Northern Precious Metals 2012 Limited Partnership

Semi-Annual Financial Statements
(Unaudited)

June 30, 2017

Management Responsibility for Financial Reporting

The accompanying financial statements have been prepared by Northern Precious Metals Management Inc. in its capacity as manager (the «Manager») of the Limited Partnership and have been approved by the board of directors of Northern Precious Metals 2012 Inc., in its capacity as general partner (the «General Partner») of the Limited Partnership. The board of directors of the General Partner is responsible for the preparation and fair presentation of these financial statements.

The investment fund manager maintains appropriate processes to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and include certain amounts based on estimates and judgments made by the investment fund manager. Note 3 to the financial statements describe the significant accounting policies which the investment fund manager believes are appropriate for the Limited Partnership.

The board of directors of the General Partner has delegated responsibility for oversight of the financial reporting process to the Manager. The Manager is responsible for examining the financial statements and for recommending their approval to the board of directors of the General Partner, in addition to meeting with management and the external auditors in order to discuss the internal controls over the process used to present financial information, auditing matters and problems concerning the presentation of financial information.

Pétrie Raymond, L.L.P., Chartered Accounts, (the “auditors”) serve as the Limited Partnership’s external auditors. They have not reviewed these financial statements. Applicable securities laws require that if an external auditor has not reviewed the Limited Partnership’s financial statements, this must be disclosed in an accompanying notice.

Statement of Comprehensive Loss *(unaudited)*

For the six month period ended June 30 2017

Expenses		
Management fees	$	**6,955**
Audit fees		**6,000**
Professional fees		**19,126**
Unitholders' administration costs		**17,549**
Custodian fees		**9,924**
Transaction costs		**2,469**
Interest and bank charges		**665**
Net realized income on investments		**(92,220)**
Changes in unrealized depreciation on investments		**31,028**
Decrease in net assets attributable to unitholders	$	**(1,496)**
Decrease in net assets attributable to unitholders per unit	$	**(0.33)**
Weighted average number of outstanding units		**4,609**

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

Northern Precious Metals 2012 Limited Partnership

Statement of Changes in Net Assets Attributable to Unitholders *(unaudited)*

For the six-month period ended June 30, 2017

Balance at January 1st, 2017	**$**	**555,890**
Decrease in net assets attributable to unitholders		**(1,496)**
Balance at June 30, 2017	**$**	**554,394**

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

Statement of Financial Position

		June 30 2017		December 31 2016
		(unaudited)		*(audited)*
ASSETS				
Current assets				
Investments	$	**399,713**	$	575,476
Cash		**241,424**		9,182
Total assets	$	**641,137**	$	584,658
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities		**31,278**		17,700
Advances from the Manager, at the Bank of Montreal's prime rate (2,7% at June 30, 2017) without terms of repayment		**55,465**		11,068
Total liabilities		**86,743**		28,768
Net assets attributable to unitholders (Note 6)		**554,394**		555,890
Total liabilities and net assets attributable to unitholders	$	**641,137**	$	584,658
Number of units outstanding (Note 5)		**4,609**		4,609
Net assets attributable to unitholders per unit	$	**120.28**	$	120.61

Northern Precious Metals 2012 Inc., General Partner

.... Director
(S) Jean-Guy Masse

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

Schedule of Investments Portfolio *(unaudited)*

June 30, 2017

Equities	Number of shares	Cost	Carrying value
Canadian equities			
Alexandria Minerals Corp.	314,000	$ 36,110	$ 23,550
Bank Island Gold Ltd.	175,000	147,000	1,750
Cardero Resources Corp.	21,250	106,250	2,125
Eastmain Resources Inc.	490,500	392,400	161,865
Fancamp Exploration Ltd.	211,000	34,794	9,495
First Mining Finance Corp.	50,000	62,500	33,000
Metanor Resources Inc.	84,000	201,600	74,760
SGX Resources Inc.	133,000	46,550	2,660
Spanish Mountain Gold Ltd.	586,500	187,680	82,110
Yellowhead Mining Inc.	13,768	115,650	8,398
Costs and fair value of investments		$ 1,330,534	$ 399,713

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

Statement of Cash Flows *(unaudited)*

For the six-month period ended June 30, 2017

Operating activities		
Decrease in net assets attributable to unitholders	$	(1,496)
Net realized income on investments		(92,220)
Changes in unrealized depreciation on investments		31,028
Proceeds from sale of investments		236,955
Changes in non-cash asset and liability items		
Accounts payable and accrued liabilities		13,578
Net cash from operating activities		187,845
Financing activities		
Advances from the Manager		44,397
Net cash from financing activities		44,397
Net increase in cash		232,242
Cash at beginning of year		9,182
Cash at end of the period	$	241,424

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

1. Organization and nature of activities

Northern Precious Metals 2012 Limited Partnership (the "Partnership") was formed as a limited partnership under the laws of the Province of Québec on May 2, 2012. The address of the Partnership's registered office is 361 Dufresne Street, Sainte-Adèle (Québec) J8B 2S9. The Partnership invested in flow-through shares and other securities of mining companies in accordance with defined investment objectives, strategies and restrictions. The Partnership investment objective is to provide the limited partners with a tax-assisted investment in a diversified portfolio of mining flow-through shares and other securities of mining companies to achieve capital appreciation for the limited partners. The financial statements are presented in Canadian dollars (CAD). These financial statements were authorized for issue by Northern Precious Metals Management Inc. (the ''Manager'') on July 28, 2017.

The Partnership's general partner is Northern Precious Metals 2012 Inc. (the "General Partner") and the manager of the investment funds is Northern Precious Metals Management Inc. (the "Manager").

On February 28, 2014, the limited partners voted at a special meeting to extend the dissolution date from March 1st, 2014 to December 31, 2014 due to prevailing poor market conditions for the resource stocks. A second extension to July, 31 2015 was voted by the limited partners at a special meeting held on October 29, 2014. A third extension to March 31, 2016 was voted by the limited partners at a special meeting held on July 23, 2015. At a special meeting held on March 30, 2016, a fourth extension to December 31, 2016 was voted by the limited partners. The liquidation of the Partnership's portfolio started in July 2016 but was not completed by December 31, 2016 as contemplated, for reasons explained in the manager's report dated January 17, 2017. With the liquidation in progress, the General Partner decided on December 12, 2016 to use Article 15.03 of the Offering Memorandum to amend the Partnership agreement, extend the dissolution date and avoid expenses related to a special meeting of limited partners.

2. Basis of presentation

These financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB).

3. Accounting policies

Financial instruments

The Partnership recognized financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. Regular way purchases and sales of financial assets are recognized at their trade date. The Partnership's investments are measured at fair value through profit or loss (FVTPL). All other financial assets and liabilities are measured at amortized cost. Under this method, financial assets and liabilities reflect the amount required to be received or paid, discounted, when appropriate, at the contract's effective interest rate. The Partnership's accounting policies for measuring the fair value of its investments are identical to those used in measuring its net asset value (NAV) for transactions with unitholders. Interest income from investments in bonds and short-term investments is recognized at the effective interest rate. Interest receivable is shown separately in the statement of financial position based on the debt instruments' stated rated of interest. Dividends are recognized as income on the ex-dividend date. Gains or losses on the sale of investments are determined using the average cost method.

3. Accounting policies (cont'd)

Fair value measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) are based on quoted market prices at the close of trading on the reporting date. 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 circumstances 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). The fair value of financial assets that are not traded in an active market, is determined using valuation techniques, such as the Black-Scholes option pricing model.

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.

Cash
Cash is comprised of deposits with financial institutions.

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.

Decrease in net assets attributable to unitholders per unit
The increase in net assets attributable to unitholders per unit is calculated by dividing the increase in net assets attributable to holders of units by the weighted average number of units outstanding during the period.

Taxation
The Partnership qualifies as a mutual fund trust under the Income Tax Act (Canada). All of the Partnership's net income for tax purposes and sufficient net capital gains realized in any period are required to be distributed to unitholders such that no income tax is payable by the Partnership (99.99% of the net income is allocated to the Limited Partners and 0.01% to the General Partners). As a result, the Partnership does not record income taxes. Since the Partnership does not record income taxes, the tax benefit of capital and non-capital losses has not been reflected in the statement of financial position as a deferred income tax asset.

4. Partnership Agreement

The investment fund Manager is responsible for the management of the Partnership in accordance with the terms and conditions of the Partnership Agreement. In consideration for these services, the Manager is entitled, until the final distribution of the assets of the Partnership to an annual management fee equal to 2% of the liquidative net asset value of the Partnership, payable monthly in cash on the net asset value at the end of the preceding month (and pro-rated in respect of any partial month, if applicable) (Note 7).

The Manager is entitled to a per unit performance bonus equal to 20% of the amount by which the net asset value per unit as of the relevant measurement date, exceeds $1,100. As at June 30, 2017, there was no performance bonus. Finally, the General Partner is entitled to 0.01% of the Partnership's net income.

5. Units

The authorized units of the Partnership are 15,000 with a par value of $1,000 per unit and with one vote per unit. The Partnership issued 4,609 units for cash consideration.

6. Net asset 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.

Unless limited partners decide otherwise and vote for another extension, the Manager intends to create liquidity by continuing to liquidate the portfolio of securities in an ordely fashion bearing in mind market conditions. After the liquidation is completed, the General Partner shall dissolve the Partnership and distribute the net asset value amount thereof to its limited partners on a pro rata basis.

7. Related party transactions

Operating and management fees
During the period, the Partnership paid to a director and officer of the General Partner $8,700 as rent expenses for its premises, presented in unitholders administrative costs. Interests in the amount of $67, presented in interest and bank charges, were paid on advances from the Manager. The Partnership under the management agreement (Note 4) also paid management fees of $6,955 and professional fees of $17,306 to the Manager. These transactions, concluded in the normal course of operations, were measured at the exchange amount which is the amount established and agreed to by the parties.

Pursuant to a management agreement (Note 4) entered into by the Partnership and the Manager, the Manager is responsible for managing the Partnership's day-to-day operations. It pays all of the administrative costs and operations related expenses, as legal fees, audit fees, interests, as well as costs related to the financials and other reports, and compliance with all applicable laws, regulations and policies. The Manager is then reimbursed by the Partnership. These amounts are included in the advances from the Manager presented on the statement of financial position.

7. Related party transactions (cont'd)

Independent review committee fees
The members of the independent review committee (IRC) have voted to dissolve the committee on March 31, 2014, after a thorough analysis with the manager of all the expenses of the Partnership. The IRC concluded that the charges related to the committee, including fees, insurance and other expenses had become disproportionate in relation to the value of the portfolio. According to the offering memorandum, the committee's mandate expired on March 1st, 2014 unless extended. To reduce expenses for the benefit of limited partners, the members approved the dissolution of the IRC.

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 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. The Partnership retains sufficient cash and cash equivalent positions to maintain its liquidity. As at June 30, 2017 the Partnership had accounts payable and accrued liabilities of $31,278. The advances from the Manager are without terms of repayments.

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.

8. Risk associated with financial instruments (cont'd)

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 $20,000. 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: 95.0% of the Partnership's investments are in gold mining companies and 6.0% are in other metals companies.

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 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 June 30, 2017:

	Level 1	Level 2	Level 3	Total
Equities	$ 399,713	$ -	$ -	$ **399,713**
	$ 399,713	$ Nil	$ Nil	$ **399,713**

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.

9. Fair value measurement

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 instruments

The fair value of cash is equivalent to its carrying value due to the possibility of quick settlement of this instrument and is classified as Level 1.

The fair value of the advances to the Manager cannot be determined since they have no terms of repayment.