



SCHEDULE C

Internal Control Manual

Written policies and procedures revised annually. (last revision June 20, 2015)

1. Portfolio management

All the funds raised by northern precious metals limited partnerships ("**limited partnerships**") are held by a designated trust or a registered broker and managed by NPM Management Inc. ("**NPMM**").

The limited partnerships must invest the funds they raise in flow through shares of mining companies through direct private placements or public offerings.

Investment decisions are made by the investment committee on recommendations made by qualified NPMM investment executives who each has more than 30 years of experience in the mining sector.

Each investment is analyzed internally by NPMM. Recommendations and decisions rest mainly with its appraisal of management quality, dedication, track record, financing ability, geology, reserves and/or of the quality of the estimated resources, exploration programs, proximity of infrastructure and electricity.

Research is complemented by meetings with management, presentations by management, annual meetings, teleconferences, various conventions and websites.

The objectives of the limited partnerships and suitability of investments are mentioned in their respective prospectus or offering memorandum.

2. Placements in flow-through shares

When a placement is approved by the investment committee, a term sheet for the private placement may be either drafted, reviewed, approved and signed by an officer or may be received from a mining company revised, approved and signed by an officer..

The placement agreement between limited partnerships and the mining companies can be signed by the president, the portfolio manager or the vice-president of the limited partnerships.

When the placement agreement is signed, instructions are sent to the trust or to a broker for payment on delivery of shares and warrants.

The portfolio manager then verifies that the trust holds on behalf of limited partnerships the exact amount of shares and, in certain cases, warrants and have made the correct payment that relates to the negotiated agreement.

3. Trading and brokerage

NPMM carries out the trades with the trader. This ensures that the trades are done at the desired prices and in a timely manner. It also makes sure trades are settled in a timely manner and at the correct prices. In normal circumstances, when more than one partnership is buying or selling the same securities, a fair allocation of purchases or sales must be offered and applied to the partnerships, respectively unless the partnerships at the time have different and reasonable investment objectives.

NPMM uses experienced and specialized traders for best executions at competitive prices, considering it is dealing mainly with junior mining stocks.

Preparation and maintenance of trade orders are made by NPMM on block availability on a particular day and at the appropriate price.

4. Trade matching and settlement

To comply with NI-24-101 as portfolio manager when the portfolio of the partnership is in custody at Computershare:

- a) The portfolio manager prepares and executes trades by phone with designated brokers,
- b) Brokers send to both the portfolio manager and Computershare a formatted list of transactions at the end of the day by email,
- c) The portfolio manager verifies each transaction on the list and contact brokers for corrections, if required,
- d) If corrections are required, brokers will resend the correct list to the custodian and portfolio manager,
- e) Then the portfolio manager sends an email of approval of the list of transactions to the custodian and brokers for execution on the determined settlement date.
- f) The custodian will report to the manager on the execution date of the settlement and advise if it ever incurred any problem.

When the portfolio of the partnership is in custody at a broker:

- a) The portfolio manager prepares and executes trades by phone with designated brokers,
- b) Brokers send to portfolio manager a formatted list of transactions at the end of the day by email,
- c) The portfolio manager verifies each transaction on the list and contact brokers for corrections, if required,
- d) If corrections are required, brokers will resend the correct list to the

- portfolio manager,
- e) Then the portfolio manager sends an email of approval of the list of transactions to brokers for execution on the determined settlement date.
 - f) Brokers will report to the manager on the execution date of the settlement and advise if it ever incurred any problem.

5. Cross transactions

NPMM does not engage in cross transactions but if for special reasons it strongly believes are in the best interest of the Limited Partners, it must present its reasons in writing to the Independent Review Committee for approval.

If approved, the cross trade must be made by NPMM through a broker/dealer at the lowest competitive cost and reported to the Independent Review Committee.

6. Soft dollar deals

NPM does not engage into soft dollar deals.

7. Handling of complaints

A complaint is the expression of at least one of the following elements:

- a) A reproach against NPMM,
- b) Identification of a real or potential harm to the complainant,
- c) Request for remedial action

A complaint must be received in writing posted to the address of NPMM or by email at info@nmpfunds.com. NPMM will create a complaint file.

Within 10 business days, the president will acknowledge receipt in writing describing the complaint; requesting more information, if necessary, within the following 10 business days; describing the complaint examination policy with a note stating that the complainant could request the file be transferred to the AMF who may offer dispute information services; the transfer does not interrupt the prescriptive period for civil remedies.

Within 15 business days of receiving all necessary information to proceed with the complaint examination process, the president will send the complainant a final response with justifying reasons

If the complainant is not satisfied with the outcome, he may request his file to be transferred to the AMF, which should be done by NPMM complying with the rules governing the protection of personal information.

NPMM must prepare two complaint reports per year. Reporting periods are:

- a) No later than July 30 for data collected from January 1 to June 30,
- b)** No later than January 30 for data collected from July 1 to December 31.

8. Handling of trading errors

NPMM is responsible for all trade orders. It receives all broker confirmations of trades directly and immediately handles any error that might have developed in the execution of such trades. It makes sure that the correction takes place and is sent to all the necessary departments and/or to the custodian. NPMM makes a NAV correction if required.

9. Code of ethics and conflict of interest

The firm is composed of directors and officers and uses outside consultants for legal, accounting and custodian services and, as such, does not have any employees. As a result it does not need any guidelines as regard to employees.

Acting as General Partner and Manager of different partnerships

Directors and officers must act in the best interest of each partnership:

- a) In allocating investment opportunities to all partnerships.
- b) In the timing investment decision regarding buy and sell of securities.
- c) In the exercise of warrants owned by different partnerships.

Owning shares

To eliminate conflicts of interest, directors and officers shall not purchase shares of companies in which the partnerships are invested in, however if:

- a) The partnerships intend to invest in any one securities, directors and officers must declare in writing and send to the compliance officer, if they own already the securities, the amount and the date they acquired the securities.
- b) Directors and officers must also declare in writing and send to the compliance officer their intention of selling securities in which the partnerships are invested in as well as when they want to dispose of such.

Directors and officers of other companies

Directors and officers may act as directors of companies in which the partnerships may invest in:

- a) Directors and officers must declare in writing their directorship in mining companies or in any company where there might be a conflict of interest with the partnerships;

b) If a partnership intends to invest in a company in which a director or officer is a director or officer of, this intention must be brought in writing to the IRC for approval.

Use of inside information is strictly prohibited.

10. Compliance

NPMM has designated Jean-Guy Masse as the compliance officer.

NPMM, as portfolio manager, has one client: the Northern Precious Metals Group, which creates, annually, at least one new Limited Partnership. The chief portfolio manager is Jean-Guy Masse.

The chief portfolio manager must ensure use of brokerage firms and traders that have considerable experience in trading junior mining shares as well as deliver the best execution at a minimum cost to the Limited Partnerships and execute trades in a timely manner. He must supervise all trades, correct errors and maintain a registry of all trades performed. Cross trades, see “Cross Transactions” must be executed through a broker and the pricing methodology and costs must be reasonable.

To eliminate conflict of interest, any officer and director shall not trade in shares owned by the partnerships. But if for reasons mentioned in “Code of Ethics and Conflict of interest” he is placed in a position to do so, he must obtain approval from the compliance officer before executing a personal trade in a security that is part of any Limited Partnership portfolio.

The NPMM accountant must have easy and freely access to all trading activity in order to perform his duties which include: preparation of monthly financial statements, capital calculations, reconciliations of monthly trust account summaries with trading activity, and computation of data.

11. Marketing

NPMM has no marketing materials.

NPMM has a website. The website is the responsibility of the president. Modifications to the website are reviewed on a weekly basis.

12. Insider trading and early warning reports

If a Limited Partnership wishes to invest in a company in which an officer or a director is an insider, the investment must require the specific approval of the

Independent Review Committee. As a result, any action contemplated by the insider must be declared to and approved by the Independent Review Committee at least three days in advance of such action. Copy of a report on any such action must be sent to the Independent Review Committee within a period of five days after completion.

As an investment policy, a Limited Partnership must not own 10% or more of the total shares outstanding of a company. As a result, a Limited Partnership must not be considered as an insider of any company it owns in the portfolio.

13. Money laundering prevention

NPMM files a monthly report with the AMF regarding money laundering prevention and terrorism.

The president of NPMM is the person responsible for issuing and filing the report with the AMF before the 15th day of each month.

Limited Partnerships raise funds through many Canadian brokers who, in turn, sell a one time tax related investment to their clients. Clients of the Limited Partnerships are brokers. Clients of NPMM are the Limited Partnerships. Unit holders (investors) remain the same for the life of the particular partnership.

14. Institutional trade matching and settlement

The chief portfolio manager must ensure that every trade order executed by the dealer matches settlement with the custodian as they occurred. For that purpose, the portfolio manager fills a form duly signed by him confirming the order and settlement date which is acknowledged by the custodian. In return, the custodian must confirm settlement of the trade in order to insure that all trades are made in the required time period. The custodian and broker confirmation are verified.

15. Calculation of NAV-handling of NAV errors for Northern partnerships (CALCULATION OF NET ASSET VALUE)

Limited Partnerships have a limited life. During the life of a Limited Partnership, Limited Partners cannot redeem their units. At the end of the life of a Limited Partnership, the Limited Partnership is dissolved and liquidated. The assets are distributed pro rata to the limited partners. When a Limited Partnership is dissolved and liquidated, the NAV is determined by the auditors. During the life of the fund, an error in the valuation of the NAV has no material consequence for a limited partner as the Limited Partnership does not redeem or offer units for sale.

NAV for Limited Partnerships are calculated weekly. NPMM has written policies and procedures for the calculation of the NAV and the handling of NAV errors in the case one occurs.

The NAV for each Limited Partnership is calculated by the portfolio manager and accountant and approved by the vice-president and by the compliance officer.

1) Portfolio pricing information

Portfolios are composed of publicly traded securities. NPMM is using the Globe and Mail closing prices on valuation day. These prices are compared to the TSX closing prices. If a difference occurs between the two, the TSX closing price will be used. For financial reporting the bid price will be used. For stocks that have not been traded during the day, the bid price will be used. Investments in securities having no quoted market values are valued using valuation techniques. Valuation techniques include, but are not limited to, referencing the current value of similar instruments, using recent arm's length market transactions, discounted cash flow analyses and valuation models for options. The fair value of certain securities may be estimated using valuation techniques based on assumptions that are not supported by observable market inputs.

In a situation where, in the opinion of the Manager, a market quotation for a security is inaccurate, not readily available or does not accurately reflect fair value, the security is valued at its fair value as determined by the Manager.

Warrants are valued by a recognized valuation model for options using the closing bid price for financial reporting and the closing price for NAV reporting.

2) Other assets and liabilities

Cash or near cash and accrued interests, if any, is provided by the accountant and verified on a monthly basis using custodian monthly statements. Any other assets, namely tax refunds, are provided by the accountant. Administrative and operating costs are computed when they are received by the accountant.

Interest on the loan are computed and accrued monthly. Any repayment of expenses by the partnership is computed as received.

Management fees are computed monthly.

For the purposes of calculating the NAV, the manager will make a weekly provision for expenses such as legal, audit, assurance, trust fees and for other on-going expenses.

3) On-Going Expenses

The Partnership will pay for all expenses (inclusive of applicable taxes) incurred in connection with its operation and administration. These expenses

will include: (a) mailing and printing expenses for periodic reports to Limited Partners; (b) taxes and ongoing regulatory filing fees; (c) fees payable to manager for performing financial, record keeping, reporting to limited partners and brokers and general administrative services, namely, compliance, website, telecommunications, office facilities, attendance to conferences, visits to companies, to brokers and limited partners and some reasonable out-of-pocket expenses incurred by the manager in connection with its ongoing obligations; (d) fees payable to the Independent Review Committee; expenses relating to portfolio transactions; (e) expenses relating to the dissolution of the partnership (f) in connection with certain investments of the partnership, the manager may conduct due diligence investigations of a resource company's business, assets, properties, mineral reserves and placement agreement resulting in fees and expenses which may be charged to the partnership. These fees and expenses are computed and divided between partnerships on a pro rata basis based on the original size of each partnership relative to the total amount of funds raised by the partnerships. Office facilities are supplied to the partnerships by a director and officer of the manager at competitive prices. All the above fees and expenses are reviewed and approved by the Independent Review Committee. Financial and general administrative services are rendered by the officers at a maximum rate of \$250 per hour.

All advances by the manager to the partnerships, as per the prospectus or offering memorandum, are computed monthly and bear interest at prime rate. When the partnership has cash available, advances are reimbursed to the manager.

4) Corporate actions

NPMM follows corporate actions that may impact portfolios, like stock split, dividend, stock dividend, etc., and makes sure portfolios are adjusted accordingly.

5) Foreign exchange

NPMM keeps a record of currency rates used on the valuation date

6) Compliance

Stocks purchased by the Limited Partnerships have a four month and one day hold restriction which is written on the certificate. NPM and the compliance officer make sure that no stock is sold before the end of that period. A sale before the end of the period would force a repurchase of the shares which may have a negative impact on the value of the portfolio. For that reason, a date for eligible trading appears on all lists of stocks. NPM and the compliance officer follow the same procedure for foreign owned stocks that have similar restrictions

7) Handling of NAV errors for the Northern partnerships

The portfolio manager and the accountant prepare the NAV which is finally approved by the compliance officer. The compliance officer reviews monthly, namely, the reconciliation of the value of the portfolios with the custodian, all expenses incurred and all accrued expenses. When an error is discovered, the corresponding NAV or affected NAVs are corrected immediately. The error may have an impact on the management fee paid to the Manager. There is no impact on Limited Partners as they cannot redeem their units before the end of the life of the Limited Partnership which follows a full audit of the Partnership.

A correction is made if the corrected NAV is greater or lower than 5.0% of the original calculated NAV. As a result of a correction in the NAV, the Management fee is corrected automatically. A correction, if any, would take place at the end of a month.

16. Accounting policies and procedures

The company must comply with NI-31-103.

1) Insurance

It must make sure to have at all time an in force insurance for a minimum of \$200,000. This insurance has a franchise of \$10,000

2) Minimum capital requirement

The company is obliged to have at the end of each month a minimum free working capital of \$100,000 plus the amount of the franchise of \$10,000

3) Monthly calculation of the net free working capital

Free working capital must be calculated each month and signed by the person who makes it and approved and signed by an officer. If on any month, the free working capital is lower than \$110,000, it must be reported immediately to the Autorité des marchés financiers.

4) Monthly banking conciliation

Must be dated and signed by the person who performs the conciliation and approved and signed by an officer.

5) Accounting for commercial operations

To comply with NI-31-103, Revenues and expenses must be computed monthly. That includes, without limitation, management fees, expense accounts, professional fees and rent.

6) Services agreement

Description of tasks and retainers. (See Entente contractuelle).

17. PROXY VOTING DISCLOSURE FOR PORTFOLIO SECURITIES HELD

POLICIES AND PROCEDURES

Subject to compliance with the provisions of applicable securities legislation, the Manager, in its capacity as manager acting on the Partnership's behalf, has established policies and procedures for the Partnership to follow to determine whether, and how, to vote proxies relating to the securities of Mining Companies in the Partnership's investment portfolio. These policies prescribe that voting rights should be exercised with a view to the best interests of the Partnership and its Limited Partners. The policies and procedures include: (a) a standing policy for dealing with routine matters on which the Partnership may vote; (b) the circumstances under which the Partnership will deviate from the standing policy for routine matters; (c) the policies under which, and the procedures by which, the Partnership will determine how to vote or refrain from voting on non-routine matters; and (d) procedures to ensure that securities of Mining Companies in the Partnership's investment portfolio are voted in accordance with the policies and procedures.

The proxy voting policies that have been developed by the Manager are general in nature and cannot contemplate all possible proposals or non-routine matters with which the Partnership may be presented. Under the standing policy for dealing with routine matters on which the Partnership may vote, routine matters are limited to the determination of the number of directors comprising the board of directors of a Mining Company, the election of directors, the appointment of a chairperson, the appointment of a trustee, the appointment of auditors, and the remuneration of auditors. According to the standing policy, the Manager will vote with management of Mining Companies on such routine matters. Non-routine matters generally include all matters that are not specified to be routine, and would include unit-based compensation, issuance of rights and warrants, employee and management bonuses, shareholder rights plans, transactions requiring securityholder approval, including transactions effected through plans of arrangement, financings and amendments to a Mining Company's articles of incorporation. In order to discharge its obligations under the proxy voting policies, the Manager will review all relevant available documentation, including research on management performance, corporate governance and all other factors that it considers relevant.

The Manager will not vote proxies received for securities of Mining Companies which are no longer held in the Partnership's investment portfolio.

PROXY VOTING CONFLICT OF INTEREST

In the unlikely event that a matter on which the Partnership may vote presents a conflict of interest or perceived conflict of interest, the Partnership will seek the

advice of the Independent Review Committee (see “Organization and Management Details of the Partnership - Independent Review Committee”. The Partnership will be required to vote in a manner consistent with the recommendation of the Independent Review Committee, or refrain from voting on such matter.

18. Investment opportunities and Duty of Care

- a) The services of the Manager are not exclusive to the Partnership. The Manager acts as the investment advisor to the existing Previous Partnerships and might in the future act as the investment advisor to other funds which invest primarily in Flow-Through Shares and other securities, if any, of Resource Companies and which might have similar investment mandates than those of the Partnerships. This should be brought to the IRC in writing for review and approval.
- b) Directors and officers of the Manager are not in any way limited or affected in their ability to carry on other business ventures for their own account and for the account of others that currently engage and/or might in the future engage in the same business activities or pursue the same investment opportunities as the Partnerships. However, this should be brought to the IRC in writing for review and approval.

19. Reporting to the AMF

Report on terrorism on the 15 of each month
Quartely financials, 30 days following the end of the quarter.
Quartely net working capital, 30 days following the end of the quarter
Important modifications or changes regarding NPMM directly to the AMF or through BDNI.

20. Reporting to Limited Partners

Reporting to limited partners semi-annually