



JOV DIVERSIFIED QUEBEC 2009 FLOW-THROUGH LIMITED PARTNERSHIP

Management Report of Fund Performance
As at December 31, 2010

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This Management Report of Fund Performance contains financial highlights but does not contain the complete audited financial statements for Jov Diversified Quebec 2009 Flow-Through Limited Partnership (the “Partnership”). You can get a copy of either the interim or annual audited 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, 808 - 609 Granville Street, Vancouver, BC V7Y 1G5 or by visiting our website at www.jovflowthrough.com or SEDAR at www.sedar.com.

Securityholders 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, quarterly portfolio disclosure or Independent Review Committee Report to Securityholders.

Forward-Looking Information

This Management Report of Fund 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 interim Management Report of Fund 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, 2010, the Partnership incurred total expenses of \$251,983, comprised of \$167,296 in administrative and other, \$65,787 in management fees and \$18,900 in audit fees. The partnership had realized gains on sales of investments of \$68,237 and recorded an unrealized depreciation on investments of \$893,473. The Partnership commenced operations on November 17, 2009 and therefore does not have meaningful comparative results.

Performance Review

2010 has been another good year for commodities, though the path was not as smooth as in 2009. As the global economic recovery matures, uncertainty has increased about the strength and sustainability. Commodities' prices picked up in the second half of the year with renewed optimism on China's ability to moderate inflation and achieve sustainable growth. The two dynamics, China's growing role as the engine of the world's economic growth and a weakened U.S. currency, were the main focus for the commodities market. In the base metals sector, copper and nickel were the outperformers while zinc lagged in comparison. Gold continued to see strong demand as investors seek to hedge risk in times of economic uncertainty. Oil was up 25% year over year (YoY) as supply continued to tighten. Uranium was even better, up 41% YoY. China's ambitious plan to achieve milestones in its clean energy initiative had attracted investors to bet on rising demand for uranium. Rare Earth metals had recently come into the spot light when China, the supplier of 97% of world's rare earth demand, announced plans to reduce its export quota, consequentially; this threatened the world with supply disruption. The prices for rare earth metals raised by 6 fold in 2010. Despite the strong return in commodities, the jury is still out on the sustainability of the nascent economic recovery and the long term effectiveness of government stimulus programs. Going forward, the renewed sense of confidence will need to be supported by evidence of self-regenerative economic recovery. The Manager is comfortable with the portfolio allocation and believes that the Partnership's performance reflects the diversified approach taken in 2010.

JOV Quebec 09's performance for 2010 was 21%, in line with a buoyed Canadian market. The strong performance was attributed by the manager's judgment in allocating a good portion of the fund in oil, uranium and rare earth names. In the base metal domain, manager had put an emphasis on Copper and Nickel which were the stare performers in sector. In the context of limited selection universe, the fund had performed well in comparison to its peers.

Future Strategy

While the Manager continues to believe the foundation for the global economic expansion is intact - global liquidity is still plenty and the rising of the East is nowhere near to be over – it is too early to declare that this cyclical bull market will last long. Even though economies have been boosted by various rescue / stimulus measures from authorities, it remains to be seen if a self-sustaining recovery has taken hold. As many of these measures are gradually withdrawn, signs of weakness have surfaced, renewing debates on whether and when the huge fiscal and monetary incentives should be taken back. As the Greek crisis has shown, even countries cannot live on borrowed money forever. In the end, whether the global economy can sustain a strong recovery in the face of the many challenges is the key to the direction of the markets over the next year.

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, 2010 the management fee totalled \$65,787 (December 31, 2009 - \$5,142) including harmonized sales tax ("HST"). The General Partner was paid \$12,500 for administrative expenses (December 31, 2009 - \$1,000), which is included in administrative and other expenses.

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 year an amount of \$83,000 was incurred (December 31, 2009 - \$21,000), 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 during the period ended December 31, 2010 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 since inception on November 17, 2009. The information is derived from the Partnership's audited annual financial statements.

The Partnership's Net Assets per unit

	December 31, 2010 ⁽³⁾	December 31, 2009 ⁽⁴⁾
Net assets (net of issue costs), Beginning of period ⁽²⁾	19.35	21.87
Increase (decrease) from operations		
Total revenue	0.14	-
Total expenses	(1.68)	(0.28)
Realized gain for the period	0.46	-
Unrealized losses for the period	5.96	(2.24)
Total decrease from operations ⁽¹⁾	<u>4.88</u>	<u>(2.52)</u>
Net assets, end of period ⁽²⁾	<u>\$ 24.23</u>	<u>\$ 19.35</u>

⁽¹⁾ Net assets per unit is based on the actual number of units outstanding at the relevant time. The increase (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.

⁽³⁾ This information is derived from the Partnership's unaudited interim financial statements for the six-month period ended June 30, 2010.

⁽⁴⁾ 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.

Ratios and Supplemental Data

	2010	2009
Total net asset value (000's) ⁽¹⁾	\$ 3,677	\$ 3,006
Number of units outstanding ⁽¹⁾	149,924	149,924
Management expense ratio ⁽²⁾	8.25%	24.99%
Management expense ratio excluding issue costs ⁽²⁾	8.25%	8.84%
Portfolio turnover rate ⁽³⁾	33.09%	0.00%
Trading expense ratio ⁽⁴⁾	2.39%	0.00%
Net asset value per unit	\$ 24.53	\$ 20.05

Notes:

(1) This information is provided as at December 31 of the year shown.

(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.

(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

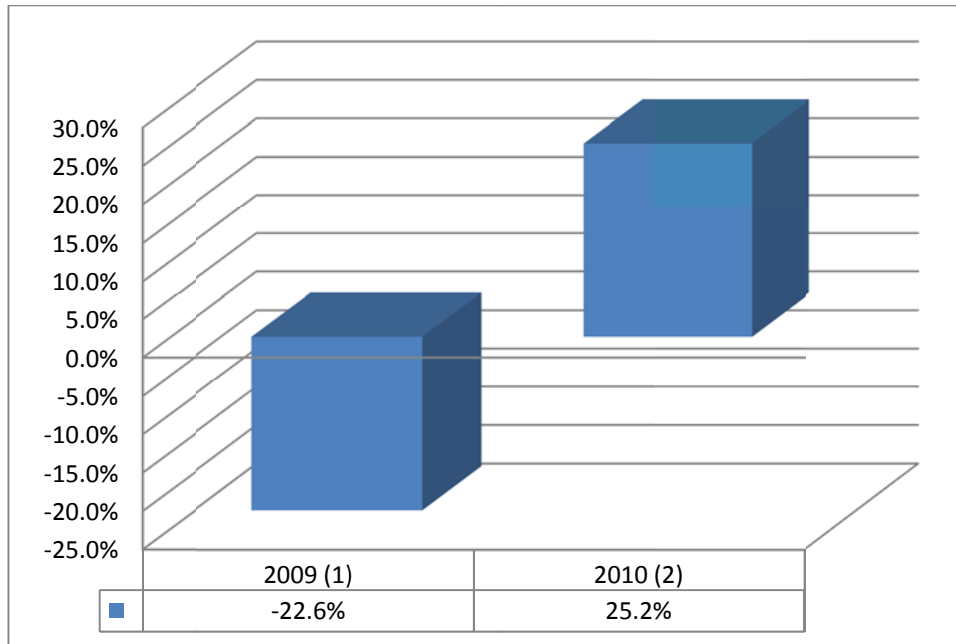
The General Partner is entitled to an annual fee in the aggregate amount of 2% of the Net Asset Value, calculated and paid monthly in arrears. The General Partner will also be entitled to a performance bonus (the "Performance Bonus"), equal to 20% of the product of (a) the number of Units outstanding 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 periods shown, and illustrates how the Partnership's performance has changed from period to period, since inception. The chart shows, in percentage terms, how much an investment made on the first day of each financial period would have grown or decreased by the last day of each financial period.

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

Year-by-Year Returns



(1) Total return for the period November 17, 2009 (commencement of operations) to December 31, 2009.

(2) Total return for the period January 1, 2010 to December 31, 2010.

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, 2010 as compared to the performance of the S&P/TSX Composite Index (the "Index").

Period from November 17, 2009 to December 31, 2010

Jov Diversified Quebec 2009 Flow-Through LP	-2.89%
S&P/TSX Composite Index	15.59%

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 and the percent of net asset value, as at December 31, 2010.

		%of Net Asset Value
Cash		5.68
Equity investments		
Base Metals	36.50	
Precious Metals	32.82	
Uranium	12.59	
Oil & gas	9.69	
Alternative energy	3.22	94.82
Total investment portfolio, including cash		100.50
Other assets, net of liabilities		(0.50)
Total Net Asset Value		100.00

Top 25 Investments	%of Net Asset Value
Champion Minerals Inc.	13.10
Royal Nickel Corporation	12.46
Azimut Exploration Inc.	9.40
Eastmain Resources Inc.	8.12
Champion Minerals Inc., warrants	7.53
Alexandria Minerals Corp.	6.40
Abcourt Mines Inc.	5.57
Petrolia Inc.	3.72
Metanor Resources Inc.	3.02
Rocmec Mining Inc.	2.65
Uranium One Inc.	2.51
Maudore Minerals Ltd.	2.19
Allied Nevada Gold Corp.	1.79
Gastem Inc.	1.71
Crazy Horse Resources Inc.	1.53
Great Western Minerals Group Ltd.	1.20
Canada Fluorspar Inc.	0.96
Tournigan Energy Ltd.	0.90
Southern Pacific Resource	0.84
Kinross Gold Corporation	0.82
Royal Nickel Corporation, warrants	0.78
ARISE Technologies Corp.	0.75
EPMMining Ventures Inc. (1)	0.71
Tourmaline Oil Corp.	0.71
Catch The Wind Ltd.	0.64

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.

(1) Private Corporation

Recent Developments

Provincial sales tax and GST harmonization

Effective July 1, 2010, the Ontario and British Columbia provincial sales taxes (“PST”) were harmonized with the federal GST, resulting in a federally administered tax (“HST”). Management fees and other service fees that were previously only subject to GST at 5% will now be subject to HST at 12%. The Partnership will not be entitled to recover this additional 7% cost since investment funds are not able to recover the HST.

International Financial Reporting Standards

The Canadian Accounting Standards Board (“AcSB”) has announced its intention to replace Canadian generally accepted accounting principles with International Financial Reporting Standards (“IFRS”) effective January 1, 2011. The AcSB proposed that investment companies can continue to apply Canadian standards in Part V of the CICA Handbook – Accounting until fiscal years beginning on or after January 1, 2013. The Partnership is expected to transfer its assets to a mutual fund and dissolve on or before December 31, 2011, the adoption of IFRS is not expected to impact the Partnership.



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