



Ninepoint Gold & Precious Minerals Fund

March 2018 Commentary

Volatility continued to plague the broader equity markets in the month of March. In our previous commentary, we had commented on the resiliency of gold bullion in the face of rising volatility across equities, bonds and currencies. This did not change in March as gold bullion rose 0.54% in U.S dollar terms. Over the same time-frame, the S&P 500 declined by 2.54%, while the Nasdaq Composite and the S&P/TSX Composite declined by 2.79% and 0.16% respectively. The Ninepoint Gold and Precious Minerals Fund fared better than the broader indices as it rose by 0.92% in the month of March. Our bogey, the S&P/TSX Global Gold Index rose by 4.20% over the same period.

We view the recent increase in volatility as a symptom of broader shifts occurring across multiple asset classes. Equity markets are trying to figure their way around increased risk arising from rising trade and geopolitical tensions while also attempting to quantify the current economic backdrop. Let's also not forget that the central banks around the world are in a process of reducing their balance sheet, taking away the enormous amount of monetary stimulus markets had grown used to over the years. The current environment is exceptionally bullish for gold with prices marching higher despite rising interest rates year-to-date. Gold equities have endured one of the worst bear markets they have seen since 2012; with gold continuing to notch monthly and annual gains, we are beginning to see gold equities take their cue from gold once again and generate leveraged returns to bullion itself. Based on our work, gold's outlook, especially over the next twelve months could not be brighter. We see the metal primed for a move beyond \$1400/oz in the coming months as the U.S. dollar continues its slide lower. This move would hugely benefit those invested in precious metals equities.

The top performers for the fund were Atlantic Gold, Dacian Gold and Semafo Inc. Atlantic Gold declared commercial production at their wholly-owned Moose River gold operation. The Company's goal is to be a 200,000 ounce per year producer as indicated by their recently released pre-feasibility study. Dacian has been an outperformer as they have guided the market to pouring first gold at their Mt Morgans project and that milestone was achieved on March 29, 2018. Mt Morgans is expected to produce approximately 200,000 ounces a year. Semafo is on the verge of starting production at their Bounbou mine in Burkina Faso: the Company announced that the project is 87% complete and first gold is scheduled for early Q3.

The top detractors for the month of March were B2Gold, Roxgold and Torex Gold. B2Gold addressed media reports around a potential mining code revision in Mali. The Company believes that any changes in the code would not apply to B2's Fekola mine given stability agreements within the recently signed mining contract. The perceived risk caused B2's shares to underperform. Roxgold

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provided an update on its Yaramoko mine in Burkina Faso with the mine and mill performing well, Q1 was a strong quarter. The Company also provided an update on the Bagassi South expansion project with early construction activities being on the way. Torex continued to deal with challenges caused by the Los Mineros Union, which created disturbances by trespassing on the Company's property.

¹ All returns and fund details are a) based on Series F units; b) net of fees; c) annualized if period is greater than one year; d) as at March 30, 2018; e) 2001 annual returns are from 11/15/01 to 12/31/01. The index is 100% S&P/TSX Global Gold Total Return Index and is computed by Ninepoint Partners LP based on publicly available index information.

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