Sprott 2014-II Flow-Through L.P.

Report to Unitholders

DECEMBER 31
2015

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The annual management report of fund performance is an analysis and explanation that is designed to complement and supplement an investment fund's financial statements. This report contains financial highlights but does not contain the complete annual financial statements of the investment fund. A copy of the annual financial statements has been included separately within the Report to Unitholders. You can also get a copy of the annual 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 declined by 17.7% during the year.

Precious metals equities continued to underperform through 2015 driven by continued U.S. dollar strength, anticipation of the U.S. Federal Reserve Board raising interest rates and the relative outperformance of U.S. stock markets. Energy equities also struggled as global crude oil supply exceeded demand throughout 2015. The market's anticipation in early 2015 of a supply response, particularly in the U.S., was misguided. U.S. production proved to be incredibly resilient in the face of prices that have eclipsed the lows last seen during the global financial crisis.

At the end of 2015, materials and energy stocks represented 51.3% and 37.0% of the net asset value of the Partnership, respectively.

The top three detractors from performance were Tourmaline Oil Corp., Wellgreen Platinum Ltd. and Arsenal Energy Inc. The stock prices of Tourmaline Oil and Arsenal Energy suffered primarily as a result of the decline in crude oil prices. The top three contributors to fund performance were Canadian gold companies Lake Shore Gold Corp., Premier Gold Mines Ltd. and Integra Gold Corp.

The net asset value of the Partnership decreased from $11.8 million as of December 31, 2014 to $9.7 million as of December 31, 2015. The decrease was primarily the result of net realized investment losses of $4.2 million and fund expenses of $0.4 million, offset by net unrealized gains on investments of $2.6 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 December 31, 2015 the Partnership was in compliance with all covenants.

As at December 31, 2015, 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 year ended December 31, 2015 were $nil and $2,005,878 respectively. Interest expense, including standby fees and bank charges, for the year ended December 31, 2015 was $31,347.

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 year ended December 31, 2015, the Partnership incurred management fees (including taxes) of $262,643. 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 paid agency costs of $nil (2014 - $62,196) to Sprott Private Wealth LP, an affiliate of the Manager, as part of the initial offering of units of the Partnership. 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 years shown.

The Partnership's Net Assets per unit[1]

	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	**$14.71**	$23.12
Increase (decrease) from operations:		
Total revenue	**$0.01**	$–
Total expenses	**(0.55)**	(0.17)
Realized losses	**(5.30)**	–
Unrealized gains (losses)	**3.24**	(8.55)
Total decrease from operations[3]	**$(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	**$12.11**	$14.71

1 This information is derived from the Partnership's 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

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

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

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.

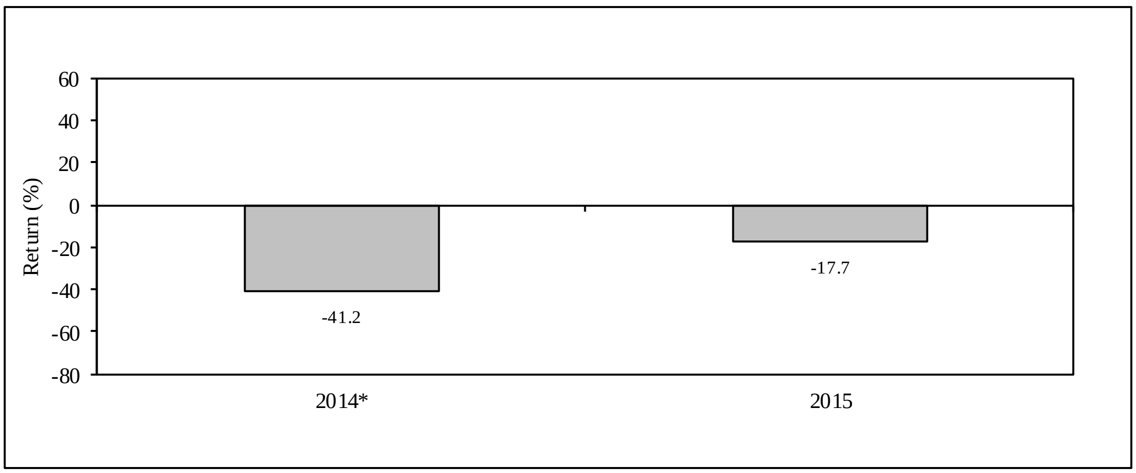
4 The Partnership's portfolio turnover rate indicates how actively the Partnership's portfolio adviser trades its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Partnership buying and selling all of the securities in its portfolio once in the course of the year. The higher 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 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).

Annual Compound Returns

The following table illustrates the annual compound total return before tax deductions available for units of the Partnership for the periods shown. As a basis of performance comparison, the annual compound return of the Partnership is compared to that of the S&P/TSX Capped Energy/S&P/TSX Capped Materials Blended Index. The S&P/TSX Capped Energy/S&P/TSX Capped Materials Blended Index is comprised of securities of Canadian energy sector and materials sector issuers listed on the TSX. Since the Partnership does not necessarily invest in the same securities or in the same proportion as the indices, the performance of the Partnership is not expected to equal their performance.

	1-Year	Since Inception*
Sprott 2014-II Flow-Through Limited Partnership	-17.7%	-44.0%
S&P/TSX Capped Energy/S&P/TSX Capped Materials Blended Index	-21.5%	-27.1%

* Since launch date of February 12, 2014 (not annualized), on a pre-tax basis.

Summary of Investment Portfolio

As of December 31, 2015

Portfolio Allocation

	% of Net Asset Value
Long Positions	
Materials	51.3
Energy	37.0
Health Care	2.5
Utilities	2.2
Information Technology	2.1
Total Long Positions	95.1
Cash	4.5
Other Net Assets	0.4
Total Net Asset Value	100.0

All Long Positions

Issuer	% of Net Asset Value
Lake Shore Gold Corp.	23.1
Tourmaline Oil Corp.	16.1
Premier Gold Mines Ltd.	9.5
Saracen Mineral Holdings Ltd.	6.4
Fission Uranium Corp.	5.7
Enerydynamic Hybrid Technologies Corp.	4.8
Cash	4.5
Seven Generations Energy Ltd.	4.2
Asanko Gold Inc.	3.7
Wesdome Gold Mines Ltd.	3.0
Advantage Oil & Gas Ltd.	2.5
Aphria Inc.	2.5
Leucrotta Exploration Inc.	2.3
Capstone Infrastructure Corp.	2.2
Detour Gold Corp.	2.2
GoldMoney Inc.	2.1
SEMAFO Inc.	1.8
Wolfden Resources Corp.	1.6
Blackbird Energy Inc.	1.4
All long positions as a percentage of net asset value	99.6

The Partnership held no short positions as at December 31, 2015.

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.

INDEPENDENT AUDITORS' REPORT

To the Partners of:

Sprott 2015 Flow-Through L.P.
Sprott 2014 Flow-Through L.P.
Sprott 2014-II Flow-Through L.P.

(collectively, the "Partnerships")

We have audited the accompanying financial statements of the each of the Partnerships, which comprise the statements of financial position as at December 31, 2015 and 2014 (or as indicated in the accompanying financial statements and in note 1), and the statements of comprehensive income, changes in net assets attributable to holders of redeemable units and cash flows for the years then ended (or as indicated in the accompanying financial statements in note 1) and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of each of the Partnerships as at December 31, 2015 and 2014, (or as indicated in the accompanying financial statements and in note 1), and each of their financial performance and cash flows for the years then ended (or as indicated in the accompanying financial statements in note 1) in accordance with International Financial Reporting Standards.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
March 30, 2016

Sprott 2014-II Flow-Through L.P.

Statements of Financial Position

(in Canadian Dollars)

As at December 31,	**2015**	2014
	$	$
Assets		
Current assets		
Investments *(note 3, 5)*	**9,213,204**	13,151,280
Cash	**438,014**	749,913
Dividends receivable	**4,500**	-
Due from broker	**62,325**	-
Total assets	**9,718,043**	13,901,193
Liabilities		
Current liabilities		
Loan payable *(note 7)*	**-**	2,004,696
Management fees payable *(note 10)*	**-**	438
Accrued expenses	**30,678**	127,279
Total liabilities	**30,678**	2,132,413
Net Assets attributable to Partners	**9,687,365**	11,768,780
Net Assets attributable to Partners per unit	**12.11**	14.71

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 year ended December 31, 2015 and for the period from October 2, 2014 to December 31, 2014	**2015**	2014
	$	$
Income		
Net gain (loss) on investments:[1]		
Dividends *(note 3)*	**4,500**	-
Net realized losses on sale of investments	**(4,240,982)**	-
Change in unrealized appreciation (depreciation) in the value of investments	**2,595,010**	(6,598,010)
Net realized losses on foreign exchange	**(2,012)**	-
Total loss	**(1,643,484)**	(6,598,010)
Expenses *(note 10, 11)*		
Management fees	**262,643**	84,623
Transaction costs *(note 3)*	**82,035**	-
Interest, standby fees and bank charges *(note 7)*	**31,347**	11,005
Audit fees	**19,239**	19,008
Administrative fees	**18,218**	5,933
Unitholder reporting costs	**11,019**	3,539
Independent Review Committee fees *(note 12)*	**5,136**	-
Filing fees	**4,702**	4,702
Custodial fees	**3,063**	400
Legal fees	**529**	1,500
Total expenses	**437,931**	130,710
Decrease in Net Assets attributable to Partners from operations	**(2,081,415)**	(6,728,720)
Weighted average number of units	**800,000**	771,656
Decrease in Net Assets attributable to Partners from operations per unit *(note 3)*	**(2.60)**	(8.72)
[1] **Net gain (loss) on investments comprised of:**		
Financial assets and liabilities designated at FVTPL	**(1,641,472)**	(6,598,010)
Financial assets and liabilities classified as HFT	-	-
	(1,641,472)	(6,598,010)

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 year ended December 31, 2015 and for the period from October 2, 2014 to December 31, 2014	**2015**	2014
	$	$
Net Assets attributable to Partners, beginning of period	**11,768,780**	-
Decrease in Net Assets attributable to Partners from operations	**(2,081,415)**	(6,728,720)
Partners' transactions *(note 1, 9)*		
Proceeds from Partnership units issued	**-**	20,000,000
Agents' fees and issue expenses *(note 3)*	**-**	(1,502,500)
	-	18,497,500
Net increase (decrease) in Net Assets attributable to Partners	**(2,081,415)**	11,768,780
Net Assets attributable to Partners, end of period	**9,687,365**	11,768,780

Changes in outstanding Partnership units for the year ended December 31, 2015 and for the period from October 2, 2014 to December 31, 2014 were as follows:

	2015	2014
Partnership units, beginning of period	**800,000**	-
Subscriptions	**-**	800,000
Redemptions	**-**	-
Partnership units, end of period	**800,000**	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 year ended December 31, 2015 and for the period from October 2, 2014 to December 31, 2014	**2015**	2014
	$	$
Cash flow from operating activities		
Increase in Net Assets attributable to Partners from operations	**(2,081,415)**	(6,728,720)
Adjustments for:		
Net realized losses on sales of investments	**4,240,982**	-
Change in unrealized (appreciation) depreciation in the value of investments	**(2,595,010)**	6,598,010
Purchases of investments	**(6,258,030)**	(19,749,290)
Proceeds from sales of investments	**8,487,809**	-
Net increase (decrease) in other assets and liabilities	**(101,539)**	127,717
Net cash provided by (used in) operating activities	**1,692,797**	(19,752,283)
Cash flows from financing activities		
Proceeds from issuance of Partnership units	**-**	20,000,000
Agents' fees and issue expenses	**-**	(1,502,500)
Increase (decrease) in loan payable	**(2,004,696)**	2,004,696
Net cash provided by (used in) financing activities	**(2,004,696)**	20,502,196
Net increase (decrease) in cash	**(311,899)**	749,913
Cash at beginning of period	**749,913**	-
Cash at end of period	**438,014**	749,913
Supplemental Information		
Interest paid	**31,347**	11,005

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 December 31, 2015

		Expiry Date	Average Cost	Fair Value
			$	$
SHARES	EQUITIES [95.11%]			
	MATERIALS [51.30%]			
175,000	Asanko Gold Inc.		402,628	355,250
15,000	Detour Gold Corp.		210,253	216,150
2,000,000	Lake Shore Gold Corp.		2,340,001	2,240,000
350,000	Premier Gold Mines Ltd.		857,500	924,000
1,000,000	Saracen Mineral Holdings Ltd.		479,716	615,105
50,000	SEMAFO Inc.		190,250	175,500
225,000	Wesdome Gold Mines Ltd.		292,603	285,750
1,850,000	Wolfden Resources Corp.		407,000	157,259
925,000	Wolfden Resources Corp., Warrants	Dec 19, 2016	-	-
			5,179,951	4,969,014
	ENERGY [37.03%]			
35,000	Advantage Oil & Gas Ltd.		281,278	246,050
882,500	Blackbird Energy Inc.		397,125	132,375
1,300,000	Enerydynamic Hybrid Technologies Corp.		1,040,000	468,000
667,000	Fission Uranium Corp.		1,000,500	546,940
274,800	Leucrotta Exploration Inc.		306,608	225,336
30,000	Seven Generations Energy Ltd.		420,852	404,400
70,000	Tourmaline Oil Corp.		3,990,000	1,564,500
			7,436,363	3,587,601
	HEALTH CARE [2.48%]			
175,000	Aphria Inc.		213,509	224,000
87,500	Aphria Inc., Warrants	Dec 11, 2018	13,991	16,289
			227,500	240,289
	UTILITIES [2.25%]			
60,000	Capstone Infrastructure Corp.		212,225	217,800
			212,225	217,800
	INFORMATION TECHNOLOGY [2.05%]			
50,000	GoldMoney Inc.		176,250	198,500
			176,250	198,500
Total Equities			13,232,289	9,213,204
Transaction Costs *(note 3)*			(16,084)	
Total Investments [95.11%]			**13,216,205**	**9,213,204**
Cash and Other Assets Less Liabilities [4.89%]				474,161
Total Net Assets [100.00%]				**9,687,365**

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 December 31, 2015. 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 December 31, 2015 and 2014, 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.

December 31, 2015		December 31, 2014	
Impact ($'000)	**As a % of Net Assets attributable to Partners**	Impact ($'000)	As a % of Net Assets attributable to Partners
921	9.51%	1,315	11.17%

b) Currency Risk

As at December 31, 2015 and 2014, the Partnership had minimal foreign currency exposure.

c) Interest Rate Risk

As at December 31, 2015 and 2014, the Partnership did not have a material exposure to interest rate risk from its investments. Assuming the same debt level as at December 31, 2015, a 0.5% change in interest rates would result in a decrease of approximately $nil (2014 - $10,023) to Net Assets attributable to Partners on an annual basis.

Credit Risk

As at December 31, 2015 and 2014, 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 December 31, 2015 and 2014.

	December 31, 2015	December 31, 2014
Materials	51.30%	57.27%
Energy	37.03%	54.48%
Health Care	2.48%	–
Utilities	2.25%	–
Information Technology	2.05%	–
Cash and Other Assets Less Liabilities	4.89%	(11.75%)
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 December 31, 2015 and 2014, have been categorized based upon the fair value hierarchy in the tables below:

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

December 31, 2014

	Level 1	Level 2	Level 3	Total
	$	$	$	$
Equities – Long	1,367,540	11,767,266	–	13,134,806
Warrants	–	16,474	–	16,474
	1,367,540	11,783,740	–	13,151,280

Loan Facility *(note 7)*

As at December 31, 2015, the loan outstanding consists of a prime rate loan with a principal amount (including interest payable) of $nil (2014 - $2,004,696). The minimum and maximum amounts borrowed during the year ended December 31, 2015 were $nil (2014 - $887,659) and $2,005,878 (2014 - $2,004,696) respectively. Interest expense, including standby fees and bank charges, for the year ended December 31, 2015 was $31,347 (2014 - $11,005).

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:

	December 31, 2015	December 31, 2014
Units held	18,917	18,917
Value of units held ($)	229,070	278,288

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

Sprott Flow-Through LPs
Generic Notes to Financial Statements *December 31, 2015*

1. Formation of the Partnerships

Sprott 2014 Flow-Through Limited Partnership, Sprott 2014-II Flow-Through Limited Partnership and Sprott 2015 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 Flow-Through Limited Partnership was formed on December 10, 2013, Sprott 2014-II Flow-Through Limited Partnership was formed on September 23, 2014 and Sprott 2015 Flow-Through Limited Partnership was formed on January 30, 2015. The investment objective of the Partnerships is to provide for a tax-assisted investment in a diversified portfolio of flow-through shares and other securities, if any, of Resource Issuers (as defined in the prospectus of each Partnership, the “Prospectus”) with a view to achieving capital appreciation and significant tax benefits for the Limited Partners. The address of the Partnerships’ registered office is 200 Bay Street, Toronto, Ontario.

On February 14, 2014, the Sprott 2014 Flow-Through Limited Partnership completed the first closing of its initial public offering of 302,107 units at $25 per unit for gross proceeds of $7,552,675. On March 27, 2014, the Partnership completed its second closing of its initial public offering of 233,652 units at $25 per unit for gross proceeds of $5,841,300. On April 29, 2014, the Partnership completed its final closing of its initial public offering of 152,355 units at $25 per unit for gross proceeds of $3,808,875.

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.

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 Flow-Through Limited Partnership is Sprott 2014 Corporation, the general partner of the Sprott 2014-II Flow-Through Limited Partnership is Sprott 2014-II Corporation and the general partner of the Sprott 2015 Flow-Through Limited Partnership is Sprott 2015 Corporation (each a “General Partner”).

The Sprott 2014 Flow-Through Limited Partnership intends to implement a Mutual Fund Rollover Transaction prior to February 29, 2016, the Sprott 2014-II Flow-Through Limited Partnership intends to implement a Mutual Fund Rollover Transaction prior to October 31, 2016 and the Sprott 2015 Flow-Through Limited Partnership intends to implement a Mutual Fund Rollover Transaction prior to February 28, 2017, unless the Limited Partners approve a Liquidity Alternative, as defined in the 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 December 31, 2015 and 2014, with the exception of Sprott 2015 Flow-Through Limited Partnership, which presents the Statement of Financial Position only as at December 31, 2015. 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 years ended December 31, 2015 and 2014, 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 December 31 of the applicable year. The Schedule of Investment Portfolio for each Partnership is as at December 31, 2015.

These Financial Statements of the Partnerships were approved for issuance by the Manager on March 30, 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.

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 the Partnerships' 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.

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 years ended December 31, 2015 and 2014, 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 years ended December 31, 2015 and 2014, 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 December 31, 2015, 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: 12.5% for Sprott 2014 Flow-Through Limited Partnership and 10% for each of Sprott 2014-II Flow-Through Limited Partnership and Sprott 2015 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) $6.25M for Sprott 2014 Flow-Through Limited Partnership, $2M for Sprott 2014-II Flow-Through Limited Partnership and $5M for Sprott 2015 Flow-Through Limited Partnership; (ii) 12.5% of the gross proceeds from the sale of partnerships units for Sprott 2014 Flow-Through Limited Partnership and 10% for each of Sprott 2014-II Flow-Through Limited Partnership and Sprott 2015 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 December 31, 2015, 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 the 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 years ended December 31, 2015 and 2014.

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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