500**
Interests and bank charges		**44**
Total expenses		**544**
Decrease in net assets attributable to unitholders	**$**	**(10,544)**
Decrease in net assets attributable to unitholders per unit	**$**	**(4.04)**
Weighted average number of outstanding units		**2,612**

The accompanying notes are an integral part of these financial statements.

Statement of Changes in Net Assets Attributable to Unitholders

For the period from commencement of operations on September 23, 2019 to December 31, 2019

	Units issued	Unit issuance costs	Deficit	Total
Balance at September 23, 2019	-	$ -	$ -	**$ -**
Decrease in net assets attributable to unitholders	-	-	(10,544)	**(10,544)**
Proceeds from issuance of units	293,000	-	-	**293,000**
Unit issuance costs	-	(39,990)	-	**(39,990)**
Premium paid on acquisition of flow-through shares	-	-	(49,025)	**(49,025)**
Balance at December 31, 2019	293,000	$ (39,990)	$ (59,569)	**$ 193,441**

The accompanying notes are an integral part of these financial statements.

Statement of Cash Flows

For the period from commencement of operations on September 23, 2019 to December 31, 2019

Operating activities		
Decrease in net assets attributable to unitholders	$	(10,544)
Acquisition of investments		(255,730)
Unrealized change in fair value of investments		10,000
Changes in non-cash asset and liability items		
Accounts payable		3,490
		(252,784)
Financing activities		
Proceeds from issuance of units		293,000
Unit issuance costs		(39,990)
		253,010
Cash at end of period	$	226

The accompanying notes are an integral part of these financial statements.

Schedule of Investments Portfolio

December 31, 2019

CANADIAN EQUITIES	Number of shares	Cost	Carrying value
Engold Mines Ltd.	830,000	$ 70,550	$ 49,800
Renforth Resources Inc.	1,170,000	70,200	40,950
Sirios Resources Inc.	361,000	64,980	55,955
Sokoman Minerals Corp.	500,000	50,000	50,000
Costs and fair value of investments		255,730	196,705
Premium paid on acquisition of flow-through shares		(49,025)	-
Costs and fair value of investments		$ 206,705	$ 196,705

The accompanying notes are an integral part of these financial statements.

1. General information

Northern Precious Metals 2019 Limited Partnership (the "Partnership") was formed as a limited partnership pursuant to the provision of the Civil Code (Quebec) on September 23, 2019. The Partnership's registered address is 4300-800 Square Victoria, C.P.303, Montreal (Québec) H4Z 1H1. The general partner of the Partnership is Northern Precious Metals 2019 Inc. (the "General Partner"), which was incorporated under the laws of Canada on September 23, 2019. In accordance with the Partnership Agreement and the Investment Fund Management Agreement dated September 23, 2019. Northern Precious Metals Management Inc. (the "**Manager**") has been appointed as the Investment Fund Manager. The financial statements are presented in Canadian dollars (CAD) which is the Partnership functional currency. These financial statements were authorized by Northern Precious Metals Management Inc. (the "**Manager**") on March 27, 2020.

The investment objective of the Partnership is to provide for a tax-assisted investment in a diversified portfolio of equity securities of mining, oil & gas, energy and resource - related companies with a view to achieving some capital appreciation and significant tax benefits for Limited Partners.

The success of the Partnership depends upon the success of selected investments, as well as upon the marketing and sales program and reception of the Partnership investment opportunity by investors seeking tax efficiencies. An investment vehicle of this nature is subject to various risk factors, including but not limited to, the availability of a sufficient number of resource companies willing to issue flow-through shares, the current lack of a market for the units of the Partnership, those risks inherent in exploration for natural resources, and the speculative nature of the business activities of resource companies.

2. Basis of presentation and adoption of IFRS

These financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB). The Partnership reports under this basis of accounting as required by Canadian Securities Legislation and Canadian Accounting Standards Board.

These financials statements have been prepared on a historical cost basis, except for financial assets and financial liabilities at fair value through profit or loss (“FVTPL”) which are presented at fair value.

3. Summary of significant accounting policies

The following is a summary of significant accounting policies used by the Partnership:

Cash and cash equivalents
Cash and cash equivalents is comprised of cash.

Financial instruments
Financial assets and liabilities are recognized when the Partnership becomes a party to the contractual provisions of the instruments. Financial assets and liabilities are initially recorded at fair value.

3. Summary of significant accounting policies (cont'd)

Financial assets
Financial assets are classified as available for sale, at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or measured at amortized cost. The classification is determined at initial recognition and depends on the purpose for which the financial instruments were acquired or issued, their characteristics and the Partnership's designation of such instruments.

Classification
The Partnership has made the following financial instruments classifications:

Cash:	Financial assets, measured at amortized cost
Investment:	Financial assets, fair value through profit or loss

Valuation of investments
The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) is based on quoted market prices. In accordance with the provisions of the Partnership's Offering Memorandum, investment positions are valued based on the last traded market price for the purpose of determining the net asset per unit for subscriptions and redemptions. For financial reporting purposes, the Partnership uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstance where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. When the Partnership holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate.

The fair value of financial assets and liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Partnership uses a variety of methods and makes assumptions that are based on market conditions existing at each statement of financial position date. Valuation techniques used include the use of comparable recent arm's-length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

Investments in private companies and other assets for which no published market exists are initially valued at cost and adjusted each reporting period, when appropriate, to reflect the most recent value at which such securities have been exchanged in an arm's length transaction which approximates a trade effected in a published market, unless a different fair market value is otherwise determined to be appropriate by the Manager.

Investments in warrants that are liquid and traded on an active stock market have been measured at fair value. Warrants not on an active exchange are valued using a recognized fair value model, being the Black-Scholes Model which can cause a difference between Net Asset Value per unit (Trading NAV) and Net Asset Value per unit (IFRS).

3. Summary of significant accounting policies (cont'd)

Financial assets at fair value through profit or loss

Classification
The Partnership classifies its investments based on both the Partnership's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Partnership is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Partnership has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Partnership's debt securities are solely principle and interest; however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Partnership's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

Recognition, derecognition and measurement
Regular purchases and sales of investments are recognized on the trade date – the date on which the Partnership commits to purchase or sell the investment. Financial assets at fair value through profit or loss are initially recognized at fair value. Transaction costs are expensed as incurred in the Statement of Comprehensive Income.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or the Partnership has transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in the Statement of Comprehensive Loss within "Unrealized change in fair value of investments" in the period in which they arise.

Impairment of financial assets
At each reporting date, the Partnership assesses whether there is objective evidence that a financial asset at amortized cost is impaired. If such evidence exists, the Partnership recognizes an impairment loss as the difference between the amortized cost of the financial asset and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. Impairment losses on financial assets at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

Financial liabilities
Financial liabilities are classified as measured at amortized cost or at FVTPL. The classification is determined at initial recognition and depends on the purpose for which the financial instruments were acquired or issued, their characteristics and the Partnership's designation of such instruments.

Notes to Financial Statements

December, 31, 2019

3. Summary of significant accounting policies (cont'd)

Classification
The Partnership has made the following financial instrument classifications:

Accounts payable: Financial liabilities, measured at amortized cost

Financial liabilities are subsequently measured at amortized cost using the effective-interest method with interest expense recognized on an effective-yield basis. The effective-interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expenses over the corresponding period. The effective-interest rate is the rate that discounts estimated future cash payments over the expected life of the financial liability or, where appropriate, a shorter period.

Transaction costs
Transaction costs related to financial liabilities classified measured at amortized cost are netted against the carrying value of the liability and then amortized over the expected life of the instrument using the effective-interest method.

Derecognition of financial liabilities
The Partnership derecognizes financial liabilities when, and only when, the Partnership's obligations are discharged, cancelled or expired.

Offsetting financial instruments
Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. In the normal course of business the Partnership enters into various master netting agreements or similar agreements that do not meet the criteria for offsetting in the statement of financial position but still allow for the related amounts to be offset in certain circumstances, such as bankruptcy or termination of the contracts.

Commissions and other portfolio transaction costs
Commissions and other portfolio transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commissions paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Such costs are expensed and are included in "Commissions and other portfolio transaction costs" in the Statement of Comprehensive Loss.

Cost of investments
The cost of investments represents the amount paid for each security and is determined on an average cost basis excluding commissions and other portfolio transaction costs.

3. Summary of significant accounting policies (cont'd)

Flow-through shares
The Partnership invests in flow-through shares. The purchase price of such shares inherently includes the purchase of the flow-through tax deduction. The portion of the purchase price for flow-through shares which the Partnership incurred to acquire the flow-through tax deductions is charged to equity. The value of the flow-through deduction is considered to be the difference between the purchase price of flow-through shares and the fair value of such shares trading without flow-through deductions and is reflected in the Statement of Changes in Net Assets Attributable to Unitholders as "Premium paid on acquisition of flow-through shares".

Investment transactions and revenue recognition
Investment transactions are accounted for on the trade date. Interest income is accrued daily and dividend income is recognized on the ex-dividend date. Realized gains and losses from investment transactions are calculated on an average cost basis.

Realized gain on sale of investments and unrealized change in fair value of investments are determined on an average cost basis. Average cost does not include amortization of premiums or discounts on fixed income securities with the exception of zero coupon bonds.

Income taxes
The Partnership qualifies as a mutual fund trust under the Income Tax Act (Canada). These financial statements include the assets and liabilities and results of operations of the Partnership and do not include the assets, liabilities, revenue and expenses of the limited partners. Income taxes are not eligible at the Partnership level and, accordingly, no provision is recorded in these financial statements.

Units
The Partnership's units are classified as equity as the Partnership has full discretion on repurchasing the units and on dividend distributions.

Unit issuance costs
Expenses related to the initial public offering of the Partnership units have been accounted for as a reduction of the proceeds from unit issuance.

Net Assets attributable to Unitholders per unit
The Net Assets attributable to Unitholders per unit is calculated by dividing the Net Assets attributable to unitholders of a particular class of units by the total number of units of that particular class outstanding at the end of the period.

Decrease in Net Assets attributable to Unitholders per unit
Decrease in Net Assets attributable to Unitholders per unit is based on the decrease in Net Assets attributable to unitholders attributed to each class of units, divided by the weighted average of units outstanding of that class during the period.

4. Judgments, estimates and assumptions

Many of the amounts included in the financial statements require Management to make judgments and/or estimates. These judgments and estimates are continuously evaluated and are based on Management's experience and knowledge of the relevant facts and circumstances. Actual results may differ from the amounts included in the financial statements.

Area of significant judgments and estimates affecting the amounts recognized in the financial statements include:

Valuation of warrants
The Partnership uses the Black-Scholes options pricing model to determine the fair value of warrants. The main factor affecting the estimates of the fair value of warrants is the stock price expected volatility used.

5. Limited partners' entitlements

The limited partners' entitlements with respect to the Net Asset Value and distribution of income are generally as follows:

a) Allocation of Net Profit or Loss

i) Performance Bonus
The General Partner will be entitled to a performance bonus (the "Performance Bonus"), as an allocation of income from the Partnership, equal to 20% of the product of: (a) the number of Units outstanding on the business day immediately prior to the last day of the Performance Bonus Term (the "Performance Bonus Date"), and (b) the amount by which the Net Asset Value per Unit on the Performance Bonus Date plus the aggregate value of all distributions on Units during the Performance Bonus Term exceeds $100. The General Partner has agreed to pay to the Portfolio Manager that Performance Bonus.

The Performance Bonus Term means the period commencing on the date of the final closing and ending on the earlier of: (a) the business day prior to the date on which the Partnership's assets are transferred to a mutual fund pursuant to a mutual fund rollover transaction; or (b) the business day immediately prior to the dissolution transaction.

ii) The income or loss of the Partnership shall be allocated as to 0.01% to the General Partner and as to 99.99% to the Limited Partners; and

Notes to Financial Statements

December, 31, 2019

5. Limited partners' entitlements (cont'd)

a) Allocation of Net Profit or Loss (cont'd)

iii) The Limited Partner's share of the income and loss of the Partnership shall be allocated to Limited Partners based on their ownership of units.

The income and loss of the Partnership for tax purposes in respect of a fiscal period shall be allocated among the General Partner and the Limited Partners in the same manner as allocations of accounting income and loss with such adjustments the General Partner in its sole discretion deems necessary to effect an equitable distribution of all such amounts. The General Partner shall be entitled to make allocations of income or loss of the Partnership for tax purposes in respect of a fiscal period to any person who has been a Limited Partner at any time in such fiscal period.

b) Distributions

Distributions of income and/or capital will be made at the General Partner's discretion in the proportion that each Limited Partner's equity bears to the aggregate partners' equity.

6. Redeemable units of the Partnership

The Partnership is authorized to issue a maximum of 100,000 units with a pair value of $100 per unit. Each unit subjects the holder thereof to the same obligations and entitles such holder to the same rights as the holder of any other unit, including the right to one vote at all meetings of the limited partners and to equal participation in any distribution made by the Partnership. There are no restrictions as to the maximum number of units that a limited partner may hold in the Partnership, subject to limitations on the number of units that may be held by "financial institutions" and provisions of securities legislation and regulations relating to take-over bids.

The Partnership issued 2,930 units for cash consideration.

7. Net assets attributable to unitholders

The Partnership's capital is represented by the net assets of the Partnership. The Partnership is not subject to any regulatory requirements on capital and is managed in accordance with the Partnership's investment objectives, policies and restrictions, as outlined in the Partnership's Offering Memorandum. The relevant movements are shown in the statement of changes in net assets attributable to holders of redeemable units.

8. Risk associated with financial instruments

Risk factors
Investment activities of the Partnership expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, price risk and currency risk). The Manager seeks to minimize these risks by employing experienced portfolio managers that will manage the security portfolios of the Partnership on a daily basis according to market events and the investment objectives of the Partnership. All investments result in a risk of loss of capital.

Credit risk
Credit risk is the risk that a counterparty to a financial instrument will fail to discharge a commitment that it has entered into with the Partnership. The fair value of a financial instrument takes into account the credit rating of its issuer. All transactions in securities are settled or paid for upon delivery through brokers. Credit risk is considered minimal in the Partnership, as delivery of securities sold is made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade is cancelled if either party fails to meet its obligation.

Liquidity risk
Liquidity risk is the risk that a partnership may not be able to settle or meet its obligation on time or at a reasonable price. As at December 31, 2019, the Partnership had accounts payable of $3,490.

Market risk
The Partnership's investments are subject to market risk which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The following include sensitivity analyses that show how the net assets attributable to unitholders would have been affected by a reasonably possible change in the relevant risk variable at each reporting date. In practice, the actual results may differ and the differences could be material.

Price risk
The Partnership is exposed to price risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Partnership's investments are subject to the risk of changes in the prices of equity securities and the risk of loss of capital. The majority of the Partnership's equity investments are publicly traded and are included in the TSX Venture. The Partnership's policy requires that the overall market position is monitored on a daily basis by the Manager.

If prices of the investments had decreased or increased by 5%, with all other variables held constant, net assets of the Partnership would have decreased or increased, respectively, by approximately $9,800. Maximum risk resulting from financial instruments is equivalent to their fair value.

Concentration risk
Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The following is a summary of the Partnership's concentration risk: 100% of the Partnership's investments are in Canadian gold mining.

Notes to Financial Statements

December, 31, 2019

9. Fair value measurement

The Partnership classifies fair value measurements within a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are:

Level 1: Quote prices (unadjusted) in active markets for identical assets of liabilities that the entity can access at the measurement date;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable for the asset or liability.

If inputs of different levels are used to measure an asset's or liability's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement. The following table illustrates the classification of the Partnership's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2019:

As at December 31, 2019	Level 1	Level 2	Level 3	Total
Equities	$ 196,705	$ Nil	$ Nil	**$ 196,705**

All fair value measurements above are recurring. Fair values are classified as Level 1 when the related security is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3.

Equities
The Partnership's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable.

Other financial assets and liabilities
The fair value of cash and accounts payable is equivalent to its carrying value due to their short-term nature.