Financial Statements of

PROBITY MINING 2022-II
SHORT DURATION FLOW-THROUGH
LIMITED PARTNERSHIP

Period ended June 30, 2023

(Unaudited)

PROBITY MINING 2022-II SHORT DURATION FLOW-THROUGH LIMITED PARTNERSHIP

Statement of Financial Position

As at June 30, 2023 (Unaudited) and December 31, 2022 (Audited)

Assets

	June 30, 2023	Dec 31, 2022
Current assets:		
Cash	$ 15,621	$ 216,966
Tax refund receivable	7,209	3,227
Investments	9,406,017	12,550,853
	9,428,847	12,771,046

Liabilities

	June 30, 2023	Dec 31, 2022
Current liabilities:		
Accounts payable and accrued liabilities	52,243	147,661
	52,243	147,661
Class net assets attributable to Partners	**$ 9,376,604**	**$ 12,623,385**
Net assets attributable to Partners:		
Class A - National Class	$ 4,621,906	$ 6,097,750
Class A - British Columbia	666,387	902,501
Class A - Quebec	520,948	799,700
Class F - National Class	2,890,939	3,808,225
Class F - British Columbia	109,485	147,049
Class F - Quebec	566,919	868,140
Class P	10	10
General Partner	10	10
	$ 9,376,604	**$ 12,623,385**
Partnership units outstanding (note 4):		
Class A - National Class	665,352	665,352
Class A - British Columbia	83,250	83,250
Class A - Quebec	108,370	108,370
Class F - National Class	398,181	398,181
Class F - British Columbia	13,300	13,300
Class F – Quebec	112,200	112,200
Class P	1	1
General Partner	1	1
Net assets per unit attributable to Limited Partners (note 9):		
Class A - National Class	$ 6.95	$ 9.16
Class A - British Columbia	8.00	10.84
Class A - Quebec	4.81	7.38
Class F - National Class	7.26	9.56
Class F - British Columbia	8.23	11.06
Class F - Quebec	5.05	7.74
Class P	10.00	10.00
General Partner	10.00	10.00

PROBITY MINING 2022-II SHORT DURATION FLOW-THROUGH LIMITED PARTNERSHIP

Statement of Financial Position (continued)

As at June 30, 2023 (Unaudited) and December 31, 2022 (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 2022-II SHORT DURATION FLOW-THROUGH LIMITED PARTNERSHIP

Statement of Comprehensive Income

For the six months ended June 30, 2023 (Unaudited)

Income:	
Realized gain of investments	$ 50,621
Unrealized depreciation appreciation of investments	(2,998,201)
Interest income	153
Tax Refund	3,982
	(2,943,445)
Expenses (note 3):	
Issue costs	182,649
Administrative fees	71,859
Other fees	34,491
Custodian fees	17,704
Legal fees	12,973
Audit	12,827
Transfer Agent fee	2,469
Commissions and fees	1,820
Accounting Fees	1,523
Bank charges	1,004
Tax and compliance professional fees	71
Performance Fees	(36,054)
	$ 303,336
Decrease in net assets attributable to Partners from operations	**$ (3,246,781)**

Decrease in net assets attributable to partners from operations, per Class (note 6):

Class A – National Class	$	(1,475,844)
Class A – British Columbia		(236,114)
Class A – Quebec		(278,752)
Class F – National Class		(917,286)
Class F – British Columbia		(37,564)
Class F – Quebec		(301,221)
Class P		-
General Partner		-
	$	**(3,246,781)**

Decrease in net assets attributable to partners from operations, per unit (note 8):

Class A – National Class	$ (2.22)
Class A – British Columbia	(2.84)
Class A – Quebec	(2.57)
Class F – National Class	(2.30)
Class F – British Columbia	(2.82)
Class F – Quebec	(2.68)
Class P	-
General Partner	-

See accompanying notes to financial statements.

PROBITY MINING 2022-II SHORT DURATION FLOW-THROUGH LIMITED PARTNERSHIP

Statement of Changes in Net Assets Attributable to Partners

For the six months ended June 30, 2023 (Unaudited)

June 30, 2023	**Net assets attributable to Partners, beginning of period**	**Decrease in net assets attributable to Partners, from operations**	**Net assets attributable to Partners, end of period**
Class A - National Class	$ 6,097,750	$ (1,475,844)	$ 4,621,906
Class A - British Columbia	902,501	(236,114)	666,387
Class A - Quebec	799,700	(278,752)	520,948
Class F - National Class	3,808,225	(917,286)	2,890,939
Class F - British Columbia	147,049	(37,564)	109,485
Class F - Quebec	868,140	(301,221)	566,919
Class P	10	0	10
General Partner	10	0	10
	$ 12,623,385	**$ (3,246,781)**	**$ 9,376,604**

See accompanying notes to financial statements.

PROBITY MINING 2022-II SHORT DURATION FLOW-THROUGH LIMITED PARTNERSHIP

Statement of Cash Flows

For the six months ended June 30, 2023 (Unaudited)

Cash provided by (used in):	
Operating activities:	
Increase in net assets attributable to partners from operations	$ (3,246,781)
Items not involving cash:	
Tax Refund Receivable	(3,982)
Realized loss of investments	(50,621)
Unrealized depreciation (appreciation) of investments	2,998,201
Change in non-cash balances:	
Accounts payable and accrued liabilities	(95,418)
Proceeds from sale of investments	197,256
	(201,345)
Increase in cash	(201,345)
Cash, beginning of period	216,966
Cash, end of period	**$ 15,621**

See accompanying notes to financial statements.

PROBITY MINING 2022-II SHORT DURATION FLOW-THROUGH LIMITED PARTNERSHIP

Schedule of Investment Portfolio

As at June 30, 2023 (Unaudited)

	Number of shares	Average cost $	Fair value $	Net assets %
Canadian equities mining*:				
Benton Resources Inc. (NC)	2,142,858	300,000	117,857	1.26
Canadian Critical Minerals Inc (BC)	1,875,000	150,000	75,000	0.80
Canadian Critical Minerals Inc (NC)	4,375,000	350,000	175,000	1.87
Canada Silver Cobalt Works Inc. - Top-Up (QC)	2,607,912	286,870	130,396	1.39
Canada Silver Cobalt Works Inc. (NC)	2,868,724	286,872	143,436	1.53
Canada Silver Cobalt Works Inc. (QC)	2,607,912	286,870	130,396	1.39
CMC Metals Ltd. (NC)	2,677,778	482,000	348,111	3.71
Comet Lithium Corp. (NC)	380,952	200,000	140,952	1.50
Comet Lithium Corp. (QC)	238,095	150,000	88,095	0.94
Copper Lake Resources Ltd. (NC)	5,882,354	500,000	235,294	2.51
Decade Resources Ltd (BC)	2,083,334	250,000	187,500	2.00
Defense Metals Corp. (BC)	2,142,858	600,000	471,429	5.03
Delta Resources Ltd. (NC)	2,231,334	290,073	680,557	7.26
Delta Resources Ltd. (QC)	690,646	96,690	210,647	2.25
Emperor Metals Inc. (QC)	1,304,348	300,000	130,435	1.39
Equity Metals Corp (BC)	840,000	100,800	105,000	1.12
Fathom Nickel Inc. (NC)	3,950,000	237,000	948,000	10.11
Forum Energy Metals Corp. (NC)	4,615,386	600,000	346,154	3.69
Garibaldi Resources Corp. (BC)	2,000,000	600,000	290,000	3.09
Manganese X Energy Corp. (NC)	2,826,088	650,000	395,652	4.22
Manning Ventures Inc. (NC)	4,000,000	300,000	70,000	0.75
Marvel Discovery Corp. (NC)	1,666,668	200,000	91,667	0.98
Marvel Discovery Corp. (QC)	1,666,668	200,000	91,667	0.98
Mountain Boy Minerals Ltd. (BC)	3,076,924	400,000	292,308	3.12
Nine Mile Metals Ltd (NC)	1,562,500	500,000	132,813	1.42
Noble Mineral Exploration Inc. (QC)	5,000,000	450,000	200,000	2.13
Northstar Gold Corp. (NC)	2,935,178	249,490	132,083	1.41
Prosper Gold Corp. (NC)	890,000	222,500	151,300	1.61
Quebec Nickel Corp. (QC)	1,200,000	300,000	42,000	0.45
Romios Gold Resources Inc. (BC)	3,750,000	150,000	93,750	1.00
Sanatana Resources Inc. (BC)	3,000,000	300,000	90,000	0.96
Sirios Resources Inc. (QC)	4,285,715	300,000	235,714	2.51
Sokoman Minerals Corp. (NC)	714,286	200,000	71,429	0.76
Standard Uranium Ltd. (NC)	3,846,154	500,000	115,385	1.23
Temas Resources Corp. (QC)	277,777	199,999	38,889	0.41
Thunder Gold Corp. (NC)	6,666,668	400,000	266,667	2.84
Tower Resources Ltd. (BC)	3,888,889	700,000	505,556	5.39
Total equities		**12,289,168**	**7,971,136**	**85.01**

Schedule of Investment Portfolio (continued)

As at June 30, 2023 (Unaudited)

	Number of warrants	Average cost $	Fair value $	Net assets %
Canadian warrants mining*:				
Benton Resources Inc. (NC) (expiry 23 June, 2024; strike price $0.20)	1,071,429	-	5,169	0.06
Canadian Critical Minerals Inc (BC FT) (expiry 18 November, 2025; strike price $0.12)	1,875,000	-	29,765	0.32
Canadian Critical Minerals Inc (NC FT) (expiry 18 November, 2025; strike price $0.12)	4,375,000	-	69,451	0.74
Canada Silver Cobalt Works Inc. (QC) (expiry 1 December, 2024; strike price $0.15)	1,363,637	-	7,382	0.08
Canada Silver Cobalt Works Inc. (NC) (expiry 19 October, 2024; strike price $0.15)	1,500,000	-	6,651	0.07
Canada Silver Cobalt Works Inc. (QC) (expiry 19 October, 2024; strike price $0.15)	1,363,637	-	6,047	0.06
CMC Metals Ltd. (NC) (expiry 13 October, 2024; strike price $0.20)	1,388,889	-	55,578	0.59
Comet Lithium Corp.(NC FT) (expiry 22 December, 2024; strike price $0.12)	1,333,334	-	46,299	0.49
Copper Lake Resources Ltd.(NC) (expiry 22 December, 2025; strike price $0.15)	2,941,177	-	58,354	0.62
Decade Resources Ltd. (BC) (expiry 2 May, 2026; strike price $0.16)	2,083,334	-	109,641	1.17
Delta Resources Ltd. (NC) (expiry 15 December, 2024; strike price $0.25)	1,153,847	-	231,572	2.47
Delta Resources Ltd. (QC) (expiry 15 December, 2024; strike price $0.25)	357,143	-	71,677	0.76
Equity Metals Corp. (BC) (expiry 29 December, 2025; strike price $0.15)	840,000	-	69,939	0.75
Forum Energy Metals Corp. (NC) (expiry 16 December, 2024; strike price $0.17)	2,307,693	-	31,756	0.34
Garibaldi Resources Corp. (BC) (expiry 2 December, 2025; strike price $0.45)	1,000,000	-	35,322	0.38
Manganese X Energy Corp. (BC) (expiry 15 December, 2024; strike price $0.32)	1,413,044	-	23,359	0.25
Marvel Discovery Corp. (NC) (expiry 12 December, 2024; strike price $0.25)	833,334	-	7,021	0.07
Marvel Discovery Corp. (QC) (expiry 12 December, 2024; strike price $0.25)	833,334	-	7,021	0.07
Mountain Boy Minerals Ltd. (BC) (expiry 15 December, 2024; strike price $0.18)	3,076,924	-	41,442	0.44
Nine Mile Metals Ltd. (NC) (expiry 19 December, 2024; strike price $0.45)	781,250	-	18,883	0.20
Noble Mineral Exploration Inc. (QC) (expiry 21 November, 2025; strike price $0.11)	2,500,000	-	36,082	0.38
Northstar Gold Corp. (NC) (expiry 2 November, 2024; strike price $0.10)	2,941,178	-	53,364	0.57
Prosper Gold Corp. (NC) (expiry 18 November, 2024; strike price $0.30)	470,000	-	37,842	0.40
Romios Gold Resources Inc.(BC) (expiry 30 December, 2024; strike price $0.08)	3,750,000	-	38,491	0.41
Sanatana Resources Inc. (BC) (expiry 30 December, 2024; strike price $0.15)	3,000,000	-	21,049	0.22
Sokoman Minerals Corp. (NC) (expiry 23 June, 2024; strike price $0.36)	357,143	-	846	0.01
Standard Uranium Ltd. (NC) (expiry 21 October, 2024; strike price $0.17)	1,923,077	-	9,534	0.10

PROBITY MINING 2022-II SHORT DURATION FLOW-THROUGH LIMITED PARTNERSHIP

Schedule of Investment Portfolio (continued)

As at June 30, 2023 (Unaudited)

	Number of warrants	Average cost $	Fair value $	Net assets %
Temas Resources Corp. (QC) (expiry 22 November, 2025; strike price $0.10)	1,250,000	-	11,533	0.12
Thunder Gold Corp. (NC) (expiry 21 December, 2024; strike price $0.12)	3,333,334	-	54,756	0.58
Tower Resources Ltd.(BC) (expiry 23 December, 2024; strike price $0.36)	3,888,889	-	239,055	2.55
Total warrants			**1,434,881**	**15.30**
Total portfolio of investments			9,406,017	100.31
Cash			15,621	0.17
Other net liabilities			(45,034)	(0.48)
Net assets attributable to Partners (100%)			**$ 9,376,604**	**100.00**

See accompanying notes to financial statements.

1. Formation and purpose of the Partnership:

Probity Mining 2022-II Short Duration Flow-Through Limited Partnership (the "Partnership") was formed on July 6, 2022 as a limited partnership under the laws of the Province of British Columbia, Canada and commenced operations on September 22, 2022. 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 2022-II 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 July 6, 2022, 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
  - (B) the total of:
    - the Ordinary Income in respect of the Class Portfolio allocated to the particular Partners in the Fiscal Year and

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

    - 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 March 31, 2024, 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 16, 2023.

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 in securities which are measured at fair value.

(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.

2. Significant accounting policies (continued):

(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.

2. Significant accounting policies (continued):

(d) Financial instruments (continued):

(*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.

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

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 recognised 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 July 6, 2022 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 July 6, 2022 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.

2. Significant accounting policies (continued):

(j) Accounting estimates and judgments (continued):

(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 for the six months ended June 30, 2022 is as follows:

June 30, 2022	Issue costs associated with issuance of units
Class A – National Class	$ 88,021
Class A – British Columbia	11,013
Class A – Quebec	14,336
Class F – National Class	52,676
Class F – British Columbia	1,759
Class F – Quebec	14,843
	$ 182,648

(b) Operating expenses:

The Partnership pays all 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 December 15, 2022 and issued 1,380,655 Partnership Units (665,352 units of Class A - National Class, 83,250 units of Class A - British Columbia, 108,370 units of Class A – Quebec, 398,181 units of Class F - National Class, 13,300 units of Class F - British Columbia, 112,200 of Class F – Quebec, 1 unit of Class P and 1 unit of General Partner) at a subscription price of $10 per Unit for a total of $ 13,806,550. All Units issued were outstanding as at June 30, 2023.

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, 2023 and December 31, 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 periods ended June 30, 2023 and December 31, 2022.

June 30, 2023	Level 1	Level 2	Level 3	Total
Assets:				
Equities	$ 7,971,136	-	$ -	$ 7,971,136
Warrants	-	$ 1,434,881	-	$ 1,434,881
	$ 7,971,136	$ 1,434,881	$ -	$ 9,406,017

5. Fair value measurement (continued):

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets:				
Equities	$ 9,969,288	$ -	$ -	$ 9,969,288
Warrants	-	2,581,565	-	2,581,565
	$ 9,969,288	$ 2,581,565	$ -	$ 12,550,853

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

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 monthly 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 monthly basis by the Manager. The Manager ensures the accuracy of the NAV calculation, prepared by SGGG, by reviewing the NAV on a monthly 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.

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 of $1,434,881 as of June 30, 2023, and $2,581,565 as of December 31, 2023 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.

6. Financial instruments risk management (continued):

(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 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, 2023, 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 $ 797,114 as at June 30, 2023 and $ 996,929 as at December 31, 2022.

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 recent spread of the coronavirus disease (also known as COVID-19) has caused a significant slowdown in 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.

6. Financial instruments risk management (continued):

(a) Market risk (continued):

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.

(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 2 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.

6. Financial instruments risk management (continued):

(d) Liquidity risk (continued):

At June 30, 2023, 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.

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. Increase (decrease) in net assets attributable to partners:

The decrease in net assets attributable to Limited Partners per Partnership Unit for the period ended June 30, 2023.

June 30, 2023	Decrease in net assets attributable to 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	$ (1,475,844)	665,352	$ (2.22)
Class A – British Columbia	(236,114)	83,250	(2.84)
Class A – Quebec	(278,752)	108,370	(2.57)
Class F – National Class	(917,286)	398,181	(2.30)
Class F – British Columbia	(37,565)	13,300	(2.82)
Class F – Quebec	(301,221)	112,200	(2.68)
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, 2023	Transactional NAV	Adjustment	IFRS net assets
Class A – National Class	$ 5.96	$ 0.99	$ 6.95
Class A – British Columbia	5.98	2.02	8.00
Class A – Quebec	4.40	0.41	4.81
Class F – National Class	6.23	1.03	7.26
Class F – British Columbia	6.15	2.08	8.23
Class F – Quebec	4.63	0.42	5.05
Class P	10.00	-	10.00
General Partner	10.00	-	10.00

December 31, 2022	Transactional NAV	Adjustment	IFRS net assets
Class A – National Class	$ 7.25	$ 1.91	$ 9.16
Class A – British Columbia	8.07	2.77	10.84
Class A – Quebec	6.62	0.76	7.38
Class F – National Class	7.57	1.99	9.56
Class F – British Columbia	8.29	2.77	11.06
Class F – Quebec	6.94	0.80	7.74
Class P	10.00	-	10.00
General Partner	10.00	-	10.00