



Ninepoint Gold and Precious Minerals Fund

(formerly, Sprott Gold and Precious Minerals Fund)

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

DECEMBER 31

2018

The annual management report of fund performance is an analysis and explanation that is designed to complement and supplement an investment fund's financial statements. This report contains financial highlights but does not contain the complete annual financial statements of the investment fund. You can get a copy of the annual financial statements at your request, and at no cost, by calling 1-888-362-7172, by visiting our website at www.ninepoint.com or SEDAR at www.sedar.com or by writing to us at: Ninepoint Partners LP, Royal Bank Plaza, South Tower, 200 Bay Street, Suite 2700, P.O. Box 27, Toronto, Ontario M5J 2J1. Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure.

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Management Discussion of Fund Performance

Investment Objective and Strategies

The objective of the Ninepoint Gold and Precious Minerals Fund (formerly, Sprott Gold and Precious Minerals Fund) (the “Fund”) is to provide long-term capital growth. In order to achieve its investment objective, the Fund invests primarily in gold, gold certificates, precious metals and minerals, certificates relating to such metals and minerals and/or in equity securities of companies that are directly or indirectly involved in the exploration, mining, production or distribution of gold and other precious metals and minerals.

As part of its investment strategy, the Fund may:

- temporarily invest in cash or cash equivalent securities as a defensive strategy or other reasons;
- invest in gold, silver, palladium and platinum in the forms of bullion, coins and storage receipts and certificates relating to such minerals and metals;
- deviate from NI 81-102 restrictions as it has obtained exemptive relief that permits the Fund to invest more than 10% of its net asset value, taken at the market value at the time of investment, directly in gold bullion or permitted gold certificates;
- engage in short selling in a manner that is consistent with the Fund’s investment objective and as permitted by securities regulations;
- invest in cash or cash equivalent securities as a defensive strategy or for other reasons;
- engage in securities lending as permitted by securities regulations; and
- use derivative instruments, such as options, futures, forward contracts and swaps, for both hedging and non-hedging strategies in a manner that is consistent with the Fund’s investment objective and as permitted by securities regulations.

Sprott Asset Management is the subadvisor for the Fund.

Risks

The risks of investing in the Fund are described in the Fund’s simplified prospectus. This Fund is suitable for those investors who want exposure to the capital appreciation potential of gold and precious metals and minerals and equity securities of companies that are involved in the exploration, mining, production or distribution of gold and precious metals and minerals. This Fund is suitable for investors with a high tolerance for risk and have a long-term investment horizon. There were no significant changes to the investment objective and strategies that affected the Fund’s overall level of risk during the reporting period.

Results of Operations and Recent Developments

The Fund, Series A returned -11.1% in 2018, while its benchmark, the S&P/TSX Global Gold Total Return Index, returned -3.5%.

In the U.S., positive economic momentum from 2017 carried over into 2018. As a result, the U.S. Federal Reserve Board continued to raise the federal funds rate, which further strengthened the dollar. The U.S. dollar gained against several major currencies during 2018. In U.S.-dollar terms, gold declined by 1.6%.

At the beginning of the year, economic conditions continued to improve. Investor and business enthusiasm towards tax cuts in the U.S. translated to higher capital expenditures and inventory building. This optimism about the economy put downward pressure on the price of gold. Despite loose monetary policy, low unemployment and a buoyant global economy, inflation remained contained in the G7 countries mid-period. Negative or near-zero real rates have historically been supportive of gold prices. In the absence of inflation and negative real rates, gold performance was muted.

After a period of historically low volatility in 2017 and much of 2018, volatility returned to the general equity markets in the fourth quarter. This heightened equity volatility eventually spilled into the fixed income market and credit spreads widened. A combination of short-covering of gold futures and improved investor sentiment towards the metal helped fuel positive returns for gold in the fourth quarter.

In light of the macroeconomic environment, the Manager focused on companies with positive free cash flow, which have historically outperformed the benchmark during a bear market in gold equities. The Fund has an overweight exposure to companies with positive free cash flow and organic growth prospects.

The Fund also maintained an overweight allocation to Australian equities relative to North American equities. Australian equities outperformed their North American peers in 2018, and the Manager believes they demonstrate better valuations and consistent execution.

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The Manager took advantage of soft markets in the early part of 2018 to increase the Fund's exposure to small- and mid-capitalization companies with strong balance sheets and the ability to fund their growth internally.

The Fund's exposure to Australian equities with strong organic growth and to fixed income securities contributed to performance in the period. Individual contributors to the Fund's performance included Kirkland Lake Gold Ltd., Saracen Mineral Holdings Ltd. and Northern Star Resources Ltd.

Kirkland Lake Gold reported a record year of production in 2018, with low costs. The company emphasized exploration in Australia, where very high grade ounces were discovered at its Fosterville mine. Reserves increased by 36%, and the company targets growth of approximately 40% by 2021.

Australian gold producer Saracen reported growing production and growing reserves. Exploration and growth are underpinned by free cash flow generation, so the company can fund exploration and development internally.

Australian gold producer Northern Star, which operates mines in Western Australia and Alaska, has consistently grown production, resource and reserve life on a per-share basis since 2010. The company acquired the high-grade Pogo underground mine in Alaska for US\$260 million.

Exposure to underperforming exploration and development companies detracted from the Fund's performance. In addition, some holdings with operations in Latin America were negatively affected by unique, one-off events ranging from forced investor selling to mine closures.

Individual detractors from the Fund's performance included Bonterra Resources Inc., Roxgold Inc. and Hochschild Mining PLC.

Canadian gold exploration company Bonterra acquired Metanor Resources Ltd., which negatively affected its share price. The Manager believes Metanor's mill infrastructure may allow Bonterra to advance the Gladiator project to potential production with significantly lower capital requirements and shorter timelines.

Roxgold operates its Yaramoko mine in Burkina Faso, which is a high-grade, profitable mine. The company has been deleveraging its balance sheet and expanding production, but the stock suffered from a lack of interest in junior mining stocks and negative news headlines out of Burkina Faso.

Hochschild Mining, a profitable silver and gold producer in Peru, has been growing production while reducing costs. However, the stock suffered from the perception that the company's mines have short mine lives. The company has been aggressively exploring its properties and the Manager is confident that it will build its reserves.

The Fund's total net asset value decreased by 11.9% during the period, from \$165.4 million as at December 31, 2017 to \$145.8 million as at December 31, 2018. This change was predominantly due to net redemptions of \$3.0 million and net realized and unrealized losses on investments of \$13.5 million. The management expense ratio increased slightly, while the trading expense ratio decreased from the prior period.

Related Party Transactions

MANAGEMENT FEES

The Fund pays a management fee to the Manager, at an annual rate of 2.50% for Series A units, 2.00% for Series D units, 1.50% for Series F units, 1.15% for Series QF and as negotiated by the unitholders of Series I. The management fee is calculated and accrued daily and is paid monthly based on the average net asset value of that series of the Fund. For the year ended December 31, 2018, the Fund incurred management fees of \$3,430,425 (including taxes). The breakdown of the services received in consideration of the management fees, as a percentage of management fees, is as follows:

	Portfolio Advisory	Trailing Commissions
Ninepoint Gold and Precious Minerals Fund – Series A	61%	39%
Ninepoint Gold and Precious Minerals Fund – Series D	74%	26%
Ninepoint Gold and Precious Minerals Fund – Series F	100%	–
Ninepoint Gold and Precious Minerals Fund – Series I	100%	–
Ninepoint Gold and Precious Minerals Fund – Series QF	100%	–

Out of the management fees that the Manager received from the Fund, the Manager paid trailer commissions of \$135,869 during the year ended December 31, 2018 to SP Wealth, an affiliate of the Manager.

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INCENTIVE FEES

The Fund also pays the Manager an annual incentive fee, equal to a percentage of the average net asset value of the applicable Series of the Fund. Such percentage will be equal to 10% of the difference by which the return in net asset value per unit of the applicable Series from January 1 to December 31 exceeds the percentage return of the S&P/TSX Global Gold Total Return Index for the same period. If the performance of a Series of the Fund in any year is less than the performance of the Index (the “Deficiency”), then no incentive fee will be payable until the performance of the applicable Series, on a cumulative basis, has exceeded the amount of the Deficiency. For the year ended December 31, 2018, the Fund accrued \$21,850 in incentive fees.

OPERATING EXPENSES

The Fund pays its own operating expenses, which include, but are not limited to, audit, legal, custodial, trustee, filing and administrative expenses as well as unitholder reporting costs. The Manager pays certain of these expenses on behalf of the Fund and then is reimbursed by the Fund. At its sole discretion, the Manager may waive or absorb a portion of the operating expenses of certain Funds. Amounts waived or absorbed by the Manager are reported in the Statements of Comprehensive Income. Waivers or absorptions are at the Manager’s discretion and can be terminated at any time without notice. The Manager did not absorb any expenses during the year ended December 31, 2018.

OTHER RELATED PARTY TRANSACTIONS

The Fund relied on the approval, positive recommendation or standing instruction from the Fund’s Independent Review Committee with respect to any related party transactions.

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Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the years ended December 31 shown, unless otherwise noted.

The Fund's Net Assets per Unit¹

	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016	Dec 31, 2015	Dec 31, 2014
Series A	\$	\$	\$	\$	\$
Net assets, beginning of period	36.27	35.63	23.48	25.02	24.17
Increase (decrease) from operations:					
Total revenue	0.39	0.24	0.15	0.19	0.15
Total expenses	(1.23)	(1.48)	(1.64)	(1.07)	(1.07)
Realized gains (losses) for the period	(0.17)	1.81	8.70	(21.40)	(3.61)
Unrealized gains (losses) for the period	(3.28)	0.10	5.08	20.94	5.60
Total increase (decrease) from operations²	(4.29)	0.67	12.29	(1.34)	1.07
Distributions:					
Total annual distributions³	—	—	—	—	—
Net assets, end of period	32.22	36.27	35.63	23.48	25.02

	Dec 31, 2018 ⁴
Series D	\$
Net assets, beginning of period	10.00
Increase (decrease) from operations:	
Total revenue	0.04
Total expenses	(0.17)
Realized gains (losses) for the period	(0.21)
Unrealized gains (losses) for the period	1.63
Total increase (decrease) from operations²	1.29
Distributions:	
Total annual distributions³	—
Net assets, end of period	9.49

	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016	Dec 31, 2015	Dec 31, 2014
Series F	\$	\$	\$	\$	\$
Net assets, beginning of period	40.43	39.30	25.62	27.02	25.83
Increase (decrease) from operations:					
Total revenue	0.41	0.16	0.16	0.20	0.17
Total expenses	(0.91)	(1.07)	(1.16)	(0.77)	(0.76)
Realized gains (losses) for the period	(0.12)	1.92	9.30	(22.95)	(3.88)
Unrealized gains (losses) for the period	(3.66)	(0.88)	2.85	22.31	5.31
Total increase (decrease) from operations²	(4.28)	0.13	11.15	(1.21)	0.84
Distributions:					
Total annual distributions³	—	—	—	—	—
Net assets, end of period	36.31	40.43	39.30	25.62	27.02

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	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016	Dec 31, 2015	Dec 31, 2014
Series I	\$	\$	\$	\$	\$
Net assets, beginning of period	6.02	5.81	3.70	3.86	3.63
Increase (decrease) from operations:					
Total revenue	0.07	0.03	0.02	0.03	0.02
Total expenses	(0.03)	(0.05)	(0.05)	(0.06)	(0.02)
Realized gains (losses) for the period	(0.01)	0.30	1.49	(3.14)	(0.52)
Unrealized gains (losses) for the period	(0.67)	(0.23)	(0.04)	2.91	0.31
Total increase (decrease) from operations²	(0.64)	0.05	1.42	(0.26)	(0.21)
Distributions:					
Total annual distributions³	-	-	-	-	-
Net assets, end of period	5.50	6.02	5.81	3.70	3.86

	Dec 31, 2018 ⁴
Series QF	\$
Net assets, beginning of period	10.00
Increase (decrease) from operations:	
Total revenue	0.02
Total expenses	(0.03)
Realized gains (losses) for the period	(0.02)
Unrealized gains (losses) for the period	0.49
Total increase (decrease) from operations²	0.46
Distributions:	
Total annual distributions³	-
Net assets, end of period	10.61

1 This information is derived from the Fund's audited annual financial statements.

2 The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period. Net assets and distributions are based on the actual number of units outstanding at the relevant time. This table is not intended to be a reconciliation of beginning to ending net assets per unit.

3 Distributions were reinvested in additional units of the Fund or paid in cash.

4 Information provided is for the period May 25, 2018 (first issuance) for Series D, and December 17, 2018 (first issuance) for Series QF, to December 31, 2018.

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Ratios and Supplemental Data

Series A	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016	Dec 31, 2015	Dec 31, 2014
Total net asset value (000s) ¹	\$101,103	\$127,971	\$137,278	\$90,532	\$113,565
Number of units outstanding ¹	3,137,465	3,528,759	3,853,158	3,856,168	4,538,767
Management expense ratio ²	3.19%	3.04%	2.96%	3.19%	3.15%
Trading expense ratio ³	0.46%	0.87%	1.08%	0.81%	0.38%
Portfolio turnover rate ⁴	110.65%	142.90%	174.30%	117.10%	53.49%
Net asset value per unit ¹	\$32.22	\$36.27	\$35.63	\$23.48	\$25.02

Series D	Dec 31, 2018
Total net asset value (000s) ¹	\$263
Number of units outstanding ¹	27,662
Management expense ratio ²	2.75%
Trading expense ratio ³	0.46%
Portfolio turnover rate ⁴	110.65%
Net asset value per unit ¹	\$9.49

Series F	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016	Dec 31, 2015	Dec 31, 2014
Total net asset value (000s) ¹	\$26,743	\$35,068	\$82,412	\$35,721	\$41,164
Number of units outstanding ¹	736,482	867,336	2,097,078	1,394,141	1,523,537
Management expense ratio ²	2.11%	1.97%	1.89%	2.13%	2.08%
Trading expense ratio ³	0.46%	0.87%	1.08%	0.81%	0.38%
Portfolio turnover rate ⁴	110.65%	142.90%	174.30%	117.10%	53.49%
Net asset value per unit ¹	\$36.31	\$40.43	\$39.30	\$25.62	\$27.02

Series I	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016	Dec 31, 2015	Dec 31, 2014
Total net asset value (000s) ¹	\$1,358	\$2,384	\$629	\$16,924	\$16,532
Number of units outstanding ¹	246,870	396,329	108,371	4,577,205	4,279,604
Management expense ratio ²	0.42%	0.61%	0.58%	1.17%	0.41%
Management expense ratio before incentive fee ²	0.42%	0.29%	0.23%	0.45%	0.41%
Trading expense ratio ³	0.46%	0.87%	1.08%	0.81%	0.38%
Portfolio turnover rate ⁴	110.65%	142.90%	174.30%	117.10%	53.49%
Net asset value per unit ¹	\$5.50	\$6.02	\$5.81	\$3.70	\$3.86

Series QF	Dec 31, 2018
Total net asset value (000s) ¹	\$16,299
Number of units outstanding ¹	1,535,899
Management expense ratio ²	6.39%
Management expense ratio before incentive fee ²	0.41%
Trading expense ratio ³	0.46%
Portfolio turnover rate ⁴	110.65%
Net asset value per unit ¹	\$10.61

1 The information is provided as at December 31 for the years shown.

2 Management expense ratio ("MER") is based on total expenses (including incentive fees, if any; excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of the daily average net asset value during the period.

3 The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

4 The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser trades its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

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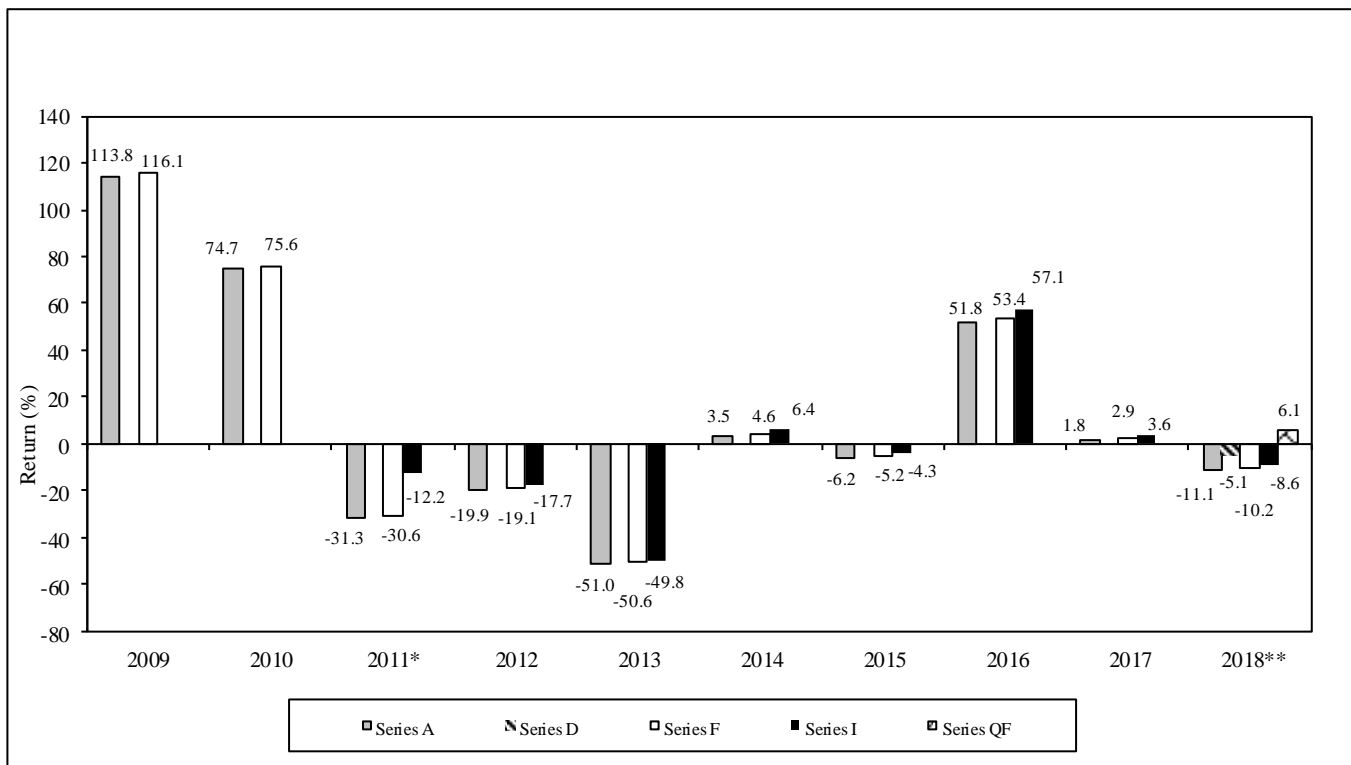
(formerly, *Sprott Gold and Precious Minerals Fund*)

Past Performance

The indicated rates of return are the historical total returns including changes in unit values and assume reinvestment of all distributions in additional units of the relevant Series of the Fund. These returns do not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that may reduce returns. Please note that past performance is not indicative of future performance. All rates of returns are calculated based on the Net Asset Value of the particular Series of the Fund.

Year-by-Year Returns

The following chart indicates the performance of each Series of the Fund for the years ended December 31 shown, unless otherwise noted. The chart shows, in percentage terms, how much an investment made on the first day of each period would have grown or decreased by the last day of each period.



* Return from October 19, 2011 to December 31, 2011 for Series I (not annualized).

** Return from May 25, 2018 for Series D, and December 17, 2018 for Series QF, to December 31, 2018 (not annualized).

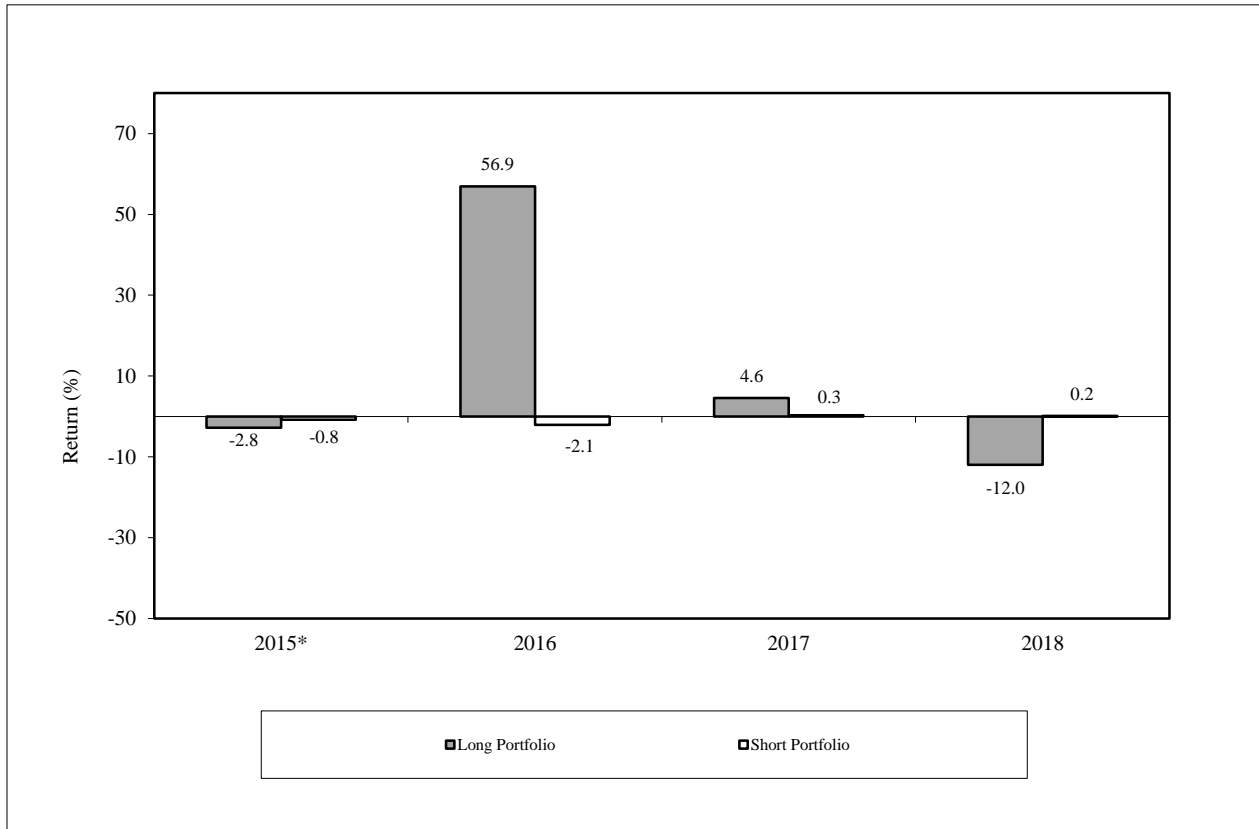
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Long and Short Portfolio Returns

The following table illustrates the contribution to the return of the Fund by the long portfolio and the short portfolio of the Fund for the years ended December 31 shown, unless otherwise noted. For the purposes of this disclosure, certain derivatives may be considered to be part of the short portfolio.



* The Fund did not hold short portfolio positions prior to 2015.

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Annual Compound Returns

The following table illustrates the annual compound total return for each Series of units of the Fund for the periods shown. As a basis of performance comparison, the annual compound return of the Fund is compared to that of the S&P/TSX Global Gold Total Return Index (the "Index"). The Index is an international benchmark tracking the world's leading gold companies. Since the Fund does not necessarily invest in the same securities or in the same proportion as the Index, the performance of the Fund is not expected to equal the performance of the Index.

	1-Year	3-Year	5-Year	10-year	Since Inception*
Ninepoint Gold and Precious Minerals Fund – Series A	-11.1%	11.3%	5.9%	3.0%	7.1%
S&P/TSX Global Gold Total Return Index	-3.5%	13.9%	4.6%	-4.1%	2.8%
Ninepoint Gold and Precious Minerals Fund – Series D	–	–	–	–	-5.1%
S&P/TSX Global Gold Total Return Index	–	–	–	–	-1.0%
Ninepoint Gold and Precious Minerals Fund – Series F	-10.2%	12.3%	7.1%	4.0%	0.8%
S&P/TSX Global Gold Total Return Index	-3.5%	13.9%	4.6%	-4.1%	-0.0%
Ninepoint Gold and Precious Minerals Fund – Series I	-8.6%	14.2%	8.7%	–	-8.0%
S&P/TSX Global Gold Total Return Index	-3.5%	13.9%	4.6%	–	-8.9%
Ninepoint Gold and Precious Minerals Fund – Series QF	–	–	–	–	6.1%
S&P/TSX Global Gold Total Return Index	–	–	–	–	5.0%
Long portfolio	-12.0%	13.1%			
Short portfolio	-0.2%	-0.5%			

* Since launch date of November 15, 2001 for Series A, October 12, 2004 for Series F, October 19, 2011 for Series I, May 25, 2018 for Series D, and December 17, 2018 for Series QF.

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Summary of Investment Portfolio

As at December 31, 2018

Portfolio Allocation

	% of Net Asset Value
Long Positions	
Precious Metals	89.0
Bonds, Convertible Debentures and Loans	4.7
Silver Bullion	1.2
Base Metals	0.9
Oil & Gas	0.8
<u>Total Long Positions</u>	<u>96.6</u>
Cash	3.4
Other Net Liabilities	(0.0)
<u>Total Net Asset Value</u>	<u>100.0</u>

Top 25 Long Positions

Issuer	% of Net Asset Value
Kirkland Lake Gold Ltd.	6.0
Wheaton Precious Metals Corp.	5.0
Centamin PLC	3.8
Northern Star Resources Ltd.	3.6
Randgold Resources Ltd.	3.5
Cash	3.4
OceanaGold Corp.	3.3
Endeavour Mining Corp.	3.3
B2Gold Corp.	3.2
TMAC Resources Inc., 8.75%, Jul 31, 2022	3.1
Saracen Mineral Holdings Ltd.	3.0
Newmont Mining Corp.	2.9
Pretium Resources Inc.	2.7
St Barbara Ltd.	2.3
Cardinal Resources Ltd.	2.2
Hochschild Mining PLC	2.2
Dundee Precious Metals Inc.	2.2
Fortuna Silver Mines Inc.	2.1
Dacian Gold Ltd.	2.0
SSR Mining Inc.	2.0
Continental Gold Inc.	1.8
Fresnillo PLC	1.8
MAG Silver Corp.	1.8
Pan American Silver Corp.	1.8
SEMAFO Inc.	1.6
<u>Top 25 long positions as a percentage of net asset value</u>	<u>70.6</u>

This summary of investment portfolio may change due to the ongoing portfolio transactions of the Fund. Quarterly updates of the Fund's investment portfolio are available on the Internet at www.ninepoint.com.

Corporate Information

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