

Condensed Interim Consolidated Financial Statements  
*(Unaudited – Prepared by Management)*  
*(Expressed in Canadian dollars)*



Queen's Road Capital Investment Ltd.  
(formerly Lithion Energy Corp)  
(An Investment Company)

November 30, 2019

## **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements have been prepared by and are the responsibility of the management.

The Company's independent auditor has not performed a review of these interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

**QUEEN'S ROAD CAPITAL INVESTMENT LTD.**

(Formerly Lithion Energy Corp.)

Condensed Interim Consolidated Statements of Financial Position

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

	November 30, 2019	August 31, 2019
<b>Assets</b>		
Current assets		
Cash	\$ 1,879,107	\$ 1,986,553
Prepaid and advances	8,920	-
Receivables (note 5)	7,632	3,923
	1,895,659	1,990,476
<b>Total assets</b>	<b>\$ 1,895,659</b>	<b>\$ 1,990,476</b>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities		
Trade payables and accrued liabilities (note 7 and 11)	\$ 157,002	\$ 15,428
Shareholders' Equity		
Share capital (note 8)	28,154,243	28,154,243
Reserve (note 9)	2,055,318	2,055,318
Deficit	(28,470,904)	(28,234,513)
	1,738,657	1,975,048
<b>Total liabilities and shareholders' equity</b>	<b>\$ 1,895,659</b>	<b>\$ 1,990,476</b>

**Nature of operations and going concern** (note 1)**Commitments** (note 14)**Subsequent events** (note 15)

See accompanying notes to condensed interim consolidated financial statements

Approved on behalf of the Board of Directors:

"John Anderson" Director"Alex Granger" Director

**QUEEN'S ROAD CAPITAL INVESTMENT LTD.**

(Formerly Lithion Energy Corp.)

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

	<b>Three months ended November 30, 2019</b>	<b>Three months ended November 30, 2018</b>
<b>Expenses</b>		
Consulting and other fees (note 14)	\$ 39,750	\$ -
Director fees (note 11)	-	6,000
Foreign exchange loss (gain)	1,033	(18,432)
Investor relations	13,500	-
Management fees (note 11)	7,500	15,000
Office and administration	34,611	14,069
Professional fees	22,950	-
Rent	99,037	285
Transfer agent and regulatory fees	9,461	5,639
Travel	36,175	-
	<u>264,017</u>	<u>22,561</u>
<b>Other items</b>		
Recovery of expenses (note 14)	27,626	-
<b>Comprehensive loss for the period</b>	<b>\$ (236,391)</b>	<b>\$ (22,561)</b>
<b>Loss per common share –basic and diluted (note 10)</b>	<b>\$ (0.01)</b>	<b>\$ (0.00)</b>
<b>Weighted average number of common shares – basic and diluted (note 10)</b>	<b>40,303,565</b>	<b>28,175,233</b>

See accompanying notes to consolidated financial statements.

**QUEEN'S ROAD CAPITAL INVESTMENT LTD.**

(Formerly Lithion Energy Corp.)

Consolidated Statements of Changes in Shareholders' Equity

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

	<b>Number of shares</b>	<b>Share capital</b>	<b>Reserve</b>	<b>Deficit</b>	<b>Shareholders' Equity</b>
<b>Balance, August 31, 2018</b>	28,175,233	\$ 27,034,993	\$ 2,055,318	\$ (26,982,982)	\$ 2,107,329
Loss for the period	-	-	-	(22,561)	(22,561)
<b>Balance, November 30, 2018</b>	28,175,233	27,034,993	2,055,318	(27,005,543)	2,084,768
Share issuance (note 8)	7,000,000	350,000	-	-	350,000
Exercise of warrants (note 8)	5,128,332	769,250	-	-	769,250
Loss for the period	-	-	-	(1,228,970)	(1,228,970)
<b>Balance, August 31, 2019</b>	40,303,565	28,154,243	2,055,318	(28,234,513)	1,975,048
Loss for the period	-	-	-	(236,391)	(236,391)
<b>Balance, November 30, 2019</b>	40,303,565	\$ 28,154,243	\$ 2,055,318	\$ (28,470,904)	\$1,738,657

See accompanying notes to condensed interim consolidated financial statements.

**QUEEN'S ROAD CAPITAL INVESTMENT LTD.**

(Formerly Lithion Energy Corp.)

Condensed Interim Consolidated Statements of Cash Flows

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

	<b>Three months ended November 30, 2019</b>	<b>Three months ended November 30, 2018</b>
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Net loss for the period	\$ (236,391)	\$ (22,561)
Changes in non-cash working capital:		
Receivables	(3,708)	(1,484)
Prepaid and advances	(8,920)	-
Trade payables and accrued liabilities	141,573	(402)
	<u>(107,446)</u>	<u>(24,447)</u>
<b>Investing activities</b>		
Exploration and evaluation assets	-	(4,688)
Receivables – non-current	-	6,658
	<u>-</u>	<u>1,970</u>
Effect of foreign exchange	-	(165)
Change in cash during the period	(107,446)	(22,642)
Cash, beginning of the period	1,986,553	1,130,520
<b>Cash, end of the period</b>	<b>\$ 1,879,107</b>	<b>\$ 1,107,879</b>

During the period ended November 30, 2019 and 2018, there were no significant non-cash financing and investing transactions.

See accompanying notes to consolidated financial statements.

# QUEEN'S ROAD CAPITAL INVESTMENT LTD.

(Formerly Lithion Energy Corp.)

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

Three months ended November 30, 2019

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## 1. Nature of operations and going concern

Queen's Road Capital Investment Ltd. (the "Company") (formerly Lithion Energy Corp.), was incorporated under the laws of the Province of British Columbia on January 25, 2011. On September 16, 2019, the Company announced its intention to refocus its business operations from a "mining issuer" to an "investment issuer and on January 28, 2020, the Company changed its name to Queen's Road Capital Investment Ltd. The Company's corporate office is located at Suite 2006, 2 Queen's Road Central, Hong Kong. The Company trades under the symbol "QRC" on the TSX Venture Exchange ("TSX-V").

To November 30, 2019, the Company has incurred cumulative losses of \$28,470,904. Profitability under the recently announced business change is unknown and these uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. These consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these consolidated financial statements. The Company's continuation as a going concern is dependent upon its ability to attain profitable operations and generate funds there from and/or raise capital or borrowings sufficient to meet current and future obligations.

These consolidated financial statements were authorized for issue by the Board of Directors of the Company on January 28, 2020

## 2. Significant accounting policies

### *Basis of presentation*

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting" ("IAS 34") as issued by the International Financial Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the IASB, have been omitted or condensed.

The consolidated financial statements have been prepared on a historical cost basis, modified where applicable. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

## QUEEN'S ROAD CAPITAL INVESTMENT LTD.

(Formerly Lithion Energy Corp.)

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

Three months ended November 30, 2019

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### 2. Significant accounting policies (cont'd)

#### *Basis of presentation (cont'd)*

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its subsidiaries is the Canadian dollar, which is also the reporting currency of the Company. The functional currency determinations were conducted through an analysis of the consideration factors identified in International Accounting Standards (“IAS”) 21.

The condensed interim consolidated financial statements have been prepared using the same accounting policies and methods as those used in the audited financial statements for the year ended August 31, 2019, except for the impact of the adoption of the accounting standard described below. These condensed interim consolidated financial statements should be read in conjunction with the Company’s audited financial statements for the year ended August 31, 2019.

#### *Basis of consolidation*

These consolidated financial statements of the Company include the assets, liabilities and results of operations of the following subsidiaries:

Name of subsidiary	Place of incorporation	Percentage ownership	
		November 30, 2019	August 31, 2019
Lithion USA (Nevada) Corp.	USA	100%	100%
Lithion USA (Arizona) Corp.	USA	100%	100%

All intercompany transactions and balances are eliminated on consolidation.

#### *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 include:

- the assessment of the Company’s ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- the classification/allocation of expenditures as exploration and evaluation expenditures or operating expenses; and
- the determination of the functional currency of the parent company and its subsidiaries.



## QUEEN'S ROAD CAPITAL INVESTMENT LTD.

(Formerly Lithion Energy Corp.)

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

Three months ended November 30, 2019

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### 2. Significant accounting policies (cont'd)

#### *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 recoverability of the carrying value of exploration and evaluation assets, fair value measurement for financial instruments and stock-based compensation, the recoverability and measurement of deferred tax assets, provisions for restoration and environmental obligations and contingent liabilities.

#### *Principles of consolidation*

These condensed interim consolidated financial statements include the accounts of the Company and its subsidiaries. Subsidiaries are all entities controlled by the Company. Control exists when the Company has the power to directly or indirectly govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account in the assessment of whether control exists. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date on which control ceases.

### 3. New standards, amendments and interpretations not yet adopted or effective

Certain new standards, interpretations, amendments and improvements to existing standards have been issued by the IASB and become applicable at a future date. The standard that impacts the Company is as follows:

IFRS 16 is a new standard that sets out the principles for recognition, measurement, presentation and disclosure of leases, including guidance for both parties to a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases, as is required by IAS 17 Leases, and instead introduces a single lessee accounting model. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. The Company has evaluated that application of this standard will not have a material impact on the results and financial position of the Company.

Certain other accounting pronouncements were issued but the Company anticipates that the application of these standards, amendments and interpretations in future periods will have no material impact on the results and financial position of the Company except for additional disclosures. The Company is assessing the impact of the new or revised IFRS standards on its financial position and financial performance.

### 4. Capital management

The Company considers the items in shareholders' equity as capital. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its future liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

## QUEEN'S ROAD CAPITAL INVESTMENT LTD.

(Formerly Lithion Energy Corp.)

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

Three months ended November 30, 2019

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### 4. Capital management (cont'd)

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period ended November 30, 2019. The Company is not subject to externally imposed capital requirements.

### 5. Receivables

Current receivables consist of Government of Canada taxes receivable at November 30, 2019 of \$7,632 (August 31, 2019 - \$3,923).

### 6. Exploration and evaluation assets

	<b>Lithium Projects</b>	
	<b>USA</b>	
Balance at August 31, 2018	\$	758,797
Exploration costs		
Licenses & renewals		54,958
Write-down of exploration and evaluation asset		(813,755)
Balance at November 30, 2019 and August 31, 2019	\$	-

#### **Black Canyon (Arizona) and Railroad Valley (Nevada) Projects, USA**

On May 2, 2017, the Company completed the acquisition of certain claims comprising the Black Canyon Lithium Property, located in Arizona, USA and the Railroad Valley Lithium Property located in Nevada, USA. Pursuant to the property purchase agreement, the Company paid \$100,000 and issued 4,133,723 common shares, with a fair value of \$516,715, in exchange for a 100% equity interest in both the Black Canyon and Railroad Valley properties. Each property is subject to a 2% net smelter royalty.

#### **Black Canyon**

During the year ended August 31, 2018, the Company decided not to renew the exploration permits for the Black Canyon Lithium Property in Arizona. Management determined that the claims comprising the Black Canyon Lithium Property were of nominal value. During the year ended August 31, 2019, the Company was refunded \$8,022 (US \$6,000) for a reclamation bond previously posted on the Black Canyon Lithium Property.

#### **Railroad Valley**

During the period ended November 30, 2019, the Company is in the process of completing a change in business (Note 1). Accordingly, management has determined that it will no longer be further pursuing exploration work on the Railroad Valley Lithium Property and, as such \$813,755 was written-down on August 31, 2019.

**QUEEN'S ROAD CAPITAL INVESTMENT LTD.**

(Formerly Lithion Energy Corp.)

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(Expressed in Canadian dollars)

Three months ended November 30, 2019

**7. Trade payables and accrued liabilities**

Trade payables and accrued liabilities consist of the following:

	<b>November 30, 2019</b>		<b>August 31, 2019</b>	
Trade payables	\$	152,502	\$	714
Accrued liabilities		4,500		14,714
	\$	157,002	\$	15,428

**8. Share capital**a) Authorized share capital:

Unlimited number of voting common shares without par value.

Issued share capital:

As at November 30, 2019 and August 31, 2019, 40,303,565 common shares were issued and outstanding.

There were no share capital transactions for the three months ended November 30, 2019.

During the year ended August 31, 2019:

On May 2, 2019, the Company completed private placement of 7,000,000 common shares at a price of \$0.05 per common share for gross proceeds of \$350,000.

On May 2, 2019, the Company issued 5,128,332 common shares for gross proceeds of \$769,250 for the exercise of warrants.

## b) Warrants:

Warrant transactions and the number of warrants outstanding are summarized as follows:

	<b>November 30, 2019</b>		<b>August 31, 2019</b>	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Warrants, beginning of the year	-	\$ -	7,500,000	\$ 0.15
Expired	-	-	(2,371,668)	0.15
Exercised	-	-	(5,128,332)	0.15
Warrants, end of the period	-	\$ -	-	\$ -

## QUEEN'S ROAD CAPITAL INVESTMENT LTD.

(Formerly Lithion Energy Corp.)

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

Three months ended November 30, 2019

### 9. Share-based payments

#### a) Stock options

The Company has an incentive stock option plan in place under which it is authorized to grant options to executive officers, directors, employees, and consultants to acquire up to 10% of the outstanding issued common shares. The stock option plan allows for the option price at the time each option is granted to be not less than the discounted market price as calculated and defined in accordance with the policies of the TSX-V. Options granted under the plan will have a term not to exceed ten years. Vesting is determined at the discretion of the Board of Directors and in accordance with the policies of the TSX-V. Stock option transactions and the number of stock options outstanding are summarized as follows:

The changes in options are as follows:

	November 30, 2019		August 31, 2019	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, beginning of the year	1,000,000	\$ 0.13	2,025,000	\$ 0.15
Expired and forfeited	-	-	(1,025,000)	0.18
Options outstanding, end of the period	1,000,000	\$ 0.13	1,000,000	\$ 0.13
Options exercisable, end of the period	1,000,000	\$ 0.13	1,000,000	\$ 0.13

For the period ended November 30, 2019 and the year ended August 31, 2019, there were no issuances of stock options. The fair value of all compensatory options granted is estimated on the grant date using the Black-Scholes Option Pricing Model.

The stock options outstanding and exercisable at November 30, 2019 are as follows:

Number of options – outstanding	Number of options – exercisable	Exercise Price	Expiry date
1,000,000	1,000,000	\$ 0.13	May 10, 2020 <sup>1</sup>

<sup>1</sup> During the year ended August 31, 2019, the term of the 1,000,000 was amended such that the stock options will be exercisable until the earlier of May 10, 2020 or the date that is one year after the optionee resigns from, or is terminated from, its position within the Company. The modification did not result in any additional share-based payment expense.

#### c) Reserve

The reserve account records items recognized as stock-based compensation expense until such time that the stock options are exercised, at which time the corresponding amount will be reallocated to share capital.

## QUEEN'S ROAD CAPITAL INVESTMENT LTD.

(Formerly Lithion Energy Corp.)

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

Three months ended November 30, 2019

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### 10. Basic and diluted loss per share

The calculation of basic and diluted loss per share for the period ended November 30, 2019 the weighted average number of common shares outstanding 40,303,565 (2018- 28,175,233).

Diluted loss per share for the period ended November 30, 2019 did not include the effect of 1,000,000 stock options, as the effect would be anti-dilutive or the stock options and warrants had exercise prices that were higher than the weighted average share price for the year.

### 11. Related party transactions

The compensation of key management personnel and related parties were as follows:

	<b>Three months ended November 30, 2019</b>	<b>Three months ended November 30, 2018</b>
Fees and short-term benefits – management	\$ 4,500	\$ 15,000
Fees and short-term benefits - directors	-	6,000
Share-based payments	-	-
	<b>\$ 4,500</b>	<b>\$ 21,000</b>

Related party balances included in trade payable and accrued liabilities at November 30, 2019 was \$12,691 (August 31, 2019 - \$2,713).

### 12. Financial instruments and risk management

#### Financial instrument disclosures

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 Company provides information about its financial instruments measured at fair value at one of three levels according to 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 instruments consist of cash and trade payables. The carrying values of these financial instruments approximate their respective fair values due to the short-term nature of these instruments.

As at November 30, 2019, the fair value of cash held by the Company was based on level 1 inputs of the fair value hierarchy.

## QUEEN'S ROAD CAPITAL INVESTMENT LTD.

(Formerly Lithion Energy Corp.)

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

Three months ended November 30, 2019

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### 12. Financial instruments and risk management (cont'd)

#### 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

#### *Credit risk*

Credit risk is the risk of potential loss to the Company if 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 receivables. The Company has limited the exposure to credit risk by only depositing its cash with high credit quality financial institutions, which are available on demand.

#### *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 November 30, 2019, the Company had no significant contractual obligations other than those included in trade payables and accrued liabilities as disclosed in note 7.

#### *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 November 30, 2019, the Company was not exposed to significant interest rate risk.

The Company has assets which are denominated in United States dollars ("USD"). The Company's exposure to exchange rate fluctuations arises mainly on foreign currencies 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:

<b>USD</b>	<b>November 30, 2019</b>		<b>August 31, 2019</b>	
Cash	\$	586,028	\$	641,426
Trade payables and accrued liabilities	\$	31,978	\$	-

## QUEEN'S ROAD CAPITAL INVESTMENT LTD.

(Formerly Lithion Energy Corp.)

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

Three months ended November 30, 2019

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### 12. Financial instruments and risk management (cont'd)

#### *Sensitivity analysis:*

The Company is exposed to foreign currency risk on fluctuations related to cash, that are denominated in USD. As at November 30, 2019, net assets totaling \$554,050 (August 31, 2019 - \$641,426) were held in USD. Based on the above net exposure as at November 30, 2019 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 \$11,081 (2018 - \$17,794) in the Company's loss and comprehensive loss.

### 13. Segmented information

The Company primarily operates in one reportable operating segment, being the acquisition and exploration of exploration and evaluation assets located in the United States.

### 14. Commitments

- a) On September 8, 2016, the Company entered into a Management Services Agreement with an arm's length party, whereby the Company paid a \$250,000 deposit. The funds will be used to pay the monthly invoices rendered to the Company until such time that the deposit has been exhausted. Should the agreement be terminated within four months notice, the Company will be obligated to pay a lump sum equal to average monthly fee for four months, calculated over the longer of either twelve months prior to the notice of termination or the period of time that the Management Services Agreement has been in effect. At August 31, 2019, due to the proposed change in business operations (note 1), management has determined that the Company may no longer require such management services and wrote-off \$127,612. During the period ended November 30, 2019, the Company was invoiced \$27,581 (2018 - \$6,657) for services rendered which has been recorded as a recovery of expenses (2018 - reduced from deposit).
- b) On May 2, 2019, the Company entered into an Independent Contractor Agreement with an arm's length consultant, whereby the consultant has been engaged in transaction advisory services in the identification, transaction negotiating and financing in the metals and mining sector. The Company will pay a monthly fee of USD \$10,000 for a term of one year, expiring on May 2, 2020, unless terminated earlier or renewed. During the period ended November 30, 2019, the Company paid a total of \$39,750 (USD \$30,000) (2018 – \$nil) to the consultant.

## QUEEN'S ROAD CAPITAL INVESTMENT LTD.

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(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

Three months ended November 30, 2019

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### 15. Subsequent events

- a) The Company has proposed a number of changes intended to be undertaken to implement the change in refocus of its business operations from that of a mining issuer to an investment issuer (note 1), which include:
- change of name to Queen's Road Capital Investment Ltd. ("QRC") (complete);
  - establish a head office in Hong Kong (complete);
  - redomicile from British Columbia, Canada, to the Cayman Islands;
  - complete a non-brokered private placement with Corom Pty. Ltd. ("Corom"), under which the company will issue Corom 83,333,333 common shares at \$0.30 per share for gross proceeds of \$25,000,000. Corom will also receive the right to nominate one director to the board of QRC. The directors of the Company will also participate in the lead financing for aggregate gross proceeds of \$6,000,000;
  - seek additional capital on completion of the lead financing through a private placement or public offering (the "additional capital" in order to increase the funds available to be invested in resource issuers;
  - dispose of its interest in its Nevada lithium properties. At August 31, 2019, the Company has written-down its interest in such properties (note 7); and
  - the granting of 11,000,000 incentive stock options to certain directors, officers and consultants of the Company. The options will have an exercise price of \$0.30 per share and a term of 5 years.

Completion of the change in business operations is subject to receipt of regulatory approvals.

- b) The company has received a total of \$20,484,396 in subscriptions receipts for the non-brokered private placement at \$0.30 and \$31,545,945 in additional capital.