

**Probity Mining 2020-II Short Duration Flow-
Through Limited Partnership**

2021 Semi-Annual Management
Report of Partnership Performance

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2021 Semi-Annual Management Report of Fund Performance

This annual management report of Partnership performance contains financial highlights but does not contain the complete semi-annual financial statements of Probity Mining 2020-II Short Duration Flow-Through Limited Partnership (the “Partnership”). You can get a copy of the financial statements at no cost in the following ways; by calling Qwest Investment Fund Management Ltd. (the “Manager”) at (604) 602-1142 or 1-866-602-1142; by writing to the Manager at, Suite 732, 1055 Dunsmuir Street, Vancouver, BC V7X 1L2; by e-mailing the Manager at info@qwestfunds.com; or by viewing the information on SEDAR at www.sedar.com.

Securityholders may also contact the Manager to request a copy of the Partnership’s proxy voting policies and procedures, proxy voting disclosure records, or quarterly portfolio disclosures.

Management Discussion of Partnership Performance

Results of Operations

The Partnership commenced operations on September 3, 2020. The Partnership issued 802,552 Class A – National Class units, 353,900 Class A – British Columbia units, 207,460 Class A – Quebec units, 288,200 Class F – National Class units, 41,500 Class F – British Columbia units, 73,120 Class F – Quebec units, and 1 Class P unit. As at June 30, 2021, all classes of units issued were outstanding.

Total expenses incurred by the Partnership for the six-month period ended June 30, 2021 were \$18,149, comprised mainly of \$153,320 in issue costs, \$39,058 in accounting fees, \$23,840 in legal fees, \$18,306 in administrative fees and a reversal of \$259,691 in performance fees.

Net realized gain on sale of investments for the six-month period ended June 30, 2021 was \$1,677,719 and from the commencement of operations on September 3, 2020 to December 31, 2020 was nil. Unrealized depreciation of investments for the six-month period ended June 30, 2021 was \$3,569,873 and unrealized appreciation of investments from the commencement of operations on September 3, 2020 to December 31, 2020 was \$5,174,260.

At June 30, 2021, net assets attributable to Limited Partners for Class A – National Class units was \$9,099,018 or \$11.34 per unit, for Class A – British Columbia units was \$2,751,011 or \$7.77 per unit, for Class A – Quebec units was \$2,032,656 or \$9.80 per unit, for Class F – National Class units was \$3,393,875 or \$11.78 per unit, for Class F – British Columbia units was \$332,424 or \$8.01 per unit, and for Class F – Quebec units was \$754,284 or \$10.32 per unit.

Recent Developments

The two largest sectors in the Partnership’s asset mix are:

- 1) Gold, Silver and precious metals, and
- 2) Electric metals which include copper, zinc, cobalt, lithium and graphite.

2020 was a consolidation year for commodities therefore it is expected that commodity sectors will generate strength in the years to come. The growing strength of the global economy should ensure this trend continues well into 2021. Notably, the mining industry remains mired with low equity valuations (a reflection of the high cost of capital for the sector), which constitutes a divergence between fundamentals and equity values. Low equity valuations are attractive. It’s believed that investments into the mining sector will benefit as equity valuations rise to reflect the fundamentals within the sector.

Merger and acquisition activity should also increase as this scenario unfolds, with larger producers seeking to acquire smaller explorers. As a result, the Partnership is bullish on the mining sector based on low valuations and increasing consolidation.

Gold, Silver and Other Precious Metals

The Partnership continues to seek investment opportunities in mining companies that are about to transition from exploration companies to producing companies. Production provides cashflow, reducing the need for equity financing, setting the stage for rising equity valuations. Small and midcap exploration companies remain undervalued and provide excellent acquisition opportunities for large producing companies, which need to exploit new mineral discoveries.

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Recent Developments (continued)

Base and Electric Metals

Demand for base and electric metals continues to be driven by the growing strength of the global economy. China and the United States continue to be the largest consumers. Growing sales of hybrid and electric cars continue to drive demand for these materials, which include copper, zinc, cobalt, and lithium. Graphite remains a factor in this mix but can be a less attractive investment due to its relatively high costs domestically.

Demand for improved infrastructure should increase prices for steel, coking coal and various other additives. Infrastructure spending programs in Canada and the US also contribute to a better outlook for base metals.

Financial Highlights

The following tables show selected key financial information about the Partnership and are intended to help you understand the Partnership's financial performance for the past period. This information is derived from the Partnership's financial statements.

Net Assets per Limited Partnership unit ⁽¹⁾

Net Assets attributable to Limited Partners for Class A - National Class, per unit	June 30, 2021	December 31, 2020
Initial NAV	\$ 12.12	\$ 10.00
Increase (decrease) from operations:		
Total revenue	-	-
Total expenses	0.07	(0.90)
Realized gains (losses)	1.03	-
Unrealized gains (losses)	(1.88)	3.02
Total Increase (decrease) from operations ⁽²⁾	(0.78)	2.12
Distributions:		
From dividends	-	-
From capital gains	-	-
Total distributions	-	-
Net assets attributable to holders of redeemable shares at end of period	11.34	12.12

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Net Assets attributable to Limited Partners for Class A – British Columbia, per unit	June 30, 2021	December 31, 2020
Initial NAV	\$ 9.75	\$ 10.00
Increase (decrease) from operations:		
Total revenue	-	-
Total expenses	(0.14)	(0.82)
Realized gains (losses)	0.64	-
Unrealized gains (losses)	(2.48)	0.57
Total Increase (decrease) from operations ⁽²⁾	(1.98)	(0.25)
Distributions:		
From dividends	-	-
From capital gains	-	-
Total distributions	-	-
Net assets attributable to holders of redeemable shares at end of period	7.77	9.75

Net Assets attributable to Limited Partners for Class A – Quebec, per unit	June 30, 2021	December 31, 2020
Initial NAV	\$ 10.84	\$ 10.00
Increase (decrease) from operations:		
Total revenue	-	-
Total expenses	(0.16)	(0.95)
Realized gains (losses)	0.98	-
Unrealized gains (losses)	(1.86)	1.79
Total Increase (decrease) from operations ⁽²⁾	(1.04)	0.84
Distributions:		
From dividends	-	-
From capital gains	-	-
Total distributions	-	-
Net assets attributable to holders of redeemable shares at end of period	9.80	10.84

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Net Assets attributable to Limited Partners for Class F - National Class, per unit	June 30, 2021	December 31, 2020
Initial NAV	\$ 12.49	\$ 10.00
Increase (decrease) from operations:		
Total revenue	-	-
Total expenses	0.08	(0.53)
Realized gains (losses)	1.06	-
Unrealized gains (losses)	(1.85)	3.02
Total Increase (decrease) from operations ⁽²⁾	(0.71)	2.49
Distributions:		
From dividends	-	-
From capital gains	-	-
Total distributions	-	-
Net assets attributable to holders of redeemable shares at end of period	11.78	12.49

Net Assets attributable to Limited Partners for Class F – British Columbia, per unit	June 30, 2021	December 31, 2020
Initial NAV	\$ 10.04	\$ 10.00
Increase (decrease) from operations:		
Total revenue	-	-
Total expenses	(0.14)	(0.53)
Realized gains (losses)	0.66	-
Unrealized gains (losses)	(2.55)	0.57
Total Increase (decrease) from operations ⁽²⁾	(2.03)	0.04
Distributions:		
From dividends	-	-
From capital gains	-	-
Total distributions	-	-
Net assets attributable to holders of redeemable shares at end of period	8.01	10.04

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Net Assets attributable to Limited Partners for Class F - Quebec, per unit	June 30, 2021	December 31, 2020
Initial NAV	\$ 11.28	\$ 10.00
Increase (decrease) from operations:		
Total revenue	-	-
Total expenses	(0.17)	(0.44)
Realized gains (losses)	1.02	-
Unrealized gains (losses)	(1.81)	1.72
Total Increase (decrease) from operations ⁽²⁾	(0.96)	1.28
Distributions:		
From dividends	-	-
From capital gains	-	-
Total distributions	-	-
Net assets attributable to holders of redeemable shares at end of period	10.32	11.28

- (1) This information is derived from the Partnership's June 30, 2021 un-audited and December 31, 2020 audited financial statements. The net assets per security presented in the financial statements differs from the net asset value calculated for fund pricing purposes. An explanation of these differences can be found in the notes to the financial statements.
- (2) The Partnership is a closed-end partnership and no additional units can be issued after the completion of the final closing. In addition, no Partnership units can be redeemed until the time of dissolution of the Partnership. As a result, the units issued and outstanding as of the completion of the final closing were used to calculate the net assets attributable to limited partners as at June 30, 2021 and the increase (decrease) from operations for six-month period ended June 30, 2021.

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Ratios and Supplemental Data

Class A - National Class	June 30, 2021	December 31, 2020
Total net asset value (000's)	\$9,099	\$9,730
Number of mutual fund shares outstanding	802,552	802,552
Management expense ratio ⁽¹⁾	(1.33)%	0.92%
Management expense ratio before absorption ⁽¹⁾	(1.33)%	0.92%
Portfolio turnover rate ⁽²⁾	0.00%	0.00%
Trading expense ratio ⁽³⁾	0.21%	0.00%
Net asset value per share	\$11.34	\$12.12

Class A – British Columbia	June 30, 2021	December 31, 2020
Total net asset value (000's)	\$2,751	\$3,450
Number of mutual fund shares outstanding	353,900	353,900
Management expense ratio ⁽¹⁾	3.68%	1.15%
Management expense ratio before absorption ⁽¹⁾	3.68%	1.15%
Portfolio turnover rate ⁽²⁾	0.00%	0.00%
Trading expense ratio ⁽³⁾	0.21%	0.00%
Net asset value per share	\$7.77	\$9.75

Class A – Quebec	June 30, 2021	December 31, 2020
Total net asset value (000's)	\$2,033	\$2,249
Number of mutual fund shares outstanding	207,460	207,460
Management expense ratio ⁽¹⁾	3.36%	1.02%
Management expense ratio before absorption ⁽¹⁾	3.36%	1.02%
Portfolio turnover rate ⁽²⁾	0.00%	0.00%
Trading expense ratio ⁽³⁾	0.21%	0.00%
Net asset value per share	\$9.80	\$10.84

Class F – National Class	June 30, 2021	December 31, 2020
Total net asset value (000's)	\$3,394	\$3,600
Number of mutual fund shares outstanding	288,200	288,200
Management expense ratio ⁽¹⁾	(1.40)%	0.93%
Management expense ratio before absorption ⁽¹⁾	(1.40)%	0.93%
Portfolio turnover rate ⁽²⁾	0.00%	0.00%
Trading expense ratio ⁽³⁾	0.21%	0.00%
Net asset value per share	\$11.78	\$12.49

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Class F – British Columbia	June 30, 2021	December 31, 2020
Total net asset value (000's)	\$332	\$417
Number of mutual fund shares outstanding	41,500	41,500
Management expense ratio ⁽¹⁾	3.44%	1.15%
Management expense ratio before absorption ⁽¹⁾	3.44%	1.15%
Portfolio turnover rate ⁽²⁾	0.00%	0.00%
Trading expense ratio ⁽³⁾	0.21%	0.00%
Net asset value per share	\$8.01	\$10.04

Class F – Quebec	June 30, 2021	December 31, 2020
Total net asset value (000's)	\$754	\$825
Number of mutual fund shares outstanding	73,120	73,120
Management expense ratio ⁽¹⁾	3.25%	1.04%
Management expense ratio before absorption ⁽¹⁾	3.25%	1.04%
Portfolio turnover rate ⁽²⁾	0.00%	0.00%
Trading expense ratio ⁽³⁾	0.21%	0.00%
Net asset value per share	\$10.32	\$11.28

⁽¹⁾ Management expense ratio ("MER") is based on total expenses less commissions for the stated period and is expressed as an annualized percentage of monthly average net assets during the period.

⁽²⁾ The portfolio turnover rate indicates how actively the Manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Partnership buying and selling all the securities in its portfolio once in the course of the period. The higher a portfolio turnover rate is in a period, the greater the trading costs payable by the Partnership in the period, and the greater the chance of an investor receiving taxable capital gain in the period. There is not necessarily a relationship between turnover rate and the performance of a portfolio.

⁽³⁾ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as a percentage of average net assets during the period.

Management Fees

There is no management fee.

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Summary of Investment Portfolio

As at June 30, 2021, the net assets attributable to limited partnership units was CAD 18,363,288. Below is a breakdown of the investment portfolio as at June 30, 2021, by sector of the top 25 securities and as a percentage of the aggregate net asset value of the securities in the investment portfolio:

Top Holdings	% of Net Assets	Sector/Subgroup	% of Net Assets
Forum Energy Metals Corp.	9.05%	Mining	90.71%
Blue Lagoon Resources Inc.	6.75%	Cash	14.27%
Tartisan Nickel Corp .	6.35%	Other assets net of liabilities	-4.98%
Garibaldi Resources Corp.	5.72%		100.00
Laurion Mineral Exploration Inc.	5.07%		
Strikepoint Gold Inc.	4.10%		
Forum Energy Metals Corp. (Warrants)	3.79%		
Baseload Energy Corp.	3.74%		
Sassy Resources Corp.	3.45%		
Stratabound Minerals Corp.	3.27%		
Ximen Mining Corp.	3.23%		
Strikepoint Gold Inc. (Warrants)	2.96%		
Nexus Gold Corp.	2.72%		
Great Atlantic Resources Corp.	2.72%		
Canada Silver Cobalt Works Inc.	2.53%		
Gowest Gold Ltd.	2.25%		
QC Copper and Gold Inc.	1.99%		
Northstar Gold Corp.	1.92%		
Tartisan Nickel Corp. (Warrants)	1.58%		
Nexus Gold Corp. (Warrants)	1.58%		
Sirios Resources Inc.	1.44%		
Lomiko Metals Inc. (Warrants)	1.39%		
Blue Lagoon Resources Inc. (Warrants)	1.38%		
Baselode Energy Corp. (Warrants)	1.22%		
Etruscus Resources Corp.	1.16%		

The summary of investment portfolio may change due to ongoing portfolio transactions of the investment fund. A quarterly update is available at www.qwestfunds.com.

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Caution Regarding Forward-looking Statements

This document may contain forward-looking statements relating to anticipated future events, results, circumstances, performance or expectations that are not historical facts, but instead represent our beliefs regarding future events. By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions and other forward-looking statements will not prove to be accurate. We caution readers of this document not to place undue reliance on our forward-looking statements as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed or implied in the forward-looking statements. Actual results may differ materially from management expectations as projected in such forward-looking statements for a variety of reasons, including but not limited to market and general economic conditions, interest rates, regulatory and statutory developments, the effects of competition in the geographic and business areas in which the Partnership may invest in and the risks detailed from time to time in the Fund's simplified prospectus. We caution that the foregoing list of factors is not exhaustive and that when relying on forward-looking statements to make decisions with respect to investing in the Fund, investors and others should carefully consider these factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. Due to the potential impact of these factors, management of the Partnership does not undertake, and specifically disclaims any intention or obligation to update or revise any forward-looking statements, future events or otherwise, unless required by applicable law.