SPROTT
ASSET MANAGEMENT

Sprott 2014-II Flow-Through L.P.

Report to Unitholders

June 30
2016

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These interim financial statements for the six-month period ended June 30, 2016 were not reviewed by the Fund's auditors.

The interim 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 interim financial statements of the investment fund. A copy of the interim financial statements has been included separately within the Report to Unitholders. You can also get a copy of the interim financial statements at your request, and at no cost, by calling 1-866-299-9906, by visiting our website at www.sprott.com or SEDAR at www.sedar.com or by writing to us at: Sprott Asset Management 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.

Management Report of Fund Performance

Investment Objective and Strategies

Sprott 2014-II Flow-Through Limited Partnership (the "Partnership") is a non-redeemable investment fund. The Partnership's investment objective is to provide for a tax-assisted investment in a diversified portfolio of Flow-Through Shares and other securities, if any, of resource issuers with a view to achieving capital appreciation and significant tax benefits for Limited Partners.

The Partnership's investment strategy is to invest in Flow-Through Shares and other securities, if any, of resource issuers whose principal business is oil and gas exploration, development and/or production and certain energy production that may incur Canadian renewable and conservation expense, and mining exploration, development and/or production. To accomplish this strategy, a strong preference is given to companies with existing production, which Sprott Asset Management LP (the "Manager") believes should mitigate downside risk relative to investing in earlier stage companies.

Risks

The risks of investing in the Partnership are detailed in the prospectus dated September 23, 2014. There have been no material changes to the Partnership since inception that affected the overall level of risk. 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

The Partnership gained 76.6% during the first six months of 2016.

Despite some volatility, the first six months of 2016 saw significant gains for gold-related equities, resulting from the rebound in the price of gold (up 16.3% for the period, in Canadian dollar terms) largely driven by declining real interest rates globally, continued weak global economic outlook and Britain's referendum vote to leave the European Union (Brexit), and the related economic uncertainty.

The year began with a bearish sentiment for oil caused by concerns over faltering demand growth and oversupply. However, as these early concerns slowly abated towards the end of first quarter, oil rallied and with it, oil stocks. The positive sentiment continued well into May and oil ended the first six months of the year at 48.27/bbl, with the returns for both oil and oil stocks largely flat in June.

The Partnership's allocation to the Materials and Energy sectors was 46.5% and 42.9%, respectively, as at June 30, 2016.

From a sector perspective, both Materials and Energy contributed to performance for the period with Tahoe Resources Inc., Tourmaline Oil Corp. and Saracen Mineral Holdings Ltd. as top individual contributors. All three companies benefitted from the appreciation in precious metals and oil prices.

Enerdynamic Hybrid Technologies Corp. and Fission Uranium Corp. detracted from performance for the period. Enerdynamic struggled as the company failed to deliver any meaningful contracts. Fission was affected by depressed uranium prices.

The net asset value of the Partnership increased from $9.7 million as of December 31, 2015 to $17.1 million as of June 30, 2016. The increase was primarily the result of realized and unrealized investment gains totaling $7.7 million.

Loan Facility

The Partnership has entered into a Loan Facility with a Canadian chartered bank to fund the agents' fees, offering expenses and ongoing expenses of the Partnership, including management fees. The Partnership may borrow a principal amount of up to 10% of the gross proceeds of the offering. The Partnership's obligation under the Loan Facility is secured by a pledge of the assets held by the Partnership. Prior to the earlier of: (a) the dissolution of the Partnership, (b) the date on which a Liquidity Alternative is completed, and (c) the maturity date of the Loan Facility all amounts outstanding under the Loan Facility, including all interest accrued thereon, will be repaid in full. Interest is calculated based on the bank's Prime rate. Certain covenants exist that, if breached would require the immediate payment of accrued interest and the aggregate principal outstanding. As at June 30, 2016 the Partnership was in compliance with all covenants.

As at June 30, 2016, the loan outstanding consists of a prime rate loan with a principal amount (including interest payable) of $nil. The minimum and maximum amounts borrowed during the six-month period ended June 30, 2016 were $nil and $nil respectively. Interest expense, including standby fees and bank charges, for the six-month period ended June 30, 2016 was $nil.

Related Party Transactions

MANAGEMENT FEES

The Partnership pays the Manager an annual management fee equal to 2% of the Net Asset Value, calculated and paid monthly in arrears. For the six-month period ended June 30, 2016, the Partnership incurred management fees (including taxes) of $154,741. Of the management fees incurred by the Partnership, 100% is attributed to portfolio advisory services.

OPERATING EXPENSES

The Partnership is responsible for all expenses (inclusive of applicable taxes) incurred in connection with its operation and administration. These include, but are not limited to, legal, audit, transfer agent, custodian and administration services and cost of financial reporting and printing. The Partnership may use the Loan Facility to fund these expenses.

OTHER RELATED PARTY TRANSACTIONS

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

Financial Highlights

The following tables show selected key financial information about the Partnership and is intended to help you understand the Partnership's financial performance for the six-month period ended June 30, 2016 and the years shown.

The Partnership's Net Assets per unit[1]

	Jun 30, 2016	Dec 31, 2015	Dec 31, 2014[4]
Initial offering price	**–**	–	$25.00
Agents' fee and issue expenses[2]	**–**	–	(1.88)
Net assets, beginning of period	**$12.11**	$14.71	$23.12
Increase (decrease) from operations:			
Total revenue	**$0.03**	$0.01	$–
Total expenses	**(0.33)**	(0.55)	(0.17)
Realized gains (losses)	**2.58**	(5.30)	–
Unrealized gains (losses)	**7.00**	3.24	(8.55)
Total decrease from operations[3]	**$9.28**	$(2.60)	$(8.72)
Distributions:	**–**	–	
From income (excluding dividends)	**–**	–	–
From dividends	**–**	–	–
From capital gains	**–**	–	–
Return of capital	**–**	–	–
Total annual distributions	**–**	–	–
Net assets, end of period	**$21.39**	$12.11	$14.71

1 This information is derived from the Partnership's interim and audited annual financial statements, which is in compliance with International Financial Reporting Standards as published by the International Accounting Standards Board.

2 Agents' fee and issue expenses of the Offering were recorded as a reduction in partners' capital.

3 The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of the beginning to ending net assets per unit.

4 Information provided is for the period from October 2, 2014 (first issuance of unit) to December 31, 2014.

Ratios and Supplemental Data

	Jun 30, 2016	Dec 31, 2015	Dec 31, 2014
Total net asset value (000's)[1]	**$17,082**	$9,687	$11,769
Number of Units outstanding[1]	**798,600**	800,000	800,000
Management expense ratio[2]	**2.87%**	2.76%	3.16%
Trading expense ratio[3]	**1.13%**	0.70%	0.00%
Portfolio turnover rate[4]	**62.25%**	53.66%	0.00%
Net asset value per Unit[1]	**$21.39**	$12.11	$14.71

1 The information is provided as at June 30, 2016 and December 31 of the years shown prior to 2016.

2 Management expense ratio ("MER") is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of 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.

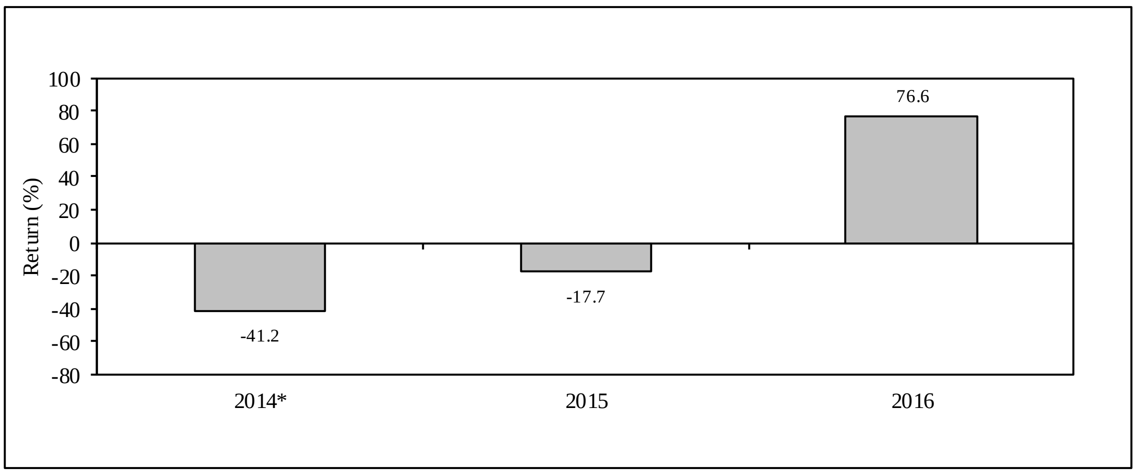
4 The Partnership's portfolio turnover rate indicates how actively the Partnership's portfolio adviser trades its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Partnership buying and selling all of the securities in its portfolio once in the course of the year. The higher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

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 Partnership. 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 return are calculated based on the Net Asset Value of the Partnership.

Year-by-Year Returns

The following chart indicates the non-annualized performance of the Partnership for the six-month period ended June 30, 2016 and each of the previous twelve-month periods ended December 31 shown, unless otherwise noted. The chart shows, in percentage terms, how much an investment made on the first day of the period would have grown or decreased by the last day of the period.



*Return from October 2, 2014 to December 31, 2014 (not annualized).

Summary of Investment Portfolio

As of June 30, 2016

Portfolio Allocation

	% of Net Asset Value
Long Positions	
Materials	46.5
Energy	42.1
Information Technology	1.7
Industrials	0.8
Health Care	0.2
Total Long Positions	91.3
Cash	8.9
Other Net Liabilities	(0.2)
Total Net Asset Value	100.0

Top 25 Long Positions

Issuer	% of Net Asset Value
Tourmaline Oil Corp.	14.0
Tahoe Resources Inc.	13.6
Cash	8.9
Premier Gold Mines Ltd.	6.7
Continental Gold Inc.	5.2
Pine Cliff Energy Ltd.	5.1
Richmont Mines Inc.	4.6
Leucrotta Exploration Inc.	4.4
Seven Generations Energy Ltd.	4.3
NexGen Energy Ltd.	3.9
Asanko Gold Inc.	3.6
Osisko Mining Inc.	3.3
Torex Gold Resources Inc.	3.1
Detour Gold Corp.	2.8
Fission Uranium Corp.	2.7
Birchcliff Energy Ltd.	2.7
GoldMoney Inc.	1.7
Yangarra Resources Ltd.	1.6
Advantage Oil & Gas Ltd.	1.5
POCML 3 Inc.	1.4
Cardinal Energy Ltd.	1.3
Wolfden Resources Corp.	1.2
Enerydynamic Hybrid Technologies Corp.	0.8
Roxgold Inc.	0.8
Granite Oil Corp.	0.6
Top 25 long positions as a percentage of net asset value	99.8

The Partnership held no short positions as at June 30, 2016.

This summary of investment portfolio may change due to the ongoing portfolio transactions of the Partnership. Quarterly updates of the Partnership’s investment portfolio are available on the Internet at www.sprott.com.

Sprott 2014-II Flow-Through L.P.

Statements of Financial Position

(in Canadian Dollars)

As at June 30, 2016 (unaudited) and December 31, 2015	**2016**	2015
	$	$
Assets		
Current assets		
Investments *(note 3, 5)*	**15,604,245**	9,213,204
Cash	**1,522,978**	438,014
Dividends receivable	**1,243**	4,500
Due from broker	**-**	62,325
Total assets	**17,128,466**	9,718,043
Liabilities		
Current liabilities		
Management fees payable *(note 10)*	**32,068**	-
Accrued expenses	**14,612**	30,678
Total liabilities	**46,680**	30,678
Net Assets attributable to Partners	**17,081,786**	9,687,365
Net Assets attributable to Partners per unit	**21.39**	12.11

See accompanying notes which are an integral part of these financial statements

Approved on behalf of Sprott 2014-II Flow-Through L.P.
by the Board of Directors of Sprott 2014-II Corporation
as General Partner

James R. Fox
DIRECTOR

Kevin Hibbert
DIRECTOR

Sprott 2014-II Flow-Through L.P.

Statements of Comprehensive Income

(in Canadian Dollars, except unit amounts)

For the six-month periods ended June 30 (unaudited)	**2016**	2015
	$	$
Income		
Net gain (loss) on investments:[1]		
Dividends *(note 3)*	**16,603**	-
Net realized gains (losses) on sale of investments	**2,064,020**	(1,469,158)
Change in unrealized appreciation in the value of investments	**5,590,454**	3,038,893
Securities lending income *(note 3)*	**3,762**	-
Net realized losses on foreign exchange	**(18)**	-
Total income	**7,674,821**	1,569,735
Expenses *(note 10, 11)*		
Management fees	**154,741**	147,358
Transaction costs *(note 3)*	**74,056**	47,846
Administrative fees	**13,725**	4,746
Audit fees	**6,913**	9,619
Unitholder reporting costs	**6,145**	3,768
Filing fees	**2,484**	2,351
Independent Review Committee fees *(note 12)*	**2,344**	2,568
Custodial fees	**2,158**	1,212
Interest, standby fees and bank charges *(note 7)*	**-**	28,007
Total expenses	**262,566**	247,475
Increase in Net Assets attributable to Partners from operations	**7,412,255**	1,322,260
Weighted average number of units	**798,824**	800,000
Increase in Net Assets attributable to Partners from operations per unit *(note 3)*	**9.28**	1.65

[1]Net gain (loss) on investments comprised of:		
Financial assets and liabilities designated at fair value through profit or loss ("FVTPL")	**7,671,077**	1,569,735
Financial assets and liabilities classified as held for trading ("HFT")	**-**	-
	7,671,077	1,569,735

See accompanying notes which are an integral part of these financial statements

Sprott 2014-II Flow-Through L.P.

Statements of Changes in Net Assets Attributable to Partners

(in Canadian Dollars, except unit amounts)

For the six-month periods ended June 30 (unaudited)	**2016**	2015
	$	$
Net Assets attributable to Partners, beginning of period	**9,687,365**	11,768,780
Increase in Net Assets attributable to Partners from operations	**7,412,255**	1,322,260
Partners' transactions *(note 1, 9)*		
Proceeds from Partnership units issued	**-**	-
Redemption of Partnership units	(17,834)	-
	(17,834)	-
Net increase in Net Assets attributable to Partners	**7,394,421**	1,322,260
Net Assets attributable to Partners, end of period	**17,081,786**	13,091,040

Changes in outstanding Partnership units for the six-month periods ended June 30, 2016 and 2015 (unaudited) were as follows:

	2016	2015
Partnership units, beginning of period	**800,000**	800,000
Redemptions	**(1,400)**	-
Partnership units, end of period	**798,600**	800,000

See accompanying notes which are an integral part of these financial statements

Sprott 2014-II Flow-Through L.P.

Statements of Cash Flows

(in Canadian Dollars)

For the six-month periods ended June 30 (unaudited)	**2016**	2015
	$	$
Cash flow from operating activities		
Increase in Net Assets attributable to Partners from operations	**7,412,255**	1,322,260
Adjustments for:		
Foreign exchange losses on cash	**18**	-
Net realized (gains) losses on sales of investments	**(2,064,020)**	1,469,158
Change in unrealized (appreciation) in the value of investments	**(5,590,454)**	(3,038,893)
Purchases of investments	**(7,577,705)**	(2,994,940)
Proceeds from sales of investments	**8,903,463**	5,041,059
Net increase (decrease) in other assets and liabilities	**19,259**	(94,471)
Net cash provided by operating activities	**1,102,816**	1,704,173
Cash flows from financing activities		
Redemption of Partnership units	**(17,834)**	-
Decrease in loan payable	**-**	(1,001,129)
Net cash used in financing activities	**(17,834)**	(1,001,129)
Foreign exchange losses on cash	**(18)**	-
Net increase in cash	**1,084,982**	703,044
Cash at beginning of period	**438,014**	749,913
Cash at end of period	**1,522,978**	1,452,957
Supplemental Information		
Dividends received, net of withholding taxes	**19,860**	-
Interest paid	**-**	28,007

See accompanying notes which are an integral part of these financial statements

Sprott 2014-II Flow-Through L.P.

Schedule of Investment Portfolio

As at June 30, 2016 (unaudited)

		Expiry Date	Average Cost	Fair Value
			$	$
SHARES	EQUITIES [91.35%]			
	MATERIALS [46.53%]			
125,000	Asanko Gold Inc.		359,148	617,500
235,400	Continental Gold Inc.		488,031	854,502
59,900	Continental Gold Inc., Warrants	Nov 27, 2017	14,376	34,742
15,000	Detour Gold Corp.		210,253	484,800
250,400	Osisko Mining Inc.		360,249	563,400
10,000	Osisko Gold Royalties Ltd., Warrants	Feb 26, 2019	19,026	37,500
235,600	POCML 3 Inc.**		82,460	235,600
300,000	Premier Gold Mines Ltd.		735,000	1,149,000
65,000	Richmont Mines Inc.		504,116	779,350
89,300	Roxgold Inc.		126,806	136,629
120,000	Tahoe Resources Inc.		957,055	2,322,000
226,400	Torex Gold Resources Inc.		453,984	522,984
1,500,000	Wolfden Resources Corp.		330,000	210,000
925,000	Wolfden Resources Corp., Warrants	Dec 19, 2016	-	46
			4,640,504	7,948,053
	ENERGY [42.07%]			
35,000	Advantage Oil & Gas Ltd.		281,278	252,700
66,600	Birchcliff Energy Ltd.		441,929	458,208
22,200	Cardinal Energy Ltd.		207,570	221,334
667,000	Fission Uranium Corp.		1,000,500	460,230
13,300	Granite Oil Corp.		96,891	105,735
424,800	Leucrotta Exploration Inc.		548,633	747,648
250,000	NexGen Energy Ltd.		445,998	665,000
940,900	Pine Cliff Energy Ltd.		666,660	875,037
30,000	Seven Generations Energy Ltd.		420,852	739,800
70,000	Tourmaline Oil Corp.		3,990,000	2,380,700
263,437	Yangarra Resources Ltd.		263,458	279,243
			8,363,769	7,185,635
	INFORMATION TECHNOLOGY [1.73%]			
65,700	GoldMoney Inc.		256,713	296,307
			256,713	296,307
	INDUSTRIALS [0.84%]			
962,000	Enerydynamic Hybrid Technologies Corp.		769,600	144,300
			769,600	144,300
	HEALTH CARE [0.18%]			
87,500	Aphria Inc., Warrants	Dec 11, 2018	13,991	29,950
			13,991	29,950
Total Equities			14,044,577	15,604,245
Transaction Costs *(note 3)*			(27,785)	
Total Investments [91.35%]			**14,016,792**	**15,604,245**
Cash and Other Assets Less Liabilities [8.65%]				1,477,541
Total Net Assets [100.00%]				**17,081,786**

**Private Company

See accompanying notes which are an integral part of these financial statements

Financial Risk Management *(note 6)*

Investment Objective

The Partnership's investment objective is to achieve capital appreciation and significant tax benefits for Limited Partners by investing in a diversified portfolio of Flow-Through Shares and other securities, if any, of Resource Issuers.

The Schedule of Investment Portfolio presents the securities held by the Partnership as at June 30, 2016. Significant risks that are relevant to the Partnership are discussed here. General information on risks and risk management is described in Note 6.

Market Risk

a) Other Price Risk

The Partnership's most significant exposure to market price risk arises from its investment in equity securities. As at June 30, 2016 and December 31, 2015, had the prices on the respective stock exchanges for these securities increased or decreased by 10%, with all other variables held constant, Net Assets attributable to Partners would have increased or decreased by the amount shown in the below table.

June 30, 2016		December 31, 2015	
Impact ($'000)	**As a % of Net Assets attributable to Partners**	Impact ($'000)	As a % of Net Assets attributable to Partners
1,560	9.14%	921	9.51%

b) Currency Risk

As at June 30, 2016 and December 31, 2015, the Partnership had minimal foreign currency exposure.

c) Interest Rate Risk

As at June 30, 2016 and December 31, 2015, the Partnership did not have a material exposure to interest rate risk from its investments.

Credit Risk

As at June 30, 2016 and December 31, 2015, the Partnership had no investments in debt instruments or derivatives, hence the Partnership did not have a material exposure to credit risk.

Concentration Risk

The table below summarizes the Partnership's concentration risk as a percentage of Net Assets attributable to Partners as at June 30, 2016 and December 31, 2015.

	June 30, 2016	December 31, 2015
Materials	46.53%	51.30%
Energy	42.07%	37.03%
Information Technology	1.73%	2.05%
Industrials	0.84%	–
Health Care	0.18%	2.48%
Utilities	–	2.25%
Cash and Other Assets Less Liabilities	8.65%	4.89%
Total Net Assets attributable to Partners	100.00%	100.00%

Fair Value Measurements *(note 5)*

The Partnership's assets and liabilities measured at fair value as at June 30, 2016 and December 31, 2015, have been categorized based upon the fair value hierarchy in the tables below:

June 30, 2016

	Level 1	**Level 2**	**Level 3**	**Total**
	$	$	$	$
Equities – Long	15,266,407	–	235,600	15,502,007
Warrants	72,242	29,996	–	102,238
	15,338,649	29,996	235,600	15,604,245

December 31, 2015

	Level 1	Level 2	Level 3	Total
	$	$	$	$
Equities – Long	9,196,915	–	–	9,196,915
Warrants	–	16,289	–	16,289
	9,196,915	16,289	–	9,213,204

During the period ended June 30, 2016, the reconciliation of investments measured at fair value using unobservable inputs (Level 3) is presented as follows:

	June 30, 2016
	Equities
	$
Balance at beginning of period	–
Purchases	82,460
Change in unrealized gains	153,140
Balance at end of period	235,600
Change in unrealized gains during the period for investments held at end of period	153,140

The Partnership's Level 3 securities consist of private equity positions. The Manager determines their fair value by utilizing a variety of valuation techniques such as the use of comparable recent transactions, discounted cash flows and other techniques used by market participants. As at June 30, 2016, these positions were not significant to the Partnership and any changes in reasonable possible assumptions used in their valuation would not have a significant impact to the Net Assets attributable to holders of redeemable units of the Partnership.

The Partnership did not hold any Level 3 securities as at December 31, 2015.

Loan Facility *(note 7)*

As at June 30, 2016, the loan outstanding consists of a prime rate loan with a principal amount (including interest payable) of $nil (December 31, 2015 - $nil). The minimum and maximum amounts borrowed during the period ended June 30, 2016 were $nil (December 31, 2015 - $nil) and $nil (December 31, 2015 - $2,005,878) respectively. Interest expense, including standby fees and bank charges, for the period ended June 30, 2016 was $nil (June 30, 2015 - $28,007).

Related Party Holdings

Sprott Inc., the parent company of the Manager, or one of its subsidiaries, held the following investments in the Partnership as at:

	June 30, 2016	December 31, 2015
Units held	18,917	18,917
Value of units held ($)	404,629	229,070

Securities Lending *(note 3)*

As at June 30, 2016 and December 31, 2015 the market values of securities loaned and related collateral amounts were as follows:

	June 30, 2016	December 31, 2015
Securities loaned	$–	$–
Collateral amounts	$–	$–
Collateral as a percentage of securities loaned	–	–

For the periods ended June 30, 2016 and 2015, securities lending income was as follows:

	June 30, 2016	June 30, 2015
	$	$
Gross securities lending income	3,762	–
Securities lending charges	–	–
Net securities lending income received by the Partnership	3,762	–

For the period ended June 30, 2016 securities lending charges represent nil% of the gross securities lending income.

Sharing Arrangements *(note 13)*

The Partnership paid $116 out of the total transaction costs incurred to certain brokers for research provided to the portfolio manager during the six months ended June 30, 2016 (June 30, 2015 - $nil).

See accompanying notes which are an integral part of these financial statements

Sprott Flow-Through LPs
Generic Notes to Financial Statements *June 30, 2016 (unaudited)*

1. Formation of the Partnerships

Sprott 2014-II Flow-Through Limited Partnership, Sprott 2015 Flow-Through Limited Partnership and Sprott 2016 Short Duration Flow-Through Limited Partnership (the "Partnerships" and each a "Partnership") were formed as limited partnerships under the laws of the Province of Ontario. Sprott 2014-II Flow-Through Limited Partnership was formed on September 23, 2014, Sprott 2015 Flow-Through Limited Partnership was formed on January 30, 2015 and Sprott 2016 Short Duration Flow-Through Limited Partnership was formed on March 29, 2016. The address of the Partnerships' registered office is 200 Bay Street, Toronto, Ontario.

On October 2, 2014, the Sprott 2014-II Flow-Through Limited Partnership completed the first closing of its initial public offering of 615,763 units at $25 per unit for gross proceeds of $15,394,075. On October 16, 2014, the Partnership completed its final closing of its initial public offering of 184,237 units at $25 per unit for gross proceeds of $4,605,925.

On February 20, 2015, the Sprott 2015 Flow-Through Limited Partnership completed the first closing of its initial public offering of 453,975 units at $25 per unit for gross proceeds of $11,349,375. On March 30, 2015, the Partnership completed its second closing of its initial public offering of 175,345 units at $25 per unit for gross proceeds of $4,383,625. On April 30, 2015, the Partnership completed its final closing of its initial public offering of 209,898 units at $25 per unit for gross proceeds of $5,247,450.

On April 14, 2016, the Sprott 2016 Short Duration Flow-Through Limited Partnership completed the first closing of its initial public offering of 370,897 units at $25 per unit for gross proceeds of $9,272,425. On May 11, 2016, the Partnership completed its second closing of its initial public offering of 333,350 units at $25 per unit for gross proceeds of $8,333,750. On May 31, 2016, the Partnership completed its final closing of its initial public offering of 95,753 units at $25 per unit for gross proceeds of $2,393,825.

The Partnerships have retained Sprott Asset Management LP (the "Manager") to provide investment, management, administrative and other services. The general partner of the Sprott 2014-II Flow-Through Limited Partnership is Sprott 2014-II Corporation, the general partner of the Sprott 2015 Flow-Through Limited Partnership is Sprott 2015 Corporation and the general partner of the Sprott 2016 Short Duration Flow-Through Limited Partnership is Sprott 2016 Corporation (each a "General Partner").

The Sprott 2014-II Flow-Through Limited Partnership intends to implement a Mutual Fund Rollover Transaction prior to October 31, 2016, the Sprott 2015 Flow-Through Limited Partnership intends to implement a Mutual Fund Rollover Transaction prior to February 28, 2017 and the Sprott 2016 Short Duration Flow-Through Limited Partnership intends to implement a Mutual Fund Rollover Transaction prior to June 30, 2017, unless the Limited Partners approve a Liquidity Alternative, as defined in each Partnership's prospectus, at a special meeting held for such purpose. If the Mutual Fund Rollover Transaction is implemented, then pursuant to the Transfer Agreement, the assets of the Partnerships will be transferred to the Mutual Fund Corporation, in exchange for Mutual Fund Shares on a tax-deferred basis, provided appropriate elections are made. In connection with the Mutual Fund Rollover Transaction, the Partnerships will be dissolved and the Limited Partners will receive their pro-rata portion of redeemable Mutual Fund Shares.

The Statements of Financial Position of each of the Partnerships are as at June 30, 2016 and December 31, 2015, with the exception of Sprott 2016 Short Duration Flow-Through Limited Partnership, which presents the Statement of Financial Position only as at June 30, 2016. The Statements of Comprehensive Income, Statements of Changes in Net Assets Attributable to Partners and Statements of Cash Flows for each Partnership are for the periods ended June 30, 2016 and 2015, except for Partnerships established during either period, in which case the information for that Partnership is provided for the period from the inception of the Partnership to June 30 of the applicable year. The Schedule of Investment Portfolio for each Partnership is as at June 30, 2016.

These Financial Statements of the Partnerships were approved for issuance by the Manager on August 24, 2016.

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") and include estimates and assumptions made by the Manager that may affect the reported amounts of assets, liabilities, income, expenses and the reported amounts of changes in Net Assets during the reporting periods. Actual results could differ from those estimates.

These interim financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements including IAS 34, *Interim Financial Reporting*.

The financial statements have been prepared on a going concern basis using the historical cost convention. However, each Partnership is an investment entity and primarily all financial assets and financial liabilities are measured at fair value in accordance with IFRS. Accordingly, the Partnerships' accounting policies for measuring the fair value of investments and derivatives are consistent with those used in measuring the Net Asset Value for transactions with unitholders.

The financial statements are presented in Canadian dollars, which is each Partnership's functional currency.

3. Summary of Significant Accounting Policies

The following is a summary of significant accounting policies followed by the Partnerships:

CLASSIFICATION AND VALUATION OF INVESTMENTS

The Partnerships' investments and derivative assets and liabilities are measured at fair value through profit or loss ("FVTPL"). The category of financial assets and liabilities at fair value through profit or loss is sub-divided into:

Financial assets and liabilities held for trading: financial assets and liabilities are classified as held for trading if they are acquired for the purpose of selling and/or repurchasing in the near term. These investments are used principally for the purpose of generating a profit from short-term fluctuations in price. Derivatives held by the Partnerships are classified as held for trading, and they do not meet the definition of effective hedging instruments as defined by IAS 39, *Financial Instruments – Recognition and Measurement* ("IAS 39").

Financial instruments designated as fair value through profit or loss upon initial recognition: All investments owned (excluding derivatives) are designated as fair value through profit or loss upon initial recognition. The Partnerships included equities, bonds, and other interest-bearing investments in this category. These financial assets are designated upon initial recognition on the basis that they are part of a group of financial assets that are managed and have their performance evaluated on a fair value basis, in accordance with risk management and investment strategies of the Partnerships, as set out in each Partnership's prospectus.

The Partnerships' accounting policies for measuring the fair value of its investments and derivatives are identical to those used in measuring its Net Asset Value ("NAV") for transactions with unitholders. 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.

Financial assets and liabilities at FVTPL are recorded in the Statements of Financial Position at fair value upon initial recognition. All transaction costs such as brokerage commissions incurred in the purchase and sale of such securities are recognized directly in the Statements of Comprehensive Income. Subsequent to initial measurement, these investments are recorded at fair value which, as at the financial reporting period end is determined as follows:

1. Securities listed upon a recognized public stock exchange are valued at the closing price recorded by the exchange on which the security is principally traded, where the last traded price falls within that day's bid-ask spread. In circumstances where the closing 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.

2. Common shares of unlisted companies and warrants that are not traded on an exchange are valued using valuation techniques established by the Manager. Restricted securities are valued in a manner that the Manager determines represents fair value.

The difference between the fair value of investments and the average cost of investments represents the unrealized appreciation or depreciation in the value of investments. The cost of investments for each security is determined on an average cost basis.

Other assets and liabilities are recognized at fair value upon initial recognition. Other assets such as subscriptions receivable, due to broker, and income receivables are classified as loans and receivables and measured at amortized cost. Other financial liabilities (including all financial liabilities other than those measured at FVTPL), are measured at amortized cost. The Partnerships are limited life funds and the partnership interests represents a contractual obligation to deliver cash or another financial instrument. Partnership units have therefore been classified as financial liabilities.

INVESTMENT TRANSACTIONS AND INCOME RECOGNITION

Investment transactions are accounted for on the business day following the date the order to buy or sell is executed. Realized gains and losses arising from the sale of investments and unrealized appreciation and depreciation on investments are calculated with reference to the average cost of the related investments.

Interest income for distribution purposes represents the coupon interest recognized on an accrual basis. Dividend income is recognized on the ex-dividend date.

CALCULATION OF NET ASSETS ATTRIBUTABLE TO PARTNERS PER UNIT

Net assets attributable to Partners per unit is calculated on each valuation date by dividing the net assets representing partners' capital of the Partnerships by the total number of units outstanding on that date.

INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO PARTNERS FROM OPERATIONS PER UNIT

"Increase (decrease) in Net Assets attributable to Partners from operations per unit" in the Statements of Comprehensive Income represents the increase (decrease) in Net Assets attributable to Partners from operations, divided by the weighted average number of units outstanding during the period, which is presented in the Statements of Comprehensive Income.

TRANSACTION COSTS

Transaction costs are expensed and are included in "Transaction costs" in the Statements of Comprehensive Income. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commissions paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties.

AGENTS' FEE AND ISSUE EXPENSES

Agents' fees and issue expenses related to the offering of the units are recognized as a reduction of Partners' capital.

INCOME TAXES

The Partnerships themselves are not liable for income tax. As a result, no provision for income taxes has been recorded by the Partnerships. Each Limited Partner will generally be required to include, in computing his or her income or loss for tax purposes for a taxation year, his or her share of the income or loss for tax purposes (including taxable capital gains or allowable capital losses) allocated by the Partnerships to such Limited Partner for each fiscal year of the Partnerships.

SECURITIES LENDING

The Partnerships may enter into securities lending transactions. These transactions involve the temporary exchange of securities as collateral with a commitment to deliver the same securities on a future date. Income is earned from these transactions in the form of fees paid by the counterparty and, in certain circumstances, interest paid on securities held as collateral. Income earned from these transactions is recognized on an accrual basis and included in the Statements of Comprehensive Income.

Certain Partnerships have entered into a securities lending program with their custodian, RBC Investor Services Trust. The aggregate market value of all securities loaned by a Partnership cannot exceed 50% of the net assets of the Partnership. The Partnership will receive collateral of at least 102% of the value of the securities on loan. Collateral will generally be comprised of cash and obligations of, or guaranteed by, the Government of Canada or a province thereof, or the United States Government or its agencies, or a permitted supranational agency as defined in National Instrument 81-102. Securities lending income reported in the Statements of Comprehensive Income is net of securities lending charges which the Partnership's custodian, RBC Investor Services Trust, is entitled to receive

STANDARDS ISSUED BUT NOT YET EFFECTIVE

Standards issued but not yet effective up to the date of issuance of the Partnerships' financial statements are listed below. The Partnerships intend to adopt applicable standards when they become effective.

IFRS 9, Financial Instruments - Classification and Measurement ("IFRS 9"): In July 2014, the IASB issued the final version of IFRS 9, bringing together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 and all previous versions of IFRS 9. IFRS 9 introduces a logical, single classification and measurement approach for financial assets that reflects the business model in which they are managed and their cash flow characteristics. Built upon this is a forward-looking expected credit loss model that will result in more timely recognition of loan losses and is a single model that is applicable to all financial instruments subject to impairment accounting. In addition, IFRS 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value, such that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognized in profit or loss. IFRS 9 also includes an improved hedge accounting model to better link the economics of risk management with its accounting treatment. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. In addition, the own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments. The Partnerships are in the process of assessing the impact of IFRS 9.

4. Critical Accounting Estimates and Judgments

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates that the Partnerships have made in preparing the financial statements:

FAIR VALUE MEASUREMENT OF SECURITIES NOT QUOTED IN AN ACTIVE MARKET

The Partnerships hold financial instruments that are not quoted in active markets. Fair values of such instruments are determined using valuation techniques and may be determined using reputable pricing sources (such as pricing agencies) or indicative prices from market makers. Where no market data is available, the Partnerships may value investments using valuation models, which are usually based on methods and techniques generally recognized as standard within the industry. The models used to determine fair values are validated and periodically reviewed by experienced personnel of the Manager, independent of the party that created them. 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 Partnerships consider 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. Refer to Note 5 for further information about the fair value measurement of the Partnerships' financial instruments.

CLASSIFICATION AND MEASUREMENT OF INVESTMENTS AND APPLICATION OF THE FAIR VALUE OPTION

In classifying and measuring financial instruments held by the Partnerships, the Manager is required to make judgments about whether or not the business of the Partnerships is to invest on a total return basis for the purpose of applying the fair value option for the financial assets under IAS 39.

5. Fair Value Measurements

The Partnerships use a three-tier hierarchy as a framework for disclosing fair value based on inputs used to value each Partnership's investments. The fair value hierarchy has the following levels:

Level 1 Unadjusted quoted prices in active markets for identical, unrestricted assets or liabilities that the Partnerships have the ability to access at the measurement date;

Level 2 Quoted prices which are not active, or inputs that are observable (either directly or indirectly) for substantially the full term of the asset or liability; and

Level 3 Prices, inputs or complex modeling techniques that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The hierarchy of investments and derivatives for each of the Partnerships is included in the Notes to Financial Statements – Partnership Specific Information of each Partnership.

All fair value measurements above are recurring. The carrying values of cash, subscriptions receivable, interest receivable, payable for investments purchased, redemptions payable, distributions payable and accrued expenses approximate their fair values due to their short-term nature. Fair values are classified as Level 1 when the related security or derivative 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.

The following provides details of the categorization in the fair value hierarchy by asset classes:

Level 1 securities include:

- Equity securities using quoted market prices (unadjusted).

Level 2 securities include:

- Equity securities that are not frequently traded in active markets. In such cases, fair value is determined based on observable market data (e.g., transactions for similar securities of the same issuer).

Level 3 securities include:

- Investments valued using valuation techniques that are based on unobservable market data. These techniques are determined pursuant to procedures established by the Manager. Quantitative information about unobservable inputs and related sensitivity of the fair value measurement are disclosed in the Notes to financial statements – Partnership specific information.

Additional disclosures relating to transfers between levels and a reconciliation of the beginning and ending balances in Level 3 are also disclosed in the Notes to financial statements – Partnership specific information.

For the periods ended June 30, 2016 and December 31, 2015, the majority of Level 2 securities consisted of common shares acquired pursuant to a private placement and subject to a hold period following the closing date of the purchase, and warrants received in consideration of the private placement purchase. Upon the expiry of the hold period on the common shares, the shares become freely traded and, as such, would be moved from Level 2 to Level 1. The warrants would be Level 2 until either the warrant expires at which time the security would be removed from the Level 2 balance, or the warrant was exercised, at which time the warrant would be converted into a Level 1 common share. There were no other material transfers between Level 1 and Level 2 during the period.

Level 3 securities generally include investment of private companies. During the periods ended June 30, 2016 and December 31, 2015, there were no transfers in or out of Level 3 or any Level 3 transactions.

6. Financial Risk Management

The Partnerships are exposed to risks that are associated with their investment strategies, financial instruments and markets in which they invest. The extent of risk within each Partnership is largely contingent upon its investment policy and guidelines as stated in each Partnership's prospectus, and the management of such risks is contingent upon the qualification and diligence of the portfolio manager designated to manage the Partnerships. The Schedule of Investment Portfolio presents the securities held by the Partnerships as at June 30, 2016, and groups the securities by asset type and market segment. Significant risks that are relevant to the Partnerships are discussed below. Refer to the Notes to Financial Statements – Partnership Specific Information of each Partnership for specific risk disclosures.

MARKET RISK

The Partnership'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 because of changes in market variables such as equity prices, currency rates and interest rates.

a) Other Price Risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk). The investments of the Partnerships are subject to normal market fluctuations and the risks inherent in the financial markets. The maximum risk resulting from purchased securities held by the Partnerships is limited to the fair value of these investments. The Manager moderates this risk through a careful selection of securities within specified limits, as well as through the diversification of the investment portfolio.

b) Currency Risk

Currency risk is the risk that arises from the change in price of one currency against another. The Partnerships may hold securities that are denominated in currencies other than the Canadian dollar. These securities are converted to the Partnerships' functional currency (Canadian dollar) in determining fair value, and fair values are subject to fluctuations relative to the strengthening or weakening of the functional currency.

c) Interest Rate Risk

Interest rate risk is the risk borne by an interest-bearing financial instrument that is attributed to interest rate fluctuations. The majority of each Partnership's investments are non-interest bearing. Cash and short-term investments do not expose the Partnerships to significant amounts of interest rate risk. As a result, the Partnerships are not subject to a significant amount of risk related to fluctuations in prevailing market interest rate levels. The loan facility bears interest at prime, therefore, an increase in interest rates would impact the amount of interest paid under the credit facility.

CREDIT RISK

Credit risk is the risk of loss due to the failure of a counterparty to satisfy its obligations. All transactions executed by the Partnerships in listed securities are settled upon delivery using approved brokers. The risk of default is considered minimal, as the delivery of those securities sold is made only when the broker has received payment. Payment is made on purchases only when the security is received by the broker. The trade will fail to consummate if either party fails to meet its obligations.

LIQUIDITY RISK

Liquidity risk is the risk that the Partnerships will not be able to generate sufficient cash resources to fulfill payment obligations. The Partnerships invest in liquid securities that are readily tradable in an active market or maintain sufficient cash to fund expenses in the normal course of operations. The Partnerships may, from time to time, invest in illiquid or restricted securities such as private placements, private companies and warrants as identified in the Schedule of Investment Portfolio. In addition, units are not redeemable by the Limited Partners.

With the exception of loans payable, all of the Partnerships' financial liabilities are short-term liabilities maturing within 90 days after the period end. Any loan payable held by a Partnership matures on the date the Partnership is wound up pursuant to the Mutual Fund Rollover transaction.

CONCENTRATION RISK

Concentration risk arises as a result of the concentration of financial instrument exposures within the same category, whether it is geographic region, asset type or industry sector.

7. Loan Facility

The Partnerships have each entered into a Loan Facility with a Canadian chartered bank to fund the agents' fees, offering expenses and ongoing expenses of the Partnerships, including management fees. The Partnerships may borrow a principal amount of up to 10% for each of Sprott 2014-II Flow-Through Limited Partnership, Sprott 2015 Flow-Through Limited Partnership and Sprott 2016 Short Duration Flow-Through Limited Partnership, of the gross proceeds of the offering. Each Partnership's obligation under the Loan Facility is secured by a pledge of the assets held by the Partnerships. Prior to the earlier of: (a) the dissolution of the Partnerships; (b) the date on which a Liquidity Alternative is completed; and (c) the maturity date of the Loan Facility, all amounts outstanding under the Loan Facility, including all interest accrued thereon, will be repaid in full. Interest is calculated based on the bank's Prime rate. Certain covenants exist that, if breached would require the immediate payment of accrued interest and the aggregate principal outstanding. These covenants require that: (a) the outstanding principal of the loan facility not exceed the least of (i) $2M for Sprott 2014-II Flow-Through Limited Partnership, $5M for Sprott 2015 Flow-Through Limited Partnership and $2M for Sprott 2016 Short Duration Flow-Through Limited Partnership; (ii) 10% of the gross proceeds from the sale of partnerships units for each of Sprott 2014-II Flow-Through Limited Partnership, Sprott 2015 Flow-Through Limited Partnership and Sprott 2016 Short Duration Flow-Through Limited Partnership; and (iii) the offering expenses incurred in connection with the initial or any subsequent offering; (b) the Partnerships each maintain a ratio of total assets to indebtedness of 4:1; and (c) the Partnerships each maintain a minimum ratio of total cash and liquid assets to indebtedness of 3:1. As at June 30, 2016, the Partnerships were in compliance with all covenants.

8. Allocation to the Partners

99.99% of the net income or loss of the Partnerships will be allocated pro-rata among the Limited Partners who are holders of units on the last day of each fiscal year, and 0.01% of the net income or loss will be allocated to the General Partner.

The General Partner will be entitled to a distribution of Partnerships property on the Performance Bonus Allocation Date (as defined in each Partnership's prospectus) (the "Performance Bonus Allocation") in an amount equal to 20% of the amount by which the Net Asset Value per unit on the Performance Bonus Allocation Date (excluding the effects of distributions, if any) exceeds $28, multiplied by the number of units outstanding at the Performance Bonus Allocation Date. The Performance Bonus Allocation will be calculated on the Performance Bonus Allocation Date and paid as soon as practicable thereafter. The Performance Bonus Allocation will be paid in Mutual Fund Shares in the event of the transfer of the assets of the Partnerships to the Mutual Fund Corporation pursuant to the Mutual Fund Rollover Transaction unless payment in Mutual Fund Shares is not permitted by applicable law. If the Partnership's assets are not transferred to the Mutual Fund Corporation, the Performance Bonus Allocation will be paid to the General Partner in cash. No Performance Bonus was allocated to any Partnership for the periods ended June 30, 2016 and 2015.

9. Partners' Capital and Capital Management

The Partnerships are authorized to issue an unlimited number of units. Each unit subjects the holder thereof to the same obligations and entitles such holder to the same rights as the holder of any other unit, including the right to one vote at all meetings of the Limited Partners and to equal participation in any distribution made by the Partnerships. Each Partnership is a limited life fund and the Partnership interest represents a contractual obligation to deliver cash or another financial instrument. Therefore, Partnership units are classified as financial liabilities.

Units are not redeemable by the Limited Partners.

CAPITAL MANAGEMENT

The Partnerships' capital represents the net assets of the Partnerships and is comprised of issued units net of agents' fees and issue expenses, and retained earnings (deficit). The Manager utilizes the partners' capital in accordance with the Partnerships' investment objectives, strategies and restrictions, as outlined in each Partnership's prospectus. The Partnerships do not have any externally imposed capital requirements.

10. Related-Party Transactions

MANAGEMENT FEES

In consideration for the Manager's services and pursuant to the terms of the Management Agreement, the Partnerships pay the Manager an annual management fee equal to 2% of their Net Asset Value, calculated and paid monthly in arrears.

ALLOCATION TO PARTNERS

The General Partner will be entitled to a distribution of the Partnerships' property if certain performance criteria are met. Refer to Note 8.

11. Operating Expenses of the Partnerships

The Partnerships are responsible for all expenses (inclusive of applicable taxes) incurred in connection with their operation and administration. These expenses include, but are not limited to, audit, legal, safekeeping, custodial, fund administration expenses, preparation costs of financial statements and other reports to investors and Independent Review Committee ("IRC") member fees and expenses. The Partnerships may use the Loan Facility to fund these expenses.

12. Independent Review Committee ("IRC")

In accordance with National Instrument 81-107, *Independent Review Committee for Investment Funds* ("NI 81-107"), the Manager has established an IRC for the Partnerships. The mandate of the IRC is to consider and provide recommendations to the Manager on conflicts of interest to which the Manager is subject when managing the Partnerships and other funds. Each fund or partnership subject to IRC oversight pays its pro rata share of the IRC member fees, costs and other fees in connection with operation of the IRC. The IRC reports annually to the Limited Partners as required by NI 81-107.

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