Queen's Road Capital Investment Ltd.
(Formerly Lithion Energy Corp.)
Management's Discussion & Analysis
For the three months ended November 30, 2020

The following Management's Discussion & Analysis ("MD&A") of Queen's Road Capital Investment Ltd. (the "Company" or "QRC") (Formerly Lithion Energy Corp.) should be read in conjunction with condensed interim consolidated financial statements for the three months ended November 30, 2019 and the consolidated audited financial statements for the year ended August 31, 2019 and related notes attached thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A contains "forward-looking statements" that are subject to risk factors set out in a cautionary note contained herein. Except as otherwise disclosed, all dollar figures in this report are stated in Canadian dollars ("CAD"). The effective date of this report is January 28, 2020.

Company Overview

QRC is a Canadian-based minerals exploration company listed on the TSX Venture Exchange under the symbol "LNC". The Company has the Railroad Valley Lithium Property located in Nevada.

Subsequent to August 31, 2019, the Company held a special meeting, at which 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 were approved by the shareholders, which include:

- change of name to Queen's Road Capital Investment Ltd. ("QRC") and establish a head office in Hong Kong (which have been completed);
- 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 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
- 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 regulatory approvals.

Exploration Activities

Railroad Valley and the Black Canyon

During the year ending August 31, 2017, the Company completed the acquisition of the Railroad Valley Lithium Property located in south-central Nevada and the Black Canyon Lithium Property located in central Arizona for $100,000 (of which $25,000 was paid as a deposit during the year ended August 31, 2016), a further $44,197 in land transfer fees and issued 4,133,723 common shares, with a fair value of $516,715, in exchange for a 100% equity interest in both the Railroad Valley and Black Canyon properties. During the year ended August 31, 2018, the Company decided not to renew the exploration permits for the Black Canyon Lithium Property in Arizona. During the period ending August 31, 2019, the Company received $8,022 (US $6,000) (August 31, 2018 - $7,817) for the bond posted on the Black Canyon Lithium Property.

The Company obtained a National Instrument 43-101 technical report on the Railroad Valley lithium property in Nye County, Nevada. Edward Lyons, P. Geo., a Qualified Person as defined by National Instrument 43-101 is the author of the NI 43-101 technical report. The report has been filed on www.sedar.com and on the Company's website.

Selected Annual Information

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

	Year ended August 31, 2019	Year ended August 31, 2018	Year ended August 31, 2017
Total revenues	$ -	$ -	$ -
Income (loss) for the year	(1,251,531)	(247,302)	1,776,822
Basic and diluted loss per share	(0.04)	(0.01)	0.10
Total assets	1,990,476	2,125,262	2,276,761
Total long-term liabilities	-	-	-
Total cash dividends paid	-	-	-

Summary of Quarterly Results

($)	Three months Ended November 30, 2019	Three months Ended August 31, 2019	Three months Ended May 31, 2019	Three months Ended February 28, 2019
Total revenues	-	-	-	-
Loss for the period	(236,391)	(1,101,640)	(70,227)	(57,103)
Basic and diluted income (loss) per share	(0.01)	(0.04)	(0.00)	(0.00)
Total assets	1,895,659	1,990,476	3,092,106	2,029,314
Total long-term liabilities	-	-	-	-

($)	Three months Ended November 30, 2018	Three months Ended August 31, 2018	Three months Ended May 31, 2018	Three months Ended February 28, 2018
Total revenues	-	-	-	-
Loss for the period	(22,561)	(34,932)	(57,463)	(85,007)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)
Total assets	2,102,300	2,125,262	2,153,143	2,199,539
Total long-term liabilities	-	-	-	-

Fluctuations in the Company's expenditures reflect the variations in the timing of exploration activities and general operations, and share-based payments during certain quarters, including, revaluation of exploration and expenditures at period ends.

Results of Operations

Overall, the Company recorded a consolidated net loss of $236,391 ($0.01 per common share) for the three months ended November 30, 2019 as compared to a consolidated net loss of $22,561 ($0.00 per common share) for the three months ended November 30, 2018.

Operating Expenses

The operating expenses were $264,017 for the three months ended November 30, 2019 as compared to $33,561 for the three months ended November 30, 2018. Significant expenses consisted of the following:

- Consulting fees of $39,750 (2018 - $nil), rent of $99,037 (2018 - $nil) and travel expenses of $36,175 (2018-$nil). The increase was due to corporate development activity related to the new direction in business announced by the Company in September 2019.
- Director fees of $nil (2018 - $6,000) and management fees of $7,500 (2018 - $15,000).
- Office and administration of $34,611 (2018 - $14,069), professional fees of $22,950 (2018 - $nil) and transfer agent and regulatory costs of $9,461(2018 - $5,639) relate to general corporate and legal matters; and
- Foreign exchange loss of $1,033 (2018- gain of $18,432)

Exploration and Evaluation Assets

On May 2, 2017, the Company completed the acquisition of certain claims comprising the Railroad Valley Lithium Property located in Nevada, USA and the Black Canyon Lithium Property, located in Arizona, 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 Railroad Valley and Black Canyon properties. Each property is subject to a 2% net smelter royalty.

On November 28, 2017, the Company decided not to renew the exploration permits for the Black Canyon Lithium Property in Arizona. Management has determined that the claims comprising the Black Canyon Lithium Property are of nominal value and, as such, $nil was been written-off.

During the year ended August 31, 2019, the Company received $8,022 (US $6,000) for the bond posted on the Black Canyon Lithium Property. The Company decided not to renew the exploration permits for the Black Canyon Lithium Property in Arizona.

During the three months ended November 30, 2019, expenditures on the Railroad Valley Lithium Property totalled $nil (2018 - $4,688) for licence and renewal costs

Liquidity & Capital Resources

The Company's cash position at November 30, 2019 was $1,879,107 (August 31, 2019 - $1,986,553) and the Company's working capital was $1,738,657 (August 31, 2019 - $1,975,048). The Company has no long-term debt obligations.

Net cash used in operating activities for the three months ended November 30, 2019 was $107,446 (2018 - $24,447). The cash used in operating activities for the period consists primarily of general and administrative expenses of $236,391 (2018 - $22,561) and net change in non-cash working capital items during the period of $128,945 (2018 - $1,886).

Net cash provided by investing activities for the three months ended November 30, 2019 was $nil (2018 - $1,970). The cash used in investing activities was the net change in non current receivables of $nil (2018- $6,658) and exploration and evaluation assets $nil (2018 - $4,688).

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through rights offerings and private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Financial Instruments

International Financial Reporting Standards 9, *Financial Instruments: Disclosures*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements.
As at November 30, 2019, the carrying values of cash, receivables, and trade payables approximate their fair values due to their short terms to maturity.

Financial risks

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

- Credit risk
- Liquidity risk
- Market 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 at November 30, 2019, there are no other significant contractual obligations other than those included in trade payables and accrued liabilities 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 significant operating expenditures 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.

Financial assets and liabilities:

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

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

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.

Related Party Transactions

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

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

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

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 condensed consolidated interim financial statements of the Company.

Critical Accounting Estimates

The preparation of financial statements in accordance with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the period. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may vary from these estimates.

The impacts of such estimates could result in material adjustment to the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Significant accounts that require estimates as the basis for determining the stated amounts include: fair value of stock options and warrants, income taxes, and recoverability of exploration and evaluation assets.

Capital Commitments
The Company has no commitments for equipment expenditures for 2019. The Company has forecasted that any property and equipment expenditures based on future needs will be funded from working capital and/or from operating or capital leases.

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 November 30, 2019 and January 28, 2020 (date of report), there were 40,303,565 issued and outstanding common shares.

Stock Options

As at November 30, 2019 and January 28, 2020 (date of report), there were 1,000,000 stock options outstanding and exercisable, with weighted-average exercise price of $0.13.

Subsequent to the period ending November 30, 2019, the company 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.

Risk and Uncertainties

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, fluctuating metal prices, social, political, financial and economics. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practicable.

The risks and uncertainties described in this section are considered by management to be the most important in the context of the Company's business. The risks and uncertainties are not limited to but include risks associated with our dependence on the Lithium properties and the Company's limited operating history; geological exploration and development; changes in law, and the availability of additional funding as and when required; infrastructure; inflation; governmental regulation; environmental; hazards, insurance; uninsured risks; competition; currency fluctuations; labour and employment; joint ventures; contract repudiation; dependence on key management personnel and executives; and litigation risks.

Forward-Looking Information

Statements contained in this MD&A that are not historical facts are forward-looking statements (within the meaning of Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. This MD&A contains forward-looking statements, such as estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Examples of forward-looking statements in this MD&A include statements with respect to:

The Company's exploration program at its projects in Nevada and possible related discoveries of new mineralization or identification of mineral resources; the impact to the Company of future accounting standards and discussion of risks and uncertainties around the Company's business; and the adequacy of the Company's capital resources and its ability to raise additional financing and continue as a going concern.

In general, forward-looking statements include, but are not limited to, statements with respect to the future price of metals; the estimation of mineral reserves and resources; the realization of mineral reserve estimates; the timing and amount of estimated future production, costs of production, and capital expenditures; costs and timing of the development of new deposits; success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage and the timing and possible outcome of pending litigation. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and other factors include, among others, risks related to the integration of acquisitions; risks related to operations; risks related to joint venture operations; actual results of current exploration activities; actual results of current reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of metals; possible variations in ore reserves, grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, as well as those factors discussed in the sections entitled "*Risks and Uncertainties*" in this MD&A.

Although the Company has attempted to identify important factors that could affect the Company and may cause actual actions, events or results to differ, perhaps materially, from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements 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 forward-looking statements. The forward-looking statements in this MD&A speak only as of the date hereof. The Company does not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date hereof to reflect the occurrence of unanticipated events.

Forward-looking statements and other information contained herein concerning the mining industry and general expectations concerning the mining industry are based on estimates prepared by the Company using data from publicly available industry sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While the Company is not aware of any misstatements regarding any industry data presented herein, the industries involve risks and uncertainties and the data is subject to change based on various factors.

Additional Information

Additional information about the Company is available under the Company’s profile on SEDAR at www.sedar.com and on the Company’s website at www.lithionenergycorp.com.