MARQUEST MINING QUÉBEC 2018-II SUPER FLOW-THROUGH LIMITED PARTNERSHIP

ANNUAL REPORT
Year ended December 31, 2018

MARQUEST ASSET MANAGEMENT INC.

INDEPENDENT AUDITOR'S REPORT

To the Partners of
Marquest Mining Quebec 2018-II Super Flow-Through Limited Partnership

(the "Limited Partnership")

Opinion

We have audited the financial statements of the Limited Partnership, which comprise the statement of financial position as at December 31, 2018, and the statement of comprehensive loss, statement of changes in net assets attributable to partners and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Limited Partnership as at December 31, 2018, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Limited Partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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.

In preparing the financial statements, management is responsible for assessing the Limited Partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Limited Partnership or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Limited Partnership's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Limited Partnership's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Limited Partnership's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Limited Partnership to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada

April 1, 2019

MARQUEST MINING QUÉBEC 2018-II
SUPER FLOW-THROUGH LIMITED PARTNERSHIP

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION (CDN $)

As at

	December 31, 2018 ($)
Assets	
Current Assets	
Investments at fair value	11,423,259
Cash	202,249
Total Assets	11,625,508
Liabilities	
Current Liabilities	
Management fees payable	21,827
Other payables and accrued expenses	35,755
Total Liabilities	57,582
Net Assets Attributable to Partners	11,567,926
Net Assets Attributable to Partners	
Class A	9,974,096
Class F	1,593,830
Net Assets Attributable to Partners per Unit	
Class A	71.37
Class F	75.90

See accompanying notes, which are an integral part of these financial statements.

On behalf of the General Partner, MQ QC 2018-II Limited Partnership.

"Gerald L. Brockelsby"
Gerald L. Brockelsby
Director

"Andrew A. McKay"
Andrew A. McKay
Director

MARQUEST MINING QUÉBEC 2018-II
SUPER FLOW-THROUGH LIMITED PARTNERSHIP

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE LOSS (CDN $)

For the period from October 26, 2018 (commencement of operations) to December 31, 2018

	2018 ($)
Loss	
Interest	2,583
Net change in unrealized depreciation on investments	(2,924,740)
Total Loss	(2,922,157)
Expenses	
Management fees (Note 3)	36,522
Operating fees	32,587
Audit fees	12,430
Custodian fees	1,148
Valuation fees	5,980
Total Expenses	88,667
Decrease in Net Assets Attributable to Partners from Operations	(3,010,824)
Decrease in Net Assets Attributable to Partners from Operations per Class	
Class A	(2,604,304)
Class F	(406,520)
Decrease in Net Assets Attributable to Partners from Operations per Unit	
Class A	(18.63)
Class F	(19.35)

See accompanying notes, which are an integral part of these financial statements.

MARQUEST MINING QUÉBEC 2018-II
SUPER FLOW-THROUGH LIMITED PARTNERSHIP

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO PARTNERS (CDN $)

For the period from October 26, 2018 (commencement of operations) to December 31, 2018

	2018 ($)		
	Class A	**Class F**	**Total**
Net Assets Attributable to Partners, Beginning of Period	-	-	-
Operations:			
Decrease in net assets attributable to partners from operations	(2,604,304)	(406,520)	(3,010,824)
Partners' Ttransactions (Note 6)			
Proceeds from issuance of partnership units	13,976,000	2,100,100	16,076,100
Agents' fees and issuance expenses	(1,397,600)	(99,750)	(1,497,350)
Net increase in net assets from Partners' transactions	12,578,400	2,000,350	14,578,750
Net Assets Attributable to Partners, End of Period	9,974,096	1,593,830	11,567,926

See accompanying notes, which are an integral part of these financial statements.

MARQUEST MINING QUÉBEC 2018-II
SUPER FLOW-THROUGH LIMITED PARTNERSHIP

ANNUAL AUDITED FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS (CDN $)

For the period from October 26, 2018 (commencement of operations) to December 31, 2018

	2018 ($)
Cash Flows from Operating Activities	
Decrease in net assets attributable to partners from operations	(3,010,824)
Adjustments for:	
Net change in unrealized depreciation on investments	2,924,740
Purchases of investments	(14,347,999)
Management fees payable	21,827
Other payables and accrued expenses	35,755
Net Cash from Operating Activities	(14,376,501)
Cash Flows from Financing Activities	
Proceeds from issue of units	16,076,100
Payment of agents' fees	(733,740)
Payment of issue expenses	(763,610)
Net Cash from Financing Activities	14,578,750
Increase (Decrease) in Cash during the Period	202,249
Cash at Beginning of Period	-
Cash at End of Period	202,249

See accompanying notes, which are an integral part of these financial statements.

MARQUEST MINING QUÉBEC 2018-II
SUPER FLOW-THROUGH LIMITED PARTNERSHIP

ANNUAL AUDITED FINANCIAL STATEMENTS

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

	Number of Shares, Units or Warrants	Expiry Date	Strike Price ($)	Average Cost ($)	Fair Value ($)
CANADIAN EQUITIES (98.75%)					
METAL AND MINING (98.75%)					
Precious Metal (59.25%)					
Aurelius Minerals Inc.*	5,360,000			268,000	181,972
Berkwood Resources Ltd.*	1,555,555			140,000	105,622
Dios Exploration Inc.*	5,153,846			335,000	249,962
Emgold Mining Corp.*	2,307,692			300,000	223,846
Imperial Mining Group Ltd.*	3,333,333			300,000	242,500
Juggernaut Exploration Ltd.*	1,944,444			350,000	273,486
Juggernaut Exploration Ltd., Warrants*	972,222	18/12/2019	0.36	-	-
Lomiko Metals Inc.*	5,000,000			250,000	194,000
Melkior Resources Inc.*	9,411,765			800,000	1,095,529
Orford Mining Corp.*	2,777,777			500,000	363,750
Prosper Gold Corp.*	1,333,333			160,000	168,133
Prosper Gold Corp., Warrants*	666,667	18/12/2020	0.17	-	-
QMX Gold Corp.*	8,888,889			800,000	517,333
QMX Gold Corp., Warrants*	4,444,444	28/11/2020	0.11	-	-
Radisson Mining Resources Inc.*	2,031,250			325,000	197,031
Romios Gold Resources Inc.*	6,153,846			400,000	298,461
Rubicon Minerals Corp.*	362,963			490,000	468,258
Sirios Resources Inc.*	3,636,364			800,000	493,818
Star Diamond Corp.*	3,153,846			820,000	780,104
Yorbeau Resources Inc.*	15,000,000			750,000	327,375
Zonte Metals Inc.*	1,000,000			300,000	305,550
Zonte Metals Inc.*	1,200,000			360,000	366,660
				8,448,000	6,853,390
Base Metal (39.50%)					
92 Resources Corp.*	5,000,000			250,000	169,750
Argex Titanium Inc.*	10,000,000			400,000	339,500
Avalon Advanced Materials Inc.*	7,571,429			530,000	403,936
Focus Graphite Inc.*	12,500,000			625,000	363,750
Galway Metals Inc.*	3,321,739			710,000	579,976
Go Cobalt Mining Corp.	1,407,407			400,000	341,296
Go Cobalt Mining Corp., Warrants*	1,407,407	24/12/2020	0.40	-	-
Pancontinental Resources Corp.*	8,125,000			650,000	472,875
Pancontinental Resources Corp., Warrants*	4,062,500	19/06/2020	0.12	-	-
Purepoint Uranium Group Inc.*	2,888,889			260,000	196,156
Purepoint Uranium Group Inc., Warrants*	2,888,889	14/12/2020	0.13	-	-
Seahawk Ventures Inc.*	1,025,000			410,000	412,614
Sphinx Resources Ltd.*	9,230,769			600,000	358,154
Stria Lithium Inc.*	3,500,000			175,000	76,388
Vertical Exploration Inc.*	2,727,272			300,000	211,636
Vertical Exploration Inc., Warrants*	1,363,636	21/12/2020	0.20	-	-
Zenyatta Ventures Ltd.*	1,475,000			590,000	643,838
				5,900,000	4,569,869
Total Investments (98.75%)				14,348,000	11,423,259
Other Assets less Liabilities (net) (1.25%)				144,667	144,667
Net assets attributable to partners				14,492,667	11,567,926

** These securities are subject to temporary trading restrictions.*

PORTFOLIO CONCENTRATION (CDN $)

Portfolio by Category	% of Net Assets Attributable to Partners December 31, 2018
Precious Metals	59.25%
Base Metals	39.50%
Other Assets Less Liabilities	1.25%
Total	100.00%

See accompanying notes, which are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

For the period from October 26, 2018 (commencement of operations) to December 31, 2018

1. FORMATION AND BUSINESS OF PARTNERSHIP

Marquest Mining Québec 2018-II Super Flow-Through Limited Partnership (the "Partnership") was formed as a limited partnership under the laws of the Province of Ontario on September 6, 2018. The principal purpose of the Partnership is to invest in flow-through shares of resource sector issuers in accordance with the terms of the limited partnership agreement (the "Partnership Agreement"). The Partnership commenced operations on October 26, 2018.

The Partnership is authorized to issue an unlimited number of Partnership Class A and Class F Units. In 2018, the Partnership issued 139,760 Class A units at a price of $100 per unit for gross proceeds of $13,976,000 and 21,000 Class F at a price of $100 per unit for gross proceeds of $2,100,100.

Class A Units and Class F Units are identical to each other, except for Agents' Fees, which is only charge to Class A units.

The general partner of the Partnership is MQ QC 2018-II Limited Partnership (the "General Partner"), which acted as a promoter and manager of the Partnership in connection with the offering of units of the Partnership.

As at December 31, 2018, the General Partner held no units in the Partnership.

To provide for potential liquidity and long-term capital growth of capital, on or before November 30, 2018, the General Partner is authorized to implement a mutual fund rollover transaction in which the assets of the Partnership will be transferred to a mutual fund, on a tax deferred basis, in exchange for shares of a mutual fund, following which such shares of the mutual fund will be distributed to the limited partners, pro rata, on a tax deferred basis.

The General Partner's Board of Directors has approved these financial statements on April 1, 2019.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of annual financial statements as issued by the International Accounting Standards Board ("IASB").

These financial statements have been prepared on a historical cost basis except for investments in securities, which are measured at fair value.

NOTES TO FINANCIAL STATEMENTS

For the period from October 26, 2018 (commencement of operations) to December 31, 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Significant accounting judgments, estimates and assumptions

The preparation of the financial statements requires the Partnership to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates that, by their nature, are uncertain. Significant estimates include the valuation of investments and derivatives and significant judgments include the classification and measurement of investments and classification of the Partnership as an investment entity. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(c) Investments in associates, joint ventures, subsidiaries, and structured entities

Consolidated financial statements are required to be prepared where an entity has control over the entity or entities in which it invests, in accordance with IFRS 10, Consolidated Financial Statements ("IFRS 10"). As the Partnership satisfy the criteria to meet the definition of an "investment entity" under IFRS 10, any investments in subsidiaries, other than those which provide services to the Partnership, are accounted for and measured at FVTPL. The Partnership has determined that an entity does not have to ability to control nor exercise significant influence on the Partnership.

(d) Functional currency

The financial statements have been presented in Canadian dollars, which is the Partnership's functional currency.

(e) Financial instruments

The Partnership recognizes a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Partnership commits to purchase or sell the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or the Partnership has transferred substantially all risks and rewards of ownership. The Partnership derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. On de-recognition of a financial asset, the difference between the carrying amount of the asset and the consideration received is recognized in the statement of comprehensive loss.

The Partnership classifies its financial assets and financial liabilities at initial recognition in accordance with IFRS 9, *Financial Instruments* ("IFRS 9").

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Financial instruments (continued)

In classifying and measuring financial instruments held by the Partnership, the General Partner is required to assess the Partnership's business model, the manner in which all financial assets and financial liabilities are managed and performance evaluated on a fair value basis and the contractual cash flow characteristics of these financial instruments. The Partnership's portfolio of financial assets is managed and evaluated on a fair value basis; therefore, the Partnership classifies all investments and derivatives at fair value through profit and loss (FVTPL).

Financial assets and financial liabilities at FVTPL are recorded in the statement of financial position at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at the close of trading on the reporting date. In circumstances where the close price is not within the bid-ask spread, management will determine the amount that is most representative of fair value. All transaction costs for such instruments are recognized directly in profit or loss.

For all other financial instruments not traded in an active market, the fair value is determined by using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include discounted cash flow analysis and option pricing models, which consider factors such as the market value of the underlying security, strike price, volatility and terms of the warrants.

Subsequent to initial recognition, all financial assets and financial liabilities at FVTPL are measured at fair value. Gains and losses arising from changes in the fair value of the "financial assets or financial liabilities at fair value through profit or loss" category are presented in the statement of comprehensive loss within other net change in unrealized depreciation in value of investments in the period in which they arise. Interest and dividend earned or paid on these instruments are recorded separately in interest revenue or expense and dividend revenue or expense

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

• Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

• Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

• Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The breakdown of the Partnership into the three-level hierarchy is provided in Note 7.

NOTES TO FINANCIAL STATEMENTS

For the period from October 26, 2018 (commencement of operations) to December 31, 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Cash

Cash in the statement of financial position comprises cash on hand and short-term deposits in banks that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, with original maturities of three months or less.

For the purpose of the statement of cash flows, cash consists of cash as defined above, net of outstanding bank overdrafts, when applicable.

(g) Valuation of Partnership units

Net asset value per unit is calculated on the last business day of each month by dividing the net asset value ("Transactional NAV") by the number of outstanding units. The net asset value is computed by subtracting the aggregate amount of the Partnership's liabilities from the aggregate amount of the Partnership's assets. Amounts received on the issuance of units are included on the statement of changes in net assets attributable to Partners.

(h) Increase/decrease in net assets attributable to Partners from operations per unit

Increase/decrease in net assets attributable to Partners from operations per unit is based on the increase/decrease in net assets attributable to Partners divided by the number of units outstanding at the end of the year.

(i) Investment income recognition

Realized and unrealized gains and losses

Realized gains and losses on investments, and unrealized appreciation and depreciation on investments, are calculated on an average cost basis.

(k) Transaction costs

Transaction costs are expensed and are included in "Transaction costs" in the statement of comprehensive loss. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commissions paid to agents, advisors, brokers, and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties.

(l) Other assets and liabilities

All other assets and liabilities are subsequently measured at amortized cost. Transaction costs are included in the initial carrying amount.

NOTES TO FINANCIAL STATEMENTS

For the period from October 26, 2018 (commencement of operations) to December 31, 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Net income and loss

All income, gains, proceeds, losses, expenditures, tax credits, related costs or deductions of the Partnership properly allocable to the Partners for the Income Tax Act shall be allocated among the Partners as follows at the end of each fiscal year:

a) the Limited Partners of record at the end of the financial year will be entitled to 99.99% of the net income or net loss of the Partnership which will be allocated among the Limited Partners pro- rata basis;
b) the General Partner will be entitled to 0.01% of the net income or net loss of the Partnership.

These financial statements include only the assets, liabilities and operations of the Partnership and do not include other assets, liabilities, revenue or expenses, including income taxes, of the limited partners.

3. EXPENSES AND RELATED PARTY TRANSACTIONS

Management Fees

In consideration for the Manager's services and pursuant to the terms of the Management Agreement, the Partnership pays the Manager an annual management fee equal to 2% of their net asset value, calculated and paid monthly in arrears. During the period ended December 31, 2018, $36,522 of management fees was paid to the manager.

Performance Bonus and Issuance Cost

On or before the dissolution of the Partnership or implementation of one of the liquidity alternatives, an incentive bonus will be payable by the Partnership to the Portfolio Manager calculated as 15% of the amount by which:

(i) The Net Asset Value per partnership unit at the payment date, plus

(ii) All distributions per partnership unit, exceeds

$100.

The General Partner is entitled to 0.01% of the annual net income of the Partnership. The General Partner received nil of the 0.01% entitlement for the period ended December 31, 2018.

Issuance costs of $763,610, equal to 4.75% of the gross proceeds from the issuance of partnership units, were paid to the General Partner.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.

From time to time, the Manager may earn fees and commissions on securities transactions in which the Partnership participates. The fees and commissions are based on standard agreements at market prices. For the period ended December 31, 2018, approximately $131,094 was received by the Manager in related fees and commissions.

NOTES TO FINANCIAL STATEMENTS

For the period from October 26, 2018 (commencement of operations) to December 31, 2018

4. BROKERAGE COMMISSIONS ON SECURITIES TRANSACTIONS

The Partnership has incurred brokerage commissions, a portion of which may have been received by the Partnership's investment advisors in the form of investment or research services. For the year ended December 31, 2018, the total soft dollars benefits received for the Partnership was nil.

No soft dollar services were included in the Transaction costs on the statement of comprehensive loss.

5. INCOME TAXES

No provision for income taxes has been recorded in these financial statements as the earnings or loss of the Partnership is allocated to the limited partners and the General Partner, who are responsible for any income taxes applicable thereto.

The Partnership's investments in flow-through shares have a nil tax basis as the exploration and development expenditures incurred by the investee have been flowed out to the limited partners.

6. PARTNER'S CAPITAL AND CAPITAL MANAGEMENT

The Partnership is authorized to issue an unlimited number of units. Each unit subjects the holder thereof to the same obligations and entitles such holder to the same rights as the holder of any other unit, including the right to one vote at all meetings of the limited partners and to equal participation in any distribution made by the Partnerships. The Partnership is a limited life fund and the Partnership interest represents a contractual obligation to deliver cash or another financial instrument. Therefore, the Partnership units are classified as financial liabilities.

Units are not redeemable by the limited partners.

Capital Management

The Partnership's capital represents the net assets of the Partnership and consists of issued units net of agents' fee and issue expenses, ongoing expenses of the Partnership will be satisfied by investment income earned and the sale of investments as necessary. The Manager utilizes the partners' capital in accordance with the Partnership's investment objectives, strategies and restrictions, as outlined in the Partnership's offering memorandum. As at December 31, 2018, the Partnership was not subject to externally imposed capital requirements.

7. FINANCIAL INSTRUMENTS AND RISK DISCLOSURES

Fair value

Financial instruments of the Partnership include investment at fair. There are no significant differences between the carrying values of these financial instruments and their fair value due to their short-term nature. Investments are carried at their fair values as described below.

I. Securities listed upon a recognized public stock exchange are valued at their close prices on the valuation date. In circumstances where the close price is not within the bid-ask spread, management will determine the amount that is most representative of fair value.
II. Securities not listed upon a recognized public stock exchange, or securities for which a close price, last sale or closing price are unavailable or securities for which market quotations are, in the Manager's opinion, inaccurate, unreliable or not reflective of all available material information, are valued at their estimated fair value, determined by using appropriate and accepted industry valuation techniques including valuation models. The estimated fair value of a security determined using valuation models requires the use of inputs and assumptions based on observable market data including volatility and other applicable rates or prices. In limited circumstances, the estimated fair value of a security may be determined using valuation techniques that are not supported by observable market data.
III. Short-term notes, treasury bills and bonds are valued at the average close quotations from recognized investment dealers.
IV. Warrants that do not have a quoted close price are carried at fair value.
V. Securities that are restricted or limited by law (including by investment letter, escrow provisions or other representation, undertaking or agreement) will be subject to temporary trading restrictions and cannot be sold until the applicable holding period expires. The fair value of that security for the duration of the holding period shall be the reported market value of the same class of shares of that security which is not subject to a restriction based on reported quotations in common use less an appropriate discount.

The following tables present the Partnership's financial instruments measured at fair value classified by the fair value hierarchy set out in IFRS 13 *Fair value Measurements* as at December 31, 2018:

As at December 31, 2018	Level 1 $	Level 2 $	Level 3 $	Total $
Marquest Mining Québec 2018-II Super Flow-Through Limited Partnership	-	11,423,259	-	11,423,259

There were no transfers between levels during the period.

Level 3 securities generally include investment in private companies. During the period ended December 31, 2018, there were no Level 3 securities.

NOTES TO FINANCIAL STATEMENTS

For the period from October 26, 2018 (commencement of operations) to December 31, 2018

7. FINANCIAL INSTRUMENTS AND RISK DISCLOSURES (continued)

Risk management and disclosures

The Partnership's investment activities expose it to a variety of financial risks. Significant risks that are relevant to the Partnership are discussed below. The sensitivity analyses shown in the notes below may differ from actual trading, and the difference could be material.

The General Partner seeks to minimize potential adverse effects of these risks on the Partnership's performance by employing professional, experienced portfolio advisers, daily monitoring of the Partnership's positions and market events; by diversifying the investment portfolios within the constraints of the investment objectives. To assist in managing risks, the General Partner also uses internal guidelines that identify the target exposure for each type of risk, maintains a governance structure that oversees the Partnership's investment activities and monitors compliance with the Partnership's stated investment strategies and securities regulations.

Concentration Risk

Portfolio concentration risk is the risk of loss in the total value of the portfolio investments of the Partnership due to an over-concentration of investments in a particular instrument, sector or country. A summary of the Portfolio's concentration risk by industry sector as at December 31, 2018 is shown in Partnership's Schedule of Investment Portfolio.

Equity and other price risk

Equity and other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate or foreign exchange risk). The investments of the Partnership are subject to normal market fluctuations and the risks inherent in investment in financial markets. The maximum risk resulting from financial instruments held by the Partnership is equivalent to the fair value of the financial instruments. The General Partner moderates this risk through a careful selection of securities within specified limits and the Partnership's market price risk is managed through diversification of the investment portfolio within the constraints of the Partnership's investment objectives.

The most significant exposure to equity and other price risk arises from its investments in equity securities. As at December 31, 2018, had the prices on the respective stock exchanges for these securities raised or lowered by 10%, with all other variables held constant, Net Assets per partnership unit would have increased or decreased respectively as follows:

	Net Assets per Partnership Unit	+10%	-10%
Class A	$71.37	$78.51	$64.23
Class F	$75.90	$83.49	$68.31

7. FINANCIAL INSTRUMENTS AND RISK DISCLOSURES (continued)

Liquidity risk

Liquidity risk is the risk that the Partnership may not be able to settle or meet its obligations associated with financial liabilities on time. The Partnership may invest in securities that are not actively traded on a stock exchange. The fair values of these securities may not be indicative of what the Partnership could realize on the immediate sale as it may take a significant amount of time to liquidate positions without causing a significant negative impact on the fair value. There can be no assurance that an active trading market for these securities will exist at all times, or that the prices at which these securities trade accurately reflect their values

As at December 31, 2018, 100.00% of the Partnership's investments are subject to hold periods expiring in 2019.

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Partnership. All transactions in listed securities are settled for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold 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 trade will fail if either party fails to meet its obligation.

Substantially all of the assets of the Partnership are held by the custodian, RBC Investor and Treasury Services. Bankruptcy or insolvency of the custodian may cause the Partnership's right with respect to securities held by the custodian to be delayed or limited. The Partnership manages this risk by monitoring the credit quality and financial position of the custodian. If the credit quality or the financial position deteriorates unacceptably, the General Partner will act to move the Partnership's securities holdings to another custodian. Other than outlined above there was no significant concentration of credit risk to a counterparty as at December 31, 2018.

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