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Dissolution of Northern Precious Metals 2011 Limited Partnership

The NPM 2011 Limited Partnership has gone, in 2012, through an extremely difficult year. While the price of gold consolidated around $1650 per ounce for most of 2012, share prices of medium and small capitalization gold companies consistently declined to reach, at the end of 2012, levels comparable to or lower than those even experienced at the end of 2008 when the price of gold was $700 per ounce. This is pretty exceptional considering that a great number of companies reported, during the year, sizeable increases in both volumes and gold contents of their resources. These two factors normally have positive influence on the value of their respective assets.

NPM 2011 Limited Partnership, which has closed in December 2011, started the liquidation of the portfolio at the end of April 2012, immediately after the regular four mouth hold period. Sales continue in May and June but at a slower pace in July , due to a decline in the price of the stocks under weak volumes of transactions, in spite of a solid consolidation in the price of gold. The anticipation of a stronger market in the second half of the year would allow for the partnership to complete the liquidation of the portfolio before December 31, 2012 in a more positive market environment.

In early September 2012, the price of gold finally jumped allowing the partnership to reduce positions in the portfolio. However, the market contracted in early November and stock prices started to decline again but this time under very weak trading volumes rendering the liquidation of the portfolio in an orderly fashion difficult, the fiscal cliff and the U.S. debt ceiling having created a climate of uncertainty that would normally favor gold. Facing a very hesitant stock market, the partnership decided to slow down on the liquidation of the portfolio. Due to the circumstances, the general partner made the decision to dissolve the partnership on December 21 and to continue the liquidation after the date of December 31, to avoid panic selling in a declining market with rather weak trading volumes. The decision allows the partnership to complete the liquidation in the early months of 2013, hopefully, in a better market environment, to avoid costly additional expenses and to postpone a portion of the capital gain tax to 2014, otherwise payable in 2013, all of this in the best interests of the limited partners.

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