Financial Statements of

PROBITY MINING 2021 SHORT DURATION FLOW-THROUGH LIMITED PARTNERSHIP

Period ended June 30, 2022

(Unaudited)

PROBITY MINING 2021 SHORT DURATION FLOW-THROUGH LIMITED PARTNERSHIP

Statement of Financial Position

As at June 30, 2022 (Unaudited) and December 31, 2021 (Audited)

Assets

	June 30, 2022	Dec 31, 2021
Current assets:		
Cash	$ 1,569,362	$ 856,413
Tax receivable	11,689	7,707
Prepaid expenses	662	-
Investments	1,842,726	6,730,881
	3,424,439	7,595,001

Liabilities

	June 30, 2022	Dec 31, 2021
Current liabilities:		
Accounts payable and accrued liabilities	15,351	50,252
	15,351	50,252
Class net assets attributable to Partners	$ 3,409,088	$ 7,544,749
Net assets attributable to Partners:		
Class A - National Class	1,619,758	$ 3,590,649
Class A - British Columbia	616,009	1,241,875
Class A - Quebec	171,797	458,343
Class F - National Class	883,544	1,955,934
Class F - British Columbia	24,000	48,295
Class F - Quebec	93,960	249,633
Class P	10	10
General Partner	10	10
	3,409,088	7,544,749
Partnership units outstanding (note 4):		
Class A - National Class	399,996	399,996
Class A - British Columbia	252,910	252,910
Class A - Quebec	83,669	83,669
Class F - National Class	208,590	208,590
Class F - British Columbia	9,500	9,500
Class F - Quebec	43,200	43,200
Class P	1	1
General Partner	1	1
Net assets per unit attributable to Limited Partners (note 9):		
Class A - National Class	$ 4.05	$ 8.98
Class A - British Columbia	2.44	4.91
Class A - Quebec	2.05	5.48
Class F - National Class	4.24	9.38
Class F - British Columbia	2.53	5.08
Class F - Quebec	2.17	5.78
Class P	10.00	10.00
General Partner	10.00	10.00

PROBITY MINING 2021 SHORT DURATION FLOW-THROUGH LIMITED PARTNERSHIP

Statement of Financial Position (continued)

As at June 30, 2022 (Unaudited) and December 31, 2021 (Audited)

See accompanying notes to financial statements.

Approved on behalf of the Board of Directors of the General Partner:

Peter Christiansen	Director	Brent Larkan	Director

PROBITY MINING 2021 SHORT DURATION FLOW-THROUGH LIMITED PARTNERSHIP

Statement of Comprehensive Income

For the six months ended June 30, 2022 (Unaudited) and for the period from commencement of operations on February 11, 2021 to June 30, 2021(Unaudited)

	June 30, 2022	June 30, 2021
Income:		
Realized loss on investments	$ (1,207,711)	$ -
Unrealized (depreciation)/appreciation of investments	(397,495)	969,626
Tax refund	4,328	-
	(1,600,878)	969,626
Expenses (note 3):		
Accounting fees	25,266	15,923
Commission and fees	24,354	-
Administrative fees	18,306	42,848
Custodian fee	12,686	1,269
Tax and compliance professional fees	10,621	115
Audit fees	5,129	1,229
Transfer agent fees	1,113	3,720
Legal fees	195	1,438
Operating fees	155	-
Bank charges	148	193
Issue costs	-	916,472
Performance fees	-	111,710
	97,973	1,094,917
Decrease in net assets attributable to Partners from operations	(1,698,851)	$ (125,291)

(Decrease)/ Increase in net assets attributable to partners from operations per Class (note 8):

Class A - National Class	$ (733,542)	$ 120,785
Class A - British Columbia	(298,876)	7,551
Class A – Quebec	(166,339)	(264,674)
Class F - National Class	(398,325)	129,498
Class F - British Columbia	(11,576)	2,548
Class F - Quebec	(90,193)	(121,000)
	$(1,698,851)	$(125,291)

(Decrease)/ Increase in net assets attributable to partners from operations per unit (note 9):

Class A – National Class	$ (1.83)	$ 0.30
Class A – British Columbia	(1.18)	0.03
Class A – Quebec	(1.99)	(3.16)
Class F – National Class	(1.91)	0.62
Class F – British Columbia	(1.22)	0.27
Class F – Quebec	(2.09)	(2.80)

See accompanying notes to financial statements.

PROBITY MINING 2021 SHORT DURATION FLOW-THROUGH LIMITED PARTNERSHIP

Statement of Changes in Net Assets Attributable to Partners

For the six months ended June 30, 2022 (Unaudited)

June 30, 2022	Net assets attributable to Partners Beginning of period	Distributions	Decrease in net assets attributable to Partners from operations	Net assets attributable to Partners, end of period
Class A - National Class	$ 3,590,649	$ (1,237,348)	$ (733,542)	$1,619,758
Class A - British Columbia	1,241,875	(326,990)	(298,876)	616,009
Class A – Quebec	458,343	(120,207)	(166,339)	171,797
Class F - National Class	1,955,934	(674,065)	(398,325)	883,544
Class F - British Columbia	48,295	(12,720)	(11,576)	24,000
Class F – Quebec	249,633	(65,480)	(90,193)	93,960
Class P	10	-	-	10
General Partner	10	-	-	10
	$7,544,749	$(2,436,810)	$(1,698,851)	$3,409,088

For the period from commencement of operations on February 11, 2021 to June 30, 2021 (Unaudited)

June 30, 2021	Net assets attributable to beginning of	Proceeds from issuance	Increase (decrease) in net assets attributable to Partners	Net assets attributable to Partners, end of period
Class A - National Class	$ –	$ 3,999,960	$ 120,785	$ 4,120,745
Class A - British Columbia	–	2,529,100	7,551	2,536,651
Class A - Quebec	–	836,690	(264,674)	572,016
Class F - National Class	–	2,085,900	129,498	2,215,398
Class F - British Columbia	–	95,000	2,548	97,548
Class F - Quebec	–	432,000	(121,000)	311,000
Class P	–	10	-	10
General Partner	–	10	-	10
	$ –	$ 9,978,670	$ (125,291)	$ 9,853,379

See accompanying notes to financial statements.

PROBITY MINING 2021 SHORT DURATION FLOW-THROUGH LIMITED PARTNERSHIP

Statement of Cash Flows

For the six months ended 30 June, 2022 (Unaudited) and the period from commencement of operations on February 11, 2021 to June 30, 2021 (Unaudited)

	June 30, 2022	June 30, 2021
Cash provided by (used in):		
Operating activities:		
Decrease in net assets attributable to partners from operations	$ (1,698,851)	$ (125,291)
Items not involving cash:		
Realized loss on investments	1,207,711	-
Unrealized depreciation/ (appreciation) of investments	397,495	(969,626)
Changes in non-cash balances:		
Accounts payable and accrued liabilities	(34,901)	81,965
Tax receivable	(3,982)	-
Prepaid expenses	(662)	-
Performance fees payable	-	111,710
	(133,190)	(901,242)
Investing activities:		
Purchase of investments	(288,462)	(8,450,004)
Proceeds from selling of investments	3,571,411	-
	3,282,949	(8,450,004)
Financing activities:		
Proceeds from issuance of units	-	9,978,670
Distributions Paid	(2,436,810)	-
	(2,436,810)	9,978,670
Increase in cash	712,949	627,424
Cash, beginning of period	856,413	-
Cash, end of period	$ 1,569,362	$ 627,424

See accompanying notes to financial statements.

PROBITY MINING 2021SHORT DURATION FLOW-THROUGH LIMITED PARTNERSHIP

Schedule of Investment Portfolio

As at June 30, 2022 (Unaudited)

	Number of Shares	Average cost	Fair value $	Net assets %
Canadian equities mining*:				
Avalon Advanced Materials Inc.	1,125,000	225,000	129,375	3.80
Beauce Gold Fields Inc.	232,930	81,526	16,305	0.48
Blue Lagoon Resources Inc.	382,782	313,881	126,318	3.71
Etruscus Resources Corp.	475,430	166,401	38,034	1.12
Focus Graphite Inc.	98,300	117,960	23,592	0.69
Forum Energy Metals Corp.	450,001	202,500	45,000	1.32
Frontier Lithium Inc.	200,001	273,335	460,002	13.49
Genesis Metals Corp. (NC)	604,000	144,960	60,400	1.77
Genesis Metals Corp. (QC)	1,208,001	289,920	120,800	3.54
Great Atlantic Resources Corp.	494,183	271,801	49,418	1.45
Interra Copper Corp.	142,500	256,500	104,025	3.05
Lomiko Metals Inc.	626,824	106,560	31,341	0.92
Metallis Resources Inc.	1,595,500	797,750	271,235	7.96
Prospector Metals Corp. (NC)	24,848	16,400	11,679	0.34
Rockridge Resources Inc.	972,572	136,160	58,354	1.71
Strikepoint Gold Inc.	278,800	69,700	16,728	0.49
Vision Lithium Inc. (NC)	122,428	26,934	10,406	0.31
VR Resources Ltd.	935,745	393,012	140,363	4.12
Total equities		3,890,300	1,713,375	50.26
Canadian warrants mining:				
Beauce Gold Fields Inc.				
(expiry 25 Mar 2023; strike price $0.50)	428,572		142	0.00
Blue Lagoon Resources Inc.				
(expiry 15 July 2023; strike price $1.10)	304,879		1,570	0.05
Etruscus Resources Corp.				
(expiry 19 May 2023; strike price $0.45)	428,572		2,076	0.06
Forum Energy Metals Corp.				
(expiry 29 Jun 2023; strike price $0.57)	555,556		1,977	0.06
Great Atlantic Resources Corp.				
(expiry 29 Mar 2023; strike price $0.75)	454,546		124	0.00
Interra Copper Warrants (BC)				
(expiry 16 Apr 2023; strike price $2.70)	166,667		31,350	0.92
Metallis Resources Inc.				
(expiry 30 Apr 2023; strike price $0.70)	1,000,000		6,236	0.18
Prospector Metals Corp. (BC)				
(expiry 1 Apr 2023; strike price $1.20)	69,445		12,378	0.36
Prospector Metals Corp. (NC)				
(expiry 1 Apr 2023; strike price $1.20)	303,030		59,616	1.75
Rockridge Resources Ltd.				
(expiry 5 Mar 2024; strike price $0.22)	1,071,429		4,086	0.12

PROBITY MINING 2021SHORT DURATION FLOW-THROUGH LIMITED PARTNERSHIP

Schedule of Investment Portfolio

As at June 30, 2022 (Unaudited)

Strikepoint Gold Inc. Resources Inc. (expiry 30 Dec 2022 ; strike price $0.35)	1,500,000		635	0.02
Vision Lithium Inc. (NC) Resources Inc. (expiry 20 Apr 2023; strike price $0.30)	568,182		4,579	0.13
Visions Lithium Inc. (QC) Resources Inc. (expiry 20 Apr 2023; strike price $0.30)	568,182		4,579	0.13
Total warrants			129,351	3.79
Total portfolio of investments			1,842,726	54.05
Cash			1,569,362	46.03
Other net liabilities			(3,000)	(0.09)
Net assets attributable to Partners		**$**	**3,409,088**	**100.00**

See accompanying notes to financial statements.

1. Formation and purpose of the Partnership:

Probity Mining 2021 Short Duration Flow-Through Limited Partnership (the "Partnership") was formed on November 4, 2020 as a limited partnership under the laws of the Province of British Columbia, Canada and commenced operations on February 11, 2021. The address of the Partnership's registered office is Suite 530, 355 Burrard Street, Vancouver, British Columbia V6C 2G8. The general partner of the Partnership is Probity 2021 Management Corp. (the "General Partner") whose ultimate parent is Probity Capital Corporation. The Partnership consists of seven classes of limited partnership units, National Class ("NC") A and F; British Columbia ("BC") Class A and F; Quebec Class ("QC") A and F; and Class P (collectively, the "Units"). The Units are identical to each other, except for the fees applicable to each class. The principal purpose of the Partnership is to provide Limited Partners with a tax-assisted investment in a portfolio of flow-through shares of resource issuers for capital appreciation and profits. Management's intention is that an investment in the Partnership will provide all classes of A and F Limited Partners exposure to a portfolio (the "Portfolio") comprising primarily shares of resource issuers that qualify as "flow-through shares" for the purposes of the Income Tax Act (Canada) (the "ITA") pursuant to which the resource issuer agrees to incur and renounce to the Partnership "Canadian exploration expense" (as defined in the ITA) ("CEE").

The General Partner delegates certain investment advisory responsibilities to Qwest Investment Fund Management Ltd. (the "Manager").

Under the limited partnership agreement (the "Partnership Agreement") between the General Partner and each of the Limited Partners (together, the "Partners"), dated November 4, 2020, for each Portfolio, ordinary income is allocated among the Partners on the following basis:

(*i*) firstly, pro rata to the particular Partners the amount (if any) by which

- (a) the aggregate Ordinary Losses in respect of the Class Portfolio allocated to the particular Partners in prior Fiscal Years; exceeds
- (b) the aggregate Ordinary Income in respect of the Class Portfolio allocated to the particular Partners in prior Fiscal Years;

(*ii*) secondly, to the General Partner 0.01% of the remaining unallocated Ordinary Income in respect of the Class Portfolio;

(*iii*) thirdly, pro rata to the particular Partners the lesser of:

- (a) the remaining unallocated Ordinary Income in respect of the Class Portfolio; and
- (b) the amount (if any) by which:
  - (A) the aggregate Subscription Price paid for the Class to which the Class Portfolio relates; exceeds

1. **Formation and purpose of the Partnership (continued):**

(*iii*) thirdly, pro rata to the particular Partners the lesser of (continued):

(b) the amount (if any) by which (continued):

(B) the total of:

- the Ordinary Income in respect of the Class Portfolio allocated to the particular Partners in the Fiscal Year and
- the aggregate Ordinary Income in respect of the Class Portfolio allocated to the particular Partners in prior Fiscal Years; and

(*iv*) fourthly, the balance of the unallocated Ordinary Income in respect of the Class Portfolio shall be allocated as follows:

(a) 30% to the holders of the Class P Units pro rata; and

(b) 70% to the particular Partners pro rata.

In order to provide Limited Partners with enhanced liquidity, the General Partner intends, if all necessary approvals are obtained, to implement a Liquidity Alternative. The General Partner intends to implement the Liquidity Alternative before September 30, 2022, provided that the dissolution of the Partnership will not occur prior to December 31, 2022 with the exact timing to be determined based primarily on the Investment Advisor and Fund Manager’s equity market trend outlook during that time. The General Partner intends that the Liquidity Alternative will be the sale of the Partnership’s assets for cash, whereupon the proceeds shall be distributed to Limited Partners, pro rata, up to and upon the dissolution of the Partnership.

These financial statements were authorized for issue by the Board of Directors of the General Partner on August 19, 2022.

2. **Significant accounting policies:**

(a) Basis of preparation and statement of compliance:

These financial statements have been prepared in compliance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

(b) Basis of measurement:

These financial statements have been prepared on a historical cost basis except for investments which are measured at fair value.

2. Significant accounting policies (continued):

(c) Functional currency and presentation currency:

The statement of financial position is presented in Canadian dollars, which is the Partnership's functional and presentation currency.

(d) Financial instruments:

(*i*) Recognition and measurement:

Financial instruments are required to be classified into one of the following categories: amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). All financial instruments are measured at fair value on initial recognition. Measurement in subsequent periods depends on the classification of the financial instrument. Transaction costs are included in the initial carrying amount of financial instruments except for financial instruments classified as FVTPL in which case transaction costs are expensed as incurred.

Financial assets and financial liabilities are recognized initially on the trade date, which is the date on which the Partnership becomes a party to the contractual provisions of the instrument. The Partnership derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position only when the Partnership has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

A financial asset is measured at amortized cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition the Partnership may irrevocably elect to measure financial assets that otherwise meet the requirements to be measured at amortized cost or at FVOCI as at FVTPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency.

2. Significant accounting policies (continued):

(d) Financial instruments (continued):

(*ii*) Fair value through profit and loss:

Financial assets are not reclassified subsequent to their initial recognition, unless the Partnership changes its business model for managing financial assets, in which cases all affected financial assets are reclassified on the first day of the first reporting period following the change in business model.

The Partnership has not classified any of its financial assets as FVOCI.

A financial liability is generally measured at amortized cost, with exceptions that may allow for classification as FVTPL. These exceptions include financial liabilities that are mandatorily measured at fair value through profit or loss, such as derivatives liabilities. The Partnership may also, at initial recognition, irrevocably designate a financial liability as measured at FVTPL when doing so results in more relevant information.

The Partnership classifies investments as FVTPL. 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. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) are based on quoted market prices at the close of trading on the reporting date. The Partnership uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. The Partnership's policy is to recognize transfers into and out of the fair value hierarchy levels as of the beginning of the period of the transfer.

The fair value of financial assets and liabilities that are not traded in an active market, including non-publicly traded derivative instruments, is determined using valuation techniques. Valuation techniques also include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and others commonly used by market participants and which make the maximum use of observable inputs. Should the value of the financial asset or liability, in the opinion of the Manager, be inaccurate, unreliable or not readily available, the fair value is estimated on the basis of the most recently reported information of a similar financial asset or liability.

(*iii*) Amortized cost:

Financial assets and liabilities classified as amortized cost are recognized initially at fair value plus any directly attributable transaction costs. Subsequent measurement is at amortized cost using the effective interest method, less any impairment losses.

2. Significant accounting policies (continued):

(d) Financial instruments (continued):

(*iii*) Amortized cost (continued):

The Partnership classifies cash as amortized cost and accounts payable and accrued liabilities.

The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

The Partnership recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. Regular way purchases and sales of financial assets are recognized on the trade date.

(e) Income recognition:

Realized gains and losses on disposal of financial assets at fair value through profit or loss and unrealized gains and losses in the value of financial assets at fair value through profit or loss are reflected in the statement of comprehensive income and calculated on an average cost basis. Upon disposal of an investment, previously recognized unrealized gains and losses are reversed, so as to recognize the full realized gain or loss in the period of disposition. Interest is recorded on an accrual basis. All costs directly attributable to operating activities are expenses as incurred.

(f) Allocation of income and expenses and realized and unrealized capital gains and losses:

Income and expenses incurred in connection with the Partnership's operations and realized and unrealized gains or losses that are not directly attributable to a particular class of units are allocated between Class A - National Class, Class A - British Columbia, Class A - Quebec, Class F - National Class, Class F - British Columbia, Class F - Quebec units in accordance with the Partnership Agreement dated November 4, 2020 and as outlined in note 1.

(g) Income taxes:

Since the Partnership is an unincorporated business, the liability for income taxes is that of the partners and not the Partnership. Accordingly, no provision for income taxes for the Partnership has been made in these financial statements. These financial statements do not include the Limited Partners' information.

For income tax purposes, the adjusted cost base of flow-through shares is reduced by the amount of Eligible Expenditures renounced to the Partnership. Upon disposition of such shares, a capital gain will result and be allocated to the Limited Partners based upon their proportionate share of the Partnership.

2. Significant accounting policies (continued):

(h) Net assets attributable to partners:

The Partnership Agreement between the General Partner and each of the Limited Partners dated November 4, 2020 imposes a contractual obligation for the Partnership to deliver a pro rata share of its net assets to the partners on termination of the Partnership. Based on the terms of the Partnership Agreement, the General Partner and Limited Partners are both considered to have an interest in the residual net assets of the Partnership; however, they are not considered to have identical contractual obligations. Consequently, the net assets attributable to Limited Partners and General Partner are classified as liabilities in the financial statements.

The Partnership's obligation for net assets attributable to partners is presented at the redemption amount, which is the residual amount of assets of the Partnership after deducting all of its liabilities.

(i) Increase in net assets attributable to partners from operations per Partnership unit:

Increase in net assets attributable to limited partners from operations per Partnership unit is determined by dividing the net increase in net assets attributable to limited partners from operations by the weighted average number of limited partnership units outstanding during the reporting period.

(j) Accounting estimates and judgments:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses during the reporting period. Actual results could differ from those reported and the differences could be material. The following paragraphs discuss the most significant accounting estimates and judgments that the Partnership has made in preparing its financial statements:

(*i*) Fair value measurement of securities not quoted in an active market:

The fair value of warrants is determined using a valuation model such as the Black-Scholes model. Key estimates underlying this model include implied volatility and time value factors. The fair value determined may not equal the eventual settlement amount.

(*ii*) Classification and measurement of investments and application of the fair value option:

In classifying and measuring financial instruments held by the Partnership, the Investment Manager is required to make significant judgments about whether or not the business of the Partnership is to manage its portfolio of investments and evaluate performance on a fair value basis and that the portfolio of investments is neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets. The most significant judgments made include assessing and determining the appropriate business model that enables the decision that the Partnership's investments are classified as FVTPL.

3. Expenses of the Partnership:

(a) Issue costs:

Issue costs are expenses of the offering of the Units of the Partnership which include the costs of creating and organizing the Partnership. Issue costs include certain costs as outlined in the offering memorandum such as agents' fee, legal, audit, regulatory filing and printing. Issue costs are presented gross in the Statement of Comprehensive Income. Issue costs incurred during the six months period ending June 30, 2022 were nil and for the period from February 11th to June 30th, 2021 is as follows:

June 30, 2021	Issue costs associated with issuance of units
Class A – National Class	$ 415,880
Class A – British Columbia	242,121
Class A – Quebec	90,171
Class F – National Class	135,777
Class F – British Columbia	6,201
Class F – Quebec	26,322
	$ 916,472

(b) Operating expenses:

The Partnership pays all of the expenses of the operations and carrying on of its business, including legal and audit fees, interest, administrative costs relating to the cost of financial and other reports, and compliance with all applicable laws, regulations and policies. The General Partner is reimbursed for all reasonable out-of-pocket costs and expenses that are incurred by the General Partner on behalf of the Partnership in the ordinary course of business or other costs and expenses incidental to acting as general partner so long as the General Partner is not in default of its obligations.

4. Partners' interest:

The interest of the Limited Partners in the Partnership is divided into an unlimited number of Units. The Partnership is authorized to issue a maximum of 5,000,000 Units.

All the limited partnership Units have equal rights and privileges, including equal participation in any distribution made by each respective class and the right to one vote at any meeting of the Limited Partners.

Issued and outstanding:

The Partnership completed its final offering on May 21, 2021 and issued 997,867 Partnership Units (399,996 units of Class A - National Class, 252,910 units of Class A - British Columbia, 83,669 units of Class A - Quebec, 208,590 units of Class F - National Class, 9,500 units of Class F - British Columbia, 43,200 of Class F - Quebec, 1 unit of Class P and 1 unit of General Partner) at a

4. Partners' interest (continued):

Issued and outstanding (continued):

subscription price of $10 per Unit for a total of $9,978,670. All Units issued were outstanding as at June 30, 2022.

Pursuant to the Partnership Agreement, the General Partner contributed $10 to the capital of the Partnership.

5. Fair value measurement:

The following table illustrates the classification of the Partnership's investments within the fair value hierarchy as at June 30, 2022. The three levels of the fair value hierarchy are:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 - Inputs that are not based on observable market data.

There were no financial instruments that were transferred between levels of the fair value hierarchy during the period ended June 30, 2022 and December 31, 2021

For the period ended June 30, 2022

	Level 1	Level 2	Level 3	Total
Assets:				
Equities	$ 1,713,375	$ -	$ -	$ 1,713,375
Warrants	-	129,351	-	129,351
	$ 1,713,375	$ 129,351	$ -	$ 1,842,726

For the period ended December 31, 2021

	Total	Level 1	Level 2	Level 3
Assets:				
Equities	$ 6,053,321	$ -	$ -	$ 6,053,321
Warrants	-	677,560	-	677,560
	$ 6,053,321	$ 677,560	$ -	$ 6,730,881

All fair value measurements above are recurring. The carrying values of other financial instruments approximate their fair values due to their short-term nature.

5. Fair value measurement (continued):

The Manager is responsible for performing the fair value measurements included in the financial statements of the Partnership, including Level 3 measurements. The Manager has engaged SGGG Fund Services Inc. ("SGGG") to value the net assets of the Partnership on a weekly basis including pricing of Level 1 and Level 2 investments. SGGG obtains pricing from a third-party pricing vendor. The Partnership's overall market positions are monitored on a weekly basis by the Manager. The Manager ensures the accuracy of the NAV calculation, prepared by SGGG, by reviewing the NAV on a weekly basis.

The Partnership's equity positions are classified as Level 1 when the security is actively traded and reliable prices are observable. Certain equities do not trade frequently or have resale restrictions and therefore observable prices may not be available. In such cases, fair value is determined using an observable market date (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

Certain equity investments held at June 30, 2022 were subject to a hold period and could not be freely traded at the valuation date. The valuation is based on trade activity of identical securities of the same issuer and have been classified as Level 2 in the fair value hierarchy as a result of the trade restriction specific to the units held by the Partnership.

The level 2 warrants as at June 30, 2022 of $129,351 and as at December 31, 2021 of $677,560 have been valued using the Black-Scholes valuation method.

6. Financial instruments risk management:

The Partnership's activities expose it to a variety of financial instrument risks including market risk (price risk, interest rate risk and currency risk), credit risk, concentration risk and liquidity risk.

The Partnership's overall risk management strategy focuses on the unpredictability of performance of early stage public resource investments and seeks to minimize potential adverse effects on the Partnership's financial performance.

(a) Market risk:

Price risk:

The Partnership's investments are exposed to market price risk due to changing market conditions for equities as well as specific industry changes in the mining sector, such as changes in commodity prices and the level of market demand as well as any changes to the tax environment in which the investee entities operate. All investments in equity securities have an inherent risk of loss of capital.

The maximum risk resulting from investments is determined by the fair value of the financial instruments. The Manager seeks to manage market risks by careful selection of securities prior to making an investment in an early stage company and by regular ongoing monitoring of the

6. Financial instruments risk management (continued):

(a) Market risk (continued):

Price risk (continued):

investment performance of the individual investee companies. The Manager also sets thresholds on individual investments to mitigate the risk of exposure to any one investment. The Partnership's overall market positions are monitored on a monthly basis by the Partnership's Manager.

The Partnership’s overall exposure is managed by investment restrictions which include a requirement for investments to be invested in resource issuers that are listed on a stock exchange.

As at June 30, 2022, the Partnership’s market risk is impacted directly by changes in equity prices and indirectly by changes in minerals and other commodity prices. The immediate impact on equities of a 10% increase or decrease in the fair value of investments would be approximately $171,337.

Unexpected volatility or illiquidity in the markets in which positions are held, including due to legal, political, regulatory, economic or other developments, such as public health emergencies, including an epidemic or pandemic, natural disasters, war and related geopolitical risks, may impair the Portfolio Manager’s ability to carry out the objectives of the Portfolios or cause the Portfolios to incur losses. The continuing spread of the coronavirus disease (also known as COVID-19) continues to have an impact on the global economy and volatility in global financial markets. These developments are constantly evolving and the duration and impact of COVID-19 pandemic is highly uncertain and may have a material impact on the future performance of the Funds. In the face of the current environment of heightened uncertainty and market volatility, the Manager continues to closely monitor its impact on the Funds’ risk exposure from the portfolio holdings.

Interest rate risk

The monetary financial assets and liabilities of the Partnership are non-interest bearing. Consequently, the Partnership has no significant direct exposure to interest rate risk.

Currency risk

The monetary financial assets and liabilities of the Partnership are all denominated in Canadian dollars. Consequently, the Partnership has no significant direct exposure to currency risk.

6. Financial instruments risk management (continued):

(b) Credit risk:

The Partnership has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due.

Credit risk associated with cash is minimized by ensuring that these balances are held by high-quality financial institutions.

The Partnership is exposed to counterparty risk from the potential failure of the issuer of the warrants to settle its exercised warrants. The maximum risk of loss from counterparty risk to the Partnership is the fair value of the contracts. The Partnership considers the effects of counterparty risk when determining the fair value of its investments in warrants.

When the Partnership trades in listed or unlisted securities which are settled upon delivery, the risk of default is considered minimal since delivery of securities is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The Partnership only transacts with reputable brokers with a high credit rating.

The Manager monitors the Partnership’s credit position regularly, and the board of directors of the General Partner reviews it on a periodic basis.

(c) Concentration risk:

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The Partnership’s investments are entirely in Canadian companies involved in the mining sector, and as a result, the Partnership is exposed to a concentration of risk related to these holdings.

(d) Liquidity risk:

The Partnership is a closed-end partnership and therefore it does not have exposure to early redemptions of Partnership units. There is no market for units of the Partnership and it is unlikely that any public market will develop through which units may be sold. The Partnership's Level 1 investments are subject to four-month resale restrictions from the date of purchase. The Partnership holds sufficient cash to cover operating expenses and issue costs due in this period.

The General Partner intends to implement a liquidity alternative. It is anticipated that this will be the sale of the Partnership’s assets for cash whereupon the proceeds shall be distributed to Limited Partners, pro rata, up to and upon the dissolution of the Partnership.

At June 30, 2022, all of the Partnership’s financial liabilities were due within 30 days of the statement of financial position date, with the exception of net assets attributable to partners which mature at the end of the life of the Partnership or at the liquidation date.

6. Financial instruments risk management (continued):

(d) Liquidity risk (continued):

The Partnership manages liquidity risk by maintaining sufficient liquid cash resources and investing the Partnership's assets in investments which are traded in an active market and can be readily disposed of when liabilities become due.

7. Capital risk management:

Units issued and outstanding are considered to be capital of the Partnership. The Partnership does not have any internally or externally imposed restrictions on its capital.

8. Decrease in net assets attributable to partners:

The increase in net assets attributable to Limited Partners per Partnership Unit for the period ended June 30, 2022 and June 30, 2021

June 30, 2022	Decrease in net assets attributable to partners from operations	Weighted average of units outstanding during the period	Decrease in net assets attributable to partners from operations per unit
Class A - National Class	$ (733,542)	399,996	$ (1.83)
Class A - British Columbia	(298,876)	252,910	(1.18)
Class A - Quebec	(166,339)	83,669	(1.99)
Class F - National Class	(398,325)	208,590	(1.91)
Class F - British Columbia	(11,576)	9,500	(1.22)
Class F - Quebec	(90,193)	43,200	(2.09)
Class P	-	1	-
General Partner	-	1	-

June 30, 2021	Increase (decrease) in net assets attributable to to partners from operations	Weighted average of units outstanding during the period	Increase (decrease) in net assets attributable to partners from operations per unit
Class A – National Class	$ 120,785	399,996	$ 0.30
Class A – British Columbia	7,551	252,910	0.03
Class A – Quebec	(264,674)	83,669	(3.16)
Class F – National Class	129,498	208,590	0.62
Class F – British Columbia	2,548	9,500	0.27
Class F – Quebec	(121,000)	43,200	(2.80)
Class P	-	1	-
General Partner	-	1	-

9. Comparison of IFRS Net Assets per Unit and Transactional NAV per Unit:

The table below provides a reconciliation of Net Assets per Unit under IFRS and Transactional NAV per Unit. IFRS Net Assets includes Black-Scholes adjustments to the value of warrants held, whereas the Transactional NAV does not require such adjustments.

June 30, 2022	Transactional NAV	Adjustment	IFRS net assets
Class A - National Class	$ 3.93	$ 0.12	$ 4.05
Class A - British Columbia	2.24	0.19	2.44
Class A - Quebec	2.02	0.03	2.05
Class F - National Class	4.11	0.13	4.24
Class F - British Columbia	2.33	0.20	2.53
Class F - Quebec	2.14	0.03	2.17
Class P	10.00	-	10.00
General Partner	10.00	-	10.00

June 30, 2021	Transactional NAV	Adjustment	IFRS net assets
Class A – National Class	$ 9.02	$ 1.28	$ 10.30
Class A – British Columbia	8.34	1.69	10.03
Class A – Quebec	6.16	0.68	6.84
Class F – National Class	9.42	1.20	10.62
Class F – British Columbia	8.62	1.65	10.27
Class F – Quebec	6.49	0.71	7.20
Class P	10.00	-	10.00
General Partner	10.00	-	10.00