Queen’s Road Capital Investment Ltd.
(formerly Lithion Energy Corp.)
Management’s Discussion & Analysis
For the year ended August 31, 2020

Effective Date of this Report: December 28, 2020

This Management’s Discussion & Analysis (“MD&A”) is intended to help the reader understand the significant factors that have affected the performance of Queen’s Road Capital Investment Ltd. (formerly Lithion Energy Corp.) and its subsidiaries (collectively “QRC”, “we”, “us”, “our” or the “Company”) and such factors that may affect its future performance. This MD&A should be read in conjunction with the Company’s consolidated audited financial statements for the year ended August 31, 2020 and related notes attached thereto, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standard Board (“IASB”). The Consolidated Financial Statements are available under QRC’s profile on SEDAR at www.sedar.com. All amounts in this MD&A are expressed in Canadian dollars.

Cautionary Statement on Forward-Looking Information

Except for statements of historical fact, this MD&A contains certain “forward looking information” and “forward looking statements” within the meaning of applicable securities laws, which reflect management’s current expectations, assumptions, and beliefs of the Company as of the date of such information or statements. Generally, forward looking statements and information can be identified by the use of forward looking terminology such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, “believes” or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved” or the negative connotation thereof.

All such forward-looking statements are based on certain assumptions and analyses made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate in the circumstances. These statements are, however, subject to known and unknown risks and uncertainties and other factors. As a result, actual results, performance, or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits will be derived therefrom. These risks, uncertainties and other factors include, among others: but are not limited to, statements with respect to the Company’s future growth, results of operations, performance and business prospects, opportunities, the Company’s investment strategy, investment process, and competitive advantage, growth expectation and opportunities, the availability of future acquisition opportunities and use of the proceeds from financing.

Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that statements containing forward looking information will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on statements containing forward looking information. All the forward-looking information and statements contained in this document are expressly qualified, in their entirety, by this cautionary statement. The forward-looking information and statements are made as of the date of this document, and we assume no obligation to update or revise them except as required pursuant to applicable securities laws.

Description of the Business

The Company is a resource focused investment company, making investments in privately held and publicly traded resource companies. The Company acquires and holds securities for both long-term capital appreciation and short-term gains, with a focus on convertible debt securities and resource projects in advanced development or production located in safe jurisdictions. QRC is a Hong Kong based company listed on the TSX Venture Exchange under the symbol "QRC".

Key Accomplishments During the Year Ended August 31, 2020

<u>Change of Name, Change of Business & Continuance</u>

On February 3, 2020, the Company completed its transition from Lithion Enery Corp. ("Lithion") to Queen's Road Capital Investment Ltd. as a series of related transactions closed:

- Change of name from Lithion Energy Corp. to Queen's Road Capital Investment Ltd.;
- Change of trading symbol from LNC to QRC;
- Change of business from mining issuer to investment issuer;
- Continuance from British Columbia, Canada to the Cayman Islands; and
- Change of head office from Vancouver, Canada to Hong Kong, China.

Effective February 3, 2020, the Company was led by Warren Gilman as Chairman & CEO and Alex Granger as President. The Board of Directors of the Company was composed of Mr. Gilman, Mr. Granger, John Anderson, Michael Cowin and Donald Roberts. QRC's Common Shares began trading under its new trading symbol "QRC" on February 5, 2020.

<u>$84 Million Capital Raising</u>

In conjunction with the Company's change of business, the Company completed two non-brokered private placements that raised a total of $84,046,031 in February, 2020. The Company issued 103,333,333 Shares at a price of $0.30 per Share in a non-brokered private placement which closed on February 3, 2020, and a further 132,615,753 Shares at a price of $0.40 per Share in a private placement which closed on February 18, 2020 (together, the "**Financings**"). The Financings included the following participants:

Investor	Shares Acquired	% Ownership Post Capital Raising
Corom Pty Ltd (controlled by Mr. Jack Cowin)	71,263,003	25.70%
Squadron Resources Pty Ltd (controlled by Mr. Andrew Forrest)	71,263,003	25.70%
BBRC International Pte Ltd (controlled by Mr. Brett Blundy)	37,626,866	13.57%
Directors & Officers	17,103,124	6.17%

Corom Pty Ltd. is an investment vehicle owned and controlled by Mr. Jack Cowin, a Canadian-Australian businessman and philanthropist. Mr. Cowin is one of Australia's most successful and highly regarded entrepreneurs. Starting with a single KFC franchise in 1969, he built Competitive Foods Australia Pty Ltd. into one of Australia's largest restaurant franchisors, including the eponymous Hungry Jack's franchise. Mr. Cowin is Chairman of ASX-listed Domino's Pizza Enterprises Ltd. which has a market value of A$4 billion and is 27% owned by the Cowin Family. Mr. Cowin is famous in Australia as a successful investor across a variety of industries including media (Ten Network), cattle ranching (Stanbroke Pastoral), tourism (BridgeClimb Sydney) and wine (Torbreck Vintners). Mr. Cowin recently retired as Chancellor of Western University in London, Ontario, his alma mater.

Tattarang Pty Ltd is one of Australia's largest private investment groups established by the Forrest family. Dr Andrew Forrest was the founder and is currently the Non-Executive Chairman of Fortescue Metals Group (FMG), the fourth largest iron ore producer globally and one of the largest companies listed on the Australian Stock Exchange. Tattarang owns a 35% interest in FMG as well as operating a number of businesses across the energy, resources, property, agri-food, hospitality, sport and entertainment sectors. Squadron Resources Pty Ltd (Squadron) is the mining business division of Tattarang supporting the discovery and development of the next generation of mines required for a cleaner and more sustainable future. Squadron manages a diverse portfolio of wholly-owned exploration projects and cornerstone investments in both public and private companies. Squadron are long-term and collaborative investors, working closely with management teams to accelerate projects into commercial production.

The funds raised in the Financings have been used by the Company for investment and general corporate purposes.

Pursuant to the Financings, Corom Pty Ltd. and Squadron Resources Pty Ltd. were each entitled to nominate one person to the Company's Board of Directors. The Corom Pty Ltd. appointee is Mr. Michael Cowin who became a director of the Company on February 3, 2020 and the Squadron Resources Pty Ltd. appointee is Mr. Chris Hansen, who was elected as a director at the Company's AGM held on November 5, 2020.

US$30 Million Investment in NexGen Energy Ltd.

On May 27, 2020, the Company completed its first investment, a US$30 million investment in NexGen Energy Ltd. ("**NexGen**"). The NexGen investment represented the execution of the Company's investment strategy of investing by way of a combined convertible debenture and equity purchase, involving the following:

- Purchase of 11,611,667 common shares of NexGen at $1.80 per share for an aggregate purchase price of US$15 million;

- Purchase of a US$15 million unsecured convertible debenture of NexGen having the following principal terms:

    - 7.5% interest payable semi-annually – 5% in cash and 2.5% in NexGen common shares
    - 5-year maturity
    - Debenture are convertible into NexGen common shares at $2.34 per share
    - There are certain change of control and redemption provisions associated with the debenture, including the following:
        - NexGen is entitled, on or after May 27, 2023 and prior to May 27, 2025, at any time the 20-day volume weighted average share price of NexGen common shares exceeds C$3.04, to provide not less than 30 days notice to QRC to redeem the debenture at par plus accrued interest; during the notice period, QRC may, at its option, covert the debenture proposed to be redeemed; and
        - Should NexGen's board of directors recommend a change of control transaction during the term of the debenture, and QRC does not chose to convert the debentures, NexGen must purchase the debentures for cash at 130% of par (until May 27, 2023) or 115% of par (from May 28, 2023 until May 27, 2025).

QRC also earned a 3% establishment fee on the debenture, paid in NexGen common shares (348,350 shares).

US$6 Million Investment in IsoEnergy Ltd.

On August 18, 2020, the Company completed a US$6 million investment in IsoEnergy Ltd. ("IsoEnergy"). IsoEnergy is 52%-owned by NexGen. Key terms of IsoEnergy the investment include:

- 8.5% interest payable semi-annually – 6% in cash and 2.5% in IsoEnergy common shares;
- Interest rate to decrease to 7.5% - 5% in cash and 2.5% in IsoEnergy common shares – when IsoEnergy releases a positive independent preliminary economic assessment on the Hurricane Zone at its flagship Larocque East property;
- 5-year maturity; and
- Debenture convertible into IsoEnergy common shares at $0.88 per share

QRC earned a 3% establishment fee on the IsoEnergy debenture, payable in IsoEnergy shares (219,689 shares).

TSXV Listing / Graduation to Tier 1 Investment Issuer

On August 27, 2020, QRC graduated from a Tier 2 Investment Issuer to a Tier 1 Investment Issuer.

Developments Subsequent to August 31, 2020

US$20 Million Investment in Adriatic Metals plc.

On December 1, 2020, the Company completed the purchase of a US$20 million convertible debenture issued by Adriatic Metals Plc ("**Adriatic**") having the following principal terms:

- 8.5% interest payable quarterly in cash;
- 4-year maturity; and
- Debenture convertible into Adriatic common shares at A$2.7976 per share

QRC earned a 3% establishment fee on the principal amount of the Adriatic debenture, paid in cash

QRC's investment in the Adriatic convertible debenture was made concurrently with a £6.2 million equity investment in Adriatic by the European Bank for Reconstruction & Development.

Investments

The Company has adopted an investment policy (the "**Investment Policy**") to govern the Company's investment activities which provides, among other things, the investment objectives and strategy based on the fundamental principles set out below. A copy of the Investment Policy is posted on the Company's website and filed on SEDAR.

Investment Objectives

The Company invests primarily in public and privately held companies, primarily in the natural resource sector, with the objective of increasing shareholder return while seeking to preserve capital and limit downside risk by focusing on opportunities with attractive risk to reward profiles. The Company seeks to identify investments by utilizing the experience and expertise of its Management and Board. The Company seek out superior investments that may include the acquisition of shares, equity, debt, convertible securities, or royalty arrangements for public or private corporations with a focus on convertible debt securities.

Investment Strategy

In light of the numerous investment opportunities across the entire natural resources sector, the Company aims to adopt a flexible approach to investment targets without placing unnecessary limits on potential returns on its investment. This approach is demonstrated in the Company's proposed investment strategy set out below.

- The Company invests in the securities of both public and private natural resource companies and may take part in private or public offerings for predetermined equity positions, royalties, debt or convertible or preferred securities.

- Initial investments of debt, equity or a combination thereof may be made in public or private companies through a variety of financial instruments including, but not limited to, private placements, participation in initial public offerings, bridge loans, secured loans, unsecured loans, convertible debentures, warrants and options, royalties, net profit interests and other hybrid instruments.

- Investment arrangements may include a combination of securities including, but not limited to equity, debt, convertible debentures, warrants, preferred shares, bridge financing, collateral, royalty arrangements or other securities as deemed appropriate by the Company's Management and in compliance with the Investment Policy. In certain cases, the Company expects to enter into oversight arrangements as a condition of the investment. Oversight may range from Board appointments, advisory positions, or management consulting positions with the target companies.

- The Company may purchase or sell securities on public exchanges.

- The Company reserves the right to acquire all or part of other businesses or assets of a target company that management believes will enhance the value for shareholders. The Company will place no formal limit on the size of potential investments and may require future equity or debt financings to raise money for specific investments.

- The Company may make investments in extra-ordinary activities, or activities not in the normal course of business, which may include but not be limited to mergers, acquisitions, corporate restructurings, spin-offs, take-overs, bankruptcies or liquidations, public listings, leveraged buyouts or start-ups. The Company may elect to invest in such events, provide financing, or purchase securities in exchange for fees, interest or equity positions.

- The majority of investments are expected to be medium term investments, with an expected life of investment of two to five years; however, the Company may also invest in opportunities that could provide long-term capital appreciation.

- Depending on market conditions, the Company intends to fully invest its available capital, apart from operating expenses.

- The Company will seek to maintain the ability to actively review and revisit all of investments on an ongoing basis.

- The Company will evaluate the liquidity of investments and seek to realize value from same in a prudent and orderly fashion.

- All investments will be made in compliance with applicable laws in relevant jurisdictions, and in compliance with any associated exchange policy.

Management and the Board of the Company may authorize investments outside the guidelines described above if they feel the investment is for the benefit of the Company and its shareholders.

Investment Selection, Evaluation and Decision Making Process

The Company will pursue opportunities referred through investment banks, venture capital firms, legal and accounting firms and its professional network, and will gather insight into each opportunity, including its business model, financial prospects, management team, and the use of funds.

Management will research each investment target, and will analyze and review opportunities with each target and provide a recommendation to the Board as a whole. Research activities undertaken by management will include gathering complete details about the target company's business strategy, financial history, management team, growth objectives, products, markets, competitive forces, and capital requirements.

Management will oversee the due diligence activities. When deemed necessary, the Company may augment its review activities by outsourcing research requirements on specific investment opportunities to independent firms (accounting/financial, legal or industry analysts) that have professional relationships with the Company. Management will assess the financing needs of the target company in order to determine if the opportunity is compatible with the investment returns specific to the Company's investment criteria. The result of Management's review will conclude with a recommendation to the Board indicating if the Company should consider an investment in the target company. Management recommendations may range from:

- continuing to consider investment,

- recommending not to invest,

- considering investment with certain agreement covenants, and

- working with the target company in an advisory capacity in an effort to ready the target company for an investment at a later date.

The Board will make the final investment decision in respect of any opportunity presented to it be Management.

Composition of Investment Portfolio

The Company invests the majority of its funds in the securities of resource companies. Investments made by the Company may take different forms, including equity, debt, convertible debentures, royalties and metal streaming, although the Company is primarily focused on convertible debt securities.

As of the date of this report, the Company has invested a total of US$56 million in three different resource companies as presented in the table below.

Date	Company	Investment	Investment Type
27/05/2020	NexGen Energy Ltd.	US$15,000,000	Equity
27/05/2020	NexGen Energy Ltd.	US$15,000,000	Convertible Debt
19/08/2020	IsoEnergy Ltd.	US$6,000,000	Convertible Debt
01/12/2020	Adriatic Metals Plc	US$20,000,000	Convertible Debt

Income Generation

The Company generates income from its investments in two main form: (a) interest income from its convertible securities and (b) capital gains/losses from the disposal of its investments.

a) Interest income

The Company receives interest income from its investments in convertible securities on a quarterly or semi-annual basis, depending on the specific terms of each investment. Some of the Company's investments settle a portion of the interest payment in the form of equity.

The following table presents the annual interest payments the Company expects to receive on an annual basis from its current investments (assuming interest payment are made by the investee issuers on a timely basis).

Convertible Debt Investment	Investment Amount	Annual Coupon	Annual Interest Income
NexGen Energy Ltd	US$15,000,000	7.5%	US$1,125,000
IsoEnergy Ltd.	US$6,000,000	8.5%	US$510,000
Adriatic Metals Plc	US$20,000,000	8.5%	US$1,700,000
Cash Balance			n/a
			US$3,335,000

b) Capital gains/losses

The Company may generate income from capital gains/losses through the sale of its investments. Capital gains/losses could come in the form of (a) sale of any equity investments, (b) sale of any convertible security investments or (c) sale of any equity shares received as settlement of interest income. As of the date of this report, the Company has not realized on any material capital gains/(losses) from its investments since it continues to hold all investments made since its inception as an investment company.

Market Value of Investments

The Company has investments in publicly listed issuers and as such the market value of these investments moves with the share prices of the investee issuers. As most of the Company's investments lie in convertible debt securities, the volatility of the market value of our investments is significantly less than that of any underlying equity securities.

a) Market Value of Equity Investments

The calculation of the current market value of the Company's current equity investments is straight forward as all of its current investments are in investee issuers whose equity is listed and trading on stock exchanges (such as the TSX, TSXV, ASX and LSE). Based on these trading prices, as of the date of this report, the market value of the Company's equity investments is as follows:

Investment	Shares Owned	Original Investment	Value as at 28/12/20	Unrealized Gain/(Loss)
NexGen Energy Ltd.	11,611,667	US$15,000,000	US$31,845,008	US$16,845,008
Assumptions	share price	C$1,80	C$3.52	
	exchange rate	$1.3934/US$	$1.2835/US$	

b) Market Value of Convertible Debt Investments

The market value of convertible debt investments is more complex as it is the sum of a number of parts: (a) the standalone debt portion of the investment, (b) the conversion option of the investment, (c) the market value of any equity issued (and held) either as compensation for an establishment fee and/or as settlement for interest income due and (d) any accrued interest due at the date of the valuation. As of the date of this report, the market value of the Company's convertible debt investments is as follows:

		NexGen Energy Ltd.	IsoEnergy Ltd.	Adriatic Metals Plc
(a) Principal Amount of Convertible Debt		US$15,000,000	US$6,000,000	US$20,000,000
(b) Conversion Option (Black Scholes)		US$13,019,231	US$9,797,727	US$9,515,298
Assumptions:				
	Days Until Maturity	1,611	1,695	1,434
	Share Price	$3.52	$1.80	A$2.38
	Conversion Price	$2.34	$0.88	A$2.7976
	Exchange Rate	$1.2835/US$	$1.2835/US$	A$1.3165/US$
	Share Price Volatility	58.98%	95.92%	83.13%
	Risk-free rate	0.43%	0.43%	0.33%
(c) Market Value of Shares Held		US$1,245,095	US$308,095	
Assumptions:				
	Shares held issued as Establishment Fee	348,350	219,689	
	Shares held issued as Interest Income	105,650	-	
	Share Price	$3.52	$1.80	
	Exchange Rate	$1.2835/US$	$1.2835/US$	
(d) Accrued Interest		US$59,375	US$187,000	US$127,500
Assumptions:				
	Interest Rate	7.5%	8.5%	8.5%
	Last Interest Payment	December 9, 2020	-	-
Total Value as at [date] (a + b + c + d)		US$29,323,701	US$16,292,822	US$29,642,798
Unrealized Gain/(Loss)		US$14,323,701	US$10,292,822	US$9,642,798

Results for the Year Ended August 31, 2020

Overall Performance

The Company completed its change of name, change of business and continuance in February 2020 and completed its first investment on May 27, 2020. Results from prior periods are not comparable.

	Three Months Ended August 31, 2020	Three Months Ended August 31, 2019	Year Ended August 31, 2020	Year Ended August 31, 2019
	$	$	$	$
Interest income on cash	4,796	-	115,186	-
Interest income from investments	394,457	-	415,520	-
Establishment fee income	944,740		944,740	
Gain from sale of investments	31,097	-	31,097	-
Unrealized gain (loss) on equities	6,876,642	-	9,297,675	-
Unrealized gain (loss) on convertible debentures	11,574,342	-	11,553,126	-
Income from Investments	**19,826,074**	**-**	**22,357,334**	**-**

The Company closed its $84 million capital raising in February 2020, following which the money was placed in various savings' accounts where it earned interest while waiting to be deployed as investments.

Interest income from Investments during the year ended August 31, 2020 represents the interest income earned on the NexGen debenture (from May 27, 2020) and IsoEnergy debenture (from August 18, 2020) when the investments closed and August 31, 2020 when the year ended.

Investments at Fair Value

As at August 31, 2020, the Company had the following investments:

	Number of Shares/Units	Fair Value At August 31, 2020
Equities of Public Companies:		
NexGen Energy Ltd. (NXE.TO) (a)	11,970,533	30,883,975
IsoEnergy (ISO.V) (a)	219,689	279,005
Convertible Debentures:		
NexGen Energy Ltd. (NXE.TO) (b)	-	26,712,539
IsoEnergy Ltd. (ISO.V) (b)	-	13,412,587
Total		**71,288,106**

Fair Value is calculated by an independent valuator using a valuation model of a system of two coupled Black Scholes equations and partial differential equations that are solved simultaneously using finite-difference methods. The fair value is for accounting purposes. The Company's market value of these investments is detailed in the section above titled **Market Value of Investments**.

The continuity of the Company's investments during the year ended August 31, 2020 is as follows:

	August 31, 2019	Additions	Proceeds from Disposition	Realized Gains	Unrealized Gains	August 31, 2020
	$	$	$	$	$	$
Investments in equities of public companies (a)	-	21,951,494	(117,287)	31,097	9,297,675	31,162,980
Investments in Convertible Debentures (b)	-	28,572,000	-	-	11,553,126	40,125,126
Total	- -	50,523,494	(117,287)	31,097	20,850,801	71,288,106

Selected Annual Information

The following table provides a summary of the Company's financial results. For more details, please refer to the audited financial statements.

	Year ended August 31, 2020	Year ended August 31, 2019	Year ended August 31, 2018
	$	$	$
Income from investments	22,357,334	-	-
Income (loss) for the year	6,667,260	(1,251,531)	(247,302)
Basic and diluted income (loss) per share	0.04	(0.04)	(0.01)
Total assets	104,405,886	1,990,476	2,125,262
Total long-term liabilities	-	-	-
Total cash dividends paid	-	-	-

Summary of Quarterly Results

Quarter Ended	Total Assets	Income from Investments	Net income (loss)	Income (loss) per share Basic and Diluted
	$	$	$	
31-08-2020	104,405,886	19,826,064	14,668,724	0.19
31-05-2020	97,828,008	2,531,270	(474,751)	(0.00)
29-02-2020	85,638,578	-	(7,290,322)	(0.14)
Prior to change of name, change of business and continuance				
31-11-2019	1,895,659	-	(236,391)	(0.01)
31-08-2019	1,990,476	-	(1,101,640)	(0.04)
31-05-2019	3,092,106	-	(70,227)	(0.00)
29-02-2019	2,029,314	-	(57,103)	(0.00)
31-11-2018	2,102,300	-	(22,561)	(0.00)
31-08-2018	2,125,262	-	(34,932)	(0.00)

The Company completed its change of name, change of business and continuance in February 2020 and completed its first investment on May 27, 2020. Prior quarters are not comparable. The Company's performance and results are not expected to be subject to seasonal variations.

Income from Operations during the three months ended May 31, 2020 and August 31, 2020 where principally attributable to unrealized gains on the investment in NexGen as the share price of NexGen increased between the investment date and the end of the quarter.

Net loss during the three months ended February 29, 2020 was principally attributable to share-based compensation grants of $7 million following completion of the $84 million capital raising.

Results of Operations

Income from Investments for the Year Ended August 31, 2020 and 2019

	2020	2019	Change
	$	$	$
Interest income	530,706	-	530,706
Establishment fee income	944,730	-	944,730
Gain from sale of investments	31,097	-	31,097
Unrealized gain from investments	20,850,801	-	20,850,801

Interest income for the year ended August 31, 2020 of $530,706 (2019 - $nil) was interest of $115,186 (2019 - $nil) earned on cash deposits following completion of the $84 million capital raising in February 2020. From May 27, 2020, the Company's started earning interest income of $415,520 (2019 - $nil) debentures which is expected to be the principal source of interest income going forward.

Establishment fee income of $944,730 (2019 - $nil) was a 3% fee earned on the investment in NexGen and IsoEnergy debentures of $672,316 and $272,414, respectively.

Unrealized gains from investments of $20,850,801 (2019 - $nil) was attributable to an increase in the value of investments in equities of public companies owned by the Company of $9,297,675 (2019 - $nil) and an increase in the fair value of the convertible debentures of $11,553,126 (2019 - $nil). The amount of gain or loss from investments in future quarters will depend on the share price performance during such quarters.

The majority of the operating expenses during the year ended August 31, 2020 are attributable to share-based compensation as share options to directors and officers were issued following the completion of the $84 million capital raising.

Operating Expenses for the Year Ended August 31, 2020 and 2019

	2020	2019	Change
	$	$	$
Consulting (a)	213,165	70,618	142,547
Directors' fees (b)	45,647	20,415	25,232
Foreign exchange gain/(loss) (c)	2,804,483	(17,540)	2,822,023
Management fees (d)	551,680	50,000	501,680
Office & administration (e)	102,634	57,214	45,420
Office rent (f)	460,545	-	460,545
Professional fees (g)	30,738	79,045	(48,307)
Regulatory fees and transfer agent fees (h)	9,406	33,058	(23,652)
Share-based compensation (i)	10,967,477	-	10,967,477
Transaction costs (j)	172,250	-	172,250
Travel (k)	74,079	17,354	56,725
	15,432,104	310,164	15,121,940

The Company completed its change of name, change of business and continuance in February 2020 and completed its first investment on May 27, 2020. Prior periods are not comparable.

Significant changes are as follows:

(a) Consulting expenses increased from 2019 to 2020 as independent consultants were hired to assist the Company following a change of management and Board of Directors in May 2019
(b) Directors' fees increased from 2019 to 2020 as new Directors' were appointed in 2020 following the reorganization of the Company
(c) Foreign exchange gain/(loss) relate to the Company's U.S. dollar cash position that gets revalued each quarter. The Company expects to have a significant majority of its cash in U.S. dollar going forward which will be subject to quarterly mark-to-market revaluations
(d) Management fees increased from 2019 to 2020 following the reorganization of the Company in 2020.
(e) Office & administration increased from 2019 to 2020 as expenses related to establishing the office in Hong Kong and insurance costs.
(f) In October 2019, the head office of the Company was relocated. Monthly office rent, payable in Hong Kong dollars, is approximately US$30,000 per month.
(g) Professional fees decreased from 2019 to 2020 as the majority of the costs incurred in 2020 were related to the change in business and have been reclassified to transaction costs.
(h) Regulatory and transfer agent fees decreased from 2019 to 2020 as the majority of the costs incurred in 2020 were related to the change in business and have been reclassified to restructuring costs.
(i) Share-based payments related to stock options granted to certain executives, directors and consultants following the $84 million capital raising completed in February 2020
(j) Transaction costs were paid in connection with the acquisition of the Nexgen debenture
(k) Travel expenses increased from 2019 to 2020 as the Company requires its management team to travel for both internal purposes as well as to meet with investors and conduct due diligence on potential investee companies

Liquidity & Capital Resources

Cash Flows

Year ended May 31	2020	2019
	$	$
Operating activities	(3,988,566)	(214,325)
Investing activities	(49,704,000)	(48,687)
Financing activities	84,176,301	1,119,250
Effects of exchange rates on Cash	231,000	(205)
Change in cash during period	30,714,755	856,033

Net cash used in operating activities for the six months ended August 31, 2020 was $3,988,566 (2019 - $214,325). The cash used in operating activities for the period consists primarily net of the operating income of $6,667,260 (2019 – loss of $1,251,531), share-based payments of $10,967,477 (2019 - $nil), write off of advance of $nil (2019 - $127,612), write-down of exploration and evaluation assets of $nil (2019 - $813,755), unrealized gain on investments of $20,850,801 (2019 - $nil), establishment fee income of $944,730 (2019 - $nil), interest income of $19,575 (2019 - $nil) and net change in non-cash working capital items during the period of $191,803 (2019 - $95,839).

Net cash used in investing activities for the year ended August 31, 2020 were $49,704,000 (2019 - $48,687). The cash used in investing activities for the period consists of $49,704,000 (2019 - $nil) for net investment purchases and $nil (2019 - $48,687) for net exploration and evaluation asset.

Net cash provided by financing activities for the year ended August 31, 2020 was $84,176,301 (2019- $1,119,250). The cash provided by financing activities for the period consists of common shares issued by private placement of $84,046,301 (2019 - $350,000), common shares issued by warrant of $nil (2019 - $769,250) and shares issued by stock option exercise of $130,000 (2019 - $nil)

Capital Resources & Liquidity Risk

The Company's cash position at August 31, 2020 was $32,701,288 (2019 - $1,986,553) and the Company's working capital was $32,497,980 (2019 - $1,975,048). The Company has no long-term debt obligations.

As at August 31, 2020, the Company believes there is sufficient working capital available to meet its current operational requirements. The Company intends on raising more capital for investment allocation from time to time.

Related Party Transactions

The following related party transactions were conducted in the normal course of business

	Year Ended August 31	
	2020	**2019**
	$	**$**
Senior management remuneration	551,680	50,000
Directors' fees	45,647	20,415
Share-based compensation	10,846,686	-
Total	11,444,013	70,415

During the year ended August 31, 2020, the Company reimbursed office rent of $460,545 (2019 - $Nil) to a company controlled by a director of the Company.

As at August 31, 2020, accrued liabilities include an amount of $592,961 (2019 – $nil) due to officers of the Company and/or companies controlled by officers of the Company. The amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

At August 31, 2020, the Company holds investments and convertible debentures in NexGen, a company related by way of a common officer and IsoEnergy, a company controlled by NexGen.

At August 31, 2020, two significant shareholders, Squadron Resources Pty Ltd. ("Squadron") and Corom Pty Ltd. ("Corom"), a company controlled by a relative of a director of the Company, each beneficially own, or exercise control or direction over 71,263,003 common shares, respectively, constituting approximately 25.70%, respectively, of the current issued and outstanding shares of the Company.

Significant Accounting Policies

The financial information presented in this MD&A has been prepared in accordance with International Financial Reporting Standards. The Company's management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expense. Actual amounts incurred by the Company may differ from these values.

The Company's significant accounting policies, applied judgements and estimates are set out in the note 3 of the audited annual financial statements for the year ended August 31, 2020.

Financial Instruments and Fair Value

The Company provides disclosures that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the date of the statement of financial position, and how the entity manages these risks.

The following table summarizes the carrying value of financial assets and liabilities of the Company as at August 31, 2020 and August 31, 2019:

	August 31, 2020	August 31, 2019
	$	$
Fair value through profit and loss		
Investments at fair value	71,288,106	-
Amortized cost:		
Cash	32,701,288	1,986,553
Receivables	383,430	-
Accounts Payable & Accrued Liabilities	12,839	714

As at August 31, 2020 and August 31, 2019, financial instruments that are not measured at fair value on the balance sheet are represented by cash, receivables, due to related parties and accounts payable & accrued liabilities. The fair value of these financial instruments approximate the carrying value due to their short-term nature.

Financial instruments that are recognized on the balance sheet at fair value can be classified in a hierarchy that is based on the relative reliability of the inputs used to estimate the fair value:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial assets measured at fair values through profit or loss are as follows:

August 31, 2020	Level 1	Level 2	Level 3
	$	$	$
Investments at fair value	31,162,980	40,125,126	-

Fair value of investments classified as level 2 are reconciled as follows:

	August 31, 2019	Additions / Dispositions	Unrealized profit (loss)	August 31, 2020
	$	$	$	$
Convertible Debenture	-	28,572,000	11,553,126	40,125,126

Financial risks

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Interest and foreign exchange risk
- Market price risk

Credit risk

Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets, including cash and investments. The Company has limited exposure to credit risk related to cash, as it only deposits its cash with high credit quality financial institutions, which are available on demand. The Company's equity investments are settled and paid for upon delivery using an approved broker. The risk of default considered minimal, as delivery of securities sold is made once the broker has received payment and payment on a purchase received by the broker. The trade will fail if either party fails to meet its obligations. The

Company's credit risk related to convertible debentures is associated with the risk that these third parties will not perform their underlying obligations. The Company mitigates its credit risk by only investing and providing loans where they have a detailed knowledge of the investee's operations and business strategy. The Company has two concentrated loans at August 31, 2020 that are made up 66% NexGen and 34% IsoEnergy.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company has ensured, as far as reasonably possible, it will have sufficient capital in order to meet short term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. Historically, the Company's primary source of financing has been the issuance of equity securities for cash, through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity financing. As of August 31, 2020, the Company had no significant contractual obligations other than those included in accounts payable and accrued liabilities.

Interest and foreign exchange risk

The Company is subject to normal risks including fluctuations in foreign exchange rates and interest rates. While the Company manages its operations in order to minimize exposure to these risks, it has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure. At August 31, 2020, the Company is exposed to limited interest rate risk as it earns very little interest on its cash balance due to current near zero interest rates in Canada and the United States. The Company has assets which are denominated in United States dollars ("USD"). The Company's exposure to exchange rate fluctuations arises mainly on foreign currency fluctuations against the Canadian dollar functional currency of the relevant business entities.

The Canadian dollar equivalent of the amounts denominated in foreign currencies are as follows:

USD		August 31, 2020		August 31, 2019
Cash	$	31,593,114	$	641,426
Trade payables and accrued liabilities	$	568,357	$	-

The Company is exposed to foreign currency risk on fluctuations related to cash, that are denominated in USD. As at August 31, 2020, net assets totalling $31,024,757 (August 31, 2019 - $641,426) were held in USD. Based on the above net exposure as at August 31, 2020 and assuming all other variables remain constant, a 2% depreciation or appreciation of the USD against the Canadian dollar would result in an increase or decrease of approximately $620,495 (2019 - $12,814) in the Company's net and comprehensive income (loss).

Market price risk

Market price risk is the risk that the fair value of an investment measured at FVTPL will fluctuate because of changes in market prices (other than those arising from foreign currency risk or interest rate risk). The Company's investments at fair value of public entities are subject to price risk. A 15% increase/decrease in the value of all public equity investments would result in an approximate increase/decrease in the value of public market exposure and unrealized gain/loss in the amount of approximately $10.7 million.

Future Accounting Policy Changes

A number of new standards, amendments to standards and interpretations are not yet effective as of the date of this report, and were not applied in preparing the financial statements. None of these are expected to have a material effect on the interim financial statements.

Significant accounting estimates and assumptions

The preparation of these financial statements in accordance with IFRS requires management to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the fair value measurement for financial instruments and share-based compensation and the recoverability and measurement of deferred tax assets.

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements relate to the accounting of the Company's investments.

Capital Commitments

The Company has no capital commitments.

Off Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Outstanding Share Data

The Company has the following common shares, stock options, and share purchase warrants outstanding:

Common Shares

The Company's authorized capital consists of an unlimited number of voting common shares without par value.

As at August 31, 2020 and at the date hereof, there were 277,252,651 issued and outstanding common shares.

Stock Options

As at August 31, 2020, there were 25,500,000 stock options outstanding and 12,750,000 exercisable, with weighted-average exercise price of $0.44.

As at the date hereof, there were 11,150,000 stock options outstanding and 5,575,000 exercisable, with weighted-average exercise price of $0.30.

Risks Relating to QRC

Global Financial Conditions

Market events and conditions, including the disruptions in the international credit markets and other financial systems, along with falling currency prices expressed in United States dollars can result in commodity prices remaining volatile. These conditions can cause a loss of confidence in global credit markets resulting in the collapse of, and government intervention in, major banks, financial institutions and insurers and creating a climate of greater volatility, tighter regulations, less liquidity, widening credit spreads, less price transparency, increased credit losses and tighter credit conditions. Notwithstanding various actions by governments, concerns about the general condition of the capital markets, financial instruments, banks and investment banks, insurers and other financial institutions caused the broader credit markets to be volatile and interest rates to remain at historical lows. These events can be illustrative of the effect that events beyond the Company's control may have on commodity prices, demand for metals, availability of credit, investor confidence, and general financial market liquidity, all of which may adversely affect the Company's business.

Global financial conditions can be volatile. Access to additional sources of capital, including conducting public financings, can be negatively impacted by disruptions in the international credit markets and the financial systems of other countries, as well as concerns over global growth rates. These factors could impact the ability of QRC to obtain both debt and equity financing in the future and, if obtained, on terms favorable to QRC. Increased levels of volatility and market turmoil can adversely impact the operations of QRC and the value and the price of the Common Shares of the Company could be adversely affected.

Public Health Crises, including the COVID-19 Pandemic may Significantly Impact QRC

QRC's business, operations and financial condition could be materially adversely affected by public health crises, including epidemics, pandemics and or other health crises, such as the outbreak of COVID-19. The current COVID-19 global health pandemic is significantly impacting the global economy and commodity and financial markets. The full extent and impact of the COVID-19 pandemic is unknown and to date has included extreme volatility in financial markets, a slowdown in economic activity, extreme volatility in commodity prices (including precious metals) and has raised the prospect of a global recession. The international response to COVID-19 has led to significant restrictions on travel, temporary business closures, quarantines, global stock market volatility and a general reduction in consumer activity, globally. Public health crises, such as the COVID-19 outbreak, can result in operating, supply chain and project development delays that can materially adversely affect the operations of third parties in which QRC has an interest. Mining operations of third parties in which QRC holds an interest could be suspended for precautionary purposes or as governments declare states of emergency or other actions are taken in an effort to combat the spread of COVID-19. If the operation or development of one or more of the properties of a third party in which QRC holds an interest is suspended, it may have a material adverse impact on QRC's results of operations, financial condition and the trading price of QRC's securities.

The risks to QRC's business include without limitation, the risk of breach of material contracts and customer agreements, employee health, workforce productivity, increased insurance premiums, limitations on travel, the availability of industry experts and personnel, prolonged restrictive measures put in place in order to control an outbreak of contagious disease or other adverse public health developments globally and other factors that will depend on future developments beyond QRC's control, which may have a material and adverse effect on QRC's business, financial condition and results of operations. In addition, QRC may experience business interruptions as a result of suspended or reduced operations at the operations of third parties in which QRC has an interest, relating to the COVID-19 outbreak or such other events that are beyond the control of QRC, which could in turn have a material adverse impact on QRC's business, operating results, financial condition and the market for its securities. As at the date of this MD&A, the duration of any business disruptions and related financial impact of the COVID-19 outbreak cannot be reasonably estimated. It is unknown whether and how QRC may be affected if such pandemic, such as the COVID-19 outbreak, persists for an extended period of time.

<u>Changes in Commodity Prices that underlie Royalty, Stream or Other Interests</u>

The price of QRC's Common Shares may be significantly affected by declines in commodity prices. The price of commodities fluctuates daily and are affected by factors beyond the control of QRC, including levels of supply and demand, industrial development, inflation and interest rates, the U.S. dollar's strength and geo-political events. External economic factors that affect commodity prices can be influenced by changes in international investment patterns, monetary systems and political developments.

All commodities, by their nature, are subject to wide price fluctuations and future material price declines will result in a decrease in revenue or, in the case of severe prolonged declines that cause a suspension or termination of production by relevant operators, a complete cessation of revenue from Royalties, Streams or working interests applicable to one or more relevant commodities. The commodity market trends are cyclical in nature and a general downturn in commodity prices could result in a significant decrease in overall revenue.

<u>QRC Has No Control Over Mining Operations</u>

QRC is not directly involved in the operation of mines. QRC has passive investments in third parties which own/operate their own mining operations. The third party owners and operators generally will have the power to determine the manner in which the properties are exploited, including decisions to expand, continue or reduce, suspend or discontinue production from a property, decisions about the marketing of products extracted from the property and decisions to advance exploration efforts and conduct development of non-producing properties. The interests of third-party owners and operators and those of QRC in respect of a relevant project or property may not always be aligned. The inability of QRC to control the operations for the properties may result in a material adverse effect on the results of operations of QRC and its financial condition. In addition, the owners or operators may take action contrary to policies or objectives of QRC; be unable or unwilling to fulfill their obligations under their agreements with QRC; have difficulty obtaining or be unable to obtain the financing necessary to move projects forward; or experience financial, operational or other difficulties, including insolvency, which could limit the owner or operator's ability to perform its obligations under arrangements with QRC. QRC is also subject to the risk that a specific mine or project may be put on care and maintenance or have its operations suspended, on both a temporary or permanent basis.

The third parties in which QRC holds an interest may from time to time announce transactions, including the sale or transfer of the projects or of the operator itself, over which QRC has little or no control. If such transactions are completed it may result in a new operator controlling the project, who may or may not operate the project in a similar manner to the current operator which may positively or negatively impact QRC. If any such transaction is announced, there is no certainty that such transaction will be completed, or completed as announced, and any consequences of such non-completion on QRC may be difficult or impossible to predict.

Variations in Foreign Exchange Rates

The operations of QRC are subject to foreign currency fluctuations and inflationary pressures, which may have a material adverse effect on the profitability of QRC, its result of operations and financial condition. There can be no assurance that the steps taken by management to address such fluctuations will eliminate the adverse effects and QRC may suffer losses due to adverse foreign currency fluctuations.

Market Price of the Common Shares of QRC

The Common Shares of QRC are listed and posted for trading on the TSX Venture Exchange. An investment in the securities of QRC is highly speculative. The market price of securities of companies involved in the mining and natural resources industry have experienced substantial volatility in the past and are currently experience extreme volatility as a result of the COVID-19 global pandemic. The price of the Common Shares is likely to be influenced by changes in commodity prices, the financial condition of QRC and other risk factors identified in this MD&A. The extent to which COVID-19 impacts the market for securities of QRC, will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity and scope of the COVID-19 outbreak and the actions taken to contain or treat the COVID-19 outbreak.

Strategy for Acquisitions

As QRC executes on its business plan it will seek to invest in third party companies. QRC cannot offer any assurance that it can complete any investment or proposed business transactions on favorable terms or at all, or that any completed investment or proposed transactions will benefit QRC.

At any given time QRC may have various types of transactions and investment opportunities in various stages of review, including submission of indications of interest and participation in discussions or negotiations in respect of such transactions. This process also involves the engagement of consultants and advisors to assist in analyzing particular opportunities. Any such acquisition or transaction could be material to QRC and may involve the issuance of securities by QRC to fund any such acquisition. In addition, any such investment or other transaction may have other transaction specific risks associated with it, including risks related to the completion of the transaction, the project operators or the jurisdictions in which assets may be acquired.

Additionally, QRC may consider opportunities to restructure its investments where it believes such a restructuring may provide a long-term benefit to QRC, even if such restructuring may reduce near-term revenues or result in QRC incurring transaction related costs. QRC may enter into one or more investments and transactions at any time.

QRC Cash Flow Risk

QRC is not directly involved in the ownership or operation of mines. QRC's interests in companies are subject to most of the significant risks of the operating mining company. QRC's cash flow is dependent on the activities of third parties which could create risk that those third parties may, have targets inconsistent to QRC's targets, take action contrary to QRC's goals, policies or objectives, be unwilling or unable to fulfill their contractual obligations owed to QRC, or experience financial, operational or other difficulties or setbacks, including bankruptcy or insolvency proceedings, which could limit a third party's ability to perform under a specific third party arrangement. Specifically, QRC could be negatively impacted by an operator's ability to continue its mining operations as a going concern and have access to capital. A lack of access to capital could result in a third party entering a bankruptcy proceeding, which would result in QRC being unable to realize any value for its interest.

Change in Material Assets

As at the date of this MD&A, the NexGen investment is currently material asset to QRC, although as new investments are made, the materiality of each of investment to QRC will be reconsidered. Any adverse development affecting the operations at NexGen, or of any other significant investment company from time to time, such as, but not limited to, unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage, or the inability to hire suitable personnel and engineering contractors or secure supply agreements on commercially suitable terms, may have a material adverse effect on the financial condition of QRC and results of its operations.

Competition

QRC will compete with other companies for investments. Other companies may have greater resources than QRC. Any such competition may prevent QRC from being able to secure new investments. Future competition in the metals & mining investment sector could materially adversely affect QRC's ability to conduct its business. There can be no assurance that QRC will be able to compete successfully against other companies in making new investments. In addition, QRC may be unable to make investments at acceptable valuations which may result in a material and adverse effect on QRC's profitability, results of operations and financial condition.

Dependence on Key Personnel

QRC is dependent on the services of a small number of key management personnel. The ability of QRC to manage its activities and its business will depend in large part on the efforts of these individuals. There can be no assurance that QRC will be successful in engaging or retaining key personnel. The loss of the services of a member of the management of QRC could have a material adverse effect on the Company. From time to time, QRC may also need to identify and retain additional skilled management and specialized technical personnel to efficiently operate its business. The number of persons skilled in metals and mining investment management is limited and competition for such persons is intense. Recruiting and retaining qualified personnel is critical to the success of QRC and there can be no assurance that QRC will be successful in recruiting and retaining the personnel it needs to successfully operate its business. If QRC is not successful in attracting and retaining qualified personnel, the ability of QRC to execute on its business model and strategy could be affected, which could have a material and adverse impact on its profitability, results of operations and financial condition.

Concentration of Share Ownership

As at the date of this MD&A, Corom Pty Ltd. owns approximately 25.7% of the outstanding Common Shares (on a non-diluted basis), Squadron Resources Pty Ltd. owns approximately 25.7% of the outstanding Common Shares (on a non-diluted basis) and BBRC International Pte Ltd. owns approximately 13.6% of the outstanding Common Shares (on a non-diluted basis). The concentrated share ownership could have the effect of delaying or preventing a change of control.

Conflicts of Interest

Certain directors and officers of QRC also serve as directors and/or officers of other companies that are involved in natural resource explorations, development and mining operations, including NexGen, and consequently there exists the possibility for such directors and officers to be in a position where there is a conflict of interest. Any decision made by any such directors and officers will be made in accordance with their duties and obligations to deal in good faith and in the best interests of QRC and its shareholders. Each director that is in a conflict of interest is required to declare such conflict and abstain from voting on a matter in which that director is conflicted in accordance with applicable law.

Future Financing; Future Securities Issuances

There can be no assurance that QRC will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing result in delay or postponement of further investments which may result in a material and adverse effect on QRC's profitability, results of operations and financial condition. QRC may require new capital to continue to grow its business and there are no assurances that capital will be available when needed, if at all. It is likely that, at least to some extent, such additional capital will be raised through the issuance of additional equity, which could result in dilution to shareholders.

Litigation affecting Investments

Potential litigation may arise on a company in which QRC has an interest. QRC will not generally have any influence on the litigation and will not generally have access to data. Any such litigation that results in the cessation or reduction of operation from a property (whether temporary or permanent) could have a material and adverse effect on QRC's results of operations, financial condition and the trading price of the Common Shares of QRC.

Changes in Tax Laws Impacting QRC

There can be no assurance that new tax laws, regulations, policies or interpretations will not be enacted or brought into being in the jurisdictions where QRC has interests that could have a material adverse effect on QRC. Any such change or implementation of new tax laws or regulations could adversely affect QRC's ability to conduct its business. No assurance can be given that new taxation rules or accounting policies will not be enacted or that existing rules will not be applied in a manner which could result in the profits of QRC being subject to additional taxation or which could otherwise have a material adverse effect on the profitability of QRC, QRC's results of operations, financial condition and the trading price of the Common Shares of QRC. In addition, the introduction of new tax rules or accounting policies, or changes to, or differing interpretations of, or application of, existing tax rules or accounting policies could make investments by QRC less attractive to counterparties. Such changes could adversely affect the ability of QRC to make future investments.

Failure to Maintain Adequate Internal Control over Financial Reporting

The Company is required to assess its internal controls in order to satisfy the requirements of applicable securities laws which require an annual assessment by management of the effectiveness of the Company's internal control over financial reporting. The Company may fail to achieve and maintain the adequacy of its internal control over financial reporting, as such standards are modified, supplemented or amended from time to time, and the Company may not be able to ensure that it can conclude on an ongoing basis that it has effective internal controls over financial reporting in accordance with applicable laws. The Company's failure to satisfy applicable requirements on an ongoing, timely basis could result in the loss of investor confidence in the reliability of its financial statements which, in turn, could harm the Company's business and negatively impact the market value of the Company's common shares. In addition, any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company's operating results or cause it to fail to meet its reporting obligations. There can be no assurance that the Company will be able to remediate material weaknesses, if any, identified in future periods, or maintain all of the controls necessary for continued compliance, and there can be no assurance that the Company will be able to retain sufficient skilled finance and accounting personnel.

Future acquisitions of companies, if any, may provide the Company with challenges in implementing the required processes, procedures and controls in its acquired operations. Future acquired companies, if any, may not have disclosure controls and procedures or internal control over financial reporting that are as thorough or effective as those required by securities laws currently applicable to the Company.

No evaluation can provide complete assurance that the Company's internal control over financial reporting will detect or uncover all failures of persons within the Company to disclose material information otherwise required to be reported. The effectiveness of the Company's controls and procedures could also be limited by simple errors or faulty judgments. In addition, as the Company continues to expand, the challenges involved in implementing appropriate internal controls over financial reporting will increase and will require that the Company continue to improve its internal controls over financial reporting. Although the Company intends to devote substantial time and incur costs, as necessary, to ensure compliance, the Company cannot be certain that it will be successful in complying with applicable requirements on an ongoing basis.

Information Systems and Cyber Security

The Company's information systems, and those of its counterparties and vendors, are vulnerable to an increasing threat of continually evolving cybersecurity risks. Unauthorized parties may attempt to gain access to these systems or the Company's information through fraud or other means of deceiving the Company's counterparties. The Company's operations depend, in part, on how well the Company and its suppliers, as well as counterparties, protect networks, equipment, information technology ("IT") systems and software against damage from several threats. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations.

Although to date the Company has not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain an area of attention.

Risks Related to the Securities of QRC

Securities of QRC are subject to Price Volatility

Capital and securities markets have a high level of price and volume volatility, and the market price of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Factors unrelated to the financial performance or prospects of QRC include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries or asset classes. Global public health crises can also result in global stock market and financial market volatility, as a result of declining trade and market sentiment, reduced movement of people and labor shortages, and travel and shipping disruption and shutdowns, including as a result of government regulation and prevention measures, or a fear of any of the foregoing, all of which could affect commodity prices, interest rates, credit ratings, credit risk and inflation. There can be no assurance that continued fluctuations in mineral or commodity prices will not occur. As a result of any of these factors, the market price of the Common Shares of QRC at any given time may not accurately reflect the long-term value of QRC.

In the past, following periods of volatility in the market price of a company's securities, shareholders have instituted class action securities litigation against them. Such litigation, if instituted, could result in substantial cost and diversion of management attention and resources, which could significantly harm profitability.