



**JOV DIVERSIFIED QUEBEC 2009 FLOW-THROUGH
LIMITED PARTNERSHIP**
Annual Management Report of Partnership Performance
As at December 31, 2009

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This Annual Management Report of Partnership Performance contains financial highlights but does not contain the complete annual financial statements for Jov Diversified Quebec 2009 Flow-Through Limited Partnership (the "Partnership"). You can get a copy of the annual financial statements at your request, and at no cost, by calling 1.866.688.5750, by writing the general partner, Jov Diversified Quebec 2009 Flow-Through Management Corp. (the "General Partner"), at Jov Flow-Through, 609 Granville Street, Suite 808, PO Box 10357, Vancouver, BC V7Y 1G5 or by visiting our website at www.jovflowthrough.com or SEDAR at www.sedar.com.

Security holders may also contact us using one of these methods to request a copy of the Partnership's proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure.

Forward-Looking Information

This Annual Management Report of Partnership Performance contains forward-looking information and statements relating to, but not limited to, anticipated or prospective financial performance and results of operations of the Partnership. Any statements that are contained herein that are not statements of historical fact may be deemed to be forward-looking information. Without limiting the foregoing, the words "believes", "anticipates", "plans", "intends", "will", "should", "expects", "projects", and similar expressions are intended to identify forward-looking information.

The General Partner believes the forecasts or projections herein are reasonable, however readers are cautioned not to place undue reliance on such forward-looking information and readers should review the prospectus filed with Canadian securities regulatory authorities. Actual results may differ materially from management expectations as projected in such forward-looking statements for a variety of reasons including, but not limited to, market and general economic conditions, interest rates, regulatory and statutory developments, the effects of competition in the geographic and business areas in which the Partnership may invest and the risks detailed in the Prospectus of the Partnership. We caution that the foregoing list of factors is not exhaustive.

The forward-looking information is given as of the date of this Annual Management Report of Partnership Performance, and the General Partner undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise.

Management Discussion of Partnership Performance

Investment Objectives

The investment objective of the Partnership is to provide limited partners with a tax-assisted investment in a diversified portfolio of flow-through shares of resource companies focused on oil & gas and mineral exploration, development and/or production or certain renewable energy production with a view to earning income and achieving capital appreciation.

Results of Operations

In December 2009 the Partnership completed its public offering of units, raising \$3.7 million for investment flow-through shares of Canadian resource companies. The Partnership has fully invested the proceeds from this offering, generating tax deductions applicable to the 2009 taxation year for limited partners. The Partnership is expected to implement a liquidity event on or before December 31, 2011.

For the period ended December 31, 2009, the Partnership incurred total expenses of \$42,000, comprised of \$21,000 in administrative and other, \$16,000 in audit fees and \$5,000 in management fees. The partnership recorded an unrealized depreciation on investments of \$336,000.

Performance Review

The last two years have been memorable for many. In 2008, the world was seemingly at the gate of the final judgment; in 2009, all is well again as unreasoning fear turned into unreasoning greed. This is at least the impression one would gain by looking at the roller coaster ride in the financial markets. The reality is probably less dramatic, but certainly no less sobering. Human behaviour, as it turned out, remains something yet to be fully understood. Lots of long established beliefs were seriously challenged, venerable institutions discredited, and confidence in the free market capitalism badly shaken.

The Partnership successfully completed its final closing in early December 2009, raising total gross proceeds of approximately \$3.7 million. The Partnership completed its investment mandate by the end of the year, investing in a diversified portfolio with a 50% weighting in precious metals equities including gold, 33% weighting in base metals equities and a 17% weighting in oil and gas equities. This is consistent with the Partnership's investment objectives.

Overall, commodities performed very well in 2009, reversing their fortune from the previous decline. The base metal group was the star performer due to their direct leverage to the global economic recovery, with copper soaring 140% for the year. Oil followed with a 77% gain, but natural gas gyrated wildly and finished pretty much unchanged. Gold was quiet for most of the year but a late surge brought it to a 24% gain. 2010 will be tougher. Despite the strong return, the jury is still out on the sustainability of the nascent economic recovery and the long term effectiveness of government stimulus programs. The renewed sense of confidence will need to be supported by evidence of a self-regenerative economic recovery. The Manager is comfortable with the portfolio allocation and believes that the Partnership's performance should reflect its diversified approach in 2010.

Future Strategy

While the Manager continues to believe the foundation of the bull market is intact - global liquidity is still plenty and the rising of the East is nowhere near to be over – a cyclical bear market is now in force. The key issue is the continued lack of transparency in many financial products and the fear of the unknown by investors. Progress has been made but risks remain. In the end, whether the global economy is strong enough to withstand this challenge is the key to the future direction of the financial market. Long term, the Manager continues to believe in the natural resources sectors as beneficiaries of past structural under-investments and the emergence of new demand centers worldwide. Sharp declines in commodity prices in the past years brought them to below their economic breakeven point, delayed sorely needed production increases and will only exacerbate the supply-demand imbalance in the coming years.

Related Party Transactions

The General Partner is entitled to an annual management fee of 2.0% of the net asset value of the Partnership. The fee is calculated and payable monthly in arrears. For the period ended December 31, 2009 the management fee totalled \$5,142 including goods and services tax (GST).

The General Partner has retained CADO Bancorp Ltd., a company controlled by directors of the General Partner, to provide office space and perform certain administrative functions on behalf of the General Partner. During the period an amount of \$21,000 was incurred and paid, which is included in administrative and other expenses.

Risk

There are risks associated with an investment in units of the Partnership. The most recent Prospectus of the Partnership contains a discussion of these risks and is available at our website at www.jovflowthrough.com or on SEDAR at www.sedar.com.

There have been no major or significant changes that have had an impact on the overall risk level and investments of the Partnership.

Financial Highlights

The following tables summarize selected key financial information about the Partnership and is intended to help you understand the Partnership's financial performance. The information is derived from the Partnership's audited annual financial statements.

	<u>2009⁽¹⁾</u>
Initial subscription price	\$ 25.00
Issue costs	(3.13)
Net assets, beginning of period	<u>21.87</u>
Increase (decrease) from operations	
Total revenue	-
Total expenses	(0.28)
Unrealized losses for the period	(2.24)
Total decrease from operations ⁽¹⁾	<u>(2.52)</u>
Net assets at December 31, 2009	<u>\$ 19.35</u>

⁽¹⁾ This information is derived from the Partnership's audited annual financial statements for the period from commencement of operations on November 17, 2009 to December 31, 2009. Net assets per unit is based on the actual number of units outstanding at the relevant time. The decrease from operations is based on the weighted average number of units outstanding over the financial period.

⁽²⁾ These calculations are prescribed by securities regulators and are not intended to be a reconciliation between the opening and closing net assets per unit.

Ratios and Supplemental Data

	<u>2009</u> ⁽¹⁾
Total net asset value (000's) ⁽¹⁾	\$ 3,006
Number of units outstanding ⁽¹⁾	149,924
Management expense ratio ⁽²⁾	24.99%
Management expense ratio before waivers or absorptions	24.99%
Management expense ratio excluding issue costs ⁽²⁾	8.84%
Trading expense ratio ⁽⁴⁾	0.00%
Portfolio turnover rate ⁽³⁾	0.00%
Net asset value per unit	\$ 20.05

Notes:

(1) This information is provided as at December 31, 2009.

(2) The Management expense ratio ("MER") is based on the total expenses (excluding commissions and portfolio transaction costs) of the Partnership for the stated period expressed as an annualized percentage of average net assets during the period. The annualized MER for December 31, 2009 (the year of inception) includes issue costs which are one-time expenses and therefore not annualized. MER excluding issue costs is 8.84%.

(3) The Partnership's portfolio turnover rate indicates how actively the Partnership's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Partnership buying and selling all of the securities in its portfolio once in the course of a year. The higher the Partnership's portfolio turnover rate in a year, the greater the trading costs payable by the Partnership in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Partnership.

(4) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of average net asset value during the period.

Management Fees

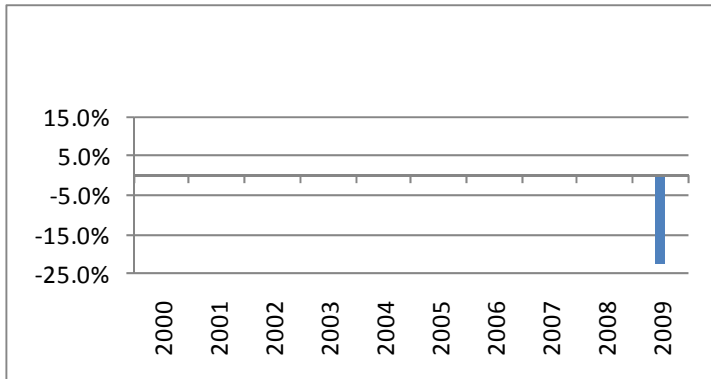
The General Partner is entitled to an annual fee in the aggregate amount of 2% of the Net Asset Value, calculated and paid monthly in arrears. The General Partner will also be entitled to a performance bonus (the "Performance Bonus"), equal to 20% of the product of (a) the number of Units outstanding on the Performance Bonus Date; and (b) the amount by which the net asset value per unit on the Performance Bonus date (prior to giving effect to the Performance Bonus) plus the total distributions per unit over the Performance Bonus Term exceeds \$28.

Past Performance

The chart below shows the Partnership's annual performance for each of the years shown, and illustrates how the Partnership's performance has changed from year to year, since inception. The chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.

Please note that the Partnership's past performance does not necessarily indicate how it will perform in the future.

Year-by-Year Returns



Annual Compound Returns

The following table shows the Partnership's historical annual compound return since the Commencement of Operations on November 17, 2009 to December 31, 2009 as compared to the performance of the S&P/TSX Composite Index (the "Index").

Period from November 17, 2009 to December 31, 2009

Jov Diversified Quebec 2009 Flow-Through LP	-22.60%
S&P/TSX Composite Index	1.00%

Note:

The S&P/TSX Composite Index is a broad based securities market index that tracks the performance of some of the largest and most widely held Canadian stocks listed on the Toronto Stock Exchange.

Summary of Investment Portfolio

The following summaries of the Partnership's investment portfolio break-down the portfolio into subgroups, showing the percentage of net asset value of the Partnership constituted by each subgroup and the table lists the securities held, as at December 31, 2009.

	% of Net Asset Value
Cash	0.88
Equity investments	
Precious Metals	49.11
Base Metals	32.45
Oil & gas	16.58
	<u>98.14</u>
Total investment portfolio, including cash	99.02
Other assets, net of liabilities	<u>0.98</u>
Total Net Asset Value	<u>100.00</u>

Investments	% of Net Asset Value
Metanor Resources Inc.	12.64
Royal Nickel Corporation	12.40
Azimut Exploration Inc.	11.19
Rocmec Mining Inc.	10.90
Gastem Inc.	9.33
Alexandria Minerals Corp.	8.57
Champion Minerals Inc.	7.57
Abcourt Mines Inc.	7.30
Eastmain Resources Inc.	6.94
Petrolia Inc.	6.92
Metanor Resources Inc. - warrants	1.18
Royal Nickel Corporation - warrants	0.91
Abcourt Mines Inc. - warrants	0.65
Rocmec Mining Inc. - warrants	0.46
Alexandria Minerals Corp. - warrants	0.43
Champion Minerals Inc. - warrants	0.41
Gastem Inc. - warrants	0.33

Note:

This summary of Investment Portfolio may change due to buy and sell transactions enacted by the portfolio manager. A quarterly update detailing future changes will be available on our website at www.jovflowthrough.com or you can request a quarterly update by calling Jov Flow-Through at 1.866.688.5750.

Recent Developments

The Canadian Accounting Standards Board recently confirmed January 1, 2011 as the date International Financial Reporting Standards (“IFRS”) will replace current Canadian standards and interpretations as Canadian GAAP for publicly accountable enterprises such as investment funds and other reporting issuers.

Changing from current Canadian GAAP to IFRS will be a significant undertaking that may materially affect the Partnership’s reported financial position and results of operations. It may also affect certain business functions. The Canadian Securities Administrators (the “CSA”) has issued CSA Staff Notice 52-320, which requires the Partnership to provide progress updates on the changeover plan to the new reporting standards at each interim and annual reporting period up until the changeover date.

As of December 31, 2009, the General Partner has commenced the process of developing a changeover plan to meet the timetable published by the CICA for changeover to IFRS. The key elements of the plan include disclosures of the quantitative impact, if any, in the December 31, 2010 financial statements and the preparation of the June 30, 2011 and December 31, 2011 financial statements in accordance with IFRS. Based on the General Partner’s current evaluation of the differences between Canadian GAAP and IFRS, the General Partner does not expect that net assets or net asset value will be impacted by the changeover to IFRS. The General Partner expects that the impact of IFRS on the Partnership’s financial statements will be additional disclosures and potentially different presentation of certain items.



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