Annual Financial Statements - December 31, 2019

Precious Metals and Mining Trust
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Precious Metals and Mining Trust

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MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements have been prepared by CI Investments Inc., the Manager of the Precious Metals and Mining Trust (the “Trust”), and approved by the Manager. The Trust’s Manager is responsible for the information and representations contained in these financial statements and other sections of this report. CI Investments Inc. 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 and include certain amounts that are based on estimates and judgments. The significant accounting policies which management believes are appropriate for the Trust are described in Note 2 to the financial statements.

Toronto, Ontario
March 12, 2020

Douglas J. Jamieson
President
CI Investments Inc.

David Poster
Chief Financial Officer
CI Investments Inc.
INDEPENDENT AUDITOR’S REPORT

To the Unitholders of Precious Metals and Mining Trust (the “Trust”)

Opinion

We have audited the financial statements of the Trust, which comprise the statement of financial position as at December 31, 2019, and the statement of comprehensive income, statement of changes in net assets attributable to holders of redeemable units and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the Trust for the year ended December 31, 2018 was audited by another auditor who expressed an unmodified opinion on those statements on March 7, 2019.

Other Information

Management is responsible for the other information. The other information comprises the Management Report of Fund Performance. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the Management Report of Fund Performance prior to the date of this auditor’s report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor’s report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Trust’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust’s financial reporting process.
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor’s report is Queenie Chung.

Ernst & Young LLP
Chartered Professional Accountants
Licensed Public Accountants
Toronto, Canada
March 24, 2020
Precious Metals and Mining Trust

Financial Statements

Statements of Financial Position
as at December 31 (in $000’s except for per unit amounts and units outstanding)

<table>
<thead>
<tr>
<th>Assets</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>28,767</td>
<td>25,031</td>
</tr>
<tr>
<td>Cash</td>
<td>164</td>
<td>2,826</td>
</tr>
<tr>
<td>Unrealized gain on futures and foreign currency forward contracts</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Swaps, swaptions and options</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fees rebate receivable</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Collateral on deposit for short sale</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Dividends receivable</td>
<td>8</td>
<td>1</td>
</tr>
<tr>
<td>Receivable for distribution from investments</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Receivable for investments sold</td>
<td>102</td>
<td>-</td>
</tr>
<tr>
<td>Receivable for unit subscriptions</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>29,041</td>
<td>27,859</td>
</tr>
</tbody>
</table>

| Liabilities                                 |        |        |
| Current liabilities                         |        |        |
| Investments sold short                     | -      | -      |
| Bank overdraft                              | -      | -      |
| Unrealized loss on futures and foreign currency forward contracts | -      | -      |
| Swaps, swaptions and options               | -      | -      |
| Dividends payable on investments sold short| -      | -      |
| Interest payable on investments sold short | -      | -      |
| Payable for investments purchased          | -      | -      |
| Payable for unit redemptions               | -      | -      |
| Distributions payable to holders of redeemable units | 171  | 369   |
| Management fees payable                    | 29     | 53     |
| Administration fees payable                | 60     | 41     |
| Service fees payable                       | 29     | 30     |
| Accounts payable and accrued liabilities    | -      | 60     |
|                                           | 289    | 553    |

Net assets attributable to holders of redeemable units

<table>
<thead>
<tr>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>28,752</td>
<td>27,306</td>
</tr>
</tbody>
</table>

Net assets attributable to holders of redeemable units per unit:

| Class A | 1.68   | 1.48   |

Number of redeemable units outstanding:

| Class A | 17,143,612 | 18,469,946 |

The accompanying notes are an integral part of these financial statements.
## Precious Metals and Mining Trust

**Financial Statements**

**Statements of Comprehensive Income**
for the years ended December 31 (in $000’s except for per unit amounts and number of units)

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net gain (loss) on investments and derivatives</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends</td>
<td>64</td>
<td>42</td>
</tr>
<tr>
<td>Interest for distribution purposes</td>
<td>49</td>
<td>35</td>
</tr>
<tr>
<td>Derivative income (loss)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Income distributions from investments</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Dividends expense on financial assets (liabilities) sold short</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest expense on financial assets (liabilities) sold short</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net realized gain (loss) on sale of investments and derivatives</td>
<td>2,187</td>
<td>3,005</td>
</tr>
<tr>
<td>Change in unrealized appreciation (depreciation) in value of investments and derivatives</td>
<td>4,191</td>
<td>(7,798)</td>
</tr>
<tr>
<td><strong>Total net gain (loss) on investments and derivatives</strong></td>
<td>6,431</td>
<td>(4,773)</td>
</tr>
<tr>
<td><strong>Other income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commitment fee income</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Foreign exchange gain (loss) on cash</td>
<td>(60)</td>
<td>43</td>
</tr>
<tr>
<td>Miscellaneous foreign income</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total other income</strong></td>
<td>(60)</td>
<td>43</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td>6,431</td>
<td>(4,673)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management fees (Note 4)</td>
<td>309</td>
<td>360</td>
</tr>
<tr>
<td>Administration fees (Note 4)</td>
<td>1</td>
<td>17</td>
</tr>
<tr>
<td>Commissions and other portfolio transaction costs</td>
<td>208</td>
<td>110</td>
</tr>
<tr>
<td>Unitholders reporting costs</td>
<td>8</td>
<td>12</td>
</tr>
<tr>
<td>TSX listing fees</td>
<td>25</td>
<td>31</td>
</tr>
<tr>
<td>Audit fees</td>
<td>4</td>
<td>30</td>
</tr>
<tr>
<td>Transfer agent fees</td>
<td>22</td>
<td>23</td>
</tr>
<tr>
<td>Legal fees</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Custody fees</td>
<td>-</td>
<td>13</td>
</tr>
<tr>
<td>Service fees (Note 4)</td>
<td>111</td>
<td>127</td>
</tr>
<tr>
<td>Independent review committee fees</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Interest expense</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Withholding taxes</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td>Harmonized sales tax</td>
<td>51</td>
<td>57</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>744</td>
<td>788</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase (decrease) in net assets attributable to holders of redeemable units</td>
<td>5,687</td>
<td>(5,461)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase (decrease) in net assets attributable to holders of redeemable units per unit:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class A</td>
<td>0.32</td>
<td>(0.30)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weighted average number of units:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class A</td>
<td>18,136,276</td>
<td>19,076,119</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
Precious Metals and Mining Trust

Financial Statements

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units
for the years ended December 31 (in $000's)

<table>
<thead>
<tr>
<th>Class A</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets attributable to holders of redeemable units at the beginning of year</td>
<td>27,306</td>
<td>38,533</td>
</tr>
<tr>
<td>Increase (decrease) in net assets attributable to holders of redeemable units</td>
<td>5,687</td>
<td>(5,461)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Distributions to holders of redeemable units</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>From net investment income</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>From net realized gains</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Return of capital</td>
<td>(2,177)</td>
<td>(4,579)</td>
</tr>
<tr>
<td>Total distributions to holders of redeemable units</td>
<td>(2,177)</td>
<td>(4,579)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Redeemable unit transactions</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from redeemable units issued</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Purchase of units for cancellation</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Reinvestment of distributions to holders of redeemable units</td>
<td>12</td>
<td>29</td>
</tr>
<tr>
<td>Redemption of redeemable units</td>
<td>(2,076)</td>
<td>(1,218)</td>
</tr>
<tr>
<td>Net increase (decrease) from redeemable unit transactions</td>
<td>(2,064)</td>
<td>(1,187)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net increase (decrease) in net assets attributable to holders of redeemable units</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,446</td>
<td>(11,227)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net assets attributable to holders of redeemable units at the end of year</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>28,752</td>
<td>27,306</td>
<td></td>
</tr>
</tbody>
</table>
Precious Metals and Mining Trust

Annual Financial Statements - December 31, 2019

Statements of Cash Flows
for the years ended December 31 (in $000’s)

<table>
<thead>
<tr>
<th>Cash flows from (used in) operating activities</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase (decrease) in net assets attributable to holders of redeemable units</td>
<td>5,687</td>
<td>(5,461)</td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net realized (gain) loss on sale of investments and derivatives</td>
<td>(2,187)</td>
<td>(3,005)</td>
</tr>
<tr>
<td>Unrealized foreign exchange (gain) loss on cash</td>
<td>54</td>
<td>(50)</td>
</tr>
<tr>
<td>Commissions and other portfolio transaction costs</td>
<td>208</td>
<td>110</td>
</tr>
<tr>
<td>Change in unrealized (appreciation) depreciation in value of investments and derivatives</td>
<td>(4,191)</td>
<td>7,798</td>
</tr>
<tr>
<td>Proceeds from sale and maturity of investments and derivatives</td>
<td>40,720</td>
<td>35,755</td>
</tr>
<tr>
<td>Purchase of investments and derivatives</td>
<td>(38,988)</td>
<td>(27,406)</td>
</tr>
<tr>
<td>Non-cash distributions from investments</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(Increase) decrease in collateral on deposit for short sale</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(Increase) decrease in dividends receivable</td>
<td>(7)</td>
<td>6</td>
</tr>
<tr>
<td>(Increase) decrease in interest receivable</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Increase (decrease) in management fees payable</td>
<td>(24)</td>
<td>8</td>
</tr>
<tr>
<td>Increase (decrease) in administration fees payable</td>
<td>19</td>
<td>41</td>
</tr>
<tr>
<td>Change in other accounts receivable and payable</td>
<td>(60)</td>
<td>(38)</td>
</tr>
<tr>
<td><strong>Net cash from (used in) operating activities</strong></td>
<td><strong>1,831</strong></td>
<td><strong>7,678</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from (used in) financing activities</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distributions paid to holders of redeemable units, net of reinvested distributions</td>
<td>(2,363)</td>
<td>(4,595)</td>
</tr>
<tr>
<td>Proceeds from issuance of redeemable units</td>
<td>-</td>
<td>34</td>
</tr>
<tr>
<td>Amounts paid on redemption of redeemable units</td>
<td>(2,076)</td>
<td>(1,216)</td>
</tr>
<tr>
<td><strong>Net cash from (used in) financing activities</strong></td>
<td><strong>(4,439)</strong></td>
<td><strong>(5,777)</strong></td>
</tr>
</tbody>
</table>

| Supplementary Information: | | |
| Dividends received, net of withholding tax* | 54 | 48 |
| Interest received, net of withholding tax* | 49 | 35 |
| Dividends paid* | - | - |
| Interest paid* | - | 1 |
| Tax recoverable (paid) | - | - |

*Dividends and interest received as well as dividends and interest paid relate to operating activities of the Trust.
The accompanying notes are an integral part of these financial statements.
<table>
<thead>
<tr>
<th>Description</th>
<th>No. of Shares/ Par Value</th>
<th>Average Cost ($)</th>
<th>Fair Value ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GOLD (73.8%)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1911 Gold Corp.</td>
<td>68,687</td>
<td>33,918</td>
<td>17,172</td>
</tr>
<tr>
<td>Alacer Gold Corp.</td>
<td>264,889</td>
<td>1,370,842</td>
<td>1,827,734</td>
</tr>
<tr>
<td>Alamos Gold Inc.</td>
<td>35,311</td>
<td>232,892</td>
<td>276,485</td>
</tr>
<tr>
<td>Argonaut Gold Inc.</td>
<td>368</td>
<td>1,101</td>
<td>718</td>
</tr>
<tr>
<td>Bellevue Gold Ltd.</td>
<td>918,847</td>
<td>419,836</td>
<td>447,859</td>
</tr>
<tr>
<td>Bonterra Resources Inc.</td>
<td>335,318</td>
<td>1,000,486</td>
<td>754,466</td>
</tr>
<tr>
<td>Contact Gold Corp.</td>
<td>382,036</td>
<td>248,878</td>
<td>59,216</td>
</tr>
<tr>
<td>Detour Gold Corp.</td>
<td>10,000</td>
<td>242,934</td>
<td>251,400</td>
</tr>
<tr>
<td>Endeavour Mining Corp.</td>
<td>18,800</td>
<td>456,535</td>
<td>461,164</td>
</tr>
<tr>
<td>GT Gold Corp.</td>
<td>342,410</td>
<td>346,701</td>
<td>362,955</td>
</tr>
<tr>
<td>Guyana Goldfields Inc.</td>
<td>2,519,735</td>
<td>5,684,591</td>
<td>1,763,814</td>
</tr>
<tr>
<td>K92 Mining Inc.</td>
<td>592,727</td>
<td>1,052,187</td>
<td>1,707,054</td>
</tr>
<tr>
<td>Kirkland Lake Gold Ltd.</td>
<td>48</td>
<td>826</td>
<td>2,748</td>
</tr>
<tr>
<td>Marathon Gold Corp.</td>
<td>18,788</td>
<td>30,587</td>
<td>31,940</td>
</tr>
<tr>
<td>Northern Star Resources Ltd.</td>
<td>283,000</td>
<td>2,462,744</td>
<td>2,916,037</td>
</tr>
<tr>
<td>OceanaGold Corp.</td>
<td>28,600</td>
<td>86,631</td>
<td>72,930</td>
</tr>
<tr>
<td>Osisko Gold Royalties Ltd.</td>
<td>154,872</td>
<td>2,240,041</td>
<td>1,954,485</td>
</tr>
<tr>
<td>Pretium Resources Inc.</td>
<td>158,663</td>
<td>2,071,629</td>
<td>2,292,880</td>
</tr>
<tr>
<td>Sandstorm Gold Ltd.</td>
<td>195,216</td>
<td>1,329,011</td>
<td>1,891,843</td>
</tr>
<tr>
<td>SSR Mining Inc.</td>
<td>53,482</td>
<td>882,934</td>
<td>1,336,515</td>
</tr>
<tr>
<td>Superior Gold Inc.</td>
<td>1,403,162</td>
<td>1,171,794</td>
<td>827,866</td>
</tr>
<tr>
<td>TMAC Resources Inc.</td>
<td>526,819</td>
<td>2,887,703</td>
<td>1,990,820</td>
</tr>
<tr>
<td><strong>COMMODITY CHEMICALS (9.7%)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Newmont Mining Corp.</td>
<td>31,700</td>
<td>1,598,782</td>
<td>1,788,298</td>
</tr>
<tr>
<td>SEMAFO Inc.</td>
<td>968,720</td>
<td>1,329,364</td>
<td>995,544</td>
</tr>
<tr>
<td><strong>SILVER (6.9%)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fortuna Silver Mines Inc.</td>
<td>8,800</td>
<td>43,407</td>
<td>46,552</td>
</tr>
<tr>
<td>Wheaton Precious Metals Corp.</td>
<td>49,900</td>
<td>1,707,631</td>
<td>1,928,136</td>
</tr>
<tr>
<td><strong>PRIVATE PLACEMENTS (4.2%)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Artemis Gold Inc.</td>
<td>333,500</td>
<td>300,150</td>
<td>506,920</td>
</tr>
<tr>
<td>Dundee Precious Metals Inc.</td>
<td>60,000</td>
<td>300,000</td>
<td>334,800</td>
</tr>
<tr>
<td>O3 Mining Inc.</td>
<td>125,700</td>
<td>366,203</td>
<td>358,245</td>
</tr>
<tr>
<td><strong>PRECIOUS METALS &amp; MINERALS (4.0%)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gold Standard Ventures Corp.</td>
<td>939,730</td>
<td>1,238,104</td>
<td>1,033,703</td>
</tr>
<tr>
<td>Goldsource Mines Inc.</td>
<td>1,389,346</td>
<td>154,254</td>
<td>118,094</td>
</tr>
<tr>
<td><strong>DIVERSIFIED METALS &amp; MINING (1.2%)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aldebaran Resources Inc.</td>
<td>50,000</td>
<td>45,000</td>
<td>24,375</td>
</tr>
<tr>
<td>Lachlan Star Ltd.</td>
<td>1,040,752</td>
<td>380,400</td>
<td>335,368</td>
</tr>
<tr>
<td>Regulus Resources Inc.</td>
<td>240,000</td>
<td>325,400</td>
<td>307,200</td>
</tr>
</tbody>
</table>

Percentages shown in brackets relate investments at fair value to net assets attributable to holders of redeemable units of the Trust.
## Schedule of Investment Portfolio as at December 31, 2019 (cont’d)

<table>
<thead>
<tr>
<th>No. of Shares/Par Value</th>
<th>Description</th>
<th>Average Cost ($)</th>
<th>Fair Value ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Warrants (0.3%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>333,500 Artemis Gold Inc., Warrants (27Aug24)</td>
<td>-</td>
<td>73,370</td>
<td></td>
</tr>
<tr>
<td>45,000 Bonterra Resources Inc., Warrants (20Aug21)</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>715,000 Goldsource Mines Inc., Warrants (11Apr21)</td>
<td>-</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>27,700 O3 Mining Inc., Warrants (05Jul22)</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>73,371</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Commissions and other portfolio transaction costs</th>
<th>(89,728)</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Total Investment Portfolio (100.1%)</th>
<th>31,765,268</th>
<th>28,766,532</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Net Assets (Liabilities) (-0.1%)</td>
<td>(14,994)</td>
<td></td>
</tr>
<tr>
<td>Net Assets Attributable to Holders of Redeemable Units (100.0%)</td>
<td>28,751,538</td>
<td></td>
</tr>
</tbody>
</table>

Percentages shown in brackets relate investments at fair value to net assets attributable to holders of redeemable units of the Trust.
Precious Metals and Mining Trust

Trust Specific Notes to Financial Statements

Commissions (Note 2)
for the years ended December 31 (in $000’s)

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brokerage commissions</td>
<td>208</td>
<td>110</td>
</tr>
<tr>
<td>Soft dollar commissions†</td>
<td>34</td>
<td>13</td>
</tr>
</tbody>
</table>

Redeemable Unit Transactions (Note 5)
for the years ended December 31

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of redeemable units at the beginning of year</td>
<td>18,469,946</td>
<td>19,268,769</td>
</tr>
<tr>
<td>Redeemable units issued for cash</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Redeemable units purchase for cancellation</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Redeemable units issued for reinvested distributions</td>
<td>7,806</td>
<td>15,703</td>
</tr>
<tr>
<td>Redeemable units redeemed</td>
<td>(1,334,140)</td>
<td>(814,526)</td>
</tr>
<tr>
<td>Number of redeemable units at the end of year</td>
<td>17,143,612</td>
<td>18,469,946</td>
</tr>
</tbody>
</table>

Loss Carry Forwards (Note 8)
as at December 31 (in $000’s)

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital loss carried forward:</td>
<td>43,863</td>
</tr>
<tr>
<td>Non-capital losses expiring:</td>
<td></td>
</tr>
<tr>
<td>2028</td>
<td>150</td>
</tr>
<tr>
<td>2029</td>
<td>2,196</td>
</tr>
<tr>
<td>2030</td>
<td>-</td>
</tr>
<tr>
<td>2031</td>
<td>-</td>
</tr>
<tr>
<td>2032</td>
<td>577</td>
</tr>
<tr>
<td>2033</td>
<td>282</td>
</tr>
<tr>
<td>2034</td>
<td>2,381</td>
</tr>
<tr>
<td>2035</td>
<td>604</td>
</tr>
<tr>
<td>2036</td>
<td>710</td>
</tr>
<tr>
<td>2037</td>
<td>673</td>
</tr>
<tr>
<td>2038</td>
<td>592</td>
</tr>
<tr>
<td>2039</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>8,165</td>
</tr>
</tbody>
</table>

†A portion of brokerage commissions paid was used to cover research and market data services, termed soft dollar commissions. This amount has been estimated by the Manager of the Trust.

The accompanying notes are an integral part of these financial statements.
Financial Instruments Risks (Note 9)

Concentration Risk
For Concentration Risk as at December 31, 2019, refer to the Schedule of Investment Portfolio.

The Trust’s investments were concentrated in the following segments:

<table>
<thead>
<tr>
<th>Categories</th>
<th>Net Assets (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gold</td>
<td>65.3</td>
</tr>
<tr>
<td>Precious Metals and Minerals</td>
<td>11</td>
</tr>
<tr>
<td>Silver</td>
<td>6.6</td>
</tr>
<tr>
<td>Commodity Chemicals</td>
<td>5.6</td>
</tr>
<tr>
<td>Diversified Metals &amp; Mining</td>
<td>3.2</td>
</tr>
<tr>
<td>Other Net Assets (Liabilities)</td>
<td>8.3</td>
</tr>
</tbody>
</table>

Credit Risk
As at December 31, 2019 and 2018, the Trust did not have a significant exposure to credit risk as substantially all of its assets were invested in equities.

Other Price Risk
As at December 31, 2019 and 2018, the Trust was predominantly invested in Canadian equities and therefore the Trust was sensitive to changes in general economic conditions in Canada.

As at December 31, 2019, had the equities in the investment portfolio increased or decreased by 10% (December 31, 2018 - 10%), with all other variables held constant, net assets attributable to holders of redeemable units of the Trust would have increased or decreased, respectively, by approximately $2,877,000 (December 31, 2018 - $2,503,000). In practice, actual results may differ from this analysis and the difference may be material.

Currency Risk
The tables below summarize the Trust’s exposure to currency risk.

<table>
<thead>
<tr>
<th>Currency</th>
<th>Financial Instruments Exposure (in $000’s)</th>
<th>Derivatives (in $000’s)</th>
<th>Net Exposure (in $000’s)</th>
<th>Net Assets (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Dollar</td>
<td>3,379</td>
<td>-</td>
<td>3,379</td>
<td>11.8</td>
</tr>
<tr>
<td>U.S. Dollar</td>
<td>1,953</td>
<td>-</td>
<td>1,953</td>
<td>6.8</td>
</tr>
<tr>
<td>Total</td>
<td>5,332</td>
<td>-</td>
<td>5,332</td>
<td>18.6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Currency</th>
<th>Financial Instruments Exposure (in $000’s)</th>
<th>Derivatives (in $000’s)</th>
<th>Net Exposure (in $000’s)</th>
<th>Net Assets (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Dollar</td>
<td>1,384</td>
<td>-</td>
<td>1,384</td>
<td>5.0</td>
</tr>
<tr>
<td>U.S. Dollar</td>
<td>1,248</td>
<td>-</td>
<td>1,248</td>
<td>4.6</td>
</tr>
<tr>
<td>Total</td>
<td>2,632</td>
<td>-</td>
<td>2,632</td>
<td>9.6</td>
</tr>
</tbody>
</table>

As at December 31, 2019, had the Canadian dollar strengthened or weakened by 10% (December 31, 2018 - 10%) in relation to all other foreign currencies held in the Trust, with all other variables held constant, net assets attributable to holders of redeemable units of the Trust would have decreased or increased, respectively, by approximately $533,000 (December 31, 2018 - $261,000). In practice, the actual results may differ from this analysis and the difference may be material.

Interest Rate Risk
As at December 31, 2019 and 2018, the Trust did not have a significant exposure to interest rate risk as substantially all of its assets were invested in equities.

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

The tables below summarize the inputs used by the Trust in valuing the Trust’s investments and derivatives carried at fair value.

Long Positions at fair value as at December 31, 2019

<table>
<thead>
<tr>
<th></th>
<th>Level 1 (in $000’s)</th>
<th>Level 2 (in $000’s)</th>
<th>Level 3 (in $000’s)</th>
<th>Total (in $000’s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equities</td>
<td>27,730</td>
<td>964</td>
<td>-</td>
<td>28,694</td>
</tr>
<tr>
<td>Warrants</td>
<td>-</td>
<td>73</td>
<td>-</td>
<td>73</td>
</tr>
<tr>
<td>Total</td>
<td>27,730</td>
<td>1,037</td>
<td>-</td>
<td>28,767</td>
</tr>
</tbody>
</table>

Long Positions at fair value as at December 31, 2018

<table>
<thead>
<tr>
<th></th>
<th>Level 1 (in $000’s)</th>
<th>Level 2 (in $000’s)</th>
<th>Level 3 (in $000’s)</th>
<th>Total (in $000’s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equities</td>
<td>24,751</td>
<td>280</td>
<td>-</td>
<td>25,031</td>
</tr>
<tr>
<td>Total</td>
<td>24,751</td>
<td>280</td>
<td>-</td>
<td>25,031</td>
</tr>
</tbody>
</table>

There were no transfers between Level 1, 2 and 3 during the years ended December 31, 2019 and 2018.

Level 3 Reconciliation

The table below summarizes the movement in Level 3 financial instruments at fair value using unobservable inputs.

for the year ended December 31, 2018

<table>
<thead>
<tr>
<th></th>
<th>Balance at Dec. 31, 2017 (in $000’s)</th>
<th>Purchases (in $000’s)</th>
<th>Sales (in $000’s)</th>
<th>Transfers In (in $000’s)</th>
<th>Transfers Out (in $000’s)</th>
<th>Realized Gain (Loss) (in $000’s)</th>
<th>Unrealized Gain (Loss) (in $000’s)</th>
<th>Balance at Dec. 31, 2018 (in $000’s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Warrants</td>
<td>80</td>
<td>-</td>
<td>(35)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>80</td>
<td>-</td>
<td>(35)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Investments classified as Level 3 are valued at fair value based on unobservable inputs and assumptions, which may include credit spreads, industry multipliers, and discount rates. Management has assessed that the effect of changing these inputs to reasonably possible alternatives would not have a significant impact on the net assets attributable to holders of redeemable units of the Trust as at December 31, 2018.

The accompanying notes are an integral part of these financial statements.
1. THE TRUST
Precious Metals and Mining Trust (the Trust) is an investment trust established under the laws of the Province of Ontario pursuant to an amended and restated declaration of trust dated October 24, 2014. The Trust is listed on the Toronto Stock Exchange (TSX), under the symbol MMP UN. The address of the Trust's registered office is 2 Queen Street East, Twentieth Floor, Toronto, Ontario, M5C 3G7.

On June 1, 2018, Sentry Investments Inc. was amalgamated with CI Investments Inc. (CI). Effective June 1, 2018, CI became the manager and the trustee (the Manager and the Trustee) of the Trust. Effective July 23, 2018, RBC Investor & Treasury Services replaced StateStreet Bank as the custodian (the Custodian) of the Trust.

These financial statements were approved and authorized for issue by the Manager on March 12, 2020.

The Trust's investment objective is to provide unitholders with (i) long-term capital appreciation; and (ii) monthly cash distributions.

The Statements of Financial Position are as at December 31, 2019 and 2018. The Statements of Comprehensive Income, Statements of Changes in Net Assets Attributable to Holders of Redeemable Units and Statements of Cash Flows are for the years ended December 31, 2019 and 2018.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
These financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board.

The following is a summary of the significant account policies of the Trust:

a. Classification and recognition of financial instruments
The Trust classifies and measure its investments (such as fixed-income securities, equity securities, investment fund(s), exchange-traded fund(s) and derivatives) based on both the Trust's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The Trust's portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Trust is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The contractual cash flows of the Trust's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Trust's business model's objective. Consequently, all investments and derivatives are measured at fair value through profit or loss (FVTPL).

The Trust's obligations for net assets attributable to holders of redeemable units are presented at the redemption amount, which approximates their fair value. All other financial assets and liabilities are measured at amortized cost, which approximates their fair value. Under this method, financial assets and liabilities reflect the amount required to be received or paid, discounted, when appropriate, at the effective rate of interest.

Financial assets and liabilities are offset and the net amount is presented in the Statements of Financial Position when, and only when, the Trust has a legal right to offset the amounts and intend either to settle on a net basis or to realize the asset and settle the liability simultaneously. In the normal course of business, the Trust enters into various master netting agreements or similar agreements that do not meet the criteria for offsetting in the Statements of Financial Position, but still allow for the related amounts to be offset in certain circumstances, such as bankruptcy or termination of the contracts.

b. Fair value of financial investments
At the financial reporting date, listed securities are valued based on the last traded market price for financial assets and financial liabilities where the last traded price falls within the 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 existing market conditions. Unlisted securities are valued based on price quotations received from recognized investment dealers, or failing that, their fair value is determined by the Manager on the basis of the latest reported information available. Unlisted warrants, if any, are valued based on a pricing model which considers factors such as the market value of the underlying security, strike price, and terms of the warrant.
c. **Cash**
Cash is comprised of cash on deposit and bank overdraft.

d. **Cost of investments**
Cost of investments represents the amount paid for each security and is determined on an average cost basis excluding commissions and transaction costs.

e. **Investment transactions and income recognition**
Investment transactions are recorded on the trade date - the date on which the Trust commits to purchase or sell the investment. The “Interest for distribution purposes” shown on the Statements of Comprehensive Income represents the coupon interest received by the Trust and is accounted for on an accrual basis.

Dividends from investments are recognized on the ex-dividend/ex-distribution date.

f. **Foreign exchange**
The Trust’s functional and presentation currency is the Canadian dollar. Foreign currency amounts are translated into the functional currency as follows: fair value of investments, foreign currency forward contracts and other assets and liabilities at the closing rate of exchange on each business day; income and expenses, purchases and sales and settlements of investments at the rate of exchange prevailing on the respective dates of such transactions. Foreign exchange gains (losses) relating to cash are presented as “Foreign exchange gain (loss) on cash” and those relating to other financial assets and liabilities are presented within “Net realized gain (loss) on sale of investments and derivatives” and “Change in unrealized appreciation (depreciation) in value of investments and derivatives” in the Statements of Comprehensive Income.

g. **Unit valuation**
Net asset value (NAV) per unit is calculated at the end of each day on which the TSX is open for business by dividing the total NAV by outstanding units.

As at December 31, 2019 and 2018, there were no differences between the NAV used for transactions with unitholders and the net assets attributable to holders of redeemable units used for reporting purposes under IFRS.

h. **Classification of units**
The units of the Trust are classified as financial liabilities in accordance with IAS 32, as they do not meet the definition of puttable instruments to be classified as equity in accordance with IAS 32 for financial reporting purposes.

i. **Commissions and other portfolio transaction costs**
Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities, are included in “Commissions and other portfolio transaction costs” in the Statements of Comprehensive Income.

j. **Increase (decrease) in net assets attributable to holders of redeemable units per unit**
“Increase (decrease) in net assets attributable to holders of redeemable units per unit” in the Statements of Comprehensive Income is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units by the weighted average number of units outstanding during the year.

k. **Withholding taxes**
The Fund may, from time to time, incur withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income.

l. **Harmonized sales tax**
Certain provinces including Ontario, Prince Edward Island, Nova Scotia, New Brunswick and Newfoundland and Labrador (each a Participating Tax Jurisdiction) have harmonized their provincial sales tax (PST) with the federal goods and services tax (GST). The Harmonized Sales Tax (HST) combines the federal GST rate of 5% with the PST rate of the participating province. The province of Quebec also applies the Quebec sales tax (QST) of 9.975%. The Provincial HST liability or refund is calculated using the residency of unitholders and the value of their interest in the Trust as at specific times, rather than the physical location of the Trust. The effective sales tax rate charged to the Trust is based on the unitholders’ proportionate investments by province, using each province’s HST rate, GST rate in the case of non-participating provinces and/or QST rate. All amounts are presented as “Harmonized sales tax” in the Statements of Comprehensive Income.
3. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities at the reporting date and the reported amounts of income and expenses during the reporting year. The following discusses the most significant accounting judgments and estimates that the Trust has made in preparing its financial statements:

**Fair value measurement of investments and derivatives not quoted in active market**

The Trust may, from time to time, hold financial instruments that are not quoted in active markets, such as unlisted securities, private securities or derivatives. Unlisted securities are valued based on price quotations from recognized investment dealers, or failing that, their fair value is determined by the Manager on the basis of the latest reported information available. The fair value of private securities is determined by using valuation models that may be based, in part, on assumptions that are not supported by observable market inputs. These methods and procedures may include, but are not limited to, performing comparisons with prices of comparable or similar securities, obtaining valuation related information from issuers and/or other analytical data relating to the investment and using other available indications of value. These values are independently assessed by the Manager to ensure that they are reasonable. However, because of the inherent uncertainty of valuation, the estimated fair values for these securities may be materially different from the values that would have been used had a ready market for the investment existed. The fair values of private securities are affected by the perceived credit risks of the issuer, predictability of cash flows and the length of time to maturity.

Valuation models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty); volatilities and correlations require the Manager to make estimates. Changes in assumptions about these factors could affect the reported fair values of financial instruments.

The Trust considers observable data to be market data that is readily available, regularly distributed and updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

**IFRS 10**

In accordance with IFRS 10 - Consolidated Financial Statements, the Manager has determined that the Trust meets the definition of an Investment Entity which requires that the Trust obtains funds from one or more investors for the purpose of providing investment management services, commit to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and measure and evaluate the performance of its investments on a fair value basis. Consequently, the Trust does not consolidate its investment in subsidiaries, if any, but instead measure these at FVTPL, as required by the accounting standard.

4. FEES AND OTHER EXPENSES

**Management fees**

The Trust pays to the Manager an annual fee equal to 1.10% of the NAV of the Trust plus an amount equal to the service fee (described below) payable to the registered dealers. Fees payable to the Manager are calculated and payable monthly, plus applicable taxes.

**Operational costs**

The Trust is responsible for all expenses incurred in connection with, but not limited to, the operation and administration of the Trust.

**Service fees**

The Manager will pay to registered dealers of the Trust an annual service fee of 0.40% of the NAV per unit for units held by clients of the sales representatives of the registered dealers, calculated and payable quarterly in arrears, plus applicable taxes.

5. REDEEMABLE UNITS

The authorized capital of the Trust consists of an unlimited number of redeemable units. The units represent an undivided interest in the net assets of the Trust. All units are the same class with equal rights and privileges and are entitled to one vote at any meeting of the holders of units and to equal participation in any distributions made by the Trust.

**Annual redemption**

Units may be surrendered for redemption annually (Annual Redemption), during the period from the first day of September until 5:00 p.m. (Toronto time) on the tenth business day before the last business day in September (Annual Notice Period) by the unitholder to the registrar and transfer agent of the Trust, subject to
the Trust’s right to suspend redemptions. Units surrendered for redemption by a unitholder during the Annual Notice Period will be redeemed on the last business
day in September (Annual Redemption Date) and the unitholder of will receive payment on or before the 15th business day following the applicable Annual
Redemption Date. Redeeming unitholders will be entitled to receive a redemption price per unit equal to the Trust’s NAV per unit on such Annual Redemption
Date, less any brokerage fees and commissions (if applicable) associated with the redemption.

Monthly redemption
Units may also be surrendered at any time other than during the Annual Notice Period to the registrar and transfer agent for redemptions (a Monthly Redemption),
subject to the Trust’s right to suspend redemptions. If such demand for a Monthly Redemption is received before the 10th business day before the last business
day of a month, the redemption will be implemented on the last business day of the month and if received after that date, the redemption will be implemented
on the last business day of the following month (each a Monthly Redemption Date). Unitholders shall be entitled to receive a price per unit (Monthly Redemption
Price) equal to the lesser of 90% of the market price of the units on the principal market on which the units are quoted for trading during the 20-trading-day
period ending immediately before the Monthly Redemption Date, and 100% of the closing market price on the principal market on which the units are quoted
for trading on the Monthly Redemption Date.

Notwithstanding the Monthly Redemption Price formula above, at no time, will the Trust pay out redemption proceeds greater than the Trust’s NAV per unit as
determined on the Monthly Redemption Date for each unit being redeemed on such Monthly Redemption Date.

Effective for the distribution payable to unitholders on record on September 29, 2006, the Trust offered the distribution reinvestment plan (DRIP) so that at the
election of each unitholder, all distributions shall be automatically reinvested on each unitholder behalf pursuant to the DRIP. The price paid for the reinvested
units will not exceed the higher of the NAV per unit on the relevant distribution date and 95% of the closing price of the units on the TSX on the trading day
immediately preceding the relevant distribution date. During the year ended December 31, 2019, 7,806 (2018 - 15,703) units were reinvested under the DRIP at
an average price of $1.54 (2018 - $1.86) per unit for a total reinvestment amount of $12,013 (2018 - $149,269).

Effective January 15th, 2019 monthly distribution rate was reduced from $0.020 to $0.010.

Redeemable unit transactions information appears in the Trust Specific Notes to Financial Statements.

6. MARKET PURCHASE PROGRAM
In accordance with the Trust’s prospectus, and to enhance liquidity and to provide support to the units, the Trust has a mandatory market purchase program
under which the Trust has the right (but not the obligation), exercisable in its sole discretion, to purchase in the market for cancellation up to 10% of the units
outstanding at the beginning of such period at prices not exceeding the NAV per unit. The Trust will offer to purchase units offered on the TSX at prices that are
less than 95% of the latest determined NAV per unit where the Manager determines that such purchases are in the best interest of unitholders, up to a maximum
amount in any three-month-period of 1.25% of the number of units outstanding at the beginning of such period. Purchases of units by the Trust will be subject
to compliance with any applicable regulatory requirements and limitations. During the year ended December 31, 2019 and 2018, the Trust did not purchase any
units for cancelation under the market purchase program.

7. RELATED PARTY TRANSACTIONS
The Trust may have direct or indirect holdings in CI Financial Corp., or its affiliates or other investment fund(s) managed by the Manager as identified in the
Schedule of Investment Portfolio and the Trust Specific Notes to Financial Statements, if applicable.

Inter fund trading
Inter fund trading occurs when a Fund purchases or sells a security of any issuer from or to another Fund managed by the Manager. These transactions are
executed through market intermediaries and under prevailing market terms and conditions. The Independent Review Committee reviews such transactions during
scheduled meetings. During the year ended December 31, 2019, the Trust executed inter fund trades.

8. TAXATION
The Trust qualifies as a mutual fund trust under the Income Tax Act (Canada). All of the Trust’s net income for tax purposes and sufficient net capital gains realized
in any year are required to be distributed to unitholders such that no income tax is payable by the Trust. As a result, the Trust does not record income taxes.
Since the Trust does not record income taxes, the tax benefit of capital and non-capital losses has not been reflected in the Statements of Financial Position as a
delayed income tax asset. Income tax on net realized capital gains not paid or payable will generally be recoverable by virtue of refunding provisions contained
in the *Income Tax Act* (Canada) and provincial income tax legislation, as redemptions occur. Occasionally, the Trust may distribute more than it earns. This excess distribution is a return of capital and is not taxable to unitholders.

Refer to Loss Carry Forwards table in the Trust Specific Notes to Financial Statements for further information relating to loss carry forwards.

### 9. FINANCIAL INSTRUMENTS RISK

**Risk management**

The Trust is exposed to a variety of financial instruments risks: concentration risk, credit risk, liquidity risk and market risk (including other price risk, currency risk and interest rate risk). The level of risk to which the Trust is exposed to depends on the investment objective and the type of investments held by the Trust. The value of the investments within the portfolio can fluctuate daily as a result of changes in prevailing interest rates, economic and market conditions and company specific news related to investments held by the Trust. The Manager of the Trust may minimize potential adverse effects of these risks on the Trust’s performance by, but not limited to, regular monitoring of the Trust’s positions and market events, diversification of the investment portfolio by asset type, country, sector, term to maturity within the constraints of the stated objectives, and through the usage of derivatives to hedge certain risk exposures.

**Concentration risk**

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is a geographical allocation, product type, industry sector or counterparty.

**Credit risk**

Credit risk is the risk that a security issuer or counterparty to a financial instrument will fail to meet its financial obligations. The fair value of debt instruments includes consideration of the credit worthiness of the debt issuer. The credit risk exposure of the Trust’s other assets is represented by their carrying amount as disclosed in the Statements of Financial Position.

Cash balances as disclosed in the Statements of Financial Position are maintained by the Custodian. The Manager monitors the credit worthiness of the Custodian on a regular basis. The credit rating of the Custodian as at December 31, 2019 was AA- (December 31, 2018 - AA-).

All transactions executed by the Trust in listed securities are settled / paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

**Liquidity risk**

Liquidity risk is the risk that the Trust may not be able to settle or meet its obligations, on time or at a reasonable price. The Trust is exposed to monthly and annual cash redemptions of redeemable units. Therefore, the Trust aims to invest the majority of its assets in investments that are traded in active markets and can be readily disposed of. In addition, the Trust aims to retain sufficient cash and cash equivalent positions to maintain liquidity. All financial liabilities are due within three months.

**Market risk**

The Trust’s investments are subject to market risk which is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market conditions.

**Other Price risk**

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from currency risk or interest rate risk). The value of each investment is influenced by the outlook of the issuer and by general economic and political conditions, as well as industry and market trends. All securities present a risk of loss of capital.

Other assets and liabilities are monetary items that are short-term in nature and therefore are not subject to significant other price risk.
Currency risk
Currency risk arises from financial instruments that are denominated in a currency other than the Canadian dollar, the functional currency of the Trust. As a result, the Trust may be exposed to the risk that the value of securities denominated in other currencies will fluctuate due to changes in exchange rates.

Interest rate risk
Interest rate risk is the risk that the fair value of interest-bearing investments and interest rate derivative instruments will fluctuate due to changes in prevailing levels of market interest rates. If interest rates fall, the fair value of existing debt securities may increase due to increase in yield. Alternatively, if interest rates rise, the yield of existing debt securities may decrease which may then lead to a decrease in their fair value. The magnitude of the decline will generally be greater for long-term debt securities than for short-term debt securities.

Interest rate risk also applies if the Trust invests in convertible securities. The fair value of these securities varies inversely with interest rates, similar to other debt securities. However, since they may be converted into common shares, convertible securities are generally less affected by interest rate fluctuations than other debt securities.

Fair value hierarchy
The Trust is required to classify financial instruments measured at fair value using a fair value hierarchy. Investments whose values are based on quoted market prices in active markets are classified as Level 1. This level may include publicly traded equities, exchange-traded and retail mutual fund(s), exchange-traded warrants, futures contracts and traded options.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified as Level 2. These may include fixed-income securities, mortgage-backed securities, short-term instruments, non-traded warrants, over-the-counter options, structured notes of indexed securities, foreign currency forward contracts, swap instruments, American depositary receipts and Global depositary receipts.

Investments classified as Level 3 have significant unobservable inputs. Level 3 instruments may include private equities, private term loans, private equity fund(s) and certain derivatives. As observable prices are not available for these securities, the Trust may use a variety of valuation techniques to derive their fair value.

The Trust’s policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

Details of the Trust’s exposure to concentration risk are available in the Trust Specific Notes to Financial Statements.

Details of the Trust’s exposure to financial instruments risks including the fair value hierarchy classification are available in the Trust Specific Notes to Financial Statements section of the financial statements.
Precious Metals and Mining Trust

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