Maple Leaf Short Duration 2012 Flow-Through Limited Partnership

Financial Statements
December 31, 2012
(expressed in Canadian dollars)

April 2, 2013

Independent Auditor's Report

To the Shareholders of
Maple Leaf Short Duration 2012 Flow-Throw Limited Partnership
Maple Leaf National Class
Maple Leaf Quebec Class
(collectively the "Funds")

We have audited the accompanying financial statements of each of the Funds, which comprise the statements of investment portfolio and net assets as at December 31, 2012 and the statements of operations, cash flows, and changes in net assets for the period from May 29, 2012 (commencement of operations) to December 31, 2012 and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements
Management is responsible for the preparation and fair presentation of the financial statements of each of the Funds in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on the financial statements of each of the Funds based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in each of our audits is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements of each of the Funds present fairly, in all material respects, the financial position of each of the Funds, the results of each of their operations, and each of their cash flows, and the changes in each of their net assets as at December 31, 2012 and for the period from May 29, 2012 to December 31, 2012 in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants

Maple Leaf Short Duration 2012 Flow-Through Limited Partnership

National Class

Statement of Net Assets

As at December 31, 2012

(expressed in Canadian dollars)

	$
Assets	
Deferred loan arrangement fee (note 3)	5,556
Investments - at fair value (note 9)	6,236,027
Due from General Partner (note 6)	50,758
	6,292,341
Liabilities	
Bank indebtedness	4,953
Accounts payable and accrued liabilities	36,075
Due to General Partner (note 6)	75,278
Loan payable (note 3)	761,551
	877,857
Net assets representing Partnership equity	5,414,484
Partnership units outstanding (note 5)	331,967
Net assets per Partnership unit	16.31
Investments - at average cost	8,303,551

Approved by the General Partner
Maple Leaf Short Duration 2012 Flow-Through Management Corp.

(signed) Hugh Cartwright
Hugh Cartwright
Director

(signed) Shane Doyle
Shane Doyle
Director

The accompanying notes are an integral part of these financial statements.

Maple Leaf Short Duration 2012 Flow-Through Limited Partnership

National Class

Statement of Operations

For the period from commencement of operations on May 29, 2012 to December 31, 2012

(expressed in Canadian dollars)

	$
Expenses	
Administrative and other (notes 4 and 6)	123,686
Audit fees	15,514
Custodial fees (note 7)	14,977
Interest	19,814
Net investment loss	173,991
Changes in unrealized depreciation of investments	2,067,524
Decrease in net assets from operations	2,241,515
Decrease in net assets from operations per Partnership unit	(6.75)

The accompanying notes are an integral part of these financial statements.

Maple Leaf Short Duration 2012 Flow-Through Limited Partnership

National Class

Statement of Changes in Net Assets

For the period from commencement of operations on May 29, 2012 to December 31, 2012

(expressed in Canadian dollars)

	$
Net assets - Beginning of period	-
Decrease in net assets from operations	(2,241,515)
Partners' transactions	
Proceeds from issuance of Partnership units	8,299,175
General Partner's contribution	10
Agents fees	(477,203)
Costs of issue	(165,983)
	7,655,999
Net assets - End of period	5,414,484

The accompanying notes are an integral part of these financial statements.

Maple Leaf Short Duration 2012 Flow-Through Limited Partnership

National Class

Statement of Cash Flows

For the period from commencement of operations on May 29, 2012 to December 31, 2012

(expressed in Canadian dollars)

	$
Cash flows from operating activities	
Net investment loss	(173,991)
Changes in non-cash balances related to operations	
Due from General Partner	(50,758)
Accounts payable and accrued liabilities	36,075
Deferred loan arrangement fee	(5,556)
Due to General Partner	75,278
	(118,952)
Purchase of investments	(8,303,551)
	(8,422,503)
Cash flows from financing activities	
General Partner's contribution	10
Proceeds from issuance of Partnership units	8,299,175
Proceeds from bank loan	761,551
Agents fees	(477,203)
Costs of issue	(165,983)
	8,417,550
Decrease in cash	(4,953)
Cash - Beginning of period	-
Bank indebtedness - End of period	(4,953)
Supplemental cash flow information	
Interest paid	18,979

The accompanying notes are an integral part of these financial statements.

Maple Leaf Short Duration 2012 Flow-Through Limited Partnership

National Class

Statement of Investment Portfolio

As at December 31, 2012

(expressed in Canadian dollars)

	Number of units/ warrants	Average cost $	Fair value $	Net assets %
Equity investments				
Advanced Explorations Inc.	463,000	110,657	78,708	1.44
ATAC Resources Ltd.	100,000	329,195	173,000	3.20
Border Petroleum Corp.	1,793,000	322,740	268,950	4.97
Carlisle Goldfields Limited	687,500	104,156	103,125	1.90
Castle Resources Inc. (1)	1,471,000	308,910	283,733	5.24
Cequence Energy Ltd.	26,000	37,700	36,920	0.68
DeeThree Exploration Ltd.	25,000	162,500	162,500	3.00
Denison Mines Corp. (1)	350,000	591,500	418,933	7.74
Donnycreek Energy Inc. (1)	25,000	47,500	71,396	1.32
Eagle Hill Exploration Corporation (1)	1,214,000	206,380	132,714	2.45
Exall Energy Corporation	634,700	634,700	304,656	5.63
First Point Minerals Corp.	333,000	199,800	189,810	3.51
Foran Mining Corporation	317,000	206,050	152,160	2.81
Gold Canyon Resources Inc.	170,000	249,900	171,700	3.17
Huldra Silver Inc.	172,000	206,400	225,320	4.16
Kaminak Gold Corporation (1)	160,000	400,000	245,955	4.54
Manitok Energy Inc.	90,000	207,000	265,500	4.90
Northern Gold Mining Inc. (1)	1,030,000	412,000	330,727	6.11
Northern Tiger Resources Inc. (1)	1,700,000	189,550	67,497	1.25
Paramount Resources Ltd.	13,500	418,500	431,055	7.96
Premier Gold Mines Limited	100,000	708,000	419,000	7.74
Ridgemont Iron Ore Corp.	325,000	127,839	24,375	0.45
RMP Energy Inc.	3,000	6,750	8,970	0.17
Sabina Gold & Silver Corp.	50,000	145,000	131,500	2.43
SilverWillow Energy Corporation (1)	382,000	477,500	273,383	5.05
TORC Oil & Gas Ltd.	111,360	396,800	257,242	4.75
Tourmaline Oil Corp.	18,467	681,432	574,878	10.62
Treasury Metals Inc. (1)	225,000	180,000	212,197	3.92
Trevali Mining Corporation	133,000	136,990	138,320	2.55
TriOil Resources Ltd.	24,793	74,379	73,883	1.36
		8,279,828	6,228,107	115.02
Warrants				
Advanced Explorations Inc.	50,000	805	-	-
ATAC Resources Ltd.	231,500	463	1,389	0.03
Carlisle Goldfields Limited	343,750	5,844	6,531	0.12
Northern Tiger Resources Inc. (1)	850,000	14,450	-	-
Ridgemont Iron Ore Corp.	162,500	2,161	-	-
		23,723	7,920	0.15
		8,303,551	6,236,027	115.17
Liabilities - net of other assets			(821,543)	(15.17)
Net assets			5,414,484	100.00

(1) Subject to hold period restrictions

The accompanying notes are an integral part of these financial statements.

Maple Leaf Short Duration 2012 Flow-Through Limited Partnership

Quebec Class

Statement of Net Assets

As at December 31, 2012

(expressed in Canadian dollars)

	$
Assets	
Cash	7,328
Investments - at fair value (note 9)	3,147,386
Due from General Partner (note 6)	31,043
	3,185,757
Liabilities	
Accounts payable and accrued liabilities	21,549
Due to General Partner (note 6)	46,037
	67,586
Net assets representing Partnership equity	3,118,171
Partnership units outstanding (note 5)	202,992
Net assets per Partnership unit	15.36
Investments - at average cost	4,624,415

Approved by the General Partner
Maple Leaf Short Duration 2012 Flow-Through Management Corp.

Hugh Cartwright	**Shane Doyle**
Director	**Director**

The accompanying notes are an integral part of these financial statements.

Maple Leaf Short Duration 2012 Flow-Through Limited Partnership

Quebec Class

Statement of Operations

For the period from commencement of operations on May 29, 2012 to December 31, 2012

(expressed in Canadian dollars)

	$
Expenses	
Administrative and other (notes 4 and 6)	63,662
Audit fees	9,486
Custodial fees (note 7)	13,165
Net investment loss	86,313
Changes in unrealized depreciation of investments	1,477,029
Decrease in net assets from operations	1,563,342
Decrease in net assets from operations per Partnership unit	7.70

The accompanying notes are an integral part of these financial statements.

Maple Leaf Short Duration 2012 Flow-Through Limited Partnership

Quebec Class

Statement of Changes in Net Assets

For the period from commencement of operations on May 29, 2012 to December 31, 2012

(expressed in Canadian dollars)

	$
Net assets - Beginning of period	-
Decrease in net assets from operations	(1,563,342)
Partners' transactions	
Proceeds from issuance of Partnership units	5,074,800
General Partner's contribution	10
Agents fees	(291,801)
Costs of issue	(101,496)
	4,681,513
Net assets - End of period	3,118,171

The accompanying notes are an integral part of these financial statements.

Maple Leaf Short Duration 2012 Flow-Through Limited Partnership

Quebec Class

Statement of Cash Flows

For the period from commencement of operations on May 29, 2012 to December 31, 2012

(expressed in Canadian dollars)

	$
Cash flows from operating activities	
Net investment loss	(86,313)
Changes in non-cash balances related to operations	
Due from General Partner	(31,043)
Accounts payable and accrued liabilities	21,549
Due to General Partner	46,037
	(49,770)
Purchase of investments	(4,624,415)
	(4,674,185)
Cash flows from financing activities	
General Partner's contribution	10
Proceeds from issuance of Partnership units	5,074,800
Agents fees	(291,801)
Costs of issue	(101,496)
	4,681,513
Increase in cash	7,328
Cash - Beginning of period	-
Cash - End of period	7,328

The accompanying notes are an integral part of these financial statements.

Maple Leaf Short Duration 2012 Flow-Through Limited Partnership

Quebec Class

Statement of Investment Portfolio

As at December 31, 2012

(expressed in Canadian dollars)

	Number of units/ warrants	Average cost $	Fair value $	Net assets %
Equity investments				
Alexandria Minerals Corporation (1)	1,872,000	233,906	127,624	4.09
Border Petroleum Corp.	1,007,000	181,260	151,050	4.84
Bowmore Exploration Ltd. (1)	433,300	125,874	87,454	2.80
Cequence Energy Ltd.	24,000	34,800	34,080	1.09
Clifton Star Resources Inc. (1)	768,000	960,000	621,589	19.94
Commerce Resources Corp.	770,000	220,605	107,800	3.47
Donner Metals Ltd. (1)	4,680,000	936,000	778,599	24.98
Eagle Hill Exploration Corporation (1)	660,000	122,100	72,151	2.31
Exall Energy Corporation	365,300	365,300	175,344	5.62
Geomega Resources Inc. (1)	520,000	260,000	134,085	4.30
Globex Mining Enterprises Inc. (1)	180,000	234,000	175,976	5.64
Gold Bullion Development Corp. (1)	864,400	127,499	71,300	2.29
Integra Gold Corp.	367,000	109,916	80,740	2.59
Nemaska Lithium Inc.	230,000	111,424	109,250	3.50
Paramount Resources Ltd.	7,500	232,500	239,475	7.68
Ridgemont Iron Ore Corp.	300,000	118,005	22,500	0.72
TORC Oil & Gas Ltd.	62,640	223,200	144,698	4.64
		4,596,389	3,133,715	100.5
Warrants				
Alexandria Minerals Corporation (1)	936,000	94	1,827	0.06
Bowmore Exploration Ltd. (1)	216,650	4,116	3,552	0.11
Commerce Resources Corp.	385,000	10,395	770	0.02
Gold Bullion Development Corp. (1)	432,200	2,161	419	0.01
Integra Gold Corp.	183,500	5,689	1,468	0.05
Nemaska Lithium Inc.	115,000	3,576	5,635	0.19
Ridgemont Iron Ore Corp.	150,000	1,995	-	-
		28,026	13,671	0.4
		4,624,415	3,147,386	100.9
Liabilities - net of other assets			(29,215)	(0.94)
Net assets			3,118,171	100.0

(1) Subject to hold period restrictions

The accompanying notes are an integral part of these financial statements.

(expressed in Canadian dollars)

1 Formation and purpose of the Partnership

Maple Leaf Short Duration 2012 Flow-Through Limited Partnership (the “Partnership”) was formed on December 21, 2011 as a limited partnership under the laws of the Province of British Columbia. The financial statements are for the period from commencement of operations on May 29, 2012 to December 31, 2012. The Partnership consists of two classes of limited partnership units, the National Class and the Quebec Class, each of which is a separate non-redeemable investment fund for security law purposes with its own investment portfolio and investment objectives. The investment objective of the investment portfolio in respect of the National Class (the “National Portfolio”) is to provide holders of National Class units of the Partnership (the “National Class Limited Partners”) with a tax assisted investment in a diversified portfolio of flow-through shares and other securities, if any, of resource issuers across Canada with a view to (i) maximizing the tax benefits of an investment in the National Class units, and (ii) achieving capital appreciation and/or income for the National Class Limited Partners. The investment objective of the investment portfolio in respect of the Quebec Class (the “Quebec Portfolio”) is to provide holders of Quebec Class units of the Partnership (the “Quebec Class Limited Partners”) with a tax assisted investment in a diversified portfolio of flow-through shares and other securities, if any, of resource issuers principally in Quebec with a view to (i) maximizing the tax benefits of an investment in the Quebec Class units, and (ii) achieving capital appreciation and/or for the Quebec Class Limited Partners.

The Partnership is managed by Maple Leaf Short Duration 2012 Flow-Through Management Corp. (the “General Partner”). Under the Amended and Restated Limited Partnership Agreement between the General Partner and each of the Limited Partners (the “LPA”) dated February 24, 2012, 99.9% of the net income of the Partnership, 100% of the net loss of the Partnership and 100% of any Eligible Expenditures renounced to the Partnership will be allocated pro rata to the Limited Partners and the General Partner is to be allocated 0.01% of the net income of the Partnership.

The Partnership is expected to dissolve on or before September 30, 2013. Upon dissolution, Limited Partners are entitled to receive 98% of the net assets of the Partnership and the General Partner is entitled to receive 2% of the net assets. The General Partner intends to implement a transaction pursuant to which the Partnership will transfer its assets to a mutual fund in exchange for shares of that mutual fund (the “Liquidity Event”) and; 98% of the mutual fund shares will be distributed to the Limited Partners, and the remaining 2% will be distributed to the General Partner, on a tax deferred basis upon the dissolution of the Partnership. The Liquidity Event is subject to the mutual agreement of the General Partner and the mutual fund and the receipt of all necessary regulatory approvals.

(expressed in Canadian dollars)

2 Significant accounting policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). The following is a summary of significant accounting policies used by the Partnership:

Investments in public equity securities

The fair value of equity securities traded in active markets is measured using the closing bid price at the year-end date. An appropriate discount from the values of an actively traded security is taken for holdings of securities when a formal restriction limits the sale of the security. The amounts at which the Partnership's publicly traded investments could be disposed may differ from the carrying value based on closing bid prices, as the value at which significant ownership positions are sold is often different than the quoted market price due to a variety of factors such as premiums paid for large blocks or discounts due to illiquidity.

Warrants

Warrants are recorded at their estimated fair value using a recognized valuation model.

Transaction costs

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of investments, are recorded as an expense in the statement of operations.

Cash

Cash consists of cash, bank indebtedness and deposits with original maturities of three months or less and is held with a Canadian chartered bank.

Revenue and expense recognition

Interest income and expenses are accrued on a daily basis and dividend income is recognized at the ex-dividend date. Realized gains and losses on disposal of investments and unrealized gains and losses in the value of investments are reflected in the statement of operations 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 expensed as incurred. General expenses were allocated based on the number of units issued in each Class with the exception of Class specific fees which would be charged to that Class.

Purchases and sales of securities are accounted for on a trade date basis.

For income tax purposes, the adjusted cost base of flow-through shares is reduced by the amount of 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.

(expressed in Canadian dollars)

Issue costs

Expenses related to the initial offering of the Partnership units have been accounted for as a reduction of net assets.

Valuation of Partnership units

Net assets per Partnership unit are calculated by dividing the net assets of the Partnership by its outstanding units on each valuation date.

Increase (decrease) in net assets from operations per Partnership unit

Increase (decrease) in net assets from operations per Partnership unit is determined by dividing the net increase (decrease) in net assets from operations by the weighted average number of units outstanding during the reporting period.

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.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and income and expenses during the reporting period. Actual results could differ from those reported and the differences could be material. Significant areas involving the use of estimates include determining estimated fair value of warrants. In calculating the estimated fair value, the Partnership makes maximum use of publicly available market-based inputs.

Financial instruments

Cash, interest receivable and dividends receivable are designated as loans and receivables and recorded at amortized cost. Similarly, bank indebtedness, accounts payable, accrued liabilities and loan payable are designated as other financial liabilities and recorded at cost or amortized cost. The carrying value of financial liabilities approximates fair value due to the relatively short period to maturity.

Future accounting changes

On January 1, 2011, International Financial Reporting Standards (“IFRS”) replaced Canadian GAAP for publicly accountable entities, with the exception of investment companies for which the mandatory date for adoption is delayed to financial years beginning on or after January 1, 2014. It is not expected that the changeover to IFRS will have any impact on the financial reporting of the Partnership as the Partnership will be dissolved prior to the mandatory IFRS adoption date.

(expressed in Canadian dollars)

3 Loan payable

In June 2012, the Partnership established a credit facility of up to $2,200,000 (subject to certain conditions including borrowing limits based on assets) with a Canadian chartered bank (the "Bank") for the payment of issue costs and provided the Bank with a security interest in all the assets of the Partnership. Loan arrangement fees of $25,000 ($25,000 National Class; $nil Quebec Class) have been deferred and recognized over the expected term of the loan. As at December 31, 2012, the loan principal balance outstanding was $761,551 ($761,551 National Class; $nil Quebec Class). The Partnership pays interest on the outstanding loan balance at the Bank's prime lending rate plus 2.0% per annum. This loan is repayable at the earlier date of (a) dissolution; and (b) March 2, 2013.

4 Expenses of the Partnership

Initial expenses are expenses of the offering of the units of the Partnership which include the costs of creating and organizing the Partnership (the "Issue Costs"). Issue Costs include agents' fee, legal and audit, regulatory filing, printing, marketing and sales expenses and shall not, excluding the agents' fee, exceed 2% of the total proceeds from the issuance of partnership units (the "Gross Proceeds"). In the event that the Issue Costs (exclusive of the agents' fee) exceed 2% of the Gross Proceeds, the General Partner will be responsible for the shortfall. The Partnership paid the Issue Costs for the National Class with proceeds from the Partnership's credit facility (note 3). Issue costs for the Quebec Class were paid net of the proceeds received from the initial offering.

The Partnership pays all of the expenses of carrying on of its business, including legal and audit fees, interest and administrative costs relating to 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. Such costs and expenses include reimbursement for any overhead costs or costs of personnel of the General Partner and its affiliated companies that provide time and services to the Partnership.

Pursuant to the Partnership Agreement, no management fee will be payable to the General Partner.

Under the LPA, the Partnership will pay to the General Partner, as partial consideration for administering, managing, supervising and operating the business and affairs of the Partnership, the Performance Bonus, being a 20% share of all Distributions, once Limited Partners have received, in total, cumulative Distributions equal to 100% of their aggregate capital contribution (being the aggregate subscription price for the Units subscribed for by the Limited Partners). The General Partner may allocate a portion of its Performance Bonus, if any, to dealers that sell Units, which may in turn be allocated to their personnel, including financial advisers.

(expressed in Canadian dollars)

5 Partners' equity

a) Authorized

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 800,000 National Class units and 400,000 Quebec Class units.

All Partnership units within each Class are of the same class with 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.

b) Issued and outstanding

As at December 31, 2012, 331,967 National Class units and 202,992 Quebec Class units were issued and outstanding.

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

6 Related party balances and transactions

As disclosed in note 4, $81,801 ($50,758 National Class; $31,043 Quebec Class) is receivable from the General Partner in relation to excess issue costs incurred by the Partnership.

The General Partner has retained CADO Bancorp Ltd., a related company by way of common directors, to provide office space and perform certain administrative functions on behalf of the General Partner. During the period ended December 31, 2012, an amount of $121,315 ($75,278 National Class; $46,037 Quebec Class) was incurred and is included in administrative and other expenses and the full amount remained payable at December 31, 2012. Balances and transactions with related parties have been recorded at the exchange amount.

7 Custodial fees

During the period ended December 31, 2012, the Partnership incurred custodial fees of $28,143 ($14,977 National Class; $13,165 Quebec Class), which are included in administrative and other expenses in the statement of operations.

(expressed in Canadian dollars)

8 Reconciliation of net asset value

In accordance with the decision made by the Canadian securities regulatory authorities, a reconciliation between the transactional net asset value determined under National Instrument 81 - 106 ("NI 81 - 106") and net assets of an investment fund as determined under Canadian GAAP is required for financial reporting purposes. For investments that are traded in an active market where quoted prices are readily and regularly available, Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3855 requires bid prices (for investments held) and ask prices (for investments sold short) to be used in the fair valuation of investments, rather than the use of closing prices currently used for the purposes of determining net asset value under NI 81 - 106. For investments that are not traded in an active market, Section 3855 requires the use of specific valuation techniques, rather than the use of valuation techniques by virtue of general practice in the investment fund industry. These changes account for the difference between net asset value and net assets as follows:

	Net asset value per NI 81 - 106 as at December 31, 2012 $	Section 3855 adjustment $	Net assets per Section 3855 as at December 31, 2012 $
National Class			
Total net assets	5,634,669	220,185	5,414,484
Total per unit	16.97	0.66	16.31
Quebec Class			
Total net assets	3,183,152	64,981	3,118,171
Total per unit	15.68	0.32	15.36

9 Fair value disclosure

The following table illustrates the classification of the Partnership's financial instruments within the fair value hierarchy as at December 31, 2012. The three levels of 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

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

(expressed in Canadian dollars)

	Financial assets at fair value as at December 31, 2012			
	Level 1 $	**Level 2** $	**Level 3** $	**Total** $
National Class				
Equities	3,069,787	3,158,320	-	6,228,107
Warrants	-	-	7,920	7,920
	3,069,787	3,158,320	7,920	6,236,027
Quebec Class				
Equities	418,254	2,715,461	-	3,133,715
Warrants	-	-	13,671	13,671
	418,254	2,715,461	13,671	3,147,386

The fair value of publicly traded equity securities is generally estimated using observable market data in active markets or bid prices from market makers and broker-dealers. Generally, these securities are categorized in Level 1 or 2 of the fair value hierarchy as observable market data is readily available. The Partnership's publicly traded equity securities that are thinly traded and where fair values are adjusted for hold period restrictions are categorized as Level 2.

The following table reconciles the Partnership's Level 3 fair value measurements from the commencement of operations to December 31, 2012:

	Fair value measurements using Level 3 inputs	
	Warrants	
	National Class $	**Quebec Class** $
Balance - May 29, 2012	-	-
Purchases	23,723	28,026
Dispositions	-	-
Change in unrealized depreciation	(15,803)	(14,355)
Warrants exercised	-	-
Warrants expired	-	-
Balance - December 31, 2012	7,920	13,671

There were no transfers into or out of Level 3 securities for the year ended December 31, 2012.

Change in unrealized loss for Level 3 securities held at year-end of $(15,803 National Class; $14,355 Quebec Class) are included in the changes in unrealized depreciation of investments as stated in the statement of operations.

(expressed in Canadian dollars)

The Partnership's publicly traded warrants are categorized as Level 2. The fair value of remaining warrants is estimated using the Black-Scholes pricing model that factors in current and contractual prices of the underlying instruments, time value of money, yield curve and volatility. These warrants are categorized in Level 3 because significant judgment and estimates were involved to determine volatility. A 10% increase (decrease) in volatility would result in an increase (decrease) in estimated fair values of approximately $4,473 ($3,553) in the National Class portfolio and $9,516 ($7,073) in the Quebec Class portfolio.

10 Risk management

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

The Partnership's overall risk management strategy focuses on the unpredictability of performance of early stage public investments and seeks to minimize potential adverse effects on the Partnership's financial performance. The Partnership uses diversification to moderate risk exposures associated with a concentration of investments.

The Partnership's investment objective is to provide Limited Partners with a tax-assisted investment in a diversified portfolio of flow-through shares of resource issuers with a view to achieving capital appreciation. The principal business of the resource issuers is mineral, oil or gas exploration, development or production and projects in renewable energy and the development of energy efficient technologies.

The Partnership's investment strategy is to invest in flow-through shares of resource companies that are considered to:

a) have experienced and reputable management with a defined track record in the energy, mining or alternative energy industries;

b) have a knowledgeable Board of Directors;

c) have exploration programs or exploration and development programs in place;

d) have securities that are suitably priced and offer capital appreciation potential; and

e) meet certain market capitalization and other investment criteria.

(expressed in Canadian dollars)

Market risk

a) 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 energy 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 financial instruments investments is determined by the fair value of the financial instruments.

The Partnership 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 daily basis by the Partnership's Manager and are reviewed on a semi-annual basis by the Board of Directors.

The Partnership's overall exposure is managed by the investment restrictions outlined in the prospectus, which include a requirement for all investments to be held in publicly traded resource investments and no more than 20% of investments to be held in any one investment.

At December 31, 2012, the Partnership's market risk is impacted directly by changes in equity prices and indirectly by changes in oil and gas and other commodity prices. The immediate impacts on equities of a 5% increase or decrease in the fair value of investments are approximately $311,801 and $157,369 for the National Class and Quebec Class, respectively.

b) Interest rate risk

The substantial majority of the Partnership's financial assets are non-interest bearing. As a result, the Partnership is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates except for interest on the loan payable. Any excess cash is invested at short-term market interest rates. The Partnership's interest-bearing financial assets and liabilities expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

The table below summarizes the Partnership's exposure to interest rate risks at December 31, 2012. It includes the Partnership's assets and liabilities at fair values, categorized by the earlier of contractual repricing or maturity dates.

(expressed in Canadian dollars)

	December 31, 2012		
	Interest bearing $	**Non-interest bearing $**	**Total $**
National Class			
Investments	-	6,236,027	6,236,027
Other assets	-	56,314	56,314
Bank indebtedness	(4,953)	-	(4,953)
Loan payable	(761,551)	-	(761,551)
Other liabilities	-	(111,353)	(111,353)
	(766,504)	6,180,988	5,414,484
Quebec Class			
Cash	7,328	-	7,328
Other assets	-	31,043	31,043
Investments	-	3,147,386	3,147,386
Other liabilities	-	(67,586),	(67,586)
	7,328	3,110,843	3,118,171

The Partnership's exposure to interest rate changes results from the difference between assets and liabilities and their respective maturities or interest rate repricing dates. Based on current differences as at December 31, 2012, the Partnership estimates that an immediate and sustained 100 basis point change in interest rates would impact net interest expense over the next 12 months by approximately $7,665 and $73 for the National Class and the Quebec Class, respectively.

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.

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.

When the Partnership trades in listed or unlisted securities that are settled upon delivery using approved brokers, 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 Partnership monitors its credit position regularly, and the Board of Directors reviews it on a periodic basis. The Partnership has not identified any past due assets or receivables as at December 31, 2012.

(expressed in Canadian dollars)

Concentration risk

	% of net Assets of National Class	% of net Assets of Quebec Class
Sector/subgroup		
Base metals	21.45	62.74
Energy	50.41	23.88
Precious metals	35.58	14.32
Uranium	7.74	-
(Bank indebtedness) cash	(0.09)	0.24
Net liabilities	(15.09)	(1.18)
	100.00	100.00

Liquidity risk

The Partnership is a closed end partnership and therefore it does not have significant 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. At the time of dissolution, the General Partner intends to transfer the assets of the Partnership to a mutual fund in exchange for shares of that mutual fund. However, there is no assurance that the Liquidity Event will be implemented, and the Limited Partners may receive securities upon dissolution of the Partnership for which there may be an illiquid market or which may be subject to resale restrictions.

The Partnership invests in early stage energy resource companies that may be publicly listed securities but thinly traded. Securities purchased by the Partnership may be subject to resale restrictions such as hold periods. During periods when resale restrictions apply, the Partnership may dispose of such securities only pursuant to certain statutory exemptions.

The Partnership is exposed to liquidity risk related to the loan payable (note 3), which is due the earlier of (a) dissolution; and (b) March 2, 2013. The Partnership manages liquidity risk by maintaining sufficient liquid cash resources and publicly listed resource companies to ensure the Partnership's liquidity requirements are met.

(expressed in Canadian dollars)

The table below analyses the Partnership's financial liabilities into relevant maturity groupings based on the remaining period at the statement of net assets date to the contractual maturity date:

	Within 3 months $	Within 1 year $
National Class		
Bank indebtedness	4,953	-
Accounts payable and accrued liabilities	36,075	-
Due to General Partner	-	75,278
Loan payable	-	761,551
Quebec Class		
Accounts payable and accrued liabilities	21,549	-
Due to General Partner	-	46,037

11 Partnership capital

Units issued and outstanding represent the capital of the Partnership. In 2012, the National Class issued 331,967 units for $8,299,175 and the Quebec Class issued 202,992 units for $5,074,800, before issue costs. The Partnership cannot issue any additional units. Until the time of dissolution of the Partnership, the Limited Partners cannot redeem units. The Partnership manages capital in accordance with its investment objectives. There are no externally imposed restrictions on the Partnership's capital although any distributions of capital are limited in relation to the borrowing limits on the loan payable (note 3).

12 Future accounting standards

In 2008, the CICA affirmed its intention to transition to IFRS for publicly accountable enterprises. The Canadian Accounting Standards Board decided to extend the deferral of mandatory adoption of IFRS for investment companies until January 1, 2014. The decision is in response to the International Accounting Standards Board's announcement in late 2010 that its investment company project is delayed and will not likely be issued before January 1, 2013. As the Partnership will be dissolved prior to the mandatory IFRS adoption date, it is unlikely that the Partnership will be impacted by these future accounting changes.

13 Subsequent event

On January 31, 2013, the Partnership amended the terms of the credit facility established in June 2012 to be repayable at the earlier date of (a) dissolution; and (b) March 2, 2013.