

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



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

Three months ended November 30, 2024

(Unaudited)

# QUEEN'S ROAD CAPITAL INVESTMENT LTD.

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

	Notes	November 30, 2024 (Unaudited)	August 31, 2024 (Audited)
<b>Assets</b>			
Current assets:			
Cash and cash equivalents		\$ 4,154,443	\$ 1,093,963
Prepays and deposits		116,699	126,154
Receivables	3	4,227,428	2,195,570
		<u>8,498,570</u>	<u>3,415,687</u>
Non-current assets:			
Investments	4	341,760,862	279,331,580
Right-of-use assets		62,214	108,875
		<u>341,823,076</u>	<u>279,440,455</u>
		<u>\$ 350,321,646</u>	<u>\$ 282,856,142</u>

## Liabilities and Shareholders' Equity

Current liabilities:			
Accounts payable and accrued liabilities	6	\$ 1,378,400	\$ 1,105,725
Borrowings	8	28,434,921	31,625,817
Lease liabilities		73,002	126,685
		<u>29,886,323</u>	<u>32,858,227</u>
Shareholders' equity:			
Share capital		195,278,392	177,327,435
Reserve		18,840,147	19,651,119
Retained earnings		106,316,784	53,019,361
		<u>320,435,323</u>	<u>249,997,915</u>
		<u>\$ 350,321,646</u>	<u>\$ 282,856,142</u>

Subsequent events 16

See accompanying notes to these condensed interim consolidated financial statements.

Approved on behalf of the Board:

/s/ Warren Gilman Director

/s/ 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 numbers)

	Notes	Three months ended	
		November 30, 2024 (Unaudited)	November 30, 2023 (Unaudited)
Income from investments:			
Interest and other income	4	\$ 4,308,463	\$ 3,165,238
Establishment fee income	4	300,000	2,100,000
Realized gain from investments	4	1,153,021	8,767,636
Unrealized gain from investments	4	56,062,651	17,589,363
Total income from investments		61,824,135	31,622,237
Operating expenses:			
Business development and marketing		80,055	49,442
Depreciation		46,661	46,661
Foreign exchange loss		72,511	40,390
Management and director fees	7	496,375	241,500
Office and administration		74,521	61,749
Professional and regulatory fees		193,017	100,119
Total operating expenses		963,140	539,861
Income before interest expense and income tax		60,860,995	31,082,376
Interest expense	5	383,570	3,437
Income before income taxes		60,477,425	31,078,939
Income tax		1,454	-
Net income and comprehensive income		\$ 60,475,971	\$ 31,078,939
Net income per common share:			
Basic	10	\$ 0.13	\$ 0.07
Diluted	10	0.12	0.06
Weighted average number of common shares - basic			
	10	475,865,216	451,265,524
Weighted average number of common shares - diluted			
	10	513,494,304	489,915,524

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, except share numbers)

For the three months ended November 30, 2024 and 2023  
(Unaudited)

	Notes	Issued number of shares	Share capital	Treasury shares	Reserves	Retained earnings	Shareholders' equity
Balance, August 31, 2024		455,485,496	\$ 177,327,435	\$ -	\$ 19,651,119	\$ 53,019,361	\$ 249,997,915
Shares issued – private placement	9(a)	21,428,571	11,025,358	-	-	-	11,025,358
Shares issued – options exercised	9(a)	2,282,810	1,333,306	-	(810,972)	-	522,334
Shares issued - dividend reinvestment plan	9(a)	11,352,533	5,652,540	-	-	(5,652,540)	-
Shares purchased	9(a)	-	-	(80,999)	-	-	(80,999)
Shares canceled	9(a)	(147,565)	(60,247)	80,999	-	(20,752)	-
Dividend - paid in cash	9(e)	-	-	-	-	(1,505,256)	(1,505,256)
Net income		-	-	-	-	60,475,971	60,475,971
<b>Balance, November 30, 2024</b>		<b>490,401,845</b>	<b>\$ 195,278,392</b>	<b>\$ -</b>	<b>\$ 18,840,147</b>	<b>\$ 106,316,784</b>	<b>\$ 320,435,323</b>
Balance, August 31, 2023		450,356,514	\$ 174,778,615	\$ -	\$ 19,651,119	\$ 41,518,375	\$ 235,948,109
Shares issued - dividend reinvestment plan	9(a)	6,652,960	3,143,856	-	-	(3,143,856)	-
Shares purchased	9(a)	-	-	(203,889)	-	-	(203,889)
Shares canceled	9(a)	(412,313)	(160,577)	203,889	-	(43,312)	-
Dividend - paid in cash	9(e)	-	-	-	-	(3,074,453)	(3,074,453)
Net income		-	-	-	-	31,078,939	31,078,939
<b>Balance, November 30, 2023</b>		<b>456,597,161</b>	<b>\$ 177,761,894</b>	<b>\$ -</b>	<b>\$ 19,651,119</b>	<b>\$ 66,335,693</b>	<b>\$ 263,748,706</b>

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)

	Notes	Three months ended	
		November 30, 2024 (Unaudited)	November 30, 2023 (Unaudited)
Cash flows provided by (used in):			
Operating activities:			
Net income		\$ 60,475,971	\$ 31,078,939
Items not affecting cash:			
Interest income on convertible debentures	4(c)	(4,289,167)	(3,061,875)
Other interest income		(19,296)	(103,363)
Establishment fee income	4(c)	-	(2,100,000)
Realized gain on investments	4	(1,153,021)	(8,767,636)
Unrealized gain on investments	4	(56,062,651)	(17,589,363)
Depreciation		46,661	46,661
Interest expense on borrowings	5	382,465	-
Interest expense on lease liabilities	5	1,105	3,437
Income tax expense		1,454	-
Unrealized foreign exchange loss		66,149	15,178
Interest received on convertible debentures	4(c)	1,721,683	1,487,542
Other interest income received		12,988	103,363
Interest expense paid on borrowings	8	(408,856)	-
Interest expense paid on lease liabilities		(1,105)	(3,437)
Income taxes paid		-	(116,854)
		774,380	992,592
Changes in working capital items:			
Other receivables		-	460,523
Prepaid expenses and advances		9,455	6,847
Accounts payable and accrued liabilities		271,221	44,386
Cash flows provided by operating activities		1,055,056	1,504,348
Financing activities:			
Common shares issued – private placement	9(a)	11,025,358	-
Common shares issued – options	9(a)	522,334	-
Common shares purchased	9(a)	(80,999)	(203,889)
Dividends paid	9(e)	(1,505,256)	(3,074,453)
Payment of lease liabilities		(53,966)	(51,288)
Borrowings drawn	8	13,000,000	-
Borrowings repaid	8	(16,164,506)	-
Cash flows provided by (used in) financing activities		6,742,965	(3,329,630)
Investing activities:			
Acquisition of investments	4	(10,000,000)	(70,000,000)
Proceeds from sale of equity and other investments	4	5,328,324	65,589,064
Cash flows used in investing activities		(4,671,676)	(4,410,936)
Increase (decrease) in the period		3,126,345	(6,236,218)
Cash, beginning of the period		1,093,963	14,745,031
Effect of currency translation on cash		(65,865)	(14,084)
Cash, end of the period		\$ 4,154,443	\$ 8,494,729

Supplemental disclosure with respect to cash flows

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See accompanying notes to these condensed interim consolidated financial statements.

# QUEEN'S ROAD CAPITAL INVESTMENT LTD.

Notes to Condensed Interim Consolidated Financial Statements  
(Tabular amounts expressed in United States dollars, unless otherwise indicated)

Three months ended November 30, 2024

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## 1. Reporting entity and nature of operations:

Queen's Road Capital Investment Ltd. ("QRC" or the "Company") is a dividend paying, 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. The Company's corporate office is located at Suite 2006, 2 Queen's Road Central, Hong Kong. The Company is listed on the Toronto Stock Exchange ("TSX") and the trades under the symbol "QRC".

## 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* and using the accounting policies, determination of significant estimates and judgments, and corresponding accounting treatments consistent with the Company's Consolidated Financial Statements for the year ended August 31, 2024.

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors of the Company on January 10, 2025.

### (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") and share-based compensation recognized at fair value at the measurement date. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

These condensed interim consolidated financial statements have been prepared using the same accounting policies and methods as those used in the audited consolidated financial statements for the year ended August 31, 2024. 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, 2024.

# QUEEN'S ROAD CAPITAL INVESTMENT LTD.

Notes to Condensed Interim Consolidated Financial Statements  
(Tabular amounts expressed in United States dollars, unless otherwise indicated)

Three months ended November 30, 2024

### 3. Receivables:

Receivables consist of the following:

	November 30, 2024	August 31, 2024
Interest receivable on convertible debentures	\$ 4,221,120	\$ 2,195,570
Other interest receivable	6,308	-
	<b>\$ 4,227,428</b>	<b>\$ 2,195,570</b>

### 4. Investments:

The Company had the following investments in listed and unlisted entities stated at estimated fair value:

		November 30, 2024	August 31, 2024
Equity and other investments:			
NexGen Energy Ltd. <sup>(1)</sup>	(a)	\$ 90,778,513	\$ 64,169,604
Other investments	(b)	29,890,998	27,437,295
		120,669,511	91,606,899
Convertible debentures:			
	(c)		
Challenger Gold Ltd.		10,889,336	10,515,199
Contango ORE, Inc.		13,317,784	17,221,601
Gold Royalty Corp.		27,410,667	28,183,548
IsoEnergy Ltd.		27,656,930	24,726,353
Los Andes Copper Ltd.		10,479,982	11,094,037
Moxico Resources plc <sup>(2)</sup>		31,168,291	18,161,995
NexGen Energy Ltd. <sup>(1)</sup>		100,168,361	77,821,948
		221,091,351	187,724,681
		<b>\$ 341,760,862</b>	<b>\$ 279,331,580</b>

(1) On September 28, 2023, the Company converted the NexGen Energy Ltd. ("NexGen") debentures issued in 2020 into 8,663,461 common shares of NexGen at a conversion price of C\$2.34 per share. On September 22, 2023, the Company purchased \$70 million of new debentures issued by NexGen.

(2) On October 21, 2024, the Company purchased \$10 million additional debentures issued by Moxico Resources plc.

# QUEEN'S ROAD CAPITAL INVESTMENT LTD.

Notes to Condensed Interim Consolidated Financial Statements  
(Tabular amounts expressed in United States dollars, unless otherwise indicated)

Three months ended November 30, 2024

## 4. Investments (continued):

The continuity of the Company's investments during the three months ended November 30, 2024, is as follows:

	August 31, 2024	Additions	Net proceeds from disposition <sup>(2)</sup>	Realized gain	Unrealized gain	November 30, 2024
Equity and other investments	\$ 91,606,899	\$ 541,934	\$ (5,328,324)	\$ 1,153,021	\$ 32,695,981	\$ 120,669,511
Convertible debentures	187,724,681	10,000,000	-	-	23,366,670	221,091,351
	<u>\$ 279,331,580</u>	<u>\$ 10,541,934</u>	<u>\$ (5,328,324)</u>	<u>\$ 1,153,021</u>	<u>\$ 56,062,651</u>	<u>\$ 341,760,862</u>

The continuity of the Company's investments during the three months ended November 30, 2023, is as follows:

	August 31, 2023	Additions <sup>(1)</sup>	Net proceeds from disposition <sup>(2)</sup>	Realized gain	Unrealized gain	November 30, 2023
Equity and other investments	\$ 80,767,635	\$ 56,426,765	\$ (65,589,064)	\$ 410,249	\$ 6,417,789	\$ 78,433,374
Convertible debentures	139,831,617	70,000,000	(53,934,310)	8,357,387	11,171,574	175,426,268
	<u>\$ 220,599,252</u>	<u>\$ 126,426,765</u>	<u>\$ (119,523,374)</u>	<u>\$ 8,767,636</u>	<u>\$ 17,589,363</u>	<u>\$ 253,859,642</u>

(1) Additions of equity and other investments of \$56,426,765 comprise the NexGen common shares received on conversion of the NexGen 2020 debentures on September 28, 2023, \$53,934,310; investments received for the settlement of establishment fees \$2,100,000 and investments received for the settlement of interest receivable \$392,458 (note 13).

(2) Net proceeds from disposition of convertible debentures of \$53,934,310 comprised the value of the common shares received on the conversion of the NexGen 2020 debentures on September 28, 2023 (note 13).

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 or loss 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.



# QUEEN'S ROAD CAPITAL INVESTMENT LTD.

Notes to Condensed Interim Consolidated Financial Statements  
(Tabular amounts expressed in United States dollars, unless otherwise indicated)

Three months ended November 30, 2024

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## 4. Investments (continued):

### (a) Investment in NexGen Energy Ltd. ("NexGen") common shares:

On May 27, 2020, the Company purchased 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. On September 22, 2023, the Company sold 8,700,000 common shares of NexGen to Washington H. Soul Pattinson and Company Ltd. ("WHSP") at \$5.20 for a cash consideration of \$45,240,000. During the year ended August 31, 2024, some of the remaining 2,911,667 common shares of NexGen were sold.

On September 28, 2023, the Company converted its existing \$15,000,000 convertible debenture issued by NexGen on May 27, 2020, (the "NexGen 2020 Debentures") into 8,663,461 common shares of NexGen, at a conversion share price of C\$2.34. The fair value of the conversion shares, based on the closing market price on the conversion date, was \$53,934,311.

The fair value of the NexGen 10,675,128 common shares held at November 30, 2024, is \$90,778,513 (August 31, 2024 - 10,675,128 NexGen common shares at fair value \$64,169,604). The fair value of each common share is estimated using the closing market price on the relevant date.

### (b) Other investments held for investment purposes:

The Company holds common shares in listed and unlisted entities. The shares 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; (c) common shares held from conversion of convertible debenture investments; and/or (d) purchases of common shares for investment purpose.

The estimated fair value of other equity investments at November 30, 2024, is \$29,890,998 (August 31, 2024 - \$27,437,295).

The fair value for shares traded on a stock market is estimated using the closing market price of the shares on the relevant date. The fair value for equity and other investments which are not traded on a stock market is estimated 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 or other third-party evidence.

# QUEEN'S ROAD CAPITAL INVESTMENT LTD.

Notes to Condensed Interim Consolidated Financial Statements

(Tabular amounts expressed in United States dollars, unless otherwise indicated)

Three months ended November 30, 2024

## 4. Investments (continued):

(c) Investments in convertible debentures:

The Company holds unsecured convertible debentures issued by listed and unlisted entities. Details of investments in debentures held are in the table below, with further information in the footnotes:

Issuer	Principal <sup>(1)</sup> US\$	Issue date <sup>(2)</sup>	Maturity date	Annual coupon	Annual coupon settled by	Conversion price <sup>(3)</sup>	Redemption
Challenger Gold Ltd. ("Challenger") <sup>(4)</sup>	15,000,000	September 12, 2022	September 12, 2026	9.0%	Cash 7.0% Shares 2.0%	A\$0.25	(6)
Contango ORE, Inc. ("Contango") <sup>(4)</sup>	20,000,000	April 26, 2022	May 26, 2028 <sup>(7)</sup>	9.0% <sup>(7)</sup>	Cash 7.0% Shares 2.0%	\$30.50	(6)
Gold Royalty Corp. ("Gold Royalty") <sup>(4)</sup>	30,000,000	December 15, 2023	December 15, 2028	10.0%	Cash 7.0% Shares 3.0%	\$1.90 <sup>(8)</sup>	(8)
IsoEnergy Ltd. ("IsoEnergy") <sup>(4)</sup>	Various 4,000,000 to 6,000,000	Various (2020 to 2022)	Various (2025 to 2027)	8.5% <sup>(9)</sup> to 10%	Cash 6.0% <sup>(9)</sup> to 7.5% Shares 2.5% <sup>(9)</sup>	(9)	(6)
Los Andes Copper Ltd. ("Los Andes") <sup>(4)</sup>	Various 4,000,000 to 5,000,000	Various (2021 to 2022)	Various (2026 to 2027)	8.0%	Cash 5.0% <sup>(10)</sup> Shares 3.0% <sup>(10)</sup>	(10)	(6)
Moxico Resources plc ("Moxico") <sup>(5)</sup>	30,000,000	July 17, 2024 <sup>(11)</sup>	Jul 17, 2029	11.0%	Cash 7.5% Shares 3.5%	GBP0.90 <sup>(11)</sup>	(11)
NexGen Energy Ltd. ("NexGen") <sup>(4)</sup>	70,000,000	September 22, 2023	September 22, 2028	9.0%	Cash 6.0% Shares 3.0%	US\$6.76	(6)

# QUEEN'S ROAD CAPITAL INVESTMENT LTD.

Notes to Condensed Interim Consolidated Financial Statements  
(Tabular amounts expressed in United States dollars, unless otherwise indicated)

Three months ended November 30, 2024

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## 4 Investments (continued):

(c) Investments in convertible debentures (continued):

Notes:

- (1) The convertible debentures are unsecured and rank equally in right of payment with all present and future unsecured and unsubordinated indebtedness of the issuer.
- (2) The Company was paid an establishment fee equal to 3% of the principal amount of the convertible debentures on issue date, settled either in cash or common shares of the issuer.
- (3) The Company is entitled to convert, from time to time prior to the maturity date, some or all of the outstanding principal amount into common shares at the conversion price.
- (4) Listed entity.
- (5) Unlisted entity.
- (6) Issuers have certain redemption rights after the 3-anniversary of the issue date for a convertible debenture if the weighted average trading price of the relevant stock is above a pre-determined percentage of the conversion price, together with redemption rights on certain defined change of control events.
- (7) *Contango*: The maturity date was extended from April 26, 2026 to May 26, 2028 and the annual coupon increased from 8.0% to 9.0% on May 17, 2023.
- (8) *Gold Royalty*: The Company is entitled to convert, from time to time prior to the maturity date, some or all of the outstanding principal amount into common shares at the conversion price of \$1.90. The issuer can redeem the debenture between December 15, 2026 and December 29, 2026. If the issuer gives notice of redemption during this period, the Company can exercise its right to convert some or all of the outstanding principal at a conversion price of \$1.75 between December 15, 2026, to January 6, 2027. The issuer also has redemption rights on certain defined change of control events.
- (9) *IsoEnergy*: The annual coupon on the \$6,000,000 debenture issued in 2020 reduces from 8.5% to 7.5%, reducing the cash and common share interest from 6.0% and 2.5% to 5.0% and 2.5%, respectively, on filing of an economically positive preliminary assessment compliant with the requirements of National Instrument 43-101 of the Canadian Securities Commission. This filing has not been made as at November 30, 2024 or August 31, 2024. Conversion prices range from C\$0.88 to C\$4.33.

# QUEEN'S ROAD CAPITAL INVESTMENT LTD.

Notes to Condensed Interim Consolidated Financial Statements  
(Tabular amounts expressed in United States dollars, unless otherwise indicated)

Three months ended November 30, 2024

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## 4. Investments (continued):

(c) Investments in convertible debentures (continued):

Notes (continued):

- (10) *Los Andes*: Interest can be settled by between 5% to 8% per annum in cash and between 0% and 3% per annum in shares. Conversion prices range from C\$10.82 to C\$19.67.
- (11) *Moxico*: The Company purchased \$20 million debentures on July 17, 2024 and \$10 million debentures on October 21, 2024, which form part of the same debentures with a maturity date of July 17, 2029. The Company is entitled to convert, from time to time prior to the maturity date, some or all of the outstanding principal amount into common shares at the conversion price of GBP0.90. The issuer can redeem the debenture between July 17, 2027, and July 31, 2027. If the issuer gives notice of redemption during this period, the Company can exercise its right to convert some or all of the outstanding principal at a conversion price of GBP0.83 between July 17, 2027, to July 31, 2027. The issuer also has redemption rights on certain defined change of control events.

During the three months ended November 30, 2024, the Company received establishment fees of \$300,000 on convertible debentures of \$10 million issued by Moxico, settled in cash. During the three months November 30, 2023, the Company received establishment fees of \$2,100,000 on convertible debentures of \$70 million issued by NexGen, settled in common shares.

The estimated fair value of convertible debentures at November 30, 2024, is \$221,091,351 (August 31, 2024 - \$187,724,681). The fair value for convertible debentures is estimated pursuant to IFRS 13, *Fair Value Measurement*, using valuation models based on a system of two coupled Black-Scholes Option Pricing equations and partial differential equations that are solved simultaneously using finite-difference methods.

# QUEEN'S ROAD CAPITAL INVESTMENT LTD.

Notes to Condensed Interim Consolidated Financial Statements

(Tabular amounts expressed in United States dollars, unless otherwise indicated)

Three months ended November 30, 2024

## 4. Investments (continued):

(c) Investments in convertible debentures (continued):

The assumptions and inputs below were used in the models for debentures held by the Company:

November 30, 2024	Challenger	Contango	Gold Royalty	IsoEnergy <sup>(4)</sup>	Los Andes <sup>(4)</sup>	Moxico	NexGen
Expected life (years)	1.8	3.5	4.0	0.7 to 3.0	1.5 to 2.8	4.6	3.8
Market price volatility <sup>(1)</sup>	72%	60%	63%	59% to 73%	41% to 47%	60%	61%
Modelled price volatility <sup>(2)</sup>	60%	42%	36%	57% to 60%	34% to 43%	36%	39%
Risk free interest rate	4.1%	4.1%	4.1%	3.0% to 3.2%	3.0% to 3.1%	4.0%	4.1%
Coupon interest rate	9.0%	9.0%	10.0%	8.5% to 10.0%	8.0%	11.0%	9.0%
Expected dividend yield	-%	-%	-%	-%	-%	-%	-%
Credit spread	29%	30%	21%	18% to 27%	28%	23%	17%
Underlying share price of the investee <sup>(3)</sup>	A\$0.04	\$14.08	\$1.29	C\$3.45	C\$7.50	GBP0.70	\$8.44
Conversion price	A\$0.25	\$30.50	\$1.90	C\$0.88 to C\$0.43	C\$10.82 to C\$19.67	GBP0.90	\$6.76
Exchange rate (C\$ - \$)	-	-	-	0.7140	0.7140	-	-
Exchange rate (A\$ - \$)	0.6512	-	-	-	-	-	-
Exchange rate (GBP - \$)	-	-	-	-	-	1.2735	-

<sup>(1)</sup> Market price volatility for listed issuers is derived from the volatility of the issuer's quoted share price, and for unlisted issuers is derived based on the volatility of quoted market prices for similar instruments.

<sup>(2)</sup> Modelled price volatility is derived from market price volatility by excluding days with no trading volume and incorporating a calibration adjustment used to equate the initial estimated fair value of the debenture to the purchase consideration.

<sup>(3)</sup> Underlying share price for listed issuers is based on the quoted market share price. Underlying share price for unlisted issuers is estimated using other third-party evidence and relevant valuation techniques.

<sup>(4)</sup> Several convertible debentures issued on various dates.

# QUEEN'S ROAD CAPITAL INVESTMENT LTD.

Notes to Condensed Interim Consolidated Financial Statements

(Tabular amounts expressed in United States dollars, unless otherwise indicated)

Three months ended November 30, 2024

## 4. Investments (continued):

### (c) Investments in convertible debentures (continued):

August 31, 2024	Challenger	Contango	Gold Royalty	IsoEnergy <sup>(4)</sup>	Los Andes <sup>(4)</sup>	Moxico	NexGen
Expected life (years)	2.0	3.7	4.3	1.0 to 3.3	1.8 to 3.0	4.9	4.1
Market price volatility <sup>(1)</sup>	69%	66%	60%	67% to 81%	40% to 43%	60%	61%
Modelled price volatility <sup>(2)</sup>	57%	45%	35%	60% to 65%	32% to 38%	34%	38%
Risk free interest rate	3.9%	3.8%	3.8%	3.2% to 3.6%	3.3% to 3.5%	3.8%	3.8%
Coupon interest rate	9.0%	9.0%	10.0%	8.5% to 10.0%	8.0%	11.0%	9.0%
Expected dividend yield	-%	-%	-%	-%	-%	-%	-%
Credit spread	29%	30%	21%	18% to 27%	29%	23%	18%
Underlying share price of the investee <sup>(3)</sup>	A\$0.05	\$21.52	\$1.31	C\$3.05	C\$9.49	GBP0.60	\$6.03
Conversion price	A\$0.25	\$30.50	\$1.90	C\$0.88 to C\$0.43	C\$10.82 to C\$19.67	GBP0.90	\$6.76
Exchange rate (C\$ - \$)	-	-	-	0.7412	0.7412	-	-
Exchange rate (A\$ - \$)	0.6765	-	-	-	-	-	-
Exchange rate (GBP - \$)	-	-	-	-	-	1.3127	-

<sup>(1)</sup> Market price volatility for listed issuers is derived from the volatility of the issuer's quoted share price, and for unlisted issuers is derived based on the volatility of quoted market prices for similar instruments.

<sup>(2)</sup> Modelled price volatility is derived from market price volatility by excluding days with no trading volume and incorporating a calibration adjustment used to equate the initial estimated fair value of the debenture to the purchase consideration.

<sup>(3)</sup> Underlying share price for listed issuers is based on the quoted market share price. Underlying share price for unlisted issuers is estimated using other third-party evidence and relevant valuation techniques.

<sup>(4)</sup> Several convertible debentures issued on various dates.

# QUEEN'S ROAD CAPITAL INVESTMENT LTD.

Notes to Condensed Interim Consolidated Financial Statements  
(Tabular amounts expressed in United States dollars, unless otherwise indicated)

Three months ended November 30, 2024

## 4. Investments (continued):

(c) Investments in convertible debentures (continued):

For the three months ended November 30, 2024, the Company has recorded interest income on convertible debentures of \$4,289,167 (November 30, 2023 - \$3,061,875). During the three months ended November 30, 2024, the Company received interest payments of \$2,263,617, of which \$1,721,683 was paid in cash and \$541,934 was settled in common shares (November 30, 2023 - received \$1,880,000, of which \$1,487,542 was in cash and \$392,458 in common shares).

For the three months ended November 30, 2024, the Company earned interest income on cash balances of \$19,296 (November 30, 2023 - \$103,363).

## 5. Interest expense:

Interest expense consist of the following:

	Three Months Ended	
	November 30, 2024	November 30, 2023
Interest expense on borrowings (note 8)	\$ 382,465	\$ -
Interest expense on lease liabilities	1,105	3,437
	<u>\$ 383,570</u>	<u>\$ 3,437</u>

## 6. Accounts payable and accrued liabilities:

Accounts payable and accrued liabilities consist of the following:

	November 30, 2024	August 31, 2024
Accounts payable	\$ 34,456	\$ 6,107
Accrued liabilities	203,281	189,806
Taxation liabilities	29,263	27,809
Due to related parties (note 7)	1,111,400	882,003
	<u>\$ 1,378,400</u>	<u>\$ 1,105,725</u>

# QUEEN'S ROAD CAPITAL INVESTMENT LTD.

Notes to Condensed Interim Consolidated Financial Statements  
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Three months ended November 30, 2024

## 7. Related party transactions:

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

	Three Months Ended	
	November 30, 2024	November 30, 2023
Management fee	\$ 471,625	\$ 225,000
Directors' fees	24,750	16,500
	<u>\$ 496,375</u>	<u>\$ 241,500</u>

As at November 30, 2024, accounts payable and accrued liabilities include an amount of \$1,111,400 (August 31, 2024 - \$882,003) due to officers and directors of the Company and/or companies controlled by officers and directors of the Company, related to directors' fees and reimbursement of expenses. The amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

As at November 30, 2024, the Company holds equity investments and convertible debentures in Gold Royalty, Moxico and NexGen, companies with a common director and IsoEnergy, a company controlled by NexGen. The estimated fair value of equity investments and convertible debentures of these related companies, at November 30, 2024, is \$278,386,080 (August 31, 2024 - \$215,816,110). Establishment fee income for the three months ended November 30, 2024, is \$300,000 (November 30, 2023 - \$2,100,000) and interest income on convertible debentures is \$3,221,667 (November 30, 2023 - \$1,799,375) from these related companies.

Two significant shareholders, Corom Pty Ltd. ("Corom"), a company controlled by a relative of a director of the Company, and BBFIT Investments Pte Ltd. ("BBFIT"), purchased 5,530,219 common shares and 3,971,424 common shares, respectively, of the 21,428,571 common shares issued by the Company in a private placement on September 18, 2024 (note 9(a)).

A director of the Company purchased 4,857,143 common shares of the 21,428,571 common shares issued by the Company in a private placement on September 18, 2024 (note 9(a)) and became a significant shareholder.

A director of the Company exercised 2,132,810 options at C\$0.30 per share (note 9(c)).



# QUEEN'S ROAD CAPITAL INVESTMENT LTD.

Notes to Condensed Interim Consolidated Financial Statements

(Tabular amounts expressed in United States dollars, unless otherwise indicated)

Three months ended November 30, 2024

## 8. Borrowings:

Borrowings comprise:

	November 30, 2024	August 31, 2024
Margin loan, secured	\$ 28,434,921	\$ 31,625,817

The movement in borrowings for the three months ended November 30, 2024 and 2023 consist of the following:

	Three Months Ended	
	November 30, 2024	November 30, 2023
Balance, beginning of the period	\$ 31,625,817	\$ -
Loan drawdowns	13,000,000	-
Interest expense	382,465	-
Loan repayments	(16,164,505)	-
Interest expense payments	(408,856)	-
Balance, end period	\$ 28,434,921	\$ -

The margin loan has an annual interest rate calculated as a blended rate based on tiers with spreads from 0.5% to 1.5% over the benchmark rate of the US Fed Funds Effective Overnight Rate. The effective interest rate on November 30, 2024, was 5.3% (August 31, 2024 – 6.1%). Interest is accrued daily and monthly interest is added to the loan account on the third business day of the following month.

The margin loan has no fixed repayment term. The loan is secured over the cash and securities held by the brokerage firm, with value of \$121,190,649 on November 30, 2024 (August 31, 2024 - \$89,671,410). Margin requirements are calculated by the brokerage firm and advised daily. If the loan's value is higher than the maintenance margin requirement, a portion of the margin loan must be repaid, or additional collateral must be provided. The brokerage firm has the right to liquidate securities within the portfolio to bring the loan back into margin compliance. The loan was in compliance with the margin requirements on November 30, 2024 and on August 31, 2024.

# QUEEN'S ROAD CAPITAL INVESTMENT LTD.

Notes to Condensed Interim Consolidated Financial Statements  
(Tabular amounts expressed in United States dollars, unless otherwise indicated)

Three months ended November 30, 2024

## 9. Share capital:

### (a) Common shares:

Authorized:

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

Issued and outstanding:

490,401,845 common shares at November 30, 2024 (August 31, 2024 - 455,485,496).

The continuity of the Company's issued, fully paid and outstanding common shares is as follows:

	Three Months Ended	
	November 30, 2024	November 30, 2023
Balance, beginning of period	455,485,496	450,356,514
Issued by private placement	21,428,571	-
Issued on exercise of share options	2,282,810	-
Issued in settlement of dividend	11,352,533	6,652,960
Purchased through NCIB and canceled	(147,565)	(412,313)
<b>Balance, end of period</b>	<b>490,401,845</b>	<b>456,597,161</b>

Share transactions during the three months ended November 30, 2024, were as follows:

- 21,428,571 common shares of the Company were issued on September 18, 2024 at C\$0.70 per share for gross proceeds of \$11,025,358 through a non-brokered private placement. The private placement included shares issued to three related parties: Corom; BBFIT; and a director of the Company (note 7).
- 2,282,810 common shares of the Company were issued as fully paid shares from the exercise of share options:
  - 1,158,600 common shares issued on October 11, 2024 from the exercise of share options at C\$0.30 per share.
  - 150,000 common shares issued on October 23, 2024 from the exercise of share options at C\$0.55 per share.
  - 974,210 common shares issued on November 11, 2024 from the exercise of share options at C\$0.30 per share.
- \$522,334 was received in cash and \$810,972 was transferred from share-based reserves to share capital.

# QUEEN'S ROAD CAPITAL INVESTMENT LTD.

Notes to Condensed Interim Consolidated Financial Statements

(Tabular amounts expressed in United States dollars, unless otherwise indicated)

Three months ended November 30, 2024

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## 9. Share capital (continued):

### (a) Common shares (continued):

- 11,352,533 shares of the Company were issued on November 14, 2024, as fully paid shares for the settlement of dividends of C\$0.021 per share, based on a share price of C\$0.70. \$5,652,540 was transferred from retained earnings to share capital.
- 147,565 shares of the Company, purchased through the Normal Course Issuer Bid ("NCIB") were canceled: 7,500 shares on November 4, 2024; 117,000 shares on November 14, 2024; and 23,065 shares on November 29, 2024.

The total cost of the shares canceled, including commission, was \$80,999 an average cost of C\$0.76 per share. \$60,247 representing the average issue price of the canceled shares, was transferred from the treasury share reserve to share capital. The remaining \$20,752 was transferred from the treasury share reserve to retained earnings.

- All shares purchased under the NCIB were cancelled as at November 30, 2024 and no shares were held in treasury.

Share transactions during the three months ended November 30, 2023, were as follows:

- 6,652,960 shares of the Company were issued on November 16, 2023, as fully paid shares for the settlement of dividends of C\$0.019 per share, based on a share price of C\$0.65. \$3,143,856 was transferred from retained earnings to share capital.
- 412,313 shares of the Company, purchased through the Normal Course Issuer Bid ("NCIB") were canceled: 178,500 shares on November 6, 2023; and 233,813 shares on November 20, 2023.

The total cost of the shares canceled, including commission, was \$203,889 an average cost of C\$0.68 per share. \$160,577 representing the average issue price of the canceled shares, was transferred from the treasury share reserve to share capital. The remaining \$43,312, was transferred from the treasury share reserve to retained earnings.

- All shares purchased under the NCIB were cancelled as at November 30, 2023 and no shares were held in treasury.

### (b) Warrants:

There were no warrants outstanding at November 30, 2024 and August 31, 2024.

# QUEEN'S ROAD CAPITAL INVESTMENT LTD.

Notes to Condensed Interim Consolidated Financial Statements  
(Tabular amounts expressed in United States dollars, unless otherwise indicated)

Three months ended November 30, 2024

## 9. Share capital (continued):

### (c) Stock options:

The Company's new incentive stock option plan ("2022 Option Plan") was approved by the shareholders of the Company at the Annual General Meeting on December 22, 2022, 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, subject to certain limitations in respect of the maximum number of common shares issuable to insiders. The 2022 Option Plan allows for the option price at the time each option is granted to be not less than the volume weighted average trading price of the common shares on the TSX for the 5-days immediately preceding the grant date. The 2022 Option Plan provides participants with a cashless exercise alternative. Options granted under the 2022 Option Plan will have a term not to exceed 5-years. Vesting is determined at the discretion of the Board of Directors and in accordance with the policies of the TSX.

Options granted under the Company's previous stock option plan ("Old Option Plan") will continue to be governed by the Old Option Plan.

The number of options outstanding at November 30, 2024, was 36,367,190 with a weighted average exercise price of C\$0.63 (August 31, 2024 - 38,650,000 with a weighted average exercise price of C\$0.61).

No stock options were issued during the three months ended November 30, 2024, nor in the year ended August 31, 2024.

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

	Three Months Ended	
	November 30, 2024	November 30, 2023
Balance, beginning of period	38,650,000	38,650,000
Exercised	(2,282,810)	-
Balance, end of period	36,367,190	38,650,000

2,282,810 options of the Company were exercised during the three months ended November 30, 2024, as follows:

- 1,158,600 options at C\$0.30 per share were exercised by a director on October 10, 2024.
- 150,000 options at C\$0.55 per share exercised on October 23, 2024.
- 974,210 options at C\$0.30 per share were exercised by a director on November 11, 2024.

# QUEEN'S ROAD CAPITAL INVESTMENT LTD.

Notes to Condensed Interim Consolidated Financial Statements

(Tabular amounts expressed in United States dollars, unless otherwise indicated)

Three months ended November 30, 2024

## 9. Share capital (continued):

### (c) Stock options (continued):

A summary of the Company's outstanding options at November 30, 2024, is as follows:

Exercise price C\$	Number of options		Expiry date
	outstanding	exercisable	
0.30	867,190	867,190	February 3, 2025
0.64	35,500,000	35,500,000	February 28, 2027
	36,367,190	36,367,190	

A summary of the Company's outstanding options at August 31, 2024, is as follows:

Exercise price C\$	Number of options		Expiry date
	outstanding	exercisable	
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	35,500,000	February 28, 2027
	38,650,000	38,650,000	

### (d) Normal Course Issuer Bid ("NCIB"):

The NCIB was renewed for 12-months from November 22, 2024. Purchases are conducted a third-party broker. The current NCIB allows for the repurchase of up to 17,600,000 shares.

During the three months ended November 30, 2024, there were purchases of 147,565 shares for cash of \$80,999 (November 30, 2023 - purchases of 412,313 shares for cash of \$203,889).

# QUEEN'S ROAD CAPITAL INVESTMENT LTD.

Notes to Condensed Interim Consolidated Financial Statements  
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Three months ended November 30, 2024

## 9. Share capital (continued):

(e) Dividend:

On October 11, 2024, the Company declared a dividend of C\$0.021 per share to all shareholders of record on November 4, 2024. The dividend of \$7,157,795 was paid on November 14, 2024, with \$1,505,256 paid in cash and \$5,652,540 settled by the issue of 11,352,533 shares under the Company's Dividend Reinvestment Plan ("DRIP").

On October 11, 2023, the Company declared a dividend of C\$0.019 per share to all shareholders of record on November 6, 2023. The dividend of \$6,218,309 was paid on November 16, 2023, with \$3,074,453 paid in cash and \$3,143,856 settled by the issue of 6,652,960 shares under the Company's DRIP.

## 10. Basic and diluted net income per share:

The calculation of basic net income per share, for the three months ended November 30, 2024, is calculated using the weighted average number of common issued shares of 475,882,365 less the weighted average number of shares purchased and held in treasury of 17,149 to derive the weighted average number of issued and outstanding shares 475,865,216 (November 30, 2023 - weighted average common issued shares of 451,317,840 less the weighted average number of shares purchased and held in treasury of 52,316 to derive 451,265,524 shares).

Diluted net income per share for the three months ended November 30, 2024, is calculated using the weighted average number of common shares issued and outstanding adjusted for the dilutive effect of 36,367,190 stock options (November 30, 2023 - 38,650,000 stock options).

## 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 year 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 November 30, 2024, and August 31, 2023:

	November 30, 2024	August 31, 2024
Estimated fair value through profit and loss:		
Investments	\$ 341,760,862	\$ 279,331,580
Amortized cost:		
Cash and cash equivalents	4,154,443	1,093,963
Receivables	4,227,428	2,195,570
Accounts payable and accrued liabilities	1,378,400	1,105,725
Borrowings	28,434,921	31,625,817
Lease liabilities	73,002	126,685

# QUEEN'S ROAD CAPITAL INVESTMENT LTD.

Notes to Condensed Interim Consolidated Financial Statements  
(Tabular amounts expressed in United States dollars, unless otherwise indicated)

Three months ended November 30, 2024

## 11. Financial instruments and risk management (continued):

As at November 30, 2024, and August 31, 2024, financial instruments that are not measured at estimated fair value on the balance sheet are represented by cash, receivables, accounts payable and accrued liabilities, borrowings and lease liabilities. 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).

Level 3 financial instruments consist of convertible debentures issued by unlisted companies and common shares issued by unlisted companies. The Company uses other third-party evidence and relevant valuation techniques to estimate the share price and uses quoted market prices for similar instruments to derive volatility and credit spread to value these Level 3 investments.

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

<b>November 30, 2024</b>	Level 1	Level 2	Level 3
Investments at estimated fair value	\$ 120,532,819	\$ 189,923,060	\$ 31,304,983

  

<b>August 31, 2024</b>	Level 1	Level 2	Level 3
Investments at estimated fair value	\$ 91,606,899	\$ 169,562,686	\$ 18,161,995

There were no asset transfers between levels in the three months ended November 30, 2024. There were asset transfers from Level 2 to Level 1 of \$73,247,330 due to the conversion of debentures into common shares during the year ended August 31, 2024.

The total unrealized gain recognized in Condensed Interim Consolidated Statements of Income and Comprehensive Income for the three months ended November 30, 2024, in respect of Level 3 investments in convertible debentures and common shares was \$3,001,044 (2023 - nil). The estimated fair value would increase (decrease) if the estimated share price was higher (lower); the estimated volatility was higher (lower), or the credit spread was lower (higher).

# QUEEN'S ROAD CAPITAL INVESTMENT LTD.

Notes to Condensed Interim Consolidated Financial Statements  
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Three months ended November 30, 2024

## 11. Financial instruments and risk management (continued):

A one percentage point increase or decrease in the estimated share price, volatility, or credit spread would have the following impact on the estimated fair value at November 30, 2024:

	1% increase	1% decrease
Convertible debentures:		
Share price	\$ (40,107)	\$ (173,064)
Volatility	50,394	92,051
Credit spread	(71,370)	143,357
Common shares:		
Share Price	1,367	(1,367)

### *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 convertible debentures invested in seven companies at November 30, 2024, that were made up of 45% NexGen; 14% Moxico; 13% IsoEnergy; 12% Gold Royalty; 5% Challenger; 6% Contango, and 5% Los Andes (August 31, 2024 - 41% NexGen; Gold Royalty 15%; 13% IsoEnergy; 10% Moxico; 9% Contango; 6% Challenger and 6% Los Andes).



# QUEEN'S ROAD CAPITAL INVESTMENT LTD.

Notes to Condensed Interim Consolidated Financial Statements  
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Three months ended November 30, 2024

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## 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. The Company has also obtained liquidity through arranging secured bank and other margin loans.

The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity, bank or other financing. As of November 30, 2024, the Company had no significant contractual obligations other than those included in accounts payable, accrued liabilities, borrowings and lease liabilities and the commitment disclosed in note 15.

### (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 November 30, 2024, the Company is exposed to limited interest rate risk as it earns relatively low interest on its cash balance due to modest interest rates on United States dollars, Canadian dollars ("C\$") and Australian dollars (A\$). The Company is exposed to interest rate risk on its borrowings arising from movements in United States Federal Funds Effective Overnight Rate.

The Company has assets and liabilities which are denominated foreign currencies. The Company's exposure to exchange rate fluctuations arises mainly on foreign currency fluctuations against the United States dollar functional currency.

The Company is exposed to foreign currency risk on fluctuations related to cash, prepayments and deposits, investments, and accounts payable and accrued liabilities and lease liabilities that are denominated in Canadian (C\$); Hong Kong ("HK\$"); Australian ("A\$") dollars; and British Pounds ("GBP").

# QUEEN'S ROAD CAPITAL INVESTMENT LTD.

Notes to Condensed Interim Consolidated Financial Statements  
(Tabular amounts expressed in United States dollars, unless otherwise indicated)

Three months ended November 30, 2024

## 11. Financial instruments and risk management (continued):

### (c) Interest and foreign exchange risk (continued):

The United States dollar equivalent of assets (liabilities) denominated in the foreign currencies are as follows:

<b>November 30, 2024</b>	C\$	GBP	HK\$	A\$	Total
Cash	\$ 1,043,630	\$ -	\$ 21,145	\$ 1,898,030	\$ 2,962,805
Prepayments and deposits	1,071	-	61,608	-	62,679
Receivables	49	-	-	6,259	6,308
Investments	92,065,312	136,692	-	27,126,684	119,328,688
Accounts payable and accrued liabilities	(178,389)	(27,969)	(38,621)	-	(244,979)
Lease liabilities	-	-	(73,002)	-	(73,002)
<b>Net assets (liabilities)</b>	<b>\$ 92,931,673</b>	<b>\$ 108,723</b>	<b>\$ (28,870)</b>	<b>\$29,030,973</b>	<b>\$122,042,499</b>
<b>August 31, 2024</b>	C\$	GBP	HK\$	A\$	Total
Cash	\$ 285,377	\$ -	\$ 21,316	\$ 372	\$ 307,065
Prepayments and deposits	1,170	-	61,606	-	62,776
Receivables	-	-	-	-	-
Investments	67,317,245	-	-	22,464,902	89,782,147
Accounts payable and accrued liabilities	(153,320)	(7,890)	(43,585)	-	(204,795)
Lease liabilities	-	-	(126,685)	-	(126,685)
<b>Net assets (liabilities)</b>	<b>\$ 67,450,472</b>	<b>\$ (7,890)</b>	<b>\$ (87,348)</b>	<b>\$22,465,274</b>	<b>\$ 89,820,508</b>

Based on the above net exposure as at November 30, 2024, and assuming all other variables remain constant, a 2% depreciation or appreciation of the C\$, HK\$, A\$ and GBP against the United States dollar would result in an increase or decrease of approximately \$2.4 million (August 31, 2024 - \$1.8 million) in the Company's net income and comprehensive income.

### (d) Market price risk:

Market price risk is the risk that the estimated 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 estimated fair value of public entities are subject to price risk. A 5% increase and a 5% decrease in the value of the individual equity market prices in public entities, or individual equity prices in listed and unlisted entities, which are used as equivalent equity instruments for the valuation of non-traded investments, would result in an increase of approximately \$12.9 million and a decrease of approximately \$14.2 million, respectively, in the value of investments and unrealized gain for the three months ended November 30, 2024 (August 31, 2024 - increase of approximately \$10.5 million and decrease of approximately \$10.6 million).

# QUEEN'S ROAD CAPITAL INVESTMENT LTD.

Notes to Condensed Interim Consolidated Financial Statements  
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Three months ended November 30, 2024

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## 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.

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:

Significant non-cash transactions in the three months ended November 30, 2024, and November 30, 2023 were:

	Three Months Ended	
	November 30, 2024	November 30, 2023
Investments received for settlement of establishment fees (note 4)	\$ -	\$ 2,100,000
Investments received for settlement of interest receivable (note 4)	541,934	392,458
Investments received on conversion of debentures (note 4)	-	53,934,310
Transfer from retained earnings to share capital for shares issued under the DRIP (note 9(e))	5,652,540	3,143,856
Transfer from retained earnings to share capital for shares Issued for options exercised (note 9(a))	810,972	-

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# QUEEN'S ROAD CAPITAL INVESTMENT LTD.

Notes to Condensed Interim Consolidated Financial Statements  
(Tabular amounts expressed in United States dollars, unless otherwise indicated)

Three months ended November 30, 2024

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## 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.

## 15. Commitments:

On July 17, 2024, the Company committed to purchase \$50 million convertible debentures issued by Moxico. The Company purchased US\$20 million convertible debentures on July 17, 2024; and US\$10 million on October 21, 2024 (note 5). A further US\$10 million convertible debentures were purchased on December 6, 2024 (note 16). The Company has committed to purchase the remaining \$10 million convertible debentures by January 31, 2025.

## 16. Subsequent events:

On December 6, 2024, the Company invested a further \$10 million in convertible debentures issued by Moxico funded by the secured margin loan. The convertible debentures mature on July 17, 2029, carry an 11% coupon, 7.5% settled in cash and 3.5% settled in shares and are convertible into common shares of Moxico at a price of GBP0.90. An establishment fee of 3% of the principal amount was settled in cash.

On January 10, 2025, the requisite shareholder approvals were received at the Company's annual general meeting to proceed with a consolidation of the issued and outstanding common shares of the Company on the basis of one post-consolidation common share for every ten pre-consolidation shares (the "**Consolidation**"). The Board approved the Consolidation on January 10, 2025.