Condensed Interim Consolidated Financial Statements
(Expressed in United States dollars)

QUEEN'S ROAD CAPITAL INVESTMENT LTD.

Three and Six months ended February 28, 2022
(Unaudited)

QUEEN'S ROAD CAPITAL INVESTMENT LTD.

Condensed Interim Consolidated Statements of Financial Position
(Expressed in United States dollars)

As at February 28, 2022 and August 31, 2021
(Unaudited)

	Note	February 28, 2022	August 31, 2021
Assets			
Current assets:			
Cash		$ 80,672,060	$ 2,158,142
Prepaids and deposits		256,328	49,529
Receivables	4	621,458	621,458
		81,549,846	2,829,129
Non-current assets:			
Investments at fair value	5	186,447,627	146,395,500
		$ 267,997,473	$ 149,224,629
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable and accrued liabilities	6	$ 628,279	$ 172,712
Borrowings	8	16,419,281	-
		17,047,560	172,712
Shareholders' equity:			
Share capital	9	171,343,500	86,218,243
Reserve	9	14,452,084	12,345,537
Retained earnings		65,154,329	50,488,137
		250,949,913	149,051,917
		$ 267,997,473	$ 149,224,629

See accompanying notes to these condensed interim consolidated financial statements.

Approved on behalf of the Board:

"Warren Gilman" Director

"Alex Granger" Director

QUEEN'S ROAD CAPITAL INVESTMENT LTD.

Condensed Interim Consolidated Statements of Income and Comprehensive Income
(Expressed in United States dollars, except share amounts)

For the three months and six months ended February 28, 2022 and 2021
(Unaudited)

	Note	Three months ended February 28, 2022	Three months ended February 28, 2021	Six months ended February 28, 2022	Six months ended February 22, 2021
Income from investments:					
Interest income	5	$ 935,047	$ 834,065	$ 1,868,863	$ 1,244,124
Establishment fee income	5	-	600,000	-	600,000
Realized gain from investments	5	-	-	322,400	-
Unrealized gain from investments	5	9,163,058	43,400,724	22,457,732	40,844,627
Total income from investments		10,098,105	44,834,789	24,648,995	42,688,751
Operating expenses:					
Consulting		2,352	3,142	4,735	37,685
Directors' fees	7	15,750	22,500	31,500	40,833
Foreign exchange gain		(172,440)	(15,996)	(239,272)	(15,078)
Interest expense and financing costs		278,168	-	548,861	-
Management fees	8	690,000	186,130	870,000	341,810
Office and administration		60,165	33,716	120,095	75,468
Office rent	8	91,936	93,146	184,104	186,965
Office renovation costs	8	-	122,154	-	122,154
Professional fees		34,646	49,082	91,225	122,811
Regulatory and transfer agent fees		10,207	94,117	63,819	116,939
Share-based compensation	9	4,911,163	345,797	4,911,163	2,448,605
Travel		11,194	189	11,194	4,145
Total operating expenses		5,933,141	933,977	6,597,424	3,482,337
Other income:					
Recovery of advance		-	5,441	-	18,218
Total other income		-	5,441	-	18,218
Net income and comprehensive income		$ 4,164,964	$ 43,906,253	$ 18,051,571	$ 39,224,632
Net Income per common share:					
Basic	10	$0.01	$0.16	$0.06	$0.14
Diluted	10	$0.01	$0.15	$0.06	$0.14
Weighted average number of common shares - basic		294,568,898	277,252,651	287,634,810	277,252,651
Weighted average number of common shares - diluted		298,004,287	288,402,651	293,133,060	288,402,651

See accompanying notes to these condensed interim consolidated financial statements.

QUEEN'S ROAD CAPITAL INVESTMENT LTD.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Expressed in United States dollars)

For the six months ended February 28, 2022 and 2021
(Unaudited)

	Issued Number of shares	Share capital	Treasury Shares	Reserves	Retained earnings (deficit)	Shareholders' equity
Balance, August 31, 2021	277,252,651	$ 86,218,243	$ -	$ 12,345,537	$ 50,488,137	$ 149,051,917
Share issued - exercise of stock options (note 9)	8,000,000	4,747,536	-	(2,804,616)	-	1,942,920
Share issued - dividend reinvestment plan (note 9)	4,393,303	2,502,707	-	-	(2,502,707)	-
Shares issued - private placement, net of costs (note 9)	156,250,000	78,234,930	-	-	-	78,234,930
Shares purchased and held in Treasury (note 9)	-	-	(359,916)	-	-	(359,916)
Share-based compensation (note 9)	-	-	-	4,911,163	-	4,911,163
Dividend - paid in cash (note 9)	-	-	-	-	(882,672)	(882,672)
Net income for the period	-	-	-	-	18,051,571	18,051,571
Balance, February 28, 2022	445,895,954	$ 171,703,416	$ (359,916)	$ 14,452,084	$ 65,154,329	$ 250,949,913
Balance, August 31, 2020	277,252,651	$ 86,218,243	$ -	$ 9,896,932	$ (16,536,796)	$ $79,578,379
Share-based compensation (note 9)	-	-	-	2,448,605	-	2,448,605
Net income for the period	-	-	-	-	39,224,632	39,224,632
Balance, February 28, 2021	277,252,651	$ 86,218,243	$ -	$ 12,345,537	$ 22,687,836	$ 121,251,616

See accompanying notes to these condensed interim consolidated financial statements.

QUEEN'S ROAD CAPITAL INVESTMENT LTD.

Condensed Interim Consolidated Statements of Cash Flows
(Expressed in United States dollars)

For the six months ended February 28, 2022 and 2021
(Unaudited)

	Six months ended February 28, 2022	Six months ended February 28, 2021
Cash flow provided by (used in):		
Operating activities:		
Net income	$ 18,051,571	$ 39,224,632
Items not affecting cash:		
Interest income on convertible debentures	(1,867,500)	(1,239,182)
Interest expenses and financing costs	548,861	-
Share-based compensation	4,911,163	2,448,605
Unrealized gain on investments	(22,457,732)	(40,844,627)
Realized gain on investments	(322,400)	-
Unrealized currency translation gains	(340,087)	(23,722)
Changes in working capital items:		
Other receivables	-	20,359
Prepaid expenses and advances	(206,799)	(38,545)
Accounts payable and accrued liabilities	311,290	(261,384)
Interest received on convertible debentures	1,530,010	510,021
Interest expenses paid on bank loan	(285,735)	-
Cash flow used in operating activities	(127,358)	(203,843)
Financing activities:		
Common shares issued by private placement, net of costs	78,234,930	-
Common shares issued by stock option exercise	1,942,920	-
Common shares purchased and held in Treasury	(359,916)	-
Dividend paid	(882,672)	-
Borrowings, net of transaction costs	16,419,503	-
Cash flow provided by financing activities	95,354,765	-
Investing activities:		
Acquisition of investments	(17,525,371)	(20,000,000)
Proceeds from sale of equity investments	590,866	-
Cash flow used by investing activities	(16,934,505)	(20,000,000)
Increase (decrease) in cash during the period	78,292,902	(20,203,843)
Cash, beginning of the period	2,158,142	25,073,826
Effect of currency translation on cash	221,016	23,722
Cash, end of the period	$ 80,672,060	$ 4,893,705

Supplemental disclosure with respect to cash flows (note 13).

See accompanying notes to these condensed interim consolidated financial statements.

1. Reporting entity and nature of operations:

Queen’s Road Capital Investment Ltd. (“QRC” or the “Company”) is a resource focused investment company, making investments in privately held and publicly traded resource companies. The Company acquires and holds securities for long-term capital appreciation, with a focus on convertible debt securities of issuers having resource projects in advanced development or production located in safe jurisdictions.

The Company was incorporated under the laws of the Province of British Columbia, Canada on January 25, 2011. On January 29, 2020, the Company redomiciled from British Columbia, Canada to the Cayman Islands and changed its name from Lithion Energy Corp. 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 (“TSXV”).

Since February 2020, the coronavirus (“COVID-19”) has threatened a slowdown in the global economy, as well as, caused volatility in the global financial markets. Measures undertaken to contain the spread of the virus, such as vaccination campaigns, have succeeded in many countries in curbing outbreaks of the virus. These measures combined with less restrictive public health measures have also provided an improving macroeconomic environment in some countries. However, the pandemic, fueled by more contagious variants, continues to pose a risk to the economies of individual countries and also the global economy. The extent of the impact that this pandemic may have on the Company’s business is still uncertain and difficult to predict and it could have a significant adverse impact on the Company’s financial position and results of operations for future periods.

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors of the Company on April 8, 2022.

2. Basis of presentation:

(a) Statement of compliance:

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 consolidated financial statements prepared in accordance with *International Financial Reporting Standards* (“IFRS”), as issued by the IASB, have been omitted or condensed.

2. Basis of presentation (continued):

(b) Basis of presentation:

These condensed interim consolidated financial statements have been prepared on a historical cost convention, except for financial instruments carried at fair value through profit or loss ("FVTPL"). In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

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, 2021. These condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended August 31, 2021.

(c) Significant accounting estimates and assumptions:

The preparation of these condensed interim consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that effect the reported amounts of assets, liabilities, and contingent liabilities at the date of the consolidated statements and the reported amounts of revenue and expenses during the reporting period. 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 in the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

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

The estimates that are critical to the determination of the amounts reported are set out in note 2 of the Company's audited consolidated financial statements for the year ended August 31, 2021.

(d) Significant judgements:

The preparation of condensed interim consolidated 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 condensed interim consolidated financial statements relate to the accounting of the Company's investments. The judgements that are critical to the determination of the amounts reported are set out in note 2 of the Company's audited consolidated financial statements for the year ended August 31, 2021.

(Expressed in United States dollars)

3. New standards, amendments and interpretations not yet adopted of effective:

Certain new standards, interpretations, amendments, and improvements to existing standards were issued by the IASB. The Company anticipates that the application of these standards, amendments, and interpretations in future periods, as listed below, will have no material impact on the results and financial position of the Company, except for additional disclosures:

- Definition of Accounting Estimates (Amendments to IAS 8).
- Disclosure Initiative - Accounting Policies (Amendments to IAS 1 and IFRS PS 2).

4. Receivables:

Receivables consist of the following:

	February 28, 2022	August 31, 2021
Interest receivable on convertible debentures	$ 621,458	$ 621,458

5. Investments at fair value:

The Company had the following investments in public entities stated at fair value:

	February 28, 2022	August 31, 2021
Equity investments:		
NexGen Energy Ltd. (a)	$ 61,542,728	$ 54,574,828
Osisko Green Acquisition Ltd. (e)	15,057,574	-
Other equity investments held for investment purposes (f)	8,924,681	1,396,155
Convertible debentures:		
NexGen Energy Ltd. (a)	44,668,526	40,060,025
IsoEnergy Ltd. (b)	28,821,590	20,798,244
Adriatic Metals Pty (c)	19,292,303	24,681,627
Los Andes Copper Ltd. (d)	8,140,225	4,884,621
	$ 186,447,627	$ 146,395,500

(Expressed in United States dollars)

5. Investments at fair value (continued):

The continuity of the Company's investments during the period ended February 28, 2022 is as follows:

	August 31, 2021	Additions	Net proceeds from disposition	Realized gains	Unrealized gains	February 28, 2022
Equity investments	$ 55,970,983	$ 17,862,861	$ (590,866)	$ 322,400	$ 11,959,605	$ 85,524,983
Convertible debentures	90,424,517	-	-	-	10,498,127	100,922,644
	$ 146,395,500	$ 17,862,861	$ (590,866)	$ 322,400	$ 22,457,732	$ 186,447,627

The continuity of the Company's investments during the period ended February 28, 2021 is as follows:

	August 31, 2020	Additions	Proceeds from disposition	Realized gains	Unrealized gains	February 28, 2021
Equities	$ 23,894,339	$ 243,759	$ -	$ -	$ 18,854,016	$ 42,992,114
Convertible debentures	30,766,101	20,000,000	-	-	21,990,611	72,756,712
	$ 54,660,440	$ 20,243,759	$ -	$ -	$ 40,844,627	$ 115,748,826

The realized gain from financial instruments at FVTPL represents the difference between the carrying amount of the financial instrument at the beginning of the reporting period, or the transaction price if it was purchased in the current reporting period, and the consideration received on disposal. The unrealized gain represents the difference between the carrying amount of a financial instrument at the beginning of the period, or the transaction price if it was purchased in the current reporting period, and its carrying amount at the end of the reporting period.

(a) Investment in NexGen Energy Ltd. ("NexGen") common shares and convertible debentures:

On May 27, 2020, the Company completed the purchase of 11,611,667 common shares of NexGen, a company related by way of two common directors, at $1.29 per share for a purchase price of $15,000,000. The fair value of the 11,611,667 NexGen shares at February 28, 2022 is $61,542,728 (August 31, 2021 - $54,574,828; NexGen 11,611,667 shares). The fair value is calculated using the closing market price of the shares on the relevant date.

(Expressed in United States dollars)

5. Investments at fair value (continued):

(a) Investment in NexGen Energy Ltd. (“NexGen”) common shares and convertible debentures (continued):

On May 27, 2020, the Company completed the purchase of a 5-year plus one day term convertible debenture in NexGen (the “NexGen convertible debenture”) at a cost of $15,000,000. The NexGen convertible debenture is unsecured and ranks equally in right of payment with all present and future unsecured and unsubordinated indebtedness of NexGen. The NexGen convertible debenture bears interest at a rate of 7.5% per annum, payable semi-annually, of which only 5% is payable in cash and 2.5% is payable in common shares.

The Company is entitled, from time to time before the maturity date of May 27, 2025, to convert some or all of the principal amount of the NexGen convertible debenture into common shares at a price of CA$2.34 per share (the “conversion price”).

The fair value of the NexGen convertible debenture at February 28, 2022 is $44,668,526 (August 31, 2021 - $40,060,025). For the six months ended February 28, 2022, the Company recorded $562,500 (February 28, 2021 - $557,739) in interest income. As at February 28, 2022, the Company had $253,125 (August 31,2021 - $253,125) in receivables related to accrued interest.

The valuation model used to estimate the fair value of the convertible debenture is a system of two coupled Black-Scholes Option Pricing equations and partial differential equations that are solved simultaneously using finite-difference methods, with the following assumptions:

	February 28, 2022	August 31 2021
Expected price volatility	65%	50%
Expected life	3.25 years	3.74 years
Risk free interest rate	1.54%	0.65%
Coupon interest rate	7.5%	7.5%
Expected dividend yield	-%	-%
Credit spread	18.45%	17.75%
Underlying share price of the investee (CA$)	$6.73	$5.93
Conversion price (CA)	$2.34	$2.34
Exchange rate (US$:CA$)	0.7875	0.7926

5. Investments at fair value (continued):

(b) Investment in IsoEnergy Ltd. ("IsoEnergy") convertible debentures:

On August 18, 2020, the Company completed the purchase of a 5-year plus one day term convertible debenture in IsoEnergy (the "IsoEnergy convertible debenture") at a cost of $6,000,000. IsoEnergy is a company controlled by NexGen. The IsoEnergy convertible debenture is unsecured and ranks equally in right of payment with all present and future unsecured and unsubordinated indebtedness of IsoEnergy. The IsoEnergy convertible debenture bears interest at a rate of 8.5% per annum, payable semi-annually, of which 6% is payable in cash and 2.5% is payable in common shares. On the date on which IsoEnergy files an economically positive preliminary economic assessment compliant with the requirements of National Instrument 43-101 of the Canadian Securities Commission (the "Positive Preliminary Economic Assessment"), the interest rate of the convertible debenture will be reduced to 7.5% per annum, thereby reducing the cash and common shares obligation to 5% and 2.5%, respectively. As of February 28, 2022, IsoEnergy has not filed the Positive Preliminary Economic Assessment.

The Company is entitled, from time to time before the maturity date of August 18, 2025 but not prior to August 18, 2023 except for in the case of a change of control transaction by IsoEnergy, to convert some or all of the principal amount of the IsoEnergy convertible debenture into common shares at a price of CA $0.88 per share (the "conversion price"), provided that the aggregate number of shares issuable upon conversion does not exceed 9,206,311 common shares.

The fair value of the Company's IsoEnergy convertible debenture at February 28, 2022 is $28,821,590 (August 31, 2021 - $20,798,244). For the six months ended February 28, 2022, the Company has recorded $255,000 (February 28, 2021 - $256,444) in interest income. As at February 28, 2022, the Company had $85,000 (August 31, 2021 - $85,000) in receivables related to accrued interest.

(Expressed in United States dollars)

5. Investments at fair value (continued):

(b) Investment in IsoEnergy Ltd. ("IsoEnergy") convertible debentures (continued):

The valuation model used to estimate the fair value of the convertible debenture is a system of two coupled Black-Scholes Option Pricing equations and partial differential equations that are solved simultaneously using finite-difference methods, with the following assumptions:

	February 28, 2022	August 31, 2021
Expected price volatility	63%	60%
Expected life	3.47 years	3.97 years
Risk free interest rate	1.55%	0.68%
Coupon interest rate	8.5%	8.5%
Expected dividend yield	-%	-%
Credit spread	19.45%	18.75%
Underlying share price of the investee (CA$)	$4.12	$2.91
Conversion price (CA$)	$0.88	$0.88
Exchange rate (US$:CA$)	0.7875	0.7926

(c) Investment in Adriatic Metals Plc ("Adriatic") convertible debentures:

On December 1, 2020, the Company completed the purchase of $20,000,000 of 8.5% unsecured convertible debentures in Adriatic (the "Adriatic convertible debentures"). The Adriatic convertible debentures are unsecured and have a four-year term. A cash coupon of 8.5% per annum is payable quarterly. The Adriatic convertible debentures are convertible at the Company's option into Adriatic common shares at a conversion price of Australian Dollar ("AUD") $2.7976 per common share (the "conversion price").

The fair value of the Company's Adriatic convertible debenture at February 28, 2022 is $19,292,303 (August 31, 2021 - $24,681,627). For the six months ended February 28, 2022, the Company has recorded $850,000 (February 28, 2021 - $425,000) in interest income. As at February 28, 2022, the Company had $283,333 (August 31, 2021 - $283,333) in receivables related to accrued interest.

(Expressed in United States dollars)

5. Investments at fair value (continued):

(c) Investment in Adriatic Metals Plc (“Adriatic”) convertible debentures (continued):

The valuation model used to estimate the fair value of the convertible debenture is a system of two coupled Black-Scholes Option Pricing equations and partial differential equations that are solved simultaneously using finite-difference methods, with the following assumptions:

	February 28, 2022	August 31, 2021
Expected price volatility	40%	50%
Expected life	2.76 years	3.25 years
Risk free interest rate	1.45%	0.34%
Coupon interest rate	8.5%	8.5%
Expected dividend yield	-%	-%
Credit spread	27.20%	26.50%
Underlying share price of the investee (AUD$)	$2.14	$2.87
Conversion price (AUD$)	$2.80	$2.80
Exchange rate (US$:AUD$)	0.7248	0.7314

(d) Investment in Los Andes Copper Ltd. (“Los Andes”) convertible debentures:

On June 2, 2021, the Company completed the purchase of a 5-year plus one day term convertible debenture in Los Andes Copper Ltd. (the “Los Andes convertible debenture”) at a cost of $5,000,000. The Los Andes convertible debenture is unsecured and ranks equally in right of payment with all present and future unsecured and unsubordinated indebtedness of Los Andes. The Los Andes convertible debenture bears interest at a rate of 8% per annum, payable quarterly, of which 5% is payable in cash and 3% is payable in common shares.

The Company is entitled, from time to time before the maturity date of June 3, 2026, to convert some or all of the principal amount of the Los Andes convertible debenture into common shares at a price of CA$10.82 per share (the “conversion price”), provided that aggregate number of shares issuable upon conversion does not exceed 558,502 common shares.

The fair value of the Company’s Los Andes convertible debenture at February 28, 2022 is $8,140,225 (August 31, 2021 - $4,884,621). For the six months ended February 28, 2022, the Company has recorded $200,000 (February 28, 2021 - nil) in interest income.

(Expressed in United States dollars)

5. Investments at fair value (continued):

(d) Investment in Los Andes Copper Ltd. ("Los Andes") convertible debentures (continued):

The valuation model used to estimate the fair value of the convertible debenture is a system of two coupled Black-Scholes Option Pricing equations and partial differential equations that are solved simultaneously using finite-difference methods, with the following assumptions:

	February 28, 2022	August 31, 2021
Expected price volatility	52%	70%
Expected life	4.26 years	4.76 years
Risk free interest rate	1.54%	0.80%
Coupon interest rate	8.0%	8.0%
Expected dividend yield	-%	-%
Credit spread	23.86%	23.16%
Underlying share price of the investee (CA)	$16.01	$7.01
Conversion price (CA)	$10.82	$10.82
Exchange rate (US$:CA$)	0.7875	0.7926

(e) Investment in Osisko Green Acquisition Ltd. ("Osisko") common shares:

On September 8, 2021, the Company completed the purchase of 2,000,000 Class A Restricted Voting Units for CA$10.00 per unit in Osisko for a purchase price of $15,778,000. Each Class A Restricted Voting Unit comprised of one Class A Restricted Voting Share and one-half of one Warrant. The Restricted Voting Units split into shares and warrants on October 18, 2021. The fair value of the 2,000,000 Class A Restricted Voting Shares at February 28, 2022 is $15,057,574 (August 31, 2021 - nil). The fair value of the 1,000,000 Warrants at February 28, 2022 is $496,144 (August 31, 2021 - nil). The fair value is calculated using the closing market price of the shares and warrants on the reporting date.

The Company also completed the purchase of 665,000 Class B Shares and 931,988 Funding Warrants for purchase price of $737,318 which, together with the Warrants above, are included under other equity investments. Class B Shares and Funding Warrants have equivalent rights to Class A shares and Warrants; however, are unlisted and can be converted into an equivalent equity instrument on completion of a qualifying transaction by Osisko, which is expected to be within 18 months from original investment date.

(Expressed in United States dollars)

5. Investments at fair value (continued):

(f) Other equity investments held for investment purposes:

The Company holds common shares and warrants in listed entities. The shares and warrants are held as a result of (a) establishment fees settled in common shares related to convertible debenture investments; (b) interest income on convertible debenture investments settled in common shares; and/or (c) purchases of common shares and warrants for investment purpose. The fair value for shares and warrants traded on a stock market is calculated using the closing market price of the shares or warrants on the relevant date. The fair value for equity investments which are not traded on a stock market is calculated using the closing market price of an equivalent traded instrument with an appropriate discount applied to reflect the restrictions or different nature of the investment.

The fair value of other equity investments at February 28, 2022 is $8,924,681 (August 31, 2021 - $1,396,155).

6. Accounts payable and accrued liabilities:

Accounts payable and accrued liabilities consist of the following:

	February 28, 2022	August 31, 2021
Accounts payable	$ 165,706	$ 3,303
Accrued liabilities	186,842	113,194
Accrued bank loan interest	144,277	-
Due to related parties (note 7)	131,454	56,215
	$ 628,279	$ 172,712

7. Related party transactions:

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

	Three months ended		Six months ended	
	February 28, 2022	February 28, 2021	February 28, 2022	February 28, 2021
Senior management remuneration	$ 180,000	$ 186,130	$ 870,000	$ 341,810
Directors' fees	15,750	22,500	31,500	40,833
Share-based compensation	4,841,991	351,021	4,841,991	2,420,500
	$ 5,037,741	$ 559,651	$ 5,743,491	$ 2,803,143

(Expressed in United States dollars)

7. Related party transactions (continued):

During the six months ended February 28, 2022, the Company reimbursed office rent of $184,104 (February 28, 2021 - office rent of $186,965 and office renovation costs of $122,154) to a company controlled by an officer and director of the Company. There is no contractual rent obligation for the Company as the lease agreement is with the company controlled by the officer and director. The Company is invoiced for reimbursement by the company controlled by an officer and director of the Company on a monthly basis. The office renovation costs were one-time renovations for the Hong Kong office.

As at February 28, 2022, accounts payable and accrued liabilities include an amount of $131,454 (August 31, 2021 - $56,215) due to officers and directors of the Company and/or companies controlled by officers of the Company, related to fees for services. The amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

At February 28, 2022, the Company holds investments and convertible debentures in NexGen, a company related by way of two common directors and IsoEnergy, a company controlled by NexGen and convertible debentures in Los Andes, a company related by way of a common director.

At February 28, 2022, two significant shareholders, Wyloo Metals Pty Ltd. (previously known as Squadron Resources Pty Ltd.) and Corom Pty Ltd., a company controlled by a relative of a director of the Company, beneficially own, or exercise control or direction over 111,810,149 and 110,552,503 common shares, respectively, constituting approximately 25.08% and 24.79%, respectively, of the issued shares of the Company (August 31, 2021 - Wyloo Metals Pty Ltd. 71,263,003 and 25.70% and Corom Pty Ltd. 71,490,003 and 25.79%).

8. Borrowings:

Borrowings consist of the following:

	February 28, 2022	August 31, 2021
Secured bank loan, due within one year	$ 16,538,130	$ -
Transaction costs	(118,849)	-
	$ 16,419,281	$ -

(Expressed in United States dollars)

8. Borrowings (continued):

The secured bank loan has a maximum drawdown amount of C$21,000,000. The loan has an annual interest rate of Canadian Dollar Offer Rate ("CDOR") plus 4.75%, payable in cash quarterly in arrears, other than interest for the initial interest period, due from the date of draw down on September 1, 2021 to September 30, 2021, and interest for the final interest period, due from July 1, 2022 to September 1, 2022, which are both payable on the last day of the initial or final period respectively. The loan is secured over certain long-term investments with a carrying value of $61,542,728 as at February 28, 2022. The maximum loan amount was drawn down on September 1, 2021 and matures on September 1, 2022 and no repayments of principal are required until maturity, unless the value of the loan is 52.5% or higher than the value of the pledged securities, in which case a portion of the outstanding loan must be repaid or sufficient additional collateral provided to cause the loan to value percentage to be equal to or reduce to 40%. Transactions costs are expensed over the term of the loan under the effective interest rate method.

9. Share capital:

(a) Common shares:

Authorized:

5,000,000,000 common shares with a par value of CA$0.001 each.

Issued:

445,895,954 common shares as at February 28, 2022 (August 31, 2021 - 277,252,651).

Outstanding:

445,235,454 common shares as at February 28, 2022 (August 31, 2021 - 277,252,651).

The continuity of the Company's issued common shares is as follows:

	Six Months ended February 28, 2022	Six Months ended February 28, 2021
Shares issued and fully paid:		
At beginning of period	277,252,651	277,252,651
Issued on exercise of share options	8,000,000	-
Issued in settlement of dividend	4,393,303	-
Issued by private placement	156,250,000	-
At end of period	445,895,954	277,252,651

(Expressed in United States dollars)

9. Share capital (continued):

(a) Common shares (continued):

The continuity of the Company's outstanding common shares is as follows:

	Six months ended February 28, 2022	Six months ended February 28, 2021
Shares issued, fully paid and outstanding:		
At beginning of period	277,252,651	277,252,651
Increase in issued shares	168,643,303	-
Purchased and held in Treasury	(660,500)	-
At end of period	445,235,454	277,252,651

Share transactions during the six months ended February 28, 2022 were as follows:

- 1,000,000 common shares of the Company were issued on October 15, 2021 as fully paid shares from the exercise of share options at CA$0.30 per share. $242,340 was received in cash and $350,577 was transferred from share-based reserves to share capital.
- 7,000,000 common shares of the Company were issued on October 29, 2021 as fully paid shares from the exercise of share options at CA$0.30 per share. $1,700,580 was received in cash and $2,454,039 was transferred from share-based reserves to share capital.
- 4,393,303 common shares of the Company were issued on November 19, 2021 as fully paid shares for the settlement of dividends of CA$0.015 per share based on a share price of CA$0.72. $2,502,707 was transferred from retained earnings to share capital.
- 156,250,000 common shares of the Company were issued on February 25, 2022 at CA$0.64 per share for gross proceeds of $78,450,000 through a non-brokered private placement. Wyloo and Corom each subscribed for 39,062,500 common shares, respectively, of the private placement.
- 660,500 common shares of the Company were purchased for an average cost per share of CA$0.68 per share, including commissions, by the Company during the six months ended February 28, 2022 under the share repurchase program and held in treasury.

There were no share capital transactions during the six months ended February 28, 2021.

(b) Warrants:

There were no warrants outstanding at February 28, 2022 and August 31, 2021.

(Expressed in United States dollars)

9. Share capital (continued):

(c) 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 TSXV. 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 TSXV.

The continuity of the Company's outstanding stock options is as follows:

	Six Months Ended February 28, 2022		Six Months Ended February 28, 2021	
	Number of options	Weighted average exercise price (in CA$)	Number of options	Weighted average exercise price (in CA$)
As at beginning of period	11,150,000	0.30	25,500,000	0.45
Cancelled	-	-	(14,350,000)	0.55
Exercised	(8,000,000)	0.30	-	-
Issued	35,500,000	0.64	-	-
As at end of period	38,650,000	0.61	11,150,000	0.30

On October 12, 2020, 14,350,000 options exercisable at CA$0.55 were voluntarily cancelled. For the six months ended February 28, 2021 $2,448,605 was recognized for share-based compensation of which $749,684 related to the cancelled options.

1,000,000 stock options granted on February 3, 2020 at CA$0.30 per share were exercised on October 10, 2021 by the executor for the estate of a former director.

7,000,000 stock options granted on February 3, 2020 at CA$0.30 per share were exercised on October 21, 2021 by a director.

35,500,000 stock options were granted on February 28, 2022, exercisable at CA$0.64 per share for a term of 5 years. The options vest as to 50% on the grant date and a further 50% after a period of 12 months. The Company determined the grant date fair value of $10,110,198, and the fair value of options vesting in the six months ended February 28, 2022 of $4,911,163.

The fair value of all compensatory options granted is estimated on the grant date using the Black-Scholes Options Pricing Model. The inputs used in the calculation of the fair value of the stock options on the date of issue are as follows:

(Expressed in United States dollars)

9. Share capital (continued):

(c) Stock options (continued):

	February 28, 2022
Expected price volatility	76%
Expected life	2.75 years
Risk free interest rate	1.64%
Expected dividend yield	2.0%
Underlying share price (CA)	$0.75
Exchange rate (US$:CA$)	0.7875

No stock options were issued during the six months ended February 28, 2022

A summary of the Company's outstanding options as February 28, 2022 is as follows:

Exercise price CA$	Number of options outstanding	Number of options exercisable	Expiry date
0.30	3,000,000	3,000,000	February 3, 2025
0.55	150,000	150,000	February 18, 2025
0.64	35,500,000	17,750,000	February 28, 2027
	38,650,000	20,900,000	

A summary of the Company's outstanding options as August 31, 2021 is as follows:

Exercise price CA$	Number of options outstanding	Number of options exercisable	Expiry date
0.30	11,000,000	11,000,000	February 3, 2025
0.55	150,000	150,000	February 18, 2025
	11,150,000	11,150,000	

9. Share capital (continued):

(d) Share Repurchase Program ("SRP"):

On November 19, 2021 the Company commenced a share repurchase program valid for a period of twelve months. Purchases are conducted by a third-party broker. Any shares purchased under the SRP will be held in treasury for use under subsequent DRIP related share issuances up to C$3.2 million representing the unused portion of the capital allocated towards the dividend payment on November 19, 2021. The SPR allows for the repurchase of up to 14,262,633 shares.

During the six months ended February 28, 2022 (February 28, 2021 - nil) there have been purchases of 660,500 shares for cash of $359,916.

(e) Dividend:

On October 15, 2021 the Company declared a dividend on CA$0.015 per share to all shareholders of record on November 15, 2021. The dividend of $3,385,379 was paid on November 19, 2021, with $882,672 paid in cash and $2,502,707 settled by the issue of 4,393,303 shares.

10. Basic and diluted income per share:

The calculation of basic income per share for the three and six months ended February 28, 2022 is calculated using the weighted average number of common issued shares of 294,568,898 and 287,634,810 respectively, less the weighted average number of shares purchased and held in treasury of 285,389 and 142,694 respectively to derive the weighted average number of issued and outstanding shares (February 28, 2021 - weighted average issued and outstanding shares 53,988,720 and 48,711,817 respectively).

Diluted income per share for the three and six-months ended February 28, 2022 and February 28, 2021 was calculated using the weighted average number of common shares issued and adjusted for the dilutive effect of the weighted average number of options outstanding during each period.

11. Financial instruments and risk management:

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.

(Expressed in United States dollars)

11. Financial instruments and risk management (continued):

The following table summarizes the carrying value of financial assets and liabilities of the Company as at February 28, 2022 and August 31, 2021:

	February 28, 2022	August 31, 2021
Fair value through profit and loss:		
Investments at fair value	$ 175,974,521	$ 146,395,500
Amortized cost:		
Cash	80,672,060	2,158,142
Prepaid and deposits	256,327	49,529
Receivables	621,458	621,458
Accounts payable and accrued liabilities	628,279	172,712
Borrowings	16,419,281	-

As at February 28, 2022 and August 31, 2021, financial instruments that are not measured at fair value on the balance sheet are represented by cash, prepaid and deposits, receivables, accounts payable and accrued liabilities and borrowings. The fair value of these financial instruments approximates the carrying value due to their short-term nature and the fair values are estimated using Level 2 inputs.

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).

(Expressed in United States dollars)

11. Financial instruments and risk management (continued):

The Company's financial assets measured at FVTPL are as follows:

February 28, 2022	Level 1	Level 2	Level 3
Investments at fair value	$ 80,329,392	$ 106,118,235	$ -

August 31, 2021	Level 1	Level 2	Level 3
Investments at fair value	$ 55,970,983	$ 90,424,517	$ -

There were no asset transfers between levels for the six months ended February, 2022 or year ended August 31, 2021.

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; and
- Market price risk.

(a) Credit risk:

Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets, including cash and investments. The Company has limited exposure to credit risk related to cash, as it only deposits its cash with high credit quality financial institutions, which are available on demand. The Company's equity investments are settled and paid for upon delivery using an approved broker. The risk of default is considered minimal, as delivery of securities sold is made once the broker has received payment and payment on a purchase is received by the broker. The trade will fail if either party fails to meet its obligations. The Company's credit risk related to convertible debentures is associated with the risk that these third parties will not perform their underlying obligations. The Company mitigates its credit risk by only investing and providing loans where they have a detailed knowledge of the investee's operations and business strategy. The Company has four convertible debentures at February 28, 2022 that were made up of 44% NexGen, 29% IsoEnergy; 19% Adriatic; and 8% Los Andes. (August 31, 2021 - 45% NexGen, 23% IsoEnergy, 27% Adriatic and 5% Los Andes).

11. Financial instruments and risk management (continued):

(b) 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 working 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. In the three months ended November 30, 2021 the Company raised funds through a secured bank loan. In the three months ended February 28, 2022 the Company raised funds through a private placement. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity or bank financing. As of February 28, 2022, the Company had no significant contractual obligations other than those included in accounts payable and accrued liabilities and borrowings (August 31, 2021 - nil) and disclosed in Note 15 Commitments.

(c) Interest and foreign exchange risk:

The Company is subject to normal risks including fluctuations in interest rates and 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.

At February 28, 2022, 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 on US and Canadian ("CA") dollars. The Company is exposed to interest rate risk on its borrowings arising from movements in CDOR.

The Company has assets which are denominated in in US and CA dollars and liabilities which are denominated in US dollars, CA dollars, Hong Kong ("HK") dollars, Australian ("AU") dollars and British Pounds. The Company's exposure to exchange rate fluctuations arises mainly on foreign currency fluctuations against the U.S. dollar functional currency.

(Expressed in United States dollars)

11. Financial instruments and risk management (continued):

The U.S. dollar equivalent of the amounts denominated in foreign currencies are as follows:

	February 28, 2022	August 31, 2021
Cash	$ 77,374,376	$ 1,746,721
Prepayments and deposits	83,891	-
Investments	85,524,983	55,970,983
Accounts payable and accrued liabilities	(455,536)	(128,793)
Secured bank loan	(16,538,130)	-
	$145,989,584	$ 57,588,911

(d) Interest and foreign exchange risk:

The Company is exposed to foreign currency risk on fluctuations related to cash, prepayments and deposits, receivables, investments, and accounts payable and accrued liabilities and borrowings that are denominated in CA, HK, and AU dollars and British Pounds. As at February 28, 2022, net assets totalling $145,989,584 (August 31, 2021 - $57,588,911) were held in CA, HK and AU dollars and British Pounds. Based on the above net exposure as at February 28, 2022 and assuming all other variables remain constant, a 2% depreciation or appreciation of the CA, HK, or AU dollar or British Pounds against the U.S. dollar would result in an increase or decrease of approximately $2.9 million (August 31, 2021 - $1.2 million) in the Company's net income and comprehensive income.

(e) Market price risk:

Market price risk is the risk that the fair value of an investment measured at FVTPL will fluctuate because of changes in market prices (other than those arising from foreign currency risk or interest rate risk). The Company's investments at fair value of public entities are subject to price risk. A 5% increase or decrease in the value of the individual equity market prices in public entities, or individual equity prices in public entities which are used as equivalent equity instruments for the valuation of non-traded investments, would result in an increase or decrease in the value of investments and unrealized gain for the six months ended February 28, 2022 of approximately $8.8 million (February 28, 2021 - $0.9 million).

12. 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.

12. Capital management (continued):

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company's objectives when managing capital are:

(a) to maintain the Company's ability to make new investments by allowing it to respond to economic changes and/or the marketplace;

(b) to maintain growth of shareholders' equity; and

(c) to continue taking a conservative approach towards financial leverage and management of financial risks.

The Company reviews its capital structure on an on-going basis and makes adjustments in light of changes in economic conditions and the risk characteristics of its underlying investments. The Company has adjusted or maintained its level of capital by raising additional capital through equity financings. The Company is not subject to externally imposed capital requirements.

13. Supplemental disclosure with respect to cash flows:

During the six months ended February 28, 2022, the significant non-cash transactions include $337,490 in investments received for the settlement of interest receivable (note 5), reallocation of $2,804,616 from share-base reserve to share capital for options exercised (note 9), reallocation of $2,502,707 from retained earnings to share capital for shares issued under the DRIP (note 9) and reallocation of $4,911,163 to reserves for share-based compensation costs.

During the six months ended February 28, 2021, the significant non-cash transactions include $243,759 in investments received for the settlement of interest receivable (note 6).

14. Segmented information:

An operating segment is defined as a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are reviewed regularly by the Company's executive management, and for which discrete financial information is available. The Company has determined that it currently has one operating segment, being the selection, acquisition, and management of investments. The Company's corporate head office incurs nominal costs that are incidental to the activities of the Company and therefore does not meet the definition of an operating segment.

(Expressed in United States dollars)

15. Commitments:

The Company entered an operating lease for its offices in Hong Kong. The lease commences on April 1, 2022 for three years to March 31, 2025.

Future minimum lease payments under non-cancellable operating leases for land and building leases as of February 28, 2022, not included under accounts payable and accrued labilities, are:

For the Year ending August, 31		
2022	$	54,860
2023		201,153
2024		201,153
2025		128,007
Total	$	585,173

16. Subsequent events:

On March 1, 2022 the Company gave notice of early repayment of the secured bank loan (note 8) and the outstanding principal amount of the loan and accrued interest was fully repaid on March 3, 2022.

On March 29, 2022, the Company entered into agreement with Los Andes to purchase an additional $4,000,000 of convertible debentures. The convertible debentures have a 5-year and one day term, carry an 8% coupon, a 3% establishment fee and will be convertible into common shares of Los Andes at a price of CA$19.67. The investment closed on April 4, 2022, whereby cash consideration was transferred to Los Andes in exchange for the convertible debenture and 9,914 common shares in Los Andes were issued in settlement of the establishment fee.