

**Jov Diversified Flow-Through 2009
Limited Partnership**

Financial Statements
June 30, 2010

(Unaudited)

Jov Diversified Flow-Through 2009 Limited Partnership

Statement of Net Assets

(unaudited)

| | As at June 30, 2010 | As at December 31, 2009 |
|---|------------------------|----------------------------|
| Assets | | |
| Cash | \$ 3,049,736 | \$ 699,156 |
| Investments - at fair value | <u>14,293,948</u> | <u>18,252,278</u> |
| | <u>\$ 17,343,684</u> | <u>\$ 18,951,434</u> |
| Liabilities | | |
| Accounts payable and accrued liabilities | \$ 10,875 | \$ 47,517 |
| Due to related parties (note 6) | 28,340 | 79,453 |
| Loan payable (note 3) | <u>-</u> | <u>1,989,000</u> |
| | <u>39,215</u> | <u>2,115,970</u> |
| Net assets | <u>\$ 17,304,469</u> | <u>\$ 16,835,464</u> |
| Partnership units outstanding (note 5) | <u>795,565</u> | <u>795,565</u> |
| Net assets per Partnership unit | <u>\$ 21.75</u> | <u>\$ 21.16</u> |

Jov Diversified Flow-Through 2009 Limited Partnership

Statement of Operations

(unaudited)

| | For the six-month period ended June 30, 2010 |
|---|---|
| Expenses | |
| Administrative and other (notes 4 and 6) | \$ 198,960 |
| Audit fees | 18,013 |
| Interest | 18,586 |
| Management fee (note 4) | <u>180,121</u> |
| Net investment loss | (415,680) |
| Unrealized appreciation (depreciation) of investments | 822,138 |
| Realized gain (loss) on sale of investments | <u>62,547</u> |
| Increase (decrease) in net assets from operations | <u>\$ 469,005</u> |
| Increase (decrease) in net assets from operations per unit | <u>\$ 0.59</u> |

Jov Diversified Flow-Through 2009 Limited Partnership

Statement of Changes in Net Assets

(unaudited)

| | For the six-month period ended June 30, 2010 |
|---|---|
| Net assets, beginning of period | <u>\$ 16,835,464</u> |
| Decrease in net assets from operations | <u>469,005</u> |
| Partners' transactions | |
| Proceeds from issue of Partnership units | - |
| General Partner's contribution | - |
| Redemption of Partnership unit | - |
| Issue costs | <u>-</u> |
| | <u>-</u> |
| Net assets, end of period | <u>\$ 17,304,469</u> |

Jov Diversified Flow-Through 2009 Limited Partnership

Statement of Cash Flows
(unaudited)

| | For the six-month period ended June 30, 2010 |
|---|---|
| Cash flows from operating activities | |
| Net investment loss | \$ (415,680) |
| Changes in non-cash working capital items | |
| Accounts payable and accrued liabilities | (36,642) |
| Due to related parties | (51,113) |
| | (503,435) |
| Purchase of investments | (624,228) |
| Proceeds from sale of investments | 5,467,243 |
| | 4,339,580 |
| Cash flows from financing activities | |
| Issue of initial Partnership unit | - |
| General Partner's contribution | - |
| Redemption of Partnership unit | - |
| Proceeds from issue of Partnership units | - |
| Proceeds from loan | (1,989,000) |
| Issue costs | - |
| | (1,989,000) |
| Increase in cash | 2,350,580 |
| Cash, beginning of period | 699,156 |
| Cash, end of period | \$ 3,049,736 |
| Interest paid | \$ 21,447 |

Jov Diversified Flow-Through 2009 Limited Partnership

Statement of Investment Portfolio

As at June 30, 2010

| | Number of Shares/ Warrants | Cost \$ | Fair value \$ | Net assets % |
|--|----------------------------------|-------------------|-------------------|--------------------|
| Equity investments | | | | |
| Allied Nevada Gold Corp. | 14,200 | 291,100 | 297,632 | 1.72 |
| Arise Technologies Corp. | 642,000 | 148,816 | 144,450 | 0.83 |
| Arise Technologies Corp. - warrants | 642,000 | 18,104 | 35,310 | 0.20 |
| Artek Exploration Ltd. | 187,000 | 822,800 | 207,570 | 1.20 |
| Baffinland Iron Mines Corporation | 1,454,000 | 746,015 | 552,520 | 3.19 |
| Baffinland Iron Mines Corporation - warrants | 2,272,500 | 167,813 | 77,720 | 0.45 |
| CanAlaska Uranium Ltd. | 2,380,000 | 483,228 | 238,000 | 1.38 |
| CanAlaska Uranium Ltd. - warrants | 1,190,000 | 16,572 | 238 | - |
| Delphi Energy Corp. | 299,300 | 634,516 | 781,173 | 4.51 |
| Explor Resources Inc. - warrants | 416,700 | 61,687 | 10,626 | 0.06 |
| Gastem Inc. | 769,230 | 475,158 | 315,384 | 1.82 |
| Gastem Inc. - warrants | 769,230 | 24,842 | 2,846 | 0.02 |
| Gowest Amalgamated Resources Ltd. | 1,136,500 | 246,612 | 198,888 | 1.15 |
| Gowest Amalgamated Resources Ltd. - warrants | 568,250 | 3,418 | 1,875 | 0.01 |
| Halo Resources Ltd. | 5,000,000 | 249,890 | 175,000 | 1.01 |
| Halo Resources Ltd. - warrants | 2,500,000 | 110 | - | - |
| Hawthorne Gold Corp. | 1,220,000 | 500,200 | 146,400 | 0.85 |
| Kodiak Exploration Limited | 769,000 | 499,850 | 165,335 | 0.96 |
| Melkior Resources Inc. | 1,515,000 | 499,950 | 272,700 | 1.58 |
| Metanor Resources Inc. | 1,381,500 | 754,574 | 801,270 | 4.63 |
| Metanor Resources Inc. - warrants | 862,050 | 58,276 | 99,739 | 0.58 |
| Petrolia Inc. | 263,200 | 250,040 | 160,552 | 0.93 |
| Redcliffe Exploration Inc. | 900,000 | 333,000 | 373,500 | 2.16 |
| Richfield Ventures Corp. | 208,400 | 228,400 | 200,064 | 1.16 |
| Richfield Ventures Corp. - warrants | 104,200 | 21,680 | 6,690 | 0.04 |
| Royal Nickel Corporation | 888,900 | 1,863,246 | 1,863,246 | 10.77 |
| Royal Nickel Corporation - warrants | 444,450 | 136,779 | 103,068 | 0.60 |
| Sabina Gold & Silver Corp. | 792,500 | 1,006,475 | 1,997,100 | 11.54 |
| Spider Resources Inc. | 8,333,000 | 480,453 | 1,541,605 | 8.91 |
| Spider Resources Inc. - warrants | 8,333,000 | 19,527 | 764,136 | 4.42 |
| Strikepoint Gold Inc. | 2,127,700 | 1,000,019 | 787,249 | 4.55 |
| Trelawney Mining & Exploration Inc. | 417,000 | 250,200 | 321,090 | 1.86 |
| Tyhee Development Corp. | 2,797,000 | 559,400 | 447,520 | 2.59 |
| UEX Corporation | 1,331,600 | 1,491,392 | 1,012,016 | 5.85 |
| Uranium One Inc. | 74,200 | 166,208 | 191,436 | 1.11 |
| | | <u>14,510,350</u> | 14,293,948 | 82.60 |
| Cash, net of liabilities | | | <u>3,010,521</u> | 17.40 |
| Net assets | | | <u>17,304,469</u> | 100.00 |

(1) Private corporation

Jov Diversified Flow-Through 2009 Limited Partnership

Notes to Financial Statements

June 30, 2010

(Unaudited)

1. Formation and purpose of the Partnership

Jov Diversified Flow-Through 2009 Limited Partnership (the “Partnership”) was formed on July 14, 2009 as a limited partnership under the laws of the Province of British Columbia and commenced operations on October 29, 2009. The principal purpose of the Partnership is to provide Limited Partners with a tax-assisted investment in a diversified portfolio of flow-through shares of resource companies for capital appreciation and profits.

The Partnership is managed by Jov Diversified Flow-Through 2009 Management Corp. (the “General Partner”). Under the Amended and Restated Limited Partnership Agreement between the General Partner and each of the limited partners (the “LPA”) dated October 26, 2009, 99.9% of the net income of the Partnership, 100% of the net loss of the Partnership and 100% of any Eligible Expenditures renounced to the Partnership will be allocated pro-rata to the Limited Partners and the General Partner is to be allocated 0.01% of the net income of the Partnership.

The Partnership is expected to dissolve on or before December 31, 2011. Upon dissolution, Limited Partners are entitled to receive 99.99% of the net assets of the Partnership and the General Partner is entitled to receive 0.01% of the net assets. The General Partner intends to implement a transaction pursuant to which the Partnership will transfer its assets to a mutual fund in exchange for shares of that mutual fund (the “Liquidity Event”) and the mutual fund shares will be distributed to the Limited Partners, pro rata, on a tax deferred basis upon the dissolution of the Partnership. The Liquidity Event is subject to the mutual agreement of the General Partner and the mutual fund and the receipt of all necessary regulatory approvals.

2. Significant accounting policies

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

Investments in public equity securities

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

Investments in private equity securities

For financial instruments not traded in an active market, the Partnership establishes fair value using a valuation technique in order to estimate what the transaction price would have been on the measurement date in an arm’s length transaction motivated by normal business considerations. The initial transaction price is considered to be fair value on the date of purchase. Adjustments to carrying value are made when there is evidence of a change in the value of an investment as indicated by more recent financing transactions, or an assessment of the financial condition of an investment, based on a review of the operational results, forecasts and business developments since the investment was made. Management may also utilize comparable public transactions or industry valuation performance multiples in the estimation of fair value. Where an investment has a track record of earnings, management may use discounted cash flow models making maximum use of market based inputs in the estimation of fair value. Management makes an assessment of estimated fair value at each reporting date.

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The resulting values for non-publicly traded investments may differ from values that would be realized had a ready market existed. In addition, the amounts at which the Partnership's privately held investments could be disposed of currently may differ from the carrying value assigned, and the differences could be material.

Warrants

Warrants are recorded at their estimated fair value using a recognized valuation model. For private companies, management makes maximum use of publicly available inputs to establish volatility and other inputs to the model.

Transaction costs

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

Cash

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

Revenue and expense recognition

Dividend income is recognized at the ex-dividend date. Realized gains and losses on disposal of investments and unrealized gains or losses in the value of investments are reflected in the statement of operations and calculated on an average cost basis. Upon disposal of an investment, previously recognized unrealized gains and losses are reversed, so as to recognize the full gain or loss in the period of disposition. Interest is recorded on an accrual basis. All costs directly attributable to operating activities are expenses as incurred.

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

For income tax purposes, the adjusted cost base of flow-through shares is reduced by the amount of expenditures renounced to the Partnership. Upon disposition of such shares, a capital gain will result and be allocated to Limited Partners based upon their proportionate share of the Partnership.

Issue costs

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

Valuation of Partnership units

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

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

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

Jov Diversified Flow-Through 2009 Limited Partnership

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(Unaudited)

Income taxes

Since the Partnership is an unincorporated business, the liability for income taxes is that of the partners and not the Partnership. Accordingly, no provision for income taxes for the Partnership has been made in these financial statements.

Use of estimates

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

Financial instruments

The carrying value of accounts payable and accrued liabilities, loan payable and due to related parties approximates fair value due to the relatively short period to maturity. The Partnership is subject to interest rate risk in respect of the loan payable as the interest rate is variable.

Credit Risk and Fair Value

The Partnership has adopted Emerging Issues Committee Abstract (“EIC”)-173, *Credit Risk and the Fair Value of Financial Assets and Liabilities* (“EIC-173”) which was issued by the Accounting Standards Board (“AcSB”) on January 20, 2009. The abstract clarifies that the credit risk of counterparty or an entity’s own credit risk should be taken into account in the measure, presentation and disclosure of the fair value of financial assets and liabilities, respectively. In instances where a quoted market price or rate does not take into account changes in an entity’s own or counterparty’s credit risk or where a valuation technique using observable and/or unobservable market inputs is used to estimate the fair value of a financial instrument which is not traded in an active market, credit risk and changes in credit risk are required to be taken into account in establishing the estimated fair value of the financial instrument. The impact of EIC-173 on the measurement and disclosure of the Partnership’s financial instruments is not significant.

Financial Instruments – Disclosures

The Partnership has adopted amendments to the CICA Handbook Section 3862, *Financial Instruments – Disclosures* (“Section 3862”), The amendments require an entity to provide disclosure on financial instruments measured at fair value using a fair value hierarchy that reflects the extent to which quoted prices or other market or non-market inputs are used in the valuation of those financial instruments. The adoption of the above disclosure changes has been incorporated into note 7.

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3. Loan payable

In September 2009 the Partnership established a credit facility of up to \$3,125,000 (subject to certain conditions) with a Canadian chartered bank (the "Bank") for the payment of issue costs and provided the bank with a security interest in all the assets of the Partnership. The Partnership incurred a loan arrangement fee which is included in issue costs. As at June 30, 2010, the loan principle balance has been repaid in full (December 31, 2009 \$1,989,000).

4. Expenses of the Partnership

The Partnership paid, from the proceeds of the Partnership's credit facility, all of the expenses of the offering and all other costs which were reasonably incurred in connection with the formation, capitalization or organization of the Partnership, and pays certain operating and administrative costs that are not expected to be fully deductible in computing the income of the Partnership pursuant to the *Income Tax Act*.

The Partnership pays all of the expenses of carrying on of its business including legal and audit fees, interest and administrative costs relating to financial and other reports, compliance with all applicable laws, regulations and policies. The General Partner is reimbursed for all reasonable out-of-pocket costs and expenses that are incurred by the General Partner on behalf of the Partnership in the ordinary course of business and expenses incidental to acting as general partner so long as the General Partner is not in default of its obligations. Such costs and expenses include reimbursement for any overhead costs or costs of the personnel of the General Partner and its affiliated companies which provide time and services to the Partnership.

The General Partner is entitled to an annual management fee of 2.0% of the net asset value of the Partnership, calculated monthly, which totalled \$180,121 for the period ended June 30, 2010. The General Partner will also be entitled to a performance bonus equal to 20% of the product of: (a) the number of Units outstanding on Performance Bonus Date (as defined in the LPA); and (b) the amount by which the net asset value per unit (prior to giving effect to the performance bonus) plus the total distributions per unit during the Performance Bonus Term exceeds \$28. As at June 30, 2010, this threshold has not been achieved; accordingly, no performance bonus has been accrued.

5. Partners' Equity

a) Authorized

The interest of the Limited Partners in the Partnership is divided into an unlimited number of units. The Partnership is authorized to issue a maximum of 1,000,000 units.

All Partnership units are of the same class with equal rights and privileges, including equal participation in any distribution made by the Partnership and the right to one vote at any meeting of the Limited Partners.

b) Issued and outstanding

As at June 30, 2010, there were 795,565 Partnership units issued and outstanding.

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

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6. Related party balances and transactions

The General Partner has retained CADO Bancorp Ltd., a related company, to provide office space and perform certain administrative functions on behalf of the General Partner. During the period ended June 30, 2010, an amount of \$107,100 was incurred and \$28,340 remained payable. Balances and transactions with related parties have been recorded at the exchange amount.

7. Reconciliation of net asset value

In accordance with the decision made by the Canadian securities regulatory authorities, a reconciliation between the transactional NAV (net asset value) determined under National Instrument 81-106 ("NI 81-106") and net assets of an investment fund as determined under Canadian GAAP is required for financial reporting purposes. For investments that are traded in an active market, Section 3855 requires the use of specific valuation techniques, rather than the use of valuation techniques by virtue of general practice in the investment fund industry. These changes account for the difference between net asset value and net assets as follows:

| | Net asset value per NI 81-106 as at June 30, 2010 | Section 3855 Adjustment | Net assets value per Section 3855 as at June 30, 2010 |
|----------------|---|----------------------------|---|
| | \$ | \$ | \$ |
| Total (\$) | 17,515,114 | (210,645) | 17,304,469 |
| Total per unit | 22.02 | (0.26) | 21.75 |

| | Net asset value per NI 81-106 as at December 31, 2009 | Section 3855 Adjustment | Net assets value per Section 3855 as at December 31, 2009 |
|----------------|---|----------------------------|---|
| | \$ | \$ | \$ |
| Total (\$) | 17,237,725 | (402,261) | 16,835,464 |
| Total per unit | 21.67 | (0.51) | 21.16 |

8. Risk Management

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

The Partnership's overall risk management strategy focuses on the unpredictability of performance of early stage public and private resource investments and seeks to minimize potential adverse effects on the Partnership's financial performance. The Partnership uses diversification to moderate risk exposures associated with a concentration of investments. The Partnership's investment objective is to provide Limited Partners with a tax assisted investment in a diversified portfolio of flow-through shares of resource issuers with a view of achieving capital appreciation. The principal business of the resource issuers are mineral, oil and gas exploration, development or production and projects in renewable energy and the development of energy efficient technologies.

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Notes to Financial Statements

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(Unaudited)

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

- a) Have experienced and reputable management with a defined track record in the energy, mining or alternative energy industries;
- b) Have a knowledgeable board of directors;
- c) Have exploration programs or exploration and development programs in place;
- d) Have securities that are suitably priced and offer capital appreciation potential; and
- e) Meet certain market capitalization and other investment criteria.

Market risk

- a) Price risk

The Partnership's investments are exposed to market price risk due to changing market conditions for equities as well as specific industry changes in the energy sector such as changes in commodity prices and the level of market demand as well as any changes to the tax environment in which the investee entities operate. The privately held investments may be early stage investments with unproven mineral, oil or gas reserves. All investments in equity securities have an inherent risk in loss of capital. The maximum risk resulting from financial instruments investments is determined by the fair value of the financial instruments.

The Partnership seeks to manage market risks by careful selection of securities prior to making an investment in an early stage company and by regular ongoing monitoring of the individual investment companies. The Manager also sets thresholds on individual investments to mitigate the risk of exposure to any one investment. The Partnership's overall markets positions are monitored on a daily basis by the Partnership's Manager and are reviewed on a semi-annual basis by the Board of Directors.

The Partnership's overall exposure is managed by the investment restrictions outlined in the prospectus which include a requirement for 80% of investments to be made in publicly traded resource investments, an overall limit on private company investments of not more than 20% of investments and no more than 20% of investments held in any one investment.

At June 30, 2010, the Partnership's market risk is impacted directly by changes in equity prices and indirectly by changes in oil and gas and other commodity prices. The immediate impact on equities of a 5% increase or decrease in equity prices is approximately \$714,697.

- b) Interest rate risk

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

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(Unaudited)

The table below summarizes the Partnership's exposure to interest rate risks at June 30, 2010. It includes the Partnership's assets and liabilities at fair values, categorized by the earlier of contractual re-pricing or maturity dates.

| | Due less than 6 months | Non-interest bearing | Total |
|-------------------|-----------------------------------|---------------------------------|-------------------|
| | \$ | \$ | \$ |
| Cash | 3,049,736 | - | 3,049,736 |
| Investments | - | 14,293,948 | 14,293,948 |
| Other liabilities | (39,215) | - | (39,215) |
| | <u>3,010,521</u> | <u>14,293,948</u> | <u>17,304,469</u> |

The Partnership's exposure to interest rate changes results from the difference between assets and liabilities and their respective maturities or interest rate repricing dates. Based on current differences as at June 30, 2010, the Partnership estimates that an immediate and sustained 100 basis point change in interest rates would impact interest income over the next 12 months by approximately \$30,497.

c) Foreign exchange risk

The Partnership is not exposed to any significant foreign exchange risk.

Credit risk

The Partnership has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due.

When the Partnership trades in listed or unlisted securities which are settled upon delivery using approved brokers, the risk of default is considered minimal since delivery of securities is only made once the broker has received payment. Payment is made once the securities have been received by the broker. The Partnership only transacts with reputable, highly credit rated brokers.

The Partnership monitors its credit position regularly, and the Board of Directors reviews it on a periodic basis. The Partnership has not identified any past due assets or receivables as at June 30, 2010.

Liquidity risk

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

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The Partnership invests in early stage resource companies which may be publicly listed securities but thinly traded or in privately held companies. Investments in privately held companies may not be able to be liquidated quickly at an amount close to their fair value to meet the Partnership's liquidity requirements or to respond to specific events such as deterioration in the credit worthiness of any particular issuer. Securities purchased by the Partnership may be subject to resale restrictions such as hold periods. During periods when resale restrictions apply, the Partnership may dispose of such securities only pursuant to certain statutory exemptions. The resulting values of non-publicly held securities may differ from values that would be realized had a ready market existed. Owing to the liquidity risks of early stage private company investments, the Partnership is limited to a maximum initial investment of 20% of investments in private companies.

The Partnership manages liquidity risk by maintaining sufficient liquid cash resources and publicly listed resource companies to ensure the Partnership's liquidity requirements are met.

Fair Value Disclosure

Section 3862 requires disclosure about the inputs to fair value measure, including their classification within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly

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

| | Financial assets at fair value as at June 30, 2010 | | | |
|-------------|---|----------------|----------------|--------------|
| | Level 1 | Level 2 | Level 3 | Total |
| | \$ | \$ | \$ | \$ |
| Investments | 4,976,327 | 7,454,375 | 1,863,246 | 14,293,948 |

| | Financial assets at fair value as at December 31, 2009 | | | |
|-------------|---|----------------|----------------|--------------|
| | Level 1 | Level 2 | Level 3 | Total |
| | \$ | \$ | \$ | \$ |
| Investments | - | 14,091,222 | 4,161,056 | 18,252,278 |

The fair value of publicly traded equity securities is generally estimated using observable market data in active markets or bid prices from market makers and broker-dealers. Generally these securities are categorized in Level 1 or 2 of the fair value hierarchy as observable market data is readily available.

Private investments are valued at their initial purchase price. No evidence or significant events in the period suggest adjustment to the fair value of these private investments. They are categorized in Level 3 of the fair value hierarchy.

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The fair value of warrants is estimated using the Black-Scholes pricing model that factors in current and contractual prices of the underlying instruments, time-value of money, yield curve and volatility. These warrants are categorized in Level 2.

9. Partnership capital

Units issued and outstanding represent the capital of the Partnership. The Partnership issued 795,566 units in 2009 for \$19,889,150, before issue costs. The Partnership cannot issue any additional units. Until the time of dissolution of the Partnership, the limited partnership cannot redeem units. The Partnership manages capital in accordance with its investment objectives. There are no externally imposed restrictions on the Partnership's capital.

10. Future accounting standards

Units issued and outstanding represent the capital of the Partnership. The Partnership issued 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. In May 2010, 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, 2012. 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.