Queen's Road Capital Investment Ltd.
(formerly Lithion Energy Corp.)
Management's Discussion & Analysis
For the nine months ended May 31, 2020

Effective Date of this Report: July 27, 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 condensed/consolidated interim financial statements for the nine months ended May 31, 2020 (the "Consolidated Financial Statements") 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") 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. It is intended that the Company will acquire and hold 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 Nine Months Ended May 31, 2020

Change of Name, Change of Business & Continuance

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

- Change of name from Lithion to QRC;
- Change of business operations from Mining Issuer to Investment Issuer;
- Redomicile of the Company from British Columbia, Canada to the Cayman Islands; and
- Change of office location from Vancouver to Hong Kong.

Following the completion of the transactions, QRC is now led by Mr. Warren Gilman as Chairman & CEO, and Mr. Alex Granger as President & Director. The Board of Directors of the Company is composed of Mr. Gilman, Mr. Granger, Mr. John Anderson, Mr. Michael Cowin and Mr. Donald Roberts.

$84 Million Capital Raising

In February 2020, QRC completed two non-brokered private placements that raised a combined $84,046,031. The Company issued 103,333,333 shares at $0.30 on February 3, 2020 and 132,615,753 shares at $0.40 on February 18, 2020. Corom Pty Ltd., a company controlled by Mr. Jack Cowin, Squadron Resources Pty Ltd., a company controlled by Mr. Andrew Forrest, and BBRC International Pte Ltd., a company controlled by Mr. Brett Blundy, purchased a combined 180,152,872 shares of the Company in the private placements and now own approximately 65% of the shares outstanding of QRC. To the Company's knowledge, they do not act jointly or in concert.

US$30 Million Investment in NexGen Energy Ltd.

On May 27, 2020, QRC completed an investment of US$30 million in NexGen Energy Ltd. ("NexGen"). Key terms of the investment include:

- Purchase of 11,611,667 common shares of NexGen at $1.80 per share for an aggregate purchase price of US$15 million; and
- Purchase of a US$15 million unsecured convertible debenture of NexGen.
    - 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
    - QRC earned a 3% establishment fee on the debenture, payable in NexGen shares (348,350 shares)
    - There are certain change of control and redemption provisions associated with the debenture such as:
        - 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
        - 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)

US$6 Million Investment in IsoEnergy Ltd.

On July 23, 2020, QRC announced an investment of US$6 million in IsoEnergy Ltd. ("IsoEnergy"). Key terms of the investment include:

- Purchase of a US$6 million unsecured convertible debenture of IsoEnergy
    - 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
- Debenture to be convertible into IsoEnergy common shares at $0.88 per share
- QRC to earn a 3% establishment fee on the debenture

IsoEnery is 52%-owned by NexGen, an issuer in which the Company has investments.

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 May 31, 2020	**Three Months Ended May 31. 2019**	**Nine Months Ended May 31, 2020**	**Nine Months Ended May 31. 2019**
	$	**$**	**$**	**$**
Interest Income on Cash	110,390	-	110,390	-
Interest Income from Investments	21,063	-	21,063	-
Unrealized Gain (Loss) on Equities	2,421,033	-	2,421,033	-
Unrealized Gain (Loss) on Convertible Debentures	(21,216)	-	(21,216)	-
Income from Investments	**2,531,270**	**-**	**2.531,270**	**-**

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. During the three months ended May 31, 2020, interest rates in Canada and the United States continuously decreased to near zero as governments throughout the world responded to the Covid-19 crisis. As such, the Company does not expect to earn much interest on its cash balance as long as interest rates remain near-zero.

Interest income from Investments during the three months ended May 31, 2020 represents the interest income earned on the NexGen debenture between May 27, 2020 when the investment closed and May 31, 2020 when the quarter ended.

The Company generated $2,421,033 of unrealized gain on its NexGen equity investment as the share price of NexGen closed at $1.95 per share on May 31, 2020 compared to the $1.80 per share paid by the Company at the time of investment.

The Company generated $21,216 of unrealized loss on its NexGen convertible debenture representing the difference between the fair market value of the debenture at May 31, 2020 and at May 27, 2020 at the time of investment.

Investments at Fair Value

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

	Number of Shares/Units	Fair Value
Equities of Public Companies:		
NexGen Energy Ltd. (NXE.TO) (a)	11,960,017	23,322,033
Convertible Debentures:		
NexGen Energy Ltd. (NXE.TO) (a)	15,000,000	31,213.077
Total		**54,535,110**

The continuity of the Company's investments during the nine months ended May 31, 2020 is as follows:

	August 31, 2019	**Additions**	**Unrealized Gains**	**May 31, 2020**
	$	$	$	$
Investments in equities of public companies	-	20,901,000	2,421,033	23,322,033
Investments in Convertible Debentures	-	31,234,293	(21,216)	31,213,077
Total	--	52,135,293	2,399,817	54,535,110

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
Income from Operations	$	-	$	-	$	-
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		-		-		-

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 years are not comparable.

Summary of Quarterly Results

Quarter Ended	**Total Assets**	**Income from Operations**	**Net income (loss)**	**Loss per share Basic and Diluted**
	$	$	$	$
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 was 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 $9 million following completion of the $84 million capital raising.

Results of Operations

Operating Results for the Nine Months Ended May 31, 2020 and 2019

	2020	2019	Change
	$	$	$
Interest income	131,453	-	131,453
Unrealized gain/(loss) from investments	2,399,817	-	2,399,817
Operating expenses	(10,629,003)	(136,369)	(10,492,634)

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.

Interest income generated during the nine months ended May 31, 2020 is principally attributable to interest 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 on the NexGen debenture, which is expected to be the principal source of interest income going forward.

Unrealized gains from investment generated during the nine months ended May 31, 2020 is principally attributable to an increase in the value of NexGen shares owned by the Company between the time of the investment and the quarter end. The amount of gain or loss from investments in future quarters will depend on the NexGen share price performance during such quarters.

The majority of the operating expenses during the nine months ended May 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 Nine Months Ended May 31, 2020 and 2019

	2020	2019	Change
	$	$	$
Accretion and Amortization (a)	5,788	-	5,788
Consulting (b)	159,127	4,500	154,627
Directors' fees (c)	-	17,502	(17,502)
Foreign exchange gain/(loss) (d)	398,461	(31,065)	429,526
Management fees (e)	22,500	42,500	(20,000)
Office & administration (f)	72,832	48,408	24,424
Office rent (g)	356,322	-	356,322
Professional fees (h)	16,418	25,325	(8,907)
Regulatory fees (i)	6,909	29,189	(22,280)
Restructuring costs (j)	360,510	-	360,510
Share-based compensation (k)	9,182,656	-	9,182,656
Travel (l)	47,480	-	47,480
	10,629,003	136,359	10,492,644

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.

Significant changes are as follows:

(a) Accretion and amortization expenses relate to capitalized costs on our investment in NexGen
(b) 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
(c) Directors' fees decreased from 2019 to 2020 as no Directors' fees have been paid since a change of Board of Directors in August 2019
(d) 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

(e) Management fees decreased from 2019 to 2020 following a management change in May 2019
(f) Office & administration increased from 2019 to 2020 as expenses related to establishing the office in Hong Kong and insurance costs.
(g) In October 2019, the head office of the Company was relocated. Monthly office rent, payable in Hong Kong dollars, is approximately $45,000 per month.
(h) 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 restructuring costs.
(i) Regulatory 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.
(j) Restructuring costs consist of legal, accounting, regulatory and other one-time costs associated with the Company's change of name, change of business and continuance completed in February 2020
(k) Share-based payments related to stock options granted to certain executives, directors and consultants following the $84 million capital raising completed in February 2020
(l) 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

Nine months ended May 31	2020	2019
	$	$
Operating activities	(996,297)	(159,088)
Investing activities	(41,974,250)	52,823
Financing activities	84,176,301	1,119,250
Effects of exchange rates on Cash	-	(206)
Change in cash during period	41,205,754	1,012,779

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.

Net cash used in operating activities for the six months ended May 31, 2020 was $996,297 (2019 - $159,088). The cash used in operating activities for the period consists primarily net of the operating loss of $8,097,734 (2019 - $139,359), share-based payments of $9,182,656 (2019 - $nil), recovery of expenses of $96,270 (2019 - $nil), unrealized gain on investments of $2,399,817 (2019 - $nil), amortization of $303 (2019- $nil), accretion of $5,485 (2019 - $nil) and net change in non-cash working capital items during the period of $216,540 (2019 - $22,729).

Net cash used in investing activities for the nine months ended May 31, 2020 consists primarily of the NexGen convertible debenture investment of $21,073,250 (2019 - $nil) and the NexGen equity investment of $20,901,000 (2019 - $nil).

Net cash provided by financing activities for the nine months ended May 31, 2020 consists primarily of private placement proceeds of $84,046,301from the February 2020 capital raising (2019 - $350,000).

Capital Resources & Liquidity Risk

The Company's cash position at May 31, 2020 was $43,192,306 (August 31, 2019 - $1,986,553) and the Company's working capital was $97,499,382 (August 31, 2019 - $1,975,048). The Company has no long-term debt obligations.

As at May 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.

Nine months ended May 31,	2020	2019
	$	$
Senior management remuneration	22,500	42,500
Directors' fees	-	17,502
Share-based compensation	6,675,146	-
Total	6,697,646	60,002

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, 2019.

Financial Instruments

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 May 31, 2020 and August 31, 2019:

	May 31, 2020	August 31, 2019
	$	**$**
Fair value through profit and loss		
Investments at fair value	54,535,110	-
Amortized cost:		
Cash	43,192,306	1,986,553
Receivables	47,723	3,923
Accounts Payable & Accrued Liabilities	328,636	15,428

As at May 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:

May 31, 2020	Level 1	Level 2	Level 3
	$	$	$
Investments at fair value	23,322,033	31,213,077	-

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

	August 31, 2019	Additions / Dispositions	May 31, 2020	Unrealized profit (loss)
	$	$	$	$
Convertible Debenture	-	31,234,293	31,213,077	(21,216)

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 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 May 31, 2020, the Company had no significant contractual obligations other than those included in trade payables and accrued liabilities.

Interest and foreign exchange risk

The Company is subject to normal risks from fluctuations in foreign exchange 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. 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 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:

USD		May 31, 2020		August 31, 2019
Cash	$	42,684,131	$	641,426
Trade payables and accrued liabilities	$	8,374	$	-

The Company is exposed to foreign currency risk on fluctuations related to cash, that are denominated in USD. As at May 31, 2020, net assets totaling $42,675,757 (August 31, 2019 - $641,426) were held in USD. Based on the above net exposure as at May 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 $853,515 (2019 - $15,019) in the Company's net and comprehensive loss.

Market price risk

Market price risk is the risk that the value of the Company's investments, including the fair value of an investment measured at FVTPL, will fluctuate due to changes in market prices (other than those arising from foreign currency risk). A 15% increase/decrease in the value of all public equity and private market investments would result in an approximate increase/decrease in the value of public market exposure and unrealized gain/loss in the amount of approximately $8.2 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.

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: FVTPL amd fair value of stock options.

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 May 31, 2020 and at the date hereof, there were 277,152,651 issued and outstanding common shares.

Stock Options

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

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.

Changes in Commodity Prices that underlie Royalty, Stream or Other Interests

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.

QRC Has No Control Over Mining Operations

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.