

## INITIAL PUBLIC OFFERING - CONFIDENTIAL INFORMATION MEMORANDUM

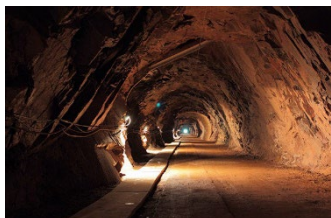
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Maximum Offering  
\$50,000,000 in aggregate



August 2022

## Probity Mining 2022-II Short Duration Flow-Through Limited Partnership \$10.00 per Unit, Minimum Subscription: 500 Units National, British Columbia and Quebec Class Units



### The Partnership

Probity Mining 2022-II Short Duration Flow-Through Limited Partnership (the "Partnership") will invest in Flow-Through Shares of Resource Issuers engaged in mining exploration, development and/or production in Canada. The investment objectives are to provide limited partners with a tax assisted investment in flow-through shares with a view to maximizing the tax benefit and achieving capital appreciation for limited partners.



### Investment highlights

#### INVEST IN PUBLICLY LISTED MINING COMPANIES ONLY

- Investment in the mining sector may entitle a Limited Partner to the additional federal tax credit of 15% (flow-through mining expenses) as well as additional provincial tax credits and deductions
- The Investment Advisor and Fund Manager believes rising equity valuations in the large cap sector should cascade down to junior mining companies.



#### ATTRACTIVE TAX SAVINGS

- Tax deductions may be more than 100% subject to the notes and assumptions set out under "Illustration of Potential Tax Consequences" in the Preliminary Prospectus
- Estimated breakeven proceeds of disposition of approximately 37% to 64% of initial investment provides downside protection subject to the notes and assumptions set out under "Illustration of Potential Tax Consequences" in the Preliminary Prospectus



#### NO MANAGEMENT FEE CREATES ALIGNMENT BETWEEN MANAGEMENT AND LIMITED PARTNERS

- The Net Asset Value of the Partnership is not impacted by ongoing management fees

#### LIQUIDITY DIRECTLY FROM THE LIMITED PARTNERSHIP, NO ROLLOVER OF UNITS INTO A MUTUAL FUND

- The portfolio will be liquidated into cash within the Partnership and returned in tranches to limited partners to further reinvest as desired
- Liquidity directly from the Partnership creates an efficient liquidation process



#### EXPERIENCED PORTFOLIO MANAGER

- Glenn MacNeill has more than 37 years of investment management experience including nine years managing and investing the NCE flow-through limited partnerships for Sentry Investments

#### REPUTABLE ADMINISTRATORS, CUSTODIAN AND AUDITORS

- SGGG Fund Services Inc. will be the initial administrator of the Partnership
- Qwest Investment Management Corp., who has many years experience manufacturing investment products including flow-through limited partnerships, will provide further coordination and administrative services
- RBC Investor Services Trust will provide custodial services to the Limited Partnership
- KPMG LLP will be the auditors of the Limited Partnership



### National Conference Call

September 15, 2022 | 11:00 am (EST) | 1-888-886-7786 | Conference ID: 598894  
Replay available for 30 days | 1-877-674-6060 and enter Conference ID: 598894

## Summary of the Offering:

<b>Issuer:</b>	Probity Mining 2022-II Short Duration Flow-Through Limited Partnership (the "Partnership")
<b>Securities offered:</b>	<ol style="list-style-type: none"><li>National Class A limited partnership units ("NC-A Units") and Class F limited partnership units ("NC-F Units");</li><li>British Columbia Class A limited partnership units ("BC-A Units") and British Columbia Class F limited partnership units ("BC-F Units"); and</li><li>Quebec Class A limited partnership units ("QC-A Units") and Quebec Class F limited partnership units ("QC-F Units").</li></ol>
<b>Offering size:</b>	Maximum Offering: aggregate of \$50,000,000, comprising of \$30,000,000 for National Class Units; \$10,000,000 for British Columbia Class Units and \$10,000,000 for Québec Class Units (3,000,000 NC-A and/or NC-F Units; 1,000,000 BC-A and/or BC-F Units; and 1,000,000 QC-A and/or QC-F Units) Minimum Offering: \$1,500,000 (150,000 Class A and/or Class F Units)
<b>Subscription price:</b>	\$10 per Unit
<b>Minimum subscription:</b>	\$5,000 (500 Units)
<b>Use of proceeds:</b>	This is a speculative offering. This is a blind pool offering. The Partnership will use the Gross Proceeds to subscribe for Flow Through Shares of Resource Issuers.
<b>General Partner:</b>	Probity 2022-II Management Corp.
<b>The Manager and Portfolio Advisor:</b>	Qwest Investment Fund Management Ltd
<b>Investment objective:</b>	The partnership's investment objectives are to provide limited partners with a tax assisted investment in flow-through shares and flow-through warrants issued to the Partnership by Resource Issuers engaged in mining exploration, development and/or production in Canada, with a view to maximizing the tax benefit and achieving capital appreciation for limited partners.
<b>Investment guidelines and restrictions:</b>	<p>The Partnership Agreement provides that the activities of the Partnership and the transactions in securities comprising the Portfolio will be conducted in accordance with the following Investment Guidelines. The Portfolio will be managed at all times in such a way as to preserve the ability to undertake a Liquidity Alternative.</p> <ol style="list-style-type: none"><li>Resource Issuers. The Available Funds of the Portfolio will initially be invested by the Partnership in: (i) Flow-Through Shares of Resource Issuers; and (ii) units consisting of Flow-Through Shares and Warrants.</li><li>Exchange Listing. The Invested Assets will be invested in securities of Resource Issuers that are listed on a stock exchange.</li><li>Minimum Market Cap. At least 50% of the Invested Assets will be invested in securities of issuers with a market capitalization of at least \$10,000,000.</li><li>Limit on Illiquid Investments. The Partnership will not invest in Illiquid Investments, including securities of private companies. This restriction shall not apply to units comprised of Warrants and common shares that do not constitute Illiquid Investments.</li><li>Diversification. The Partnership may invest up to 20% of the Partnership's net assets in the securities of one Resource Issuer provided that Partnership will not invest in fewer than three Resource Issuers.</li><li>No Control. The Partnership will not own 10% or more of any class of securities (other than Warrants) of any one issuer and securities will not be purchased by the Partnership for the purpose of exercising control over or management of an issuer.</li><li>No Other Undertaking. The Partnership will not engage in any undertaking other than the investment of the Partnership's assets in accordance with the Partnership's Investment Guidelines.</li><li>No Commodities. The Partnership will not purchase or sell commodities.</li><li>No Investment Funds. The Partnership will not purchase securities of any investment fund.</li><li>No Guarantees. The Partnership will not guarantee the securities or obligations of any person.</li><li>No Real Estate. The Partnership will not purchase or sell real estate or interests therein.</li><li>No Lending. The Partnership will not lend money, provided that the Partnership may purchase High Quality Money Market Investments.</li></ol>

## Summary of the Offering (continued)

- m) Conflict of Interest. Not more than 10% of the Gross Proceeds from the sale of Units will be invested in Flow-Through Shares or other securities issued by issuers that are Related Entities.
- n) No Mortgages. The Partnership will not purchase mortgages.
- o) Short Sales. The Partnership may borrow and sell short free-trading shares of Resource Issuers for hedging purposes when an appropriate selling opportunity arises in order to capitalize on an investment decision or to “lock-in” the resale price of Flow-Through Shares or other securities, if any, of Resource Issuers held in the Portfolio that are subject to resale restrictions. The Partnership may also borrow cash to sell short free-trading shares of Resource Issuers for hedging purposes when an appropriate selling opportunity arises.
- p) Derivatives. The Partnership may invest in or use derivative instruments solely for the purpose of hedging securities held in the Partnership’s investment portfolio.

<b>Federal income tax considerations:</b>	A Limited Partner at the end of a fiscal year may, in computing income for the taxation year in which the fiscal year ends, subject to the “at-risk” and limited-recourse financing rules, deduct an amount up to 100% of Eligible Expenditures renounced to the Partnership and allocated to the taxpayer by the Partnership in respect of the fiscal year. The adjusted cost base of the Flow-Through Shares held by the Partnership will generally be deemed to be nil, and as a result, any capital gain realized by the Partnership and allocated to the Limited Partners on a sale of Flow-Through Shares will generally be equal to the proceeds of disposition, less reasonable costs of disposition.
<b>Certain British Columbia income tax considerations:</b>	The Province of British Columbia allows for a special deduction in computing provincial income tax payable for a taxation year of up to 20% of certain eligible exploration expenses incurred by an individual in respect of exploration of mineral resources in the Province of British Columbia.
<b>Certain Quebec income tax considerations:</b>	The Province of Québec allows for a special deduction in computing income for Québec income tax purposes for a taxation year of up to 120% of certain eligible exploration expenses incurred by a qualified corporation for exploration carried out in the Province of Québec.
<b>Termination of the Partnership:</b>	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 the Liquidity Alternative will be the sale of the Partnerships’ assets for cash, whereupon the proceeds shall be distributed to Limited Partners, pro rata, up to and upon the dissolution of the Partnership. There can be no assurance that any such Liquidity Alternative will be implemented. In the event a Liquidity Alternative is not implemented on or before March 31, 2024, then, in the discretion of the General Partner, the Partnership may: (a) be dissolved on or about June 30, 2024 and its net assets attributable to a class distributed pro rata to the Partners who hold Units in that class, or (b) subject to the approval by Extraordinary Resolution of the Limited Partners holding Units in that class, continue in operation with an actively managed portfolio.
<b>Management Fee:</b>	There is no management fee.
<b>Administrative Fee:</b>	An administrative fee of \$200 per month, plus applicable taxes, will be paid to the General Partner.
<b>Investment Advisor and Fund Manager Fee:</b>	The Investment Advisor and Fund Manager will receive a fee of \$1,000 plus applicable taxes for each investment into a Resource Issuer.
<b>Performance Bonus:</b>	There is no performance bonus.
<b>Class P Units:</b>	The General Partner will subscribe to Class P units. The Class P Units will be entitled to an allocation of income of 30% of the balance of cumulative income (or loss) of the Partnership, including capital gains (or capital losses) and taxable dividends received by the Partnership, that exceeds the amount equal to the Gross Proceeds of the Offering.
<b>Selling Concession:</b>	Class A Units: 4.25% Class F Units: 0.00%
<b>Initial Closing:</b>	In or about September, 2022

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## An Experienced Team



### Glenn MacNeill Advising Representative (PM)

Glenn MacNeill has more than 37 years of investment management experience. This experience comprises managing a number of mining, resource and flow through limited partnerships including managing mining and resource funds for Sentry Investments and nine years as portfolio manager for Sentry Investments' NCE flow through limited partnerships.

Mr. MacNeill joined Qwest Investment Fund Management Ltd. in 2016 as Portfolio Manager. Prior to joining QIFM, Mr MacNeill served as a portfolio manager for Pangaea Asset Management Inc., and as a Managing Director and portfolio manager for Bennington Investment Management. Mr. MacNeill has also been Chief Investment Officer and senior portfolio manager at Lawrence Asset Management Inc. (LAMI) where he managed two income and growth funds as well as a global resource fund. Mr. MacNeill spent several years at Sentry Investments where he was responsible for Sentry's Investment Group and the portfolio manager of mining and resource funds. While at Sentry Investments Mr. MacNeill spent nine years managing and investing the NCE flow through limited partnerships. Further experience includes being an Energy Equity Analyst with Scotia Capital Markets and HSBC Securities, where he covered integrated oil companies and a selection of petroleum companies, and six years as a portfolio manager with Imperial Life / Laurentian Financial Inc where he managed several mineral and mining royalty positions.

Mr. MacNeill is a Professional Engineer and received a Bachelor of Science Degree in Mechanical Engineering from Queen's University in Kingston, Ontario. Mr. MacNeill has been a regular contributor to BNN, GlobeInvestorGold and various other media about trends in the resource industry and investment issues in general.



### Firas Abasi Associate Advising Representative (APM)

Firas Abasi has an extensive background in institutional investment management with a particular focus on the mining industry.

Mr. Abasi spent more than a decade working for the BC Investment Management Corporation (BCI) where he was responsible for the materials sector within the internally managed active Canadian equities portfolio. He provided tactical and strategic sector investment strategies for multiple portfolios. In 2018, Mr. Abasi started a portfolio management consultancy practice, where he advised discretionary portfolio managers on asset allocation and fundamental investment processes.

Prior to joining Qwest Investment Fund Management Ltd., Firas worked in business development within the NGO sector, partnering with UNEP, UNIDO and the National Resource Defense Council to develop sustainable small-scale gold mining projects in nine countries as part of the planetGOLD program funded by the Global Environment Facility.

Mr. Abasi holds an MBA from UBC's Sauder School of Business and is a Chartered Financial Analyst.

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## An Experienced Team



**Brent Larkan**  
**CEO - General Partner**

Mr. Larkan has a diverse career history that includes more than a decade in equity capital markets and syndication, public venture capital, investment banking, structured funds and derivative products. Additionally, he has a background in international business with entrepreneurial and consulting experience across Europe, Africa, and North America.

Prior to co-founding Probity Capital Corporation in 2014, Mr. Larkan was a member of the management team at Macquarie Private Wealth Canada Inc. (later acquired by Richardson GMP Limited) where he led a banking team focused on raising capital for private and public companies, including undertaking initial public offerings and exchange listing sponsorships. Mr. Larkan was also the head of retail syndication and the investment banker responsible for retail structured funds, which encompasses flow through limited partnership offerings. Prior to joining Macquarie, Mr. Larkan was a part of HSBC Securities (Canada) Inc. where he was a member of the Equity Capital Markets team as well as the investment banker responsible for retail structured funds.

Mr. Larkan is also the CEO of ANB Canada Inc.



**Peter Christiansen**  
**President - General Partner**

Mr. Christiansen has over 25 years of experience in the financial services industry, offering expertise in mutual funds, labour sponsored funds, hedge funds, and flow-through partnerships. Over the past 19 years, Mr. Christiansen has raised capital for funds and partnerships through a variety of distribution channels including IIROC, MFDA, EMD, and MGA.

Prior to co-founding Probity Capital Corporation with Brent Larkan in 2014, he was the managing partner for Eastern Canada for i9 Capital Consulting. Prior to that position, Mr. Christiansen was the Executive Vice President, National Sales for MineralFields Group (including Pathway Asset Management) where he led a sales team that raised money for mining focused flow-through limited partnerships.

## An Illustration Of Potential Tax Consequences for National Class Units

An investment in Units will have a number of tax implications for a prospective subscriber. The following table has been prepared by the General Partner to assist prospective subscribers in evaluating the income tax consequences to them of acquiring, holding and disposing of Class A Units. The table below is intended to illustrate certain income tax implications to subscribers who are Canadian resident individuals (other than trusts) that subscribe for \$10,000 in NC-A Units (1,000 Units) and who continue to hold their Units in the Partnership as of December 31, 2022 and beyond. The illustrations below are for the maximum offering of \$30,000,000 with 100% and 50% respectively of the Portfolio eligible for the 15% additional federal investment tax credit defined as "ITC" in the Preliminary Prospectus. As the provinces or territories in which CEE will be incurred are unknown, the provincial income tax credits have been assumed to be nil.

The calculations are based on the estimates and assumptions set forth below the tables contained in the Preliminary Prospectus. The illustration is an example only and actual tax rates, tax deductions, money at-risk and portfolio values may vary significantly. The timing of such deductions may also vary from that shown in the table. There is no assurance that any or all of the assumptions upon which the following calculations are based will be applicable to all or any of the Limited Partners, the Partnership or the Flow-Through Shares purchased by the Partnership.

### Probity Mining 2022-II Short Duration Flow Through Limited Partnership Offering Size: \$30,000,000 Tax Advantages per \$10,000 Investment

	CEE	Other Deductions	Total Deductions											
<b>Investment tax credit (100% eligible for 15% Federal credit)</b>	\$ 1,368													
2022	\$ 9,120	\$ 73	\$ 9,193											
2023 and beyond	\$ -	\$ 845	\$ 845											
ITC income inclusion 2022		\$ (1,368)	\$ (1,368)											
<b>Net tax deductions (income)</b>	<b>\$ 9,120</b>	<b>\$ (450)</b>	<b>\$ 8,670</b>											
<b>Highest Marginal Tax Rate</b>														
2022	48.00%	53.50%	50.40%	53.30%	54.00%	54.80%	47.05%	53.53%	51.37%	53.31%	47.50%			
2023 and beyond	48.00%	53.50%	50.40%	53.30%	54.00%	54.80%	47.05%	53.53%	51.37%	53.31%	47.50%			
Investment	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Less:														
Tax Savings from Net Deductions - Federal	\$ (4,162)	\$ (4,638)	\$ (4,370)	\$ (4,621)	\$ (4,682)	\$ (4,752)	\$ (4,079)	\$ (4,641)	\$ (4,454)	\$ (4,974)	\$ (4,119)	\$ (4,119)	\$ (4,119)	\$ (4,119)
ITC	\$ (1,368)	\$ (1,368)	\$ (1,368)	\$ (1,368)	\$ (1,368)	\$ (1,368)	\$ (1,368)	\$ (1,368)	\$ (1,368)	\$ (1,368)	\$ (1,368)	\$ (1,368)	\$ (1,368)	\$ (1,368)
Add:														
Tax on Capital Gain	\$ 9	\$ 10	\$ 10	\$ 10	\$ 10	\$ 11	\$ 9	\$ 10	\$ 10	\$ 10	\$ 9	\$ 10	\$ 9	\$ 9
<b>Money at Risk</b>	<b>\$ 4,479</b>	<b>\$ 4,004</b>	<b>\$ 4,272</b>	<b>\$ 4,021</b>	<b>\$ 3,960</b>	<b>\$ 3,891</b>	<b>\$ 4,562</b>	<b>\$ 4,001</b>	<b>\$ 4,188</b>	<b>\$ 3,668</b>	<b>\$ 4,522</b>	<b>\$ 4,522</b>	<b>\$ 4,522</b>	<b>\$ 4,522</b>
<b>Breakeven Proceeds of Disposition</b>	<b>\$ 5,893</b>	<b>\$ 5,466</b>	<b>\$ 5,711</b>	<b>\$ 5,482</b>	<b>\$ 5,425</b>	<b>\$ 5,360</b>	<b>\$ 5,965</b>	<b>\$ 5,463</b>	<b>\$ 5,635</b>	<b>\$ 5,001</b>	<b>\$ 5,930</b>	<b>\$ 5,930</b>	<b>\$ 5,930</b>	<b>\$ 5,930</b>
Less: capital gains tax on sale	\$ (1,414)	\$ (1,462)	\$ (1,439)	\$ (1,451)	\$ (1,465)	\$ (1,469)	\$ (1,403)	\$ (1,462)	\$ (1,447)	\$ (1,333)	\$ (1,408)	\$ (1,408)	\$ (1,408)	\$ (1,408)
After-tax Proceeds of Disposition/After Tax Purchase Cost	\$ 4,479	\$ 4,004	\$ 4,272	\$ 4,021	\$ 3,960	\$ 3,891	\$ 4,562	\$ 4,001	\$ 4,188	\$ 3,668	\$ 4,522	\$ 4,522	\$ 4,522	\$ 4,522
Effective earned income written off at current tax rate	\$ 11,521	\$ 11,226	\$ 11,385	\$ 11,236	\$ 11,204	\$ 11,168	\$ 11,577	\$ 11,225	\$ 11,333	\$ 11,898	\$ 11,552	\$ 11,552	\$ 11,552	\$ 11,552
Effective earned income written off percentage	115%	112%	114%	112%	112%	112%	116%	112%	113%	119%	116%	116%	116%	116%

### Probity Mining 2022-II Short Duration Flow Through Limited Partnership Offering Size: \$30,000,000 Tax Advantages per \$10,000 Investment

	CEE	Other Deductions	Total Deductions											
<b>Investment tax credit (50% eligible for 15% Federal credit)</b>	\$ 684													
2022	\$ 9,120	\$ 73	\$ 9,193											
2023 and beyond	\$ -	\$ 845	\$ 845											
ITC income inclusion 2022		\$ (684)	\$ (684)											
<b>Net tax deductions (income)</b>	<b>\$ 9,120</b>	<b>\$ 234</b>	<b>\$ 9,354</b>											
<b>Highest Marginal Tax Rate</b>														
2022	48.00%	53.50%	50.40%	53.30%	54.00%	54.80%	47.05%	53.53%	51.37%	53.31%	47.50%			
2023 and beyond	48.00%	53.50%	50.40%	53.30%	54.00%	54.80%	47.05%	53.53%	51.37%	53.31%	47.50%			
Investment	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Less:														
Tax Savings from Net Deductions - Federal	\$ (4,490)	\$ (5,004)	\$ (4,714)	\$ (4,986)	\$ (5,051)	\$ (5,126)	\$ (4,401)	\$ (5,007)	\$ (4,805)	\$ (5,163)	\$ (4,444)	\$ (4,444)	\$ (4,444)	\$ (4,444)
ITC	\$ (684)	\$ (684)	\$ (684)	\$ (684)	\$ (684)	\$ (684)	\$ (684)	\$ (684)	\$ (684)	\$ (684)	\$ (684)	\$ (684)	\$ (684)	\$ (684)
Add:														
Tax on Capital Gain	\$ 9	\$ 10	\$ 10	\$ 10	\$ 10	\$ 11	\$ 9	\$ 10	\$ 10	\$ 10	\$ 9	\$ 10	\$ 9	\$ 9
<b>Money at Risk</b>	<b>\$ 4,835</b>	<b>\$ 4,322</b>	<b>\$ 4,612</b>	<b>\$ 4,340</b>	<b>\$ 4,275</b>	<b>\$ 4,201</b>	<b>\$ 4,924</b>	<b>\$ 4,319</b>	<b>\$ 4,521</b>	<b>\$ 4,163</b>	<b>\$ 4,881</b>	<b>\$ 4,881</b>	<b>\$ 4,881</b>	<b>\$ 4,881</b>
<b>Breakeven Proceeds of Disposition</b>	<b>\$ 6,362</b>	<b>\$ 5,900</b>	<b>\$ 6,166</b>	<b>\$ 5,917</b>	<b>\$ 5,856</b>	<b>\$ 5,787</b>	<b>\$ 6,439</b>	<b>\$ 5,897</b>	<b>\$ 6,084</b>	<b>\$ 5,676</b>	<b>\$ 6,401</b>	<b>\$ 6,401</b>	<b>\$ 6,401</b>	<b>\$ 6,401</b>
Less: capital gains tax on sale	\$ (1,527)	\$ (1,578)	\$ (1,554)	\$ (1,577)	\$ (1,581)	\$ (1,586)	\$ (1,515)	\$ (1,578)	\$ (1,563)	\$ (1,513)	\$ (1,520)	\$ (1,520)	\$ (1,520)	\$ (1,520)
After-tax Proceeds of Disposition/After Tax Purchase Cost	\$ 4,835	\$ 4,322	\$ 4,612	\$ 4,340	\$ 4,275	\$ 4,201	\$ 4,924	\$ 4,319	\$ 4,521	\$ 4,163	\$ 4,881	\$ 4,881	\$ 4,881	\$ 4,881
Effective earned income written off at current tax rate	\$ 10,779	\$ 10,632	\$ 10,710	\$ 10,638	\$ 10,620	\$ 10,602	\$ 10,808	\$ 10,631	\$ 10,685	\$ 10,969	\$ 10,796	\$ 10,796	\$ 10,796	\$ 10,796
Effective earned income written off percentage	108%	106%	107%	106%	106%	106%	108%	106%	107%	110%	108%	108%	108%	108%

## An Illustration Of Potential Tax Consequences for British Columbia Class Units

An investment in Units will have a number of tax implications for a prospective subscriber. The following table has been prepared by the General Partner to assist prospective subscribers in evaluating the income tax consequences to them of acquiring, holding and disposing of Class A Units. The table below is intended to illustrate certain income tax implications to subscribers who are Canadian resident individuals (other than trusts) that subscribe for \$10,000 in BC-A Units (1,000 Units) and who continue to hold their Units in the Partnership as of December 31, 2022 and beyond. The illustrations below are for the maximum offering of \$10,000,000 with 100% and 50% respectively of the Portfolio eligible for the 15% additional federal investment tax credit defined as "ITC" in the Preliminary Prospectus, and with 100% and 50% respectively of the Portfolio eligible for the 20% additional British Columbia investment tax credit.

The calculations are based on the estimates and assumptions set forth below the tables contained in the Preliminary Prospectus. The illustration is an example only and actual tax rates, tax deductions, money at-risk and portfolio values may vary significantly. The timing of such deductions may also vary from that shown in the table. There is no assurance that any or all of the assumptions upon which the following calculations are based will be applicable to all or any of the Limited Partners, the Partnership or the Flow-Through Shares purchased by the Partnership.

### Probity Mining 2022-II Short Duration Flow Through Limited Partnership Offering Size: \$10,000,000 Tax Advantages per \$10,000 Investment

	CEE	Other Deductions	Total Deductions
Investment tax credit (100% eligible for 15% Federal credit)	\$ 1,094		
Investment tax credit (100% eligible for 20% BC credit)	\$ 1,824		
2022	\$ 9,120	\$ 73	\$ 9,193
2023 and beyond	\$ -	\$ 845	\$ 845
ITC income inclusion 2022 - Federal	\$ (1,094)		\$ (1,094)
ITC income inclusion 2022 - BC	\$ (1,824)		\$ (1,824)
<b>Net tax deductions (income)</b>	<b>\$ 9,120</b>	<b>\$ (2,000)</b>	<b>\$ 7,120</b>

	BC
Highest Marginal Tax Rate	
2022	53.50%
2023 and beyond	53.50%
Investment	\$ 10,000
Less:	
Tax Savings from Net Deductions	\$ (3,809)
ITC - Federal	\$ (1,094)
ITC - BC	\$ (1,824)
Add:	
Tax on Capital Gain	\$ 10
<b>Money at Risk</b>	<b>\$ 3,283</b>
<b>Breakeven Proceeds of Disposition</b>	<b>\$ 4,482</b>
Less: capital gains tax on sale	\$ (1,199)
After-tax Proceeds of Disposition/After Tax Purchase Cost	\$ 3,283
Effective earned income written off at current tax rate	\$ 12,574
Effective earned income written off percentage	126%

### Probity Mining 2022-II Short Duration Flow Through Limited Partnership Offering Size: \$10,000,000 Tax Advantages per \$10,000 Investment

	CEE	Other Deductions	Total Deductions
Investment tax credit (50% eligible for 15% Federal credit)	\$ 547		
Investment tax credit (50% eligible for 20% BC credit)	\$ 912		
2022	\$ 9,120	\$ 73	\$ 9,193
2023 and beyond	\$ -	\$ 845	\$ 845
ITC income inclusion 2022 - Federal	\$ (547)		\$ (547)
ITC income inclusion 2022 - BC	\$ (912)		\$ (912)
<b>Net tax deductions (income)</b>	<b>\$ 9,120</b>	<b>\$ (541)</b>	<b>\$ 8,579</b>

	BC
Highest Marginal Tax Rate	
2022	53.50%
2023 and beyond	53.50%
Investment	\$ 10,000
Less:	
Tax Savings from Net Deductions	\$ (4,590)
ITC - Federal	\$ (547)
ITC - BC	\$ (912)
Add:	
Tax on Capital Gain	\$ 10
<b>Money at Risk</b>	<b>\$ 3,961</b>
<b>Breakeven Proceeds of Disposition</b>	<b>\$ 5,408</b>
Less: capital gains tax on sale	\$ (1,447)
After-tax Proceeds of Disposition/After Tax Purchase Cost	\$ 3,961
Effective earned income written off at current tax rate	\$ 11,307
Effective earned income written off percentage	113%

## An Illustration Of Potential Tax Consequences for Quebec Class Units

An investment in Units will have a number of tax implications for a prospective subscriber. The following table has been prepared by the General Partner to assist prospective subscribers in evaluating the income tax consequences to them of acquiring, holding and disposing of Class A Units. The table below is intended to illustrate certain income tax implications to subscribers who are Canadian resident individuals (other than trusts) that subscribe for \$10,000 in QC-A Units (1,000 Units) and who continue to hold their Units in the Partnership as of December 31, 2022 and beyond. The illustrations below are for the maximum offering of \$10,000,000 with 100% and 50% respectively of the Portfolio eligible for the 15% additional federal investment tax credit defined as "ITC" in the Preliminary Prospectus, and with 100% and 50% respectively of the Portfolio eligible for both the additional 10% deduction in respect of certain CEE and the additional 10% deduction in respect of certain surface mining exploration expenses.

The calculations are based on the estimates and assumptions set forth below the tables contained in the Preliminary Prospectus. The illustration is an example only and actual tax rates, tax deductions, money at-risk and portfolio values may vary significantly. The timing of such deductions may also vary from that shown in the table. There is no assurance that any or all of the assumptions upon which the following calculations are based will be applicable to all or any of the Limited Partners, the Partnership or the Flow-Through Shares purchased by the Partnership.

### Probity Mining 2022-II Short Duration Flow Through Limited Partnership Offering Size: \$10,000,000 Tax Advantages per \$10,000 Investment

	CEE	Other Deductions	Total Deductions
Investment tax credit (100% eligible for 15% Federal credit)	\$ 1,368		
Quebec additional deduction (100% eligible for 20% QC deduction)	\$ 1,824		
2022	\$ 9,120	\$ 73	\$ 9,193
2023 and beyond	\$ -	\$ 845	\$ 845
ITC income inclusion 2022 - Federal		\$ (1,368)	\$ (1,368)
<b>Net tax deductions (income)</b>	<b>\$ 9,120</b>	<b>\$ (450)</b>	<b>\$ 8,670</b>

	QC
Highest Marginal Tax Rate	
2022	53.31%
2023 and beyond	53.31%
Investment	\$ 10,000
Less:	
Tax Savings from Net Deductions	\$ (4,975)
ITC - Federal	\$ (1,368)
Quebec Additional Deduction	\$ (470)
Add:	
Tax on Capital Gain	\$ 5
<b>Money at Risk</b>	<b>\$ 3,192</b>
<b>Breakeven Proceeds of Disposition</b>	<b>\$ 3,702</b>
Less: capital gains tax on sale	\$ (510)
<b>After-tax Proceeds of Disposition/After Tax Purchase Cost</b>	<b>\$ 3,192</b>
Effective earned income written off at current tax rate	\$ 12,779
Effective earned income written off percentage	128%

### Probity Mining 2022-II Short Duration Flow Through Limited Partnership Offering Size: \$10,000,000 Tax Advantages per \$10,000 Investment

	CEE	Other Deductions	Total Deductions
Investment tax credit (50% eligible for 15% Federal credit)	\$ 684		
Quebec additional deduction (50% eligible for 20% QC deduction)	\$ 912		
2022	\$ 9,120	\$ 73	\$ 9,193
2023 and beyond	\$ -	\$ 845	\$ 845
ITC income inclusion 2022 - Federal		\$ (684)	\$ (684)
<b>Net tax deductions (income)</b>	<b>\$ 9,120</b>	<b>\$ 234</b>	<b>\$ 9,354</b>

	QC
Highest Marginal Tax Rate	
2022	53.31%
2023 and beyond	53.31%
Investment	\$ 10,000
Less:	
Tax Savings from Net Deductions	\$ (5,164)
ITC - Federal	\$ (684)
Quebec Additional Deduction	\$ (235)
Add:	
Tax on Capital Gain	\$ 5
<b>Money at Risk</b>	<b>\$ 3,922</b>
<b>Breakeven Proceeds of Disposition</b>	<b>\$ 4,549</b>
Less: capital gains tax on sale	\$ (627)
<b>After-tax Proceeds of Disposition/After Tax Purchase Cost</b>	<b>\$ 3,922</b>
Effective earned income written off at current tax rate	\$ 11,410
Effective earned income written off percentage	114%



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## Select Risk Factors

THIS IS A SPECULATIVE OFFERING. This is a blind pool offering. As of the date of this memorandum, the Partnership has not entered into any agreement with any Resource Issuer. There is no assurance of a return on a Subscriber's initial investment. The Units are more suitable for Subscribers with incomes that are subject to high marginal tax rates. Aside from tax benefits, Subscribers should consider whether the Units have sufficient merit solely as an investment. The purchase of Units involves significant risks, including, but not limited to, the following: speculative investments; sector risks; market risks; exploration and mining risks; global economic downturn; unexpected impacts of COVID-19; commodity prices; changes in net asset values; volatility of junior and intermediate Resource Issuers; tax related risks; lack of liquidity of Units; concentration risks; flow-through share premiums; reliance on the Investment Advisor and Fund Manager; conflict of interest of the Manager; possibility that Limited Partners may receive illiquid securities on dissolution; financial resources of the General Partner and Partnership; transferability of the Units; resale restrictions on portfolio securities; lack of suitable investments; possible loss of limited liability; no ownership interest and leverage; conflicts of interest and future Tax Proposals. See Preliminary Prospectus for additional risk factors and complete details.

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## Disclaimer

A Preliminary Prospectus (the "Preliminary Prospectus") containing important information relating to the securities described in this document has been filed with the securities regulatory authorities in certain of the provinces of Canada.

Copies of the Preliminary Prospectus may be obtained from Brent Larkan, CEO and Director of the General Partner. This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the Preliminary Prospectus and any amendment for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

The information in this memorandum is intended for use only by persons resident in jurisdictions where such use is lawful. Nothing in this memorandum constitutes, and under no circumstances is to be construed as, an offer or solicitation to purchase securities of, or advertisement for, securities of the Partnership. The securities of the Partnership have not been registered under the United States Securities Act of 1933, as amended or any state securities laws.

The information herein is provided "as is" and without warranty of any kind. This memorandum could include inaccuracies, typographical errors, or out-of-date information, and changes to it may be made at any time without prior notice. You are therefore advised to use this memorandum at your own risk.

Certain statements contained in this memorandum (including information incorporated by reference) are "forward looking statements". Where we express an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, our forward-looking statements are subject to risks, uncertainties, and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by those forward-looking statements.

Given these uncertainties, readers are cautioned not to place undue reliance on our forward-looking statements. All subsequent written and oral forward-looking statements attributable to the Partnership or to persons acting on its behalf are expressly qualified in their entirety by these cautionary statements.

Any information communicated to the Partnership through this memorandum becomes the Partnership's exclusive property. The Partnership shall be entitled to use any such information for any purpose without restriction or compensation to any person. Such information provided by the user shall be deemed to be non-confidential.

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