



Queen's Road Capital Investment Ltd.  
Management's Discussion and Analysis

For the three and nine months ended May 31, 2025

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**Effective Date of this Report: July 11, 2025**

This Management's Discussion and Analysis ("MD&A") is intended to help the reader understand the significant factors that have affected the performance of Queen's Road Capital Investment Ltd. and its subsidiary (collectively, "QRC", "we", "us", "our" or the "Company") and such factors that may affect its future performance. This MD&A should be read in conjunction with the Company's the condensed interim consolidated financial statements for the three and nine months ended May 31, 2025, and the related notes attached thereto, and the consolidated audited financial statements for the year ended August 31, 2024, and the related notes attached thereto, which have been prepared in accordance with IFRS Accounting Standards. The consolidated financial statements are available under QRC's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). All amounts in this MD&A are expressed in thousands of United States dollars, unless otherwise stated.

On January 10, 2025, the Company's Board of Directors approved the consolidation of the Company's issued and outstanding common shares at a consolidation ratio of ten (10) pre-consolidation common shares for every post-consolidation common share (the "Share Consolidation"). Outstanding stock options were similarly adjusted by the Share Consolidation ratio. The Share Consolidation resulted in 490,401,845 pre-consolidated common shares on January 10, 2025 being consolidated into 49,040,187 post-consolidation common shares on January 15, 2025. The Share Consolidation was implemented with effect from January 15, 2025. In accordance with IFRS Accounting Standards the change has been applied retrospectively, and as a result, disclosures of common shares, per common share data, and data related to stock options in this MD&A reflect this Share Consolidation for all periods presented unless otherwise specified.

The MD&A includes the non-IFRS Accounting Standard management measure of estimated market value of investments, which differs from the standardized measurement prescribed under IFRS Accounting Standards and used for the purposes of the financial statements. Management's measurement may not be comparable to similar measures presented by other entities. This non-*Generally Accepted Accounting Practice* ("GAAP") measure should not be considered to be more meaningful than GAAP measures, which are determined in accordance with IFRS Accounting Standards. The reconciliation of management's estimated market value of investments to the estimated fair value of investments, pursuant to IFRS 13, *Fair Value Measurement*, in the consolidated financial statements, is set out under "***Investments at Estimated Fair Value***" below.



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### **Cautionary Statement on Forward-Looking Information**

Except for statements of historical fact, this MD&A contains certain “**forward looking information**” and “**forward looking statements**” within the meaning of applicable securities laws, which reflect Management's current expectations, assumptions, and beliefs of the Company as of the date of such information or statements. Generally, forward looking statements and information can be identified by the use of forward-looking terminology such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, “believes” or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved” or the negative connotation thereof.

All such forward-looking statements are based on certain assumptions and analyses made by Management in light of their experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate in the circumstances. These statements are, however, subject to known and unknown risks and uncertainties and other factors.

As a result, actual results, performance, or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits will be derived therefrom.

These risks, uncertainties, and other factors include, among others, but are not limited to, statements with respect to the Company's future growth, results of operations, performance and business prospects, opportunities, the Company's investment strategy, investment process, and competitive advantage, growth expectation and opportunities, the availability of future acquisition opportunities and use of the proceeds from financing.

Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that statements containing forward looking information will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on statements containing forward looking information. All the forward-looking information and statements contained in this document are expressly qualified, in their entirety, by this cautionary statement. The forward-looking information and statements are made as of the date of this document, and the Company assume no obligation to update or revise them except as required pursuant to applicable securities laws.



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### **Description of the Business**

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. QRC is a Hong Kong based company listed on the Toronto Stock Exchange under the symbol "QRC".

### **Key Accomplishments During the Nine Months Ended May 31, 2025**

#### **\$50 Million Investment in Moxico Resources plc**

On July 17, 2024, the Company committed to purchase US\$50 million convertible debentures issued by Moxico Resources plc ("Moxico") having the following principal terms:

- 11.0% interest payable semi-annually - 7.5% in cash and 3.5% in Moxico common shares;
- 5-year maturity; and
- Debentures convertible into Moxico common shares at GBP0.90 per share.

The Company completed the purchase of \$20 million convertible debentures on July 17, 2024; \$10 million on October 21, 2024; \$10 million on December 6, 2024; \$5 million on February 18, 2025, and \$5 million on April 1, 2025. QRC earned a 3% establishment fee on the principal amount of the debentures, which was settled in cash on \$40 million principal and in common shares on \$10 million principal. The investments were funded by debt facilities.

#### **C\$15 Million Private Placement**

On September 18, 2024, the Company completed a non-brokered private placement of 2,142,857 shares at a price of C\$7.00 per share for gross proceeds of C\$15 million (\$11 million).

#### **Declaration and Payment of Dividend**

On October 11, 2024, the Company declared its annual dividend of C\$0.21 per share to all shareholders on record as of November 4, 2024. The dividend was paid on November 14, 2024.



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## **Investments**

The Company has adopted an investment policy (the "**Investment Policy**") to govern the Company's investment activities which provides, among other things, the investment objectives and strategy based on the fundamental principles set out below. A copy of the Investment Policy is posted on the Company's website and filed on SEDAR+.

### **Investment Objectives**

The Company invests primarily in public and privately held companies, primarily in the natural resource sector, with the objective of increasing shareholder return while seeking to preserve capital and limit downside risk by focusing on opportunities with attractive risk to reward profiles. The Company seeks to identify investments by utilizing the experience and expertise of its Management and Board. The Company seeks out superior investments that may include the acquisition of shares, equity, warrants, debt, convertible securities, royalty arrangements or streaming arrangements for public or private corporations with a focus on convertible debt securities.

### **Investment Strategy**

In light of the numerous investment opportunities across the entire natural resources sector, the Company aims to adopt a flexible approach to investment targets without placing unnecessary limits on potential returns on its investment.

This approach is demonstrated in the Company's investment strategy set out below.

- The Company invests in the securities of both public and private natural resource companies and may take part in private or public offerings for predetermined equity positions, royalties, debt or convertible or preferred securities.
- Initial investments of debt, equity or a combination thereof may be made in public or private companies through a variety of financial instruments including, but not limited to, private placements, participation in initial public offerings, bridge loans, secured loans, unsecured loans, convertible debentures, warrants and options, royalties, net profit interests and other hybrid instruments.
- Investment arrangements may include a combination of securities including, but not limited to equity, debt, convertible debentures, warrants, preferred shares, bridge financing, collateral, royalty arrangements or other securities as deemed appropriate by the Company's Management and in compliance with the Investment Policy. In certain cases, the Company expects to enter into oversight arrangements as a condition of the investment. Oversight may range from Board appointments, advisory positions, or management consulting positions with the target companies.
- The Company may purchase or sell securities on public exchanges.



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## **Investments (continued)**

### **Investment Strategy (continued)**

- The Company reserves the right to acquire all or part of other businesses or assets of a target company that management believes will enhance the value for shareholders. The Company will place no formal limit on the size of potential investments and may require future equity or debt financings to raise money for specific investments.
- The Company may make investments in extra-ordinary activities, or activities not in the normal course of business, which may include but not be limited to mergers, acquisitions, corporate restructurings, spin-offs, take-overs, bankruptcies or liquidations, public listings, leveraged buyouts or start-ups. The Company may elect to invest in such events, provide financing, or purchase securities in exchange for fees, interest or equity positions.
- The majority of investments are expected to have an expected life of investment of four to five years; however, the Company may also invest in opportunities that could provide longer-term capital appreciation.
- Depending on market conditions, the Company intends to fully invest its available capital, apart from maintaining capital to cover operating expenses.
- The Company will seek to maintain the ability to actively review and revisit all of investments on an ongoing basis.
- The Company will evaluate the liquidity of investments and seek to realize value from same in a prudent and orderly fashion.
- All investments will be made in compliance with applicable laws in relevant jurisdictions, and in compliance with any associated exchange policy.

Management, the Investment Committee or the Board of the Company may authorize investments outside the guidelines described above if they feel the investment is for the benefit of the Company and its shareholders.

### **Investment Selection, Evaluation and Decision Making Process**

The Company will pursue opportunities referred through investment banks, venture capital firms, legal and accounting firms and its professional network, and will gather insight into each opportunity, including its business model, financial prospects, management team, and the use of funds.

Management will research each investment target and will analyze and review opportunities with each target and provide a recommendation to the Board as a whole and to the Investment Committee. The Board has delegated the authority to make the final investment decision to the Investment Committee in respect of any opportunity recommended by the Board to the Investment Committee.



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## **Investments (continued)**

### **Investment Selection, Evaluation and Decision Making Process (continued)**

Research activities undertaken by management will include gathering complete details about the target company's business strategy, financial history, management team, growth objectives, products, markets, competitive forces, and capital requirements.

Management will oversee the due diligence activities. When deemed necessary, the Company may augment its review activities by outsourcing research requirements on specific investment opportunities to independent firms (accounting/financial, legal or industry analysts) that have professional relationships with the Company. Management will assess the financing needs of the target company in order to determine if the opportunity is compatible with the investment returns specific to the Company's investment criteria. The result of Management's review will conclude with a recommendation to the Board indicating if the Company should consider an investment in the target company. Management recommendations may range from:

- continuing to consider investment;
- recommending not to invest;
- considering investment with certain agreement covenants; and
- working with the target company in an advisory capacity in an effort to ready the target company for an investment at a later date.

### **Composition of Investment Portfolio**

The Company invests the majority of its funds in the securities of resource companies. Investments made by the Company may take different forms, including equity, warrants, debt, convertible debentures, royalties and metal streaming, although the Company is primarily focused on convertible debt securities.

As of May 31 2025, the Company has invested a total of \$206 million in convertible debentures issued by seven resource companies as presented in the table below.

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Resource Company	Investment base at cost
Challenger Gold Ltd.	\$ 15,000
Contango ORE, Inc.	20,000
Gold Royalty Corp.	30,000
IsoEnergy Ltd. <sup>(1)</sup>	7,000
Los Andes Copper Ltd. <sup>(1)</sup>	14,000
Moxico Resources plc.	50,000
NexGen Energy Ltd.	70,000
	<hr/>
	\$ 206,000

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<sup>(1)</sup> Several convertible debentures issued on various dates.



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**Investments (continued)**

**Management's Estimated Market Value of Investments**

The Company has investments in listed and unlisted issuers and as such the market value of these investments moves with the share prices of the investee issuers. As most of the Company's investments are in convertible debt securities, the Company is less exposed to the risk of fluctuations in the market price of the equity securities than it would be if it invested in those equity securities directly.

US\$000	July 10, 2025
Equity investments: <sup>(1)</sup>	
NexGen Energy Ltd.	\$ 68,565
Other equity investments <sup>(2)</sup>	37,445
Convertible debentures: <sup>(3)</sup>	
Challenger Gold Ltd.	15,270
Contango ORE, Inc.	24,734
Gold Royalty Corp.	49,576
IsoEnergy Ltd.	12,364
Los Andes Copper Ltd.	14,449
Moxico Resources plc	84,680
NexGen Energy Ltd.	97,758
<b>Total estimated market value</b>	<b>\$ 404,841</b>

<sup>(1)</sup> Market Value was based on share prices and exchange rates on July 10, 2025.

<sup>(2)</sup> "Other equity Investments" include (a) securities purchased for investment purposes; and (b) securities received as establishment fees and in settlement of interest receivable held for investment purposes that had no original investment cost to the Company; and (c) shares held as a result of conversion of certain convertible debentures held for investment purposes.

<sup>(3)</sup> Convertible debentures are stated at principal plus accrued interest with the option valued using the Black-Scholes methodology.



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## Investments (continued)

### ***Reconciliation of Management's Estimated Market Value of Investments to Investments at Estimated Fair Value (an IFRS Accounting Standards measure)***

As required by IFRS Accounting Standards, fair value of equity investments as shown in the consolidated audited financial statements is estimated based on the closing market price of the relevant equity investment. Pursuant to IFRS 13, *Fair Value Measurement*, fair value of the convertible debentures as shown in the consolidated audited financial statements is estimated using a valuation model of a system of two coupled Black Scholes equations and partial differential equations that are solved simultaneously using finite-difference methods. The fair value for a convertible debt instrument may be below the principal amount of such convertible debt instrument due to the methodology employed to derive such fair value. This does not have any implications in relation to the solvency of the issuer. The fair value is to comply with IFRS Accounting Standards only.

The Company's management estimated market value of these investments is detailed in the section above titled "***Management's Estimated Market Value of Investments***". Management believe that the market value of the investments provides a useful indication of the underlying value of the investment portfolio, particularly for the convertible debentures which are stated without the adjustment applied to volatility required to equate the initial estimated valuation to the estimated fair value of consideration exchanged in accordance with IFRS.

The reconciliation of the IFRS Accounting Standards estimated fair value of investments, the most directly comparable financial measure from the consolidated financial statements to Management's estimated market value of investments is set out below:

	May 31, 2025	August 31, 2024
	\$	\$
Estimated fair value under IFRS Accounting Standards at the end of the period	313,503	279,332
<i>Convertible debentures</i> - difference in models used and volatility assumptions due to initial calibration of fair value with purchase price under IFRS Accounting Standards	63,505	62,286
Management's estimate of market value at the end of the period	377,008	341,618
Equity investments - other shares received less disposals	1,199	(3,683)
Equity investments - update of market value to date of report	5,918	21,684
Convertible debentures - update of market value to date of report	6,603	9,736
Convertible debentures - new investments at market value	14,113	13,768
Management's estimate of market value of investments at date stated in the MD&A report	404,841	383,123





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### **Income Generation**

The Company generates income from its investments in three main forms: (a) interest income from its convertible securities; (b) capital gains/losses from the disposal of its investments; and (c) fees earned as part of its investments.

(a) Interest income:

The Company receives interest income from its investments in convertible securities on a quarterly or semi-annual basis, depending on the specific terms of each investment. Some of the Company's investments settle a portion of the interest payment in the form of equity.

Annual interest income on the investments in convertible debentures held as at the date of this MD&A would be \$19.7 million.

(b) Capital gains (losses):

The Company may generate income from capital gains (losses) through the sale of its investments. Capital gains (losses) could come in the form of (a) sale of any equity investments; (b) sale of any convertible security investments; or (c) sale of any equity shares received as settlement of establishment fees or interest income.

(c) Fees:

The Company may generate income from fees earned as part of its investments. The Company has earned establishment fees when it completed the convertible securities investments made to date. Establishment fees have been paid either in cash or shares.



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## Results for the Three and Nine Months ended May 31, 2025

### Overall Performance

	Three months ended		Nine months ended	
	May 31, 2025	May 31, 2024	May 31, 2025	May 31, 2024
	\$	\$	\$	\$
Interest and other income	4,893	3,664	13,925	10,529
Establishment fee income	150	-	900	3,000
Realized gain from equity investments	1,760	451	4,164	1,605
Realized (loss) gain from convertible debentures	-	(4,160)	(708)	4,197
Unrealized gain from equity investments	14,957	14,709	8,582	26,552
Unrealized gain from convertible debentures	18,774	16,969	7,192	35,793
Total income from investments	40,534	31,633	34,055	81,676

Gain from investments during the three and nine months ended May 31, 2025, of \$40,534 and \$34,055, respectively, represents unrealized gain on convertible debentures and equity investments, interest income on the convertible debenture portfolio, realized gain from equity and other investments, and establishment fees.

Income from investments during the three months ended May 31, 2024, of \$31,633 mainly represents unrealized gain on convertible debentures and equity investments, interest income on the convertible debenture portfolio, partially offset by realized loss on convertible debentures.

Income from investments during the nine months ended May 31, 2024, of \$81,676, represents unrealized gain on convertible debentures and equity investments, interest income on the convertible debenture portfolio, realized gain on convertible debentures, establishment fees, and realized gain from equity investments.

Interest and other income from investments during the three and nine months ended May 31, 2025, of \$4,893 and \$13,925, and three and nine months ended May 31, 2024, of \$3,664 and \$10,529, respectively, mainly represents the interest income earned on the convertible debenture portfolio.

Establishment fee income during the three and nine months ended May 31, 2025, of \$150 and \$900 represents establishment fee earned on the Moxico convertible debentures. Establishment fee income during the nine months ended May 31, 2024, of \$3,000 represents the establishment fee earned on the Gold Royalty debentures acquired in December 2023 and the new NexGen debentures acquired in September 2023.



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## Results for the Three and Nine Months ended May 31, 2025 (continued)

### Overall Performance (continued)

Realized gain from equity investments during the three and nine months ended May 31, 2025, of \$1,760 and \$4,164 and \$451 and \$1,605 during the three and nine months ended May 31, 2024, respectively, arise from the sale of equity investments.

Realized loss from convertible debentures during the nine months ended May 31, 2025, of \$708 arises from the partial conversion of IsoEnergy convertible debentures in January 2025. Realized loss from convertible debentures during the three months ended May 31, 2024, of \$4,160 arises from the conversion of Adriatic convertible debentures in March 2024. Realized gain from convertible debentures during the nine months ended May 31, 2024, of \$4,197 arises from a gain on the conversion of NexGen convertible debentures in September 2023, partially offset by the loss on conversion of Adriatic convertible debentures in March 2024.

Unrealized gain from equity investments during the three and nine months ended May 31, 2025, of \$14,957 and \$8,582, mainly represents gain arising from the increase in the share price of Adriatic, NexGen, and Los Andes. Unrealized gain from equity investments during the three and nine months ended May 31, 2024, of \$ 14,709 and \$26,552 mainly represents gain arising from the increase in the share price of NexGen and Adriatic.

Unrealized gain on convertible debentures during the three and nine months ended May 31, 2025, of \$18,774 and \$7,192, mainly represents increases in the fair value of the debentures in NexGen, Gold Royalty, and Contango. Unrealized gain on convertible debentures during the three and nine months ended May 31, 2024, of \$16,969 and \$35,793 mainly represents increases in the fair value of the debentures in NexGen (September 2023), Gold Royalty, IsoEnergy, and Contango.

### Selected Annual Information

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

	Year ended		
	August 31, 2024	August 31, 2023	August 31, 2022
	\$	\$	\$
Income from investments	23,197	10,293	8,506
Net income (loss)	18,035	4,343	(3,482)
Basic income (loss) per share	0.40	0.10	(0.10)
Diluted income (loss) per share	0.37	0.09	(0.10)
<b>Total assets</b>	<b>282,856</b>	<b>237,241</b>	<b>232,574</b>



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### Summary of Quarterly Results

Quarter ended	Total assets	Net income (loss) from investments	Net income (loss)	Net income (loss) per share basic	Net income (loss) per share diluted
	\$	\$	\$	\$	\$
May 31, 2025	321,391	40,534	39,488	0.81	0.76
February 28, 2025	286,741	(68,302)	(69,694)	(1.42)	(1.42)
November 30, 2024	350,322	61,824	60,476	1.27	1.18
August 31, 2024	282,856	(58,479)	(60,013)	(1.32)	(1.32)
May 31, 2024	333,893	31,633	30,153	0.66	0.61
February 29, 2024	303,787	18,421	16,816	0.37	0.34
November 30, 2023	263,800	31,622	31,079	0.69	0.63
August 31, 2023	237,241	33,426	31,982	0.71	0.66

The Company's performance and results are not expected to be subject to seasonal variations.

Gain from investments during the three months ended May 31, 2025, was principally attributable to unrealized gain from convertible debentures due to a decrease in the underlying share price of Gold Royalty, NexGen and Contango; unrealized gain from equity investments due to the increase in share price of NexGen, Adriatic and IsoEnergy; interest income due to the increase in the principal amount of investments in convertible debentures and released gain on the sale of equity investments.

Loss from investments during the three months ended February 28, 2025, was principally attributable to unrealized loss from convertible debentures due to a decrease in the underlying share price of NexGen; unrealized loss from equity investments due to the decrease in share price of NexGen partially offset by interest income due to the increase in the principal amount of investments in convertible debentures.

Income from investments during the three months ended November 30, 2024, was principally attributed to unrealized gain from equity investments due to the increase in the share price of NexGen and Adriatic; unrealized gain from convertible debentures due to the increase in the underlying share price of NexGen, Moxico and IsoEnergy; interest income due to the increase in the principal amount of investments in convertible debentures; realized gain from equity investments; and the establishment fee income earned on the debentures.

Loss from investments during the three months ended August 31, 2024, was principally attributable to unrealized loss from convertible debentures due to a decrease in the underlying share price of NexGen and IsoEnergy; unrealized loss from equity investments due to the decrease in share price of NexGen and Adriatic partially offset by interest income due to the increase in the principal amount of investments in convertible debentures and the establishment fee income earned on the Moxico debentures.



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### **Summary of Quarterly Results (continued)**

Income from investments during the three months ended May 31, 2024, was principally attributable to unrealized gain from convertible debentures due to the increase in the underlying share price of NexGen, Contango and IsoEnergy; realized gains from equity investments due to the increase in the share price of NexGen and Adriatic; interest income due to the increase in the principal amount of investments in convertible debentures and the establishment fee income earned on the NexGen (September 2023) and Gold Royalty (December 2023) debentures.

Income from investments during the three months ended February 29, 2024, was principally attributable to unrealized gain from convertible debentures due to the increase in the underlying share price of NexGen, Gold Royalty, and IsoEnergy; realized gain from convertible debentures due to the conversion of the NexGen (May 2020) debentures into common shares of NexGen; realized gains from equity investments due to the increase in the share price of NexGen; interest income due to the increase in the principal amount of investments in convertible debentures and the establishment fee income earned on the NexGen (September 2023) and Gold Royalty (December 2023) debentures.

Income from investments during the three months ended November 30, 2023, was principally attributable to unrealized gain from convertible debentures due to the increase in the underlying share price of NexGen, Contango and IsoEnergy; realized gain from convertible debentures due to the conversion of the NexGen (May 2020) debentures into common shares of NexGen; realized gains from equity and other investments due to the increase in the share price of NexGen; interest income due to the increase in the principal amount of investments in convertible debentures and the establishment fee income earned on the NexGen (September 2023) debenture.

Income from investments during the three months ended August 31, 2023, was principally attributable to unrealized gain from equities and other investments due to the increase in the share price of NexGen and unrealized gain from convertible debentures due to the increase in the underlying share price of NexGen, IsoEnergy and Adriatic.

Net income during the three months ended May 31, 2025, November 30, 2024, May 31, 2024, February 29, 2024, November 30, 2023, and August 31, 2023 is attributable to income from investments, less operating expenses.

Net loss during the three months ended February 28, 2025 and August 31, 2024 was mainly due to unrealized loss on investments and operating expenses.



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## Results of Operations

### **Income from Investments for the Three and Nine Months ended May 31, 2025 and 2024**

	Three months ended		Nine months ended	
	May 31, 2025	May 31, 2024	May 31, 2025	May 31, 2024
	\$	\$	\$	\$
Interest and other income	4,893	3,664	13,925	10,529
Establishment fee income	150	-	900	3,000
Realized gain (loss) from investments	1,760	(3,709)	3,456	5,802
Unrealized gain from investments	33,731	31,678	15,774	62,345
	40,534	31,633	34,055	81,676

During the three and nine months ended May 31, 2025, the Company recorded income from investments of \$40,534 and \$34,055, compared to income from investments in the three and nine months ended May 31, 2024, of \$31,633 and \$81,676, respectively. The higher gain for the three ended May 31 2025 compared the corresponding period was mainly attributable to increased unrealized gain from investments, due to the higher increases in the share prices of the investments in the current period compared to the rise in the corresponding period combined with a realized gain from investments compared to a realized loss in the corresponding period and higher interest and other income and establishment fees. The lower gain for the nine ended May 31, 2025 compared the corresponding period was mainly attributable to decreased unrealized gain from investments, due to the lower increases in the share prices of the investments in the current period compared to the rise in the corresponding period combined with lower realized gain from investments and establishment fees partially offset by higher interest and other income.

Interest and other income for the three and nine months ended May 31, 2025, of \$4,893 and \$13,925 compared to \$3,664 and \$10,529 in the three and nine months ended May 31, 2024. The Company primarily earned interest income on its convertible debenture securities. The increase for the three and nine months ended May 31, 2025, compared to the corresponding periods was mainly due to the purchase of additional investments in convertible debentures generating increased interest income.

Establishment fee income for the three and nine months ended May 31, 2025, of \$150 and \$900 compared to \$nil and \$3,000 in the three and nine months ended May 31, 2024, respectively. The income in the three and nine months ended May 31, 2025, was the 3% establishment fees on the principal amount of \$5 million and \$30 million Moxico convertible debentures. The income in the nine months ended May 31, 2024, was the 3% establishment fees on the principal amount of \$70 million NexGen and \$30 million Gold Royalty convertible debentures.



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## **Results of Operations (continued)**

### **Income from Investments for the Three and Nine Months ended May 31, 2025 and 2024 (continued)**

Realized gain from investments for the three months ended May 31, 2025, of \$1,760 compared to realized loss from investments for the three months ended May 31, 2024, of \$3,709. The gain in the three months ended May 31, 2025, is gain on the sale of equity investments. The loss in the three months ended May 31, 2024, is loss on conversion of the Adriatic debentures partially offset by gain on sale of equity investments.

Realized gain from investments for the nine months ended May 31, 2025, of \$3,456 compared to realized gain of \$5,802 in the nine months ended May 31, 2024. The income in the nine months ended May 31, 2025, is gain on the sale of equity investments partially offset by loss on partial conversion of the IsoEnergy (2020) convertible debentures. The income in nine months ended May 31, 2024, is gain on conversion of the NexGen (May 2020) convertible debentures and the gain on the sale of equity investments.

The loss or gain on the conversion of convertible debentures reflects the number of shares received on conversion and the individual share price at the time of conversion compared to the carrying value of the investment at the beginning of the financial year. The gain on the sale of equity investments reflects the number of equity investments sold and the individual share price at the time of sale compared to the carrying value of the investments at the beginning of the financial year.

Unrealized gain from investments for the three and nine months ended May 31, 2025, of \$33,731 and \$15,774 compared to an unrealized gain from investments for the three and nine months ended May 31, 2024, of \$31,678 and \$62,345, respectively.

The unrealized gain from investments in the three and nine months ended May 31, 2025, and the three and nine months ended May 31, 2024 was attributable to an increase in the fair value of some of the convertible debenture securities, combined with an increase in the fair value of some of the investments in equities of public companies owned by the Company. The share price of some of the underlying issuers of the convertible debentures and equities increased less between the start and end of the three and nine months ended May 31, 2025, compared to the increases in the corresponding periods, resulting in a lower unrealized gain in the three and nine months ended May 31, 2025, compared to the unrealized gain in the corresponding periods.

The amount of gain or loss from investments in future quarters will depend on the share price, volatility of the stock, remaining life of the debentures, and credit-adjusted interest rate during such quarters.



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## Results of Operations (continued)

### **Operating Expenses for the Three Months ended May 31, 2025 and 2024**

	May 31, 2025	May 31, 2024	Increase (decrease) expenses
	\$	\$	\$
Business development and marketing	68	105	(37)
Depreciation	46	47	(1)
Foreign exchange (gain) loss	(66)	14	(80)
Management and directors' fees	496	488	8
Office and administration	82	71	11
Professional and regulatory fees	81	127	(46)
	707	852	(145)

Significant changes for the three months ended May 31, 2025, compared to May 31, 2024, are as follows:

- Business development and marketing decreased \$37 mainly due to decreased travel.
- Foreign exchange loss of \$14 moved to foreign exchange gain of \$66 due to the impact of C\$/ \$ and A\$/ \$ exchange rate fluctuations combined with the higher Australian dollar cash held.
- Professional and regulatory fees decreased \$46, mainly due to the level and timing of corporate activities.

### **Operating Expenses for the Nine Months ended May 31, 2025 and 2024**

	May 31, 2025	May 31, 2024	Increase (decrease) expenses
	\$	\$	\$
Business development and marketing	214	275	(61)
Depreciation	139	140	(1)
Foreign exchange loss	116	88	28
Management and director fees	1,489	1,425	64
Office and administration	247	216	31
Professional and regulatory fees	411	305	106
	2,616	2,449	167





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## Results of Operations (continued)

### **Operating Expenses for the Nine Months ended May 31, 2025 and 2024**

Significant changes for the nine months ended May 31, 2025, compared to May 31, 2024, are as follows:

- Business development and marketing decreased \$61, mainly due to decreased travel.
- Foreign exchange loss increased \$28, mainly due to the increased impact of C\$/ \$ and A\$/ \$ exchange rate fluctuations combined with the higher Australian dollar cash held.
- Management and director fees increased \$64 due to increases in the fees payable to both management and directors from January 1, 2024.
- Office and administration increased \$31, mainly due to the increase in health insurance costs.
- Professional and regulatory fees increased \$106, mainly due the level and timing of corporate activities.

### **Interest Expense for the Three Months ended May 31, 2025 and 2024**

	May 31, 2025	May 31, 2024	Increase (decrease) expenses
	\$	\$	\$
Interest expense and finance costs	346	626	(280)
Interest expense on lease liabilities	5	2	3
	351	628	(277)

Interest expense and finance costs decreased \$280 for the three months ended May 31, 2025 compared to the three months ended May 31, 2024, mainly due to the lower interest rate on the margin loan drawn down in July 2024 compared to the interest rate on the secured bank loan drawn down in December 2023.



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**Results of Operations (continued)**

**Interest Expense for the Nine Months ended May 31, 2025 and 2024**

	May 31, 2025	May 31, 2024	Increase (decrease) expenses
	\$	\$	\$
Interest expense and finance costs	1,170	1,170	-
Interest expense on lease liabilities	6	9	(3)
	1,176	1,179	(3)

Interest expense and financing costs are in line for the nine months ended May 31, 2025, compared to the nine months ended May 31, 2024. Interest expense and financing costs for the nine months ended May 31, 2025, relate to a secured margin loan drawn down in July 2024, compared to interest expense and financing costs for the nine months ended May 31, 2024, on a secured bank loan drawn down in December 2023 and fully repaid in July 2024. The effect of the longer duration of the margin loan and higher average balance for the nine months ended May 31, 2025, compared to the shorter duration and lower average balance and for the bank loan in the nine months ended May 31, 2024, was offset by the lower effective interest rate on the margin loan compared to the bank loan.

**Liquidity and Capital Resources**

**Cash Flows**

	Nine Months ended	
	May 31, 2025	May 31, 2024
	\$	\$
Operating activities	4,314	4,083
Financing activities	8,032	18,211
Investing activities	(11,486)	(30,600)
Change in cash during the period	860	(8,306)

Cash provided by operating activities for the nine months ended May 31, 2025, was \$4,314 (May 31, 2024 - \$4,083). The cash provided operating activities for the nine months ended May 31, 2025, consist primarily net income of \$30,270 (May 31, 2024 – \$78,048) adjusted for items not affecting cash; interest income received; interest expenses paid, and changes in working capital.



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## **Liquidity and Capital Resources (continued)**

### **Cash Flows (continued)**

Significant items not affecting cash for the nine months ended May 31, 2025, were realized gain on investments of \$3,456 (May 31, 2024 - \$5,802), unrealized gain on investments of \$15,774 (May 31, 2024 - \$62,345); establishment fee income of \$300 (May 31, 2024 - \$2,100); and depreciation of \$139 (May 31, 2024 - \$140).

Interest income recorded on convertible debentures of \$13,873 (May 31, 2024 - \$10,335) was adjusted to reflect interest received in cash on convertible debentures of \$8,374 (May 31, 2024 - \$5,752). Interest expenses and financing costs on borrowings of \$1,170 (May 31, 2024 - \$1,170) was adjusted to reflect interest paid of \$1,214 (May 31, 2024 - \$636). Income tax write-back of \$7 (May 31, 2024 - nil) was adjusted to reflect income taxes paid of \$18 (May 31, 2024 - \$117). There was a decrease of \$1,038 in other net working capital items during the nine months ended May 31, 2025 (May 31, 2024 - increase of \$280).

Financing activities for the nine months ended May 31, 2025, provided \$8,032 (May 31, 2024 - \$18,211). The cash provided for the nine months ended May 31, 2025, consists of funds raised by the issue of shares in a private placement \$11,025 (May 31, 2024 - nil); funds received from the exercise of share options \$4,346 (May 31, 2024 - nil); borrowing of \$35,055 less borrowings repaid of \$40,097 (May 31, 2024: borrowing, net of transaction costs - \$22,175 less borrowing repaid of nil). This was reduced by the cash used for the nine months ended May 31, 2025, for the repurchase of common shares under the NCIB of \$634 (May 31, 2024 - \$752); a cash dividend of \$1,505 (May 31, 2024 - \$3,074) and payment of lease liabilities of \$158 (May 31, 2024 - \$138).

Investing activities for the nine months ended May 31, 2025, used cash of \$11,486 (May 31, 2024 - \$30,600). The cash used in investing activities for the nine months ended May 31, 2025, was for investments of \$30,000 (May 31, 2024 - \$100,000), less the net proceeds from the sale of other equity investments of \$18,514 (May 31, 2024 - \$69,400).



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## **Liquidity and Capital Resources (continued)**

### **Capital Resources and Liquidity Risk**

The Company's cash position as at May 31, 2025, was \$1,913 (August 31, 2024 - \$1,094) and the Company's has a negative working capital of \$20,174 (August 31, 2024 - \$29,442). The negative working capital is due to a secured margin loan, which is supported and over-collateralized by marketable securities with sufficient liquidity to repay the loan if required. The Company has long-term lease liabilities of \$344 as at May 31, 2025 (August 31, 2024 - nil). Borrowings comprise a secured margin loan with no fixed terms of repayment.

As at May 31, 2025, the Company believes there is sufficient working capital available to meet its current operational requirements. The Company may raise more capital for investment allocation or refinancing from time-to-time as required.

### **Future Accounting Policy Changes**

A number of new standards, amendments to standards, and interpretations are not yet effective as of the date of this report; and were not applied in preparing the consolidated financial statements. None of these are expected to have a material effect on the Company's consolidated financial statements.

### **Material Accounting Policies**

The financial information presented in this MD&A has been prepared in accordance with IFRS Accounting Standards. The Company's management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, and expense. Actual amounts incurred by the Company may differ from these values.

The Company's material accounting policies, applied judgements and estimates are set out in the notes 2 and 3 of the audited annual consolidated financial statements for the year ended August 31, 2024.

### **Significant Judgments**

The preparation of financial statements in accordance with IFRS Accounting Standards requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the accounting policies in the Company's annual consolidated financial statements include the valuation of investments.

### **Off-Balance Sheet Arrangements**

The Company has no off-balance sheet arrangements.



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### Transactions between Related Parties

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

	Three months ended		Nine months ended	
	May 31, 2025	May 31, 2024	May 31 2025	May 31, 2024
	\$	\$	\$	\$
Management fees	471	463	1,415	1,362
Directors' fees	25	25	74	63
	496	488	1,489	1,425

As of May 31, 2025, receivables include an amount of \$751 due from a director of the Company relating to amounts advanced to fund the exercise of share options in the Company. This amount is non-interest-bearing and has no fixed repayment terms.

As of May 31, 2025, accounts payable and accrued liabilities include an amount of \$694 (August 31, 2024 - \$882) due to directors and officers of the Company, and/or companies controlled by these directors, relating to fees and expense reimbursement. These amounts are unsecured, non-interest-bearing, and have no fixed repayment terms.

As of May 31, 2025, 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, on May 31, 2025, is 251,439 (August 31, 2024 - \$215,816). Establishment fee income for the nine months ended May 31, 2025, is \$900 (May 31, 2024 - \$3,000), and interest income on convertible debentures is \$10,670 (May 31, 2024 - \$4,507, including Los Andes) from these related companies.

Corom Pty Ltd. ("Corom"), a company controlled by a relative of a director of the Company and a significant shareholder of the Company, purchased 553,022 common shares of the 2,142,857 common shares issued by the Company in a private placement on September 18, 2024.

A director of the Company purchased 485,714 common shares of the 2,142,857 common shares issued by the Company in a private placement on September 18, 2024 and became a significant shareholder.

During the nine months ended May 31, 2025, the Company sold \$556 of investments in shares to a member of management, who is also a director. The transaction was settled in cash, resulting in a realized gain of \$6.

During the nine months ended May 31, 2025, a director of the Company exercised 300,000 options at C\$3.00 per share, and a director of the Company exercised 800,000 options at C\$6.40 per share.



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### **Outstanding Share Data**

As of January 15, 2025 the Company completed a share consolidation of the Company's issued and outstanding shares (the "Share Consolidation") at a consolidation ratio of ten (10) pre-consolidation common shares for every one (1) post-consolidation common share. All disclosures in this report of common shares, per common share data and data related to stock options reflect this Share Consolidation for all periods presented.

The Company has the following common shares and stock options, outstanding as of May 31, 2025, May 31, 2024, and the date of this report.

#### **Common Shares**

The Company's authorized capital consists of 500,000,000 common shares with a par value of C\$0.01 each, amended from 5,000,000,000 common shares with a par value of C\$0.001 before the Share Consolidation

As at May 31, 2025 and the date of this report, there were 49,824,250 issued and outstanding common shares (May 31, 2024 – 45,574,818 shares).

On September 18, 2024, the Company issued 2,142,857 common shares in a non-brokered private placement. The private placement included shares purchased by two related parties: Corom Pty Ltd., a company controlled by a relative of a director of the Company and a significant shareholder of the Company, subscribed for 553,022 common shares, and a director of the Company subscribed for 485,714 common shares. BBFIT Investments Pte Ltd., a significant shareholder of the Company, subscribed for 397,142 common shares.

On November 14, 2024, the Company issued 1,135,253 shares of the Company in settlement of dividends of C\$0.21 per share.

During the nine months ended May 31, 2025, the Company issued 1,136,600 shares on the exercise of share options.

The Company has repurchased 139,013 common shares during the nine months ended May 31, 2025, all have been cancelled (May 31, 2024 – 126,129 common shares repurchased and cancelled). As at July 10, 2025, the Company has repurchased a further 11,700 common shares, all of which are held in treasury.

#### **Stock Options**

As at May 31, 2025 and the date of this report there were 2,728,400 stock options outstanding and exercisable with a weighted average price of C\$6.40 (May 31, 2024 – 3,865,000 stock options, with a weighted-average exercise price of C\$6.10).



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### **Controls and Procedures**

As of May 31, 2025, an evaluation was carried out on the effectiveness of QRC's disclosure controls and procedures. Based on that evaluation, the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") have certified that the design and operating effectiveness of QRC's disclosure controls and procedures were effective.

As at May 31, 2025, an evaluation was carried out on the effectiveness on internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS Accounting Standards. Based on that evaluation, the CEO and CFO have certified that the design and operating effectiveness of internal controls over financial reporting were effective.

These evaluations were conducted using the framework and criteria established in accordance with **Internal Controls - Integrated Framework** (2013) issued by the **Committee of Sponsoring Organizations of the Treadway Commission** ("COSO"). The Audit Committee assists the CEO and CFO in their responsibilities. Management's evaluation of controls can only provide reasonable, not absolute, assurance that all control issues that may result in material misstatement, if any, have been detected.

### **Annual Information Form**

The Company's Annual Information Form is filed on SEDAR+ at [www.sedar+.com](http://www.sedar+.com).