Probity Mining 2025-II Short Duration Flow-Through Limited Partnership

2025 Annual Management Report of Fund Performance

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This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of Probity Mining 2025-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 702, 1030 West Georgia Street, Vancouver, BC V6E 2Y3; by e-mailing the Manager at info@qwestfunds.com; or by viewing the information on SEDAR+ at www.sedarplus.ca.

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 Fund Performance

Results of Operations

The Partnership commenced operations on September 26, 2025. During the period ended December 31, 2025, the Partnership issued 1,347,040 Class A – National Class units, 109,400 Class A – British Columbia units, 161,200 Class A – Quebec units, 357,930 Class F – National Class units, 44,400 Class F – British Columbia units,79,500 Class F – Quebec units, and 1 Class P unit. As at December 31, 2025, all classes of units issued were outstanding.

Total expenses incurred by the Partnership for the period from commencement of operations on September 26, 2025 to December 31, 2025 were $ 2,095,719, comprised mainly of $1,779,769 in issue costs, $120,209 in legal fees, $59,770 in audit fees, $58,434 in administrative fees and $48,300 in fund manager fee.

Unrealized appreciation of investments for the period ended December 31, 2025 was $3,850,689.

At December 31, 2025, net assets attributable to Limited Partners for Class A – National Class units was $13,568,181 or $10.07 per unit, for Class A – British Columbia units was $1,396,254 or $12.76 per unit, for Class A – Quebec units was $1,950,623 or $12.10 per unit, for Class F – National Class units was $3,726,060 or $10.41 per unit, for Class F – British Columbia units was $587,241 or $13.23 per unit, for Class F – Quebec units was $996,371 or $12.53 per unit, and for Class P units was $527,166 or $527,166.00 per unit.

Recent Developments

The 2025 calendar year marked a transition period for junior mining equities, with improving liquidity conditions and gradually reopening financing windows following the prolonged downturn experienced through early 2024. Capital deployment across both the spring and fall partnerships occurred during a period, characterized by strengthening commodity prices, particularly in gold and copper alongside a moderating inflation environment and growing expectations for policy easing. These factors supported a steady recovery in investor risk appetite, improving breadth across the junior mining sector and contributing to a meaningful re-rating in a number of portfolio holdings as trading volumes and market liquidity strengthened through the year.

The staged deployment schedules of the partnerships allowed capital to be invested during gradually improving sector conditions, while the disciplined liquidation approach employed by the funds enabled participation in strengthening valuations into the second half of 2025. In several cases, maintaining exposure beyond initial distribution periods allowed the portfolios to benefit from increased investor participation into the late-2025 window, supporting orderly monetization of positions as liquidity continued to improve.

Looking ahead, the sector continues to benefit from a combination of cyclical and structural drivers, including sustained central-bank support for gold, continued electrification-related demand for copper and other critical minerals, and improving access to capital for credible exploration programs. While volatility remains inherent in junior mining equities, the recovery in financing conditions and renewed investor engagement observed throughout 2025 has helped re-establish a more constructive operating environment for exploration companies. Probity’s investment approach emphasizes selectivity, liquidity discipline, and the identification of exploration programs capable of delivering value-creating milestones across evolving market conditions.

Recent Developments (continued)

Copper prices posted a significant rally, with a strong gain of 41% in 2025. This performance was driven by a combination of structural demand growth tied to electrification and infrastructure investment, and acute short-term dislocations in global copper trade. U.S. tariff threats and policy action sparked a surge in U.S. copper imports, with volumes reaching over 500,000 tons in March 2025, leading to severe divergence between COMEX and LME. As copper flowed disproportionately into U.S. warehouses, LME inventories fell sharply creating extreme backwardation in time spreads. Despite periods of volatility, investor positioning remained bullish, with market sentiment buoyed by expectations of constrained supply and firm long-term demand. By late July 2025, some of the physical premium began to unwind as trade flows rebalanced, but prices remained elevated relative to historical averages. A temporary tariff carve-out triggered a short-term correction in copper prices. Later in the year, a series of mine disruptions from major producers drove up copper prices. In early September 2025, a fatal incident at Freeport-McMoRan's Grasberg mine in Indonesia, halted production of more than 3% of global copper supply. The expectation for the federal reserve to lower borrowing costs before year-end, also contributed to the rise in copper prices, being a USD-priced commodity.

Gold prices surged in 2025 and posted a gain of 64%. This rally was initially driven by persistent central bank buying, particularly by the People's Bank of China, which added to reserves for the 19th consecutive month in February 2025. In Q1 of 2025, continued geopolitical instability and expectations of U.S. rate cuts spurred inflows into physical gold and ETFs. By May 2025, gold demand remained robust despite weakening Chinese jewelry sales, which fell 3.5% year-over-year. Investor appetite was notably strong where global bar and coin demand jumped 23.7% in Q2 of 2025, according to the World Gold Council. The Federal Reserve’s 0.25% interest rate cut in December contributed to the rise in gold prices as 2025 drew to a close.

As for battery metals, Nickel increased by 10% in 2025 and Lithium prices increased by 58% despite the poor performance throughout the first half of 2025. Lithium Prices initially stabilized in January 2025 as mine closures and strong EV sales in China began to erode the glut. However, oversupply pressures re-emerged when in late May 2025, Chile’s SQM - one of the world’s largest producers of lithium, and a major global supplier of several other industrial minerals - reported first-quarter profits well below estimates, attributing the shortfall to weak lithium prices and excess inventories. By late July 2025, Chinese regulators had signaled plans to tackle industrial overcapacity, including lithium carbonate, raising the prospect of tighter supplies ahead. And by mid-August 2025, prices continued to surge as oversupply concerns began to subside. According to Ganfeng (a major Chinese Lithium Battery producer) global demand for Lithium is expected to grow by 30-40% in 2026.

Uranium posted a gain of 9% in 2025. Early in the year, prices retraced from 2024 highs as speculative activity cooled, with spot prices dipping to the low $70s/lb by late January 2025. In March 2025, momentum returned as investor sentiment turned positive on news of new U.S. executive orders supporting domestic nuclear infrastructure and AI-linked electricity demand. The U.S. ban on Russian enriched uranium imports, legislated in 2024 and formally enacted in mid-2025, reinforced bullish long-term expectations, despite waiver provisions extending through 2027.

By mid-2025, this divergence between spot and term markets grew more pronounced: utilities were locking in long-term contracts at term prices near $80/lb, while broader supply constraints persisted. This contracting behavior reflected both tight Western market conditions and reluctance to rely on secondary or Russian supply sources under new U.S. import restrictions. Spot prices did climb briefly toward US $78–79/lb in June and early July 2025, as production disruptions in Niger and moderating inventory trends fueled short-term volatility.

The S&P/TSX Venture Metals & Mining Index delivered a strong performance, rising by 135% in 2025. The advance was supported by improving investor risk sentiment, particularly in Q2 of 2025, as geopolitical tensions began to ease and expectations for U.S. Federal Reserve rate cuts firmed. These macro shifts coincided with sharp gains in copper and gold prices, driving momentum into metal-linked equities.

Access to risk capital improved in the first half of 2025, as major central banks continued to lower policy rates. In the U.S., the Federal Reserve lowered interest rates twice by a total of 50bps in 2025. Despite political pressure to ease, the Federal Reserve emphasized its commitment to independence and described the current rate path as appropriate given prevailing data.

Recent Developments (continued)

The Bank of Canada lowered rates by 50bps in 2025 to 2.25%. Consumer and business confidence improved slightly toward the end of Q2 of 2025, but uncertainty around tariffs and elevated commodity price pass-through remained areas of concern.

The International Monetary Fund (IMF) expects Global growth to slow from 3.3% in 2024 to 3.2% in 2025 and 3.1% in 2026. Meanwhile, global headline inflation is forecast to decline toward 4.2% by end-2025, down from mid-year levels above 5%, even as U.S. inflation remains elevated due to lingering tariff impacts.

Commodity price behavior supported this outlook. The World Bank's April 2025 Commodity Markets Outlook projects a notable drop in aggregate commodity prices from their 2024 peaks by 12% in 2025, which is expected to provide a disinflationary impulse. The decline is expected to come predominantly from lower energy prices, while non-energy commodity prices are forecast to remain comparatively firm.

The Investment Advisor and Fund Manager believes that while the global economic outlook is showing tentative signs of stabilization, geopolitical risks and structural supply challenges remain significant. The global urgency to combat climate change, evidenced by rising investment in electrification, AI infrastructure, and battery technology continues to translate into sustained demand for so-called "Green Metals," including copper, nickel, and lithium. Copper's 2025 price performance is a case in point, supported by both long-term infrastructure trends and short-term supply dislocations. At the same time, rising trade barriers and concentrated production in regions like Indonesia and China have underscored the strategic importance of diversified, secure mineral supply chains. Despite near-term volatility, the Investment Advisor and Fund Manager continues to view the current environment as part of a secular bull market for industrial commodities, underpinned by global decarbonization goals and chronic underinvestment in new mine development.

The Probity limited partnerships' exploration investments remain well positioned to capture upside in Canada's expanding critical minerals sector. According to Natural Resources Canada, exploration and deposit appraisal expenditures are projected to reach $4.25 billion in 2025, up from $4.10 billion in 2024. Rendered as exploration spending, activity is expected to remain focused on base and precious metals, with critical minerals, especially lithium, copper, and uranium continuing to gain share.

In March 2025, the Canadian government extended the 15% Mineral Exploration Tax Credit (METC) for flow-through share investors for two additional years, through March 31, 2027, preserving access to approximately $110 million of annual funding for junior explorers. The 30% Critical Mineral Exploration Tax Credit (CMETC), part of Canada's broader Critical Minerals Strategy, remains available for eligible expenses through the same timeframe. These incentives are widely regarded as key drivers of exploration equity financing and long-term investment flows in the junior resource sector.

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		**December 31, 2025**
Initial NAV	**$**	**10.00**
Increase (decrease) from operations:		
Total revenue		-
Total expenses		(1.10)
Realized gains (losses)		-
Unrealized gains (losses)		1.20
Total Increase (decrease) from operations (2)		**0.10**
Distributions:		
Allocations to General Partner and Class P		(0.03)
From dividends		-
From capital gains		-
Total distributions		**(0.03)**
Net assets attributable to holders of redeemable units at end of period		**10.07**

Net Assets attributable to Limited Partners for Class A - British Columbia, per unit		**December 31, 2025**
Initial NAV	**$**	**10.00**
Increase (decrease) from operations:		
Total revenue		-
Total expenses		(1.64)
Realized gains (losses)		-
Unrealized gains (losses)		5.59
Total Increase (decrease) from operations (2)		**$3.95**
Distributions:		
Allocations to General Partner and Class P		(1.19)
From dividends		-
From capital gains		-
Total distributions		**(1.19)**
Net assets attributable to holders of redeemable units at end of period		**12.76**

Financial Highlights (continued)

Net Assets attributable to Limited Partners for Class A - Quebec, per unit		December 31, 2025
Initial NAV	**$**	**10.00**
Increase (decrease) from operations:		
Total revenue		-
Total expenses		(1.10)
Realized gains (losses)		-
Unrealized gains (losses)		4.10
Total Increase (decrease) from operations (2)		**3.00**
Distributions:		
Allocations to General Partner and Class P		(0.90)
From dividends		-
From capital gains		-
Total distributions		**(0.90)**
Net assets attributable to holders of redeemable units at end of period		**12.10**

Net Assets attributable to Limited Partners for Class F - National Class, per unit		December 31, 2025
Initial NAV	**$**	**10.00**
Increase (decrease) from operations:		
Total revenue		-
Total expenses		(0.67)
Realized gains (losses)		-
Unrealized gains (losses)		1.26
Total Increase (decrease) from operations (2)		**0.59**
Distributions:		
Allocations to General Partner and Class P		(0.18)
From dividends		-
From capital gains		-
Total distributions		**(0.18)**
Net assets attributable to holders of redeemable units at end of period		**10.41**

Financial Highlights (continued)

Net Assets attributable to Limited Partners for Class F - British Columbia, per unit		December 31, 2025
Initial NAV	**$**	**10.00**
Increase (decrease) from operations:		
Total revenue		-
Total expenses		(1.39)
Realized gains (losses)		-
Unrealized gains (losses)		6.00
Total Increase (decrease) from operations [(2)]		**4.61**
Distributions:		
Allocations to General Partner and Class P		(1.38)
From dividends		-
From capital gains		-
Total distributions		**(1.38)**
Net assets attributable to holders of redeemable units at end of period		**13.23**

Net Assets attributable to Limited Partners for Class F - Quebec, per unit		December 31, 2025
Initial NAV	**$**	**10.00**
Increase (decrease) from operations:		
Total revenue		-
Total expenses		(0.76)
Realized gains (losses)		-
Unrealized gains (losses)		4.38
Total Increase (decrease) from operations [(2)]		**3.62**
Distributions:		
Allocations to General Partner and Class P		(1.09)
From dividends		-
From capital gains		-
Total distributions		**(1.09)**
Net assets attributable to holders of redeemable units at end of period		**12.53**

(1) This information is derived from the Partnership's December 31, 2025 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 December 31, 2025 and the increase (decrease) from operations for the period from commencement on September 26, 2025 to December 31, 2025.

Ratios and Supplemental Data

Class A - National Class	**December 31, 2025**
Total net asset value (000's)	$13,568
Number of mutual fund shares outstanding	1,347,040
Management expense ratio (1)	2.38%
Management expense ratio before absorption (1)	2.38%
Portfolio turnover rate (2)	0.00%
Trading expense ratio (3)	0.00%
Net asset value per unit	$10.07

Class A - British Columbia	**December 31, 2025**
Total net asset value (000's)	$1,396
Number of mutual fund shares outstanding	109,400
Management expense ratio (1)	1.88%
Management expense ratio before absorption (1)	1.88%
Portfolio turnover rate (2)	0.00%
Trading expense ratio (3)	0.00%
Net asset value per unit	$12.76

Class A - Quebec	**December 31, 2025**
Total net asset value (000's)	$1,951
Number of mutual fund shares outstanding	161,200
Management expense ratio (1)	1.99%
Management expense ratio before absorption (1)	1.99%
Portfolio turnover rate (2)	0.00%
Trading expense ratio (3)	0.00%
Net asset value per unit	$12.10

Class F - National Class	**December 31, 2025**
Total net asset value (000's)	$3,726
Number of mutual fund shares outstanding	357,930
Management expense ratio (1)	2.31%
Management expense ratio before absorption (1)	2.31%
Portfolio turnover rate (2)	0.00%
Trading expense ratio (3)	0.00%
Net asset value per unit	$10.41

Ratios and Supplemental Data (continued)

Class F - British Columbia	December 31, 2025
Total net asset value (000's)	$587
Number of mutual fund shares outstanding	44,400
Management expense ratio [1]	1.82%
Management expense ratio before absorption (1)	1.82%
Portfolio turnover rate [2]	0.00%
Trading expense ratio [3]	0.00%
Net asset value per unit	$13.23

Class F - Quebec	December 31, 2025
Total net asset value (000's)	$996
Number of mutual fund shares outstanding	79,500
Management expense ratio [1]	1.92%
Management expense ratio before absorption (1)	1.92%
Portfolio turnover rate [2]	0.00%
Trading expense ratio [3]	0.00%
Net asset value per unit	$12.53

[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 fees.

Summary of Investment Portfolio

As at December 31, 2025, the net assets attributable to limited partnership units was $22,752,260. Below is a breakdown of the investment portfolio as at December 31, 2025, 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
Independence Gold Corp.	6.29
Tudor Gold Corp.	6.11
Nine Mile Metals Ltd.	5.16
Nine Mile Metals Ltd. (Warrants)	5.04
Critical One Energy Inc.	4.13
Canterra Minerals Corp.	3.95
Tartisan Nickel Corp.	3.43
LaFleur Minerals Inc.	3.33
Stallion Uranium Corp.	3.17
Brixton Metals Corp.	2.84
Total Metals Corp.	2.74
New Earth Resources Corp.	2.73
New Earth Resources Corp. (Warrants)	2.68
Tower Resources Ltd.	2.48
Silver North Resources Ltd	2.45
LaFleur Minerals Inc. (Warrants)	2.35
Canadian Gold Resources Ltd.	1.76
Auriginal Mining Corp.	1.71
Gold Hunter Resources Inc.	1.68
Doubleview Gold Corp.	1.66
Stearman Resources Inc.	1.65
Opus One Gold Corp.	1.32
iMetal Resources Inc.	1.31
Prospect Ridge Resources Corp.	1.27
Brixton Metals Corp. (Warrants)	1.26

Sector/Subgroup	% of Net Assets
Mining	100.34
Cash	2.33
Other assets net of liabilities	(2.67)
	100.00

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.

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.