

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE 2021

**PRECIOUS METALS AND
MINING TRUST**

DECEMBER 31, 2021

Precious Metals and Mining Trust

Management Report of Fund Performance for the year ended December 31, 2021

This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You can get a copy of the annual financial statements at your request, and at no cost, by calling 1-800-792-9355, by writing to us at CI Investments Inc., 15 York Street, Second Floor, Toronto, ON, M5J 0A3 or by visiting our website at www.ci.com or SEDAR at www.sedar.com.

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.

To request an alternate format of this document, please contact us at service@ci.com or 1-800-792-9355.

INVESTMENT OBJECTIVE AND STRATEGIES

The Precious Metals and Mining Trust (the Trust) investment objectives are to provide unitholders with: (i) long-term capital appreciation; and (ii) monthly cash distributions. The Trust provides investors with the opportunity to invest in an actively managed portfolio of mining issuers. The Trust focuses on companies listed on North American stock exchanges that are engaged in the exploration, mining and production of gold, diamonds, uranium, copper, zinc and other metals and minerals.

For a complete discussion of the Trust's investment objective and strategies, please refer to the Trust's most recently filed simplified prospectus.

RISK

No changes affecting the overall level of risk associated with investing in the Trust were made during the year. The risks of the Trust remain as discussed in the Trust's most recently filed simplified prospectus or its amendments. The Manager reviews the risk rating for the Trust on an annual basis, at a minimum, based on the methodology mandated by the Canadian Securities Administrators to determine the risk level of the Trust. Any change to the risk rating made during the year was as a result of such review and was not a result of any change to the investment objective, strategies or management of the Trust.

RESULTS OF OPERATIONS

The Trust's net assets decreased by \$4.8 million to \$30.6 million from December 31, 2020 to December 31, 2021. The Trust had net redemptions of \$2.5 million for the year. The Trust paid distributions totalling \$1.6 million while the portfolio's performance decreased assets by \$0.7 million. The Trust returned -0.2% after fees and expenses for the one-year period ended December 31, 2021. Over the same time period, the Trust's benchmarks returned 25.1%. The benchmarks are the S&P/TSX Composite Total Return Index (the Benchmark or the Index).

Economic activity improved during the year as pandemic restrictions eased. Several factors challenged the price of gold, including a strengthening U.S. dollar, rising 10-year real interest rates and expectations for U.S. interest rate increases.

The Trust underperformed its benchmark for the year. Security selection detracted from the Trust's performance, with the largest individual detractors being Centerra Gold Inc., Gold Standard Ventures Corp. and Torex Gold Resources Inc. Centerra Gold Inc. underperformed after the Kazakhstan government seized control of its Kumtor gold mine. Gold Standard Ventures Corp.'s stock declined as a result of a change in management and an absence of exploration. Despite improving production at its El Limon-Guajes mine in Mexico, Torex Gold Resources Inc. underperformed given a shift in investor focus to the Media Luna development project in Mexico, and concerns over rising capital costs and timing.

Security selection contributed to the Trust's performance. The top individual contributors to the Trust's performance included holdings in Roxgold Inc., Pretium Resources Inc. and Victoria Gold Corp. Roxgold Inc. outperformed as a result of positive exploration results from its Seguela development project and the company's acquisition by Fortuna Silver Mines Inc. at a premium. Pretium Resources Inc.'s share price benefited from a stabilization of production and positive exploration results. The company was acquired at a premium by Newcrest Mining Ltd. in November. Victoria Gold Corp.'s outperformance for the first half of the year was driven by improved production at the Eagle Gold Mine in Yukon and by speculation regarding mergers and acquisitions.

We added a new position in Rupert Resources Ltd. to the Trust and increased an existing holding in Barrick Gold Corp. Roxgold Inc. was eliminated from the Trust, while MAG Silver Corp. was trimmed.

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RECENT DEVELOPMENTS

In 2022, we continue to expect improving economic activity, a reduction in monetary and fiscal stimulus, and rising real interest rates to present challenges for precious metal prices. However, we believe that gold demand from central banks should provide support for gold prices. Despite our outlook for the metal, we believe an investment opportunity exists for precious metals equities given compelling valuation metrics. The Trust is focused on high-quality, high-margin companies that are generating free cash and trading at attractive valuations. We are also focused on companies that are creating wealth through exploration and increasing high-quality resources.

Registered office address

Effective August 1, 2021, the Trust's registered office address changed from 2 Queen Street East, Twentieth Floor, Toronto, Ontario, M5C 3G7 to 15 York Street, Second Floor, Toronto, Ontario M5J 0A3.

Independent Review Committee

Effective December 10, 2021, James Werry resigned as a member of the Independent Review Committee (IRC).

RELATED PARTY TRANSACTIONS

Manager, Portfolio Adviser and Trustee

CI Investments Inc. is the Manager, Portfolio Adviser and Trustee of the Trust. CI Investments Inc. is a subsidiary of CI Financial Corp. The Manager, in consideration of management fees, provided management services required in the day-to-day operations of the Trust.

Management fee rate as at December 31, 2021, for the Class is shown below:

	Annual management fee rate (%)
Class A	1.100

The Manager received \$0.4 million in management fees for the year.

Management Fees

100% of total management fees were used to pay for investment management and other general administration.

Inter Fund Trading

Inter fund trading occurs when a Fund purchases or sells a security of any issuer from or to another Fund managed by the Manager. These transactions are executed through market intermediaries and under prevailing market terms and conditions. The IRC reviews such transactions during scheduled meetings. During the year ended December 31, 2021, the Trust executed inter fund trades.

Independent Review Committee

The Trust has received standing instructions from the Trust's IRC to make or hold an investment in the security of an issuer related to the Manager.

The applicable standing instructions require, amongst others, that related party transactions be conducted in accordance with the Manager's policies and procedures and applicable law and that the Manager advise the IRC of any material breach of such policies. The Manager's policies require that investment decisions in respect of related party transactions (a) are free from any influence by an entity related to the Manager and without taking into account any consideration relevant to an entity related to the Manager; (b) represent the business judgment of the Manager, uninfluenced by considerations other than the best interests of the Fund; and (c) do not exceed the limitations of the applicable legislation. Quarterly, the IRC reviews reports which assess compliance with applicable CI policies. Annually, the IRC reviews reports describing each instance that the Manager acted in reliance on the standing instructions noted above.

The Trust relied on the IRC's standing instructions regarding related party transactions during this reporting year.

Except as otherwise noted above, the Trust was not a party to any related party transactions during the year ended December 31, 2021.

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FINANCIAL HIGHLIGHTS

The following table shows selected key financial information about the Trust and is intended to help you understand the Trust's financial performance for the past five years.

NET ASSETS PER UNIT ^(1, 2, 7)

	Year Ended Dec. 31, 2021	Year Ended Dec. 31, 2020	Year Ended Dec. 31, 2019	Year Ended Dec. 31, 2018	Year Ended Dec. 31, 2017
	\$	\$	\$	\$	\$
Commencement of operations June 20, 2006					
Net assets at the beginning of year ⁽¹⁾	2.53	1.68	1.48	2.00	2.35
Increase (decrease) from operations:					
Total revenue	0.02	0.01	0.01	-	0.01
Total expenses (excluding distributions)	(0.04)	(0.04)	(0.03)	(0.04)	(0.05)
Realized gains (losses) for the year	0.34	0.45	0.11	0.15	(0.47)
Unrealized gains (losses) for the year	(0.36)	0.62	0.23	(0.41)	0.40
Total increase (decrease) from operations ⁽²⁾	(0.04)	1.04	0.32	(0.30)	(0.11)
Distributions:					
From net investment income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	(0.12)	(0.12)	(0.12)	(0.24)	(0.24)
Total distributions ^(2,3)	(0.12)	(0.12)	(0.12)	(0.24)	(0.24)
Net assets at the end of the year shown ⁽²⁾	2.40	2.53	1.68	1.48	2.00
Ratios and Supplemental Data					
Total net assets (\$000's) ⁽⁷⁾	30,616	35,394	28,752	27,306	38,480
Number of units outstanding (000's) ⁽⁷⁾	12,769	13,983	17,144	18,470	19,269
Portfolio turnover rate (%) ⁽⁵⁾	107.26	175.20	148.42	89.80	41.38
Trading expense ratio (%) ⁽⁶⁾	0.58	0.73	0.74	0.34	0.26
Management expense ratio before taxes (%) ⁽⁴⁾	1.68	1.65	1.72	1.90	-
Harmonized sales tax (%) ⁽⁴⁾	0.15	0.15	0.18	0.17	-
Management expense ratio after taxes (%) ⁽⁴⁾	1.83	1.80	1.90	2.07	2.01
Effective HST rate for the year ⁽⁴⁾	8.92	8.97	9.83	9.22	-
Closing market price	2.25	2.25	1.59	1.39	2.04

(1) This information is derived from the Trust's audited annual financial statements.

(2) Net assets per unit and distributions per unit are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations per unit is based on the weighted average number of units outstanding over the fiscal year.

(3) Distributions were paid in cash or automatically reinvested in additional units of the Trust.

(4) Management expense ratio is calculated based on expenses charged to the Trust (excluding commissions and other portfolio transaction costs) and is expressed as an annualized percentage of daily average net assets for the year. As of July 1, 2010, Ontario combined the federal goods and services tax ("GST" - 5%) with the provincial retail sales tax ("PST" - 8%). The combination resulted in a Harmonized sales tax ("HST") rate of 13%. The Effective HST tax rate is calculated using the attribution percentage for each province based on shareholder residency and can be different from 13%.

(5) The Trust's portfolio turnover rate indicates how actively the Trust's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Trust buying and selling all of the securities in its portfolio once in the course of the fiscal year. The higher a Trust's portfolio turnover rate in a year, the greater the trading costs payable by the Trust in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a higher turnover rate and the performance of a Trust. Portfolio turnover rate is calculated by dividing the lesser of the cost of purchases and the proceeds of sales of portfolio securities for the year, excluding cash and short-term investments maturing in less than one year, by the average of the monthly fair value of investments during the year.

(6) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value of the Trust during the year.

(7) This information is provided for the years ended December 31.

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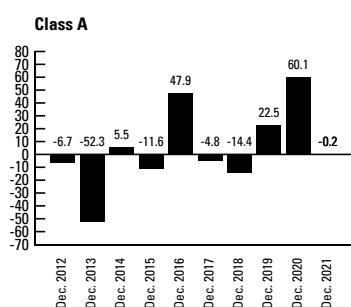
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PAST PERFORMANCE

This section describes how the Trust has performed in the past. Remember, past returns do not indicate how the Trust will perform in the future. The information shown assumes that distributions made by the Trust in the years shown were reinvested in additional units of the Trust. In addition, the information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance.

Year-by-Year Returns

The following chart shows the Trust's annual performance for each of the years shown and illustrates how the Trust's performance has changed from year to year. In percentage terms, the chart shows how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year, except where noted.



Annual Compound Returns

The following table shows the Trust's annual compound returns for each year indicated, compared to the S&P/TSX Composite Total Return Index.

The S&P/TSX Composite Index is a float-adjusted market capitalization weighted index, which is the principal broad measure of the Canadian equity market. It includes common stocks and income trust units of companies incorporated in Canada which are listed on the Toronto Stock Exchange.

A discussion of the performance of the Trust as compared to the benchmark is found in the Results of Operations section of this report.

	One Year (%)	Three Years (%)	Five Years (%)	Ten Years (%)	Since Inception (%)
Class A	(0.2)	25.1	9.8	(0.2)	n/a
S&P/TSX Composite Total Return Index	25.1	17.5	10.0	9.1	n/a

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SUMMARY OF INVESTMENT PORTFOLIO as at December 31, 2021

Category	% of Net Assets	Category	% of Net Assets	Top 25 Holdings	% of Net Assets
Country allocation		Sector allocation			
Canada	73.7	Materials	98.7	Osisko Gold Royalties Ltd.	7.4
Australia	15.7	Cash & Cash Equivalents	1.9	K92 Mining Inc.	6.9
U.S.A.	4.9	Other Net Assets (Liabilities)	(0.6)	SSR Mining Inc.	6.9
U.K.	4.4			Artemis Gold Inc., Warrants (27 August 2024)	6.3
Cash & Cash Equivalents	1.9			Kinross Gold Corp.	6.1
Other Net Assets (Liabilities)	(0.6)			Bellevue Gold Ltd.	5.5
				Rupert Resources Ltd.	5.0
				Endeavour Mining PLC	4.2
				Wheaton Precious Metals Corp.	4.0
				Newmont Mining Corp.	3.1
				Arena Minerals Inc.	2.9
				G Mining Ventures Corp.	2.8
				Lundin Mining Corp.	2.7
				Agnico-Eagle Mines Ltd.	2.7
				Solaris Resources Inc.	2.6
				Firefinch Limited	2.6
				Champion Iron Ltd.	2.3
				Osisko Mining Inc.	2.1
				Benchmark Metals Inc.	2.1
				Predictive Discovery Ltd.	2.1
				Centaurus Metals Ltd.	2.0
				SilverCrest Metals Inc.	1.9
				Cash & Cash Equivalents	1.9
				Great Bear Resources Ltd.	1.9
				Sandstorm Gold Ltd.	1.9
				Total Net Assets (in \$000's)	\$30,616

The summary of investment portfolio may change due to ongoing portfolio transactions of the Trust and updates will be available on a quarterly basis.

A NOTE ON FORWARD-LOOKING STATEMENTS

This report may contain forward-looking statements about the Trust, its future performance, strategies or prospects, and possible future Trust action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective," and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Trust and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause

actual events or results to differ materially from those expressed or implied in any forward-looking statement made by the Trust. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.