



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

For three months ended November 30, 2025

Effective Date of this Report: January 9, 2026

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 condensed interim consolidated financial statement for the three months ended November 30, 2025 and the consolidated audited financial statements for the year ended August 31, 2025, 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. All amounts in this MD&A are expressed in 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 condensed interim 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 Three Months Ended November 30, 2025 and to the date of this report

Declaration and Payment of Dividend

On October 14, 2025, the Company declared its annual dividend of C\$0.23 per share to all shareholders on record as of November 3, 2025. The dividend was paid on November 13, 2025.

\$10 Million Additional Investment in Moxico Resources plc

On September 11, 2025, the Company purchased an additional \$10 million convertible debentures, bringing the total investment in convertible debentures issued by Moxico Resources plc ("Moxico") to \$70 million at the date of this report. The convertible debentures all have the following principal terms:

- 11.0% interest payable semi-annually - 7.5% in cash and 3.5% in Moxico common shares;
- 5-year maturity from July 17, 2024; and
- Debentures convertible into Moxico common shares at GBP0.90 per share.

QRC earned a 3% establishment fee on the principal amount of the debentures, which was settled in shares. The investments were funded by a debt facility.

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.



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Investments (continued)

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.
- 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.



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Investments (continued)

Investment Strategy (continued)

- 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.

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.



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Investments (continued)

Investment Selection, Evaluation and Decision Making Process (continued)

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 the date of this report, the Company has invested a total of \$193 million in convertible debentures issued by seven resource companies, as presented in the table below.

Resource Company US\$000	Investment base at cost
Contango ORE, Inc.	\$ 20,000
Moxico Resources plc. ⁽¹⁾	70,000
NexGen Energy Ltd.	70,000
Other companies ⁽²⁾	33,000
	\$ 193,000

⁽¹⁾ \$20 million invested in July 2024, \$10 million in October 2024, \$10 million in December 2024, \$5 million in February 2025, \$5 million in March 2025, \$10 million in June 2025, and \$10 million in September 2025 into convertible debentures with the same maturity date of July 2029.

⁽²⁾ 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	January 6, 2026
Equity and other investments: ⁽¹⁾	\$
NexGen Energy Ltd.	114,407
Gold Royalty Corp.	75,980
Other investments ⁽²⁾	70,519
Convertible debentures: ⁽³⁾	
Contango ORE, Inc.	26,760
Moxico Resources plc	111,506
NexGen Energy Ltd.	130,725
Other debentures	35,860
Total estimated market value	\$ 565,757

⁽¹⁾ Market Value was based on share prices and exchange rates on January 6, 2026.

⁽²⁾ "Other Investments" include (a) securities purchased for investment purposes; (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.

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

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.



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

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 Accounting Standards.

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:

US\$000	November 30, 2025	August 31, 2025
Estimated fair value under IFRS Accounting Standards at the end of the period	469,631	402,260
Convertible debentures - difference in models used and volatility assumptions due to initial calibration of fair value with purchase price under IFRS Accounting Standards	44,912	48,498
Management's estimate of market value at the end of the year	514,543	450,758
Equity and other investments - other shares received less disposals	4,701	941
Equity and other investments - update of market value to date of report	28,874	9,021
Convertible debentures - update of market value to date of report	1,709	8,069
Convertible debentures - new investments at market value	15,930	14,848
Management's estimate of market value of investments at date stated in the MD&A report	565,757	483,637



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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 report would be \$18.7 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) the sale of any equity investments; (b) sale of any convertible security investments; or (c) the 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 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 Months ended November 30, 2025

Overall Performance

	Three Months Ended	
	November 30, 2025	November 30, 2024
	\$000	\$000
Interest income	5,393	4,308
Establishment fee income	300	300
Realized gain on equity investments	2,648	1,153
Realized gain on convertible debentures	3,471	-
Unrealized gain on equity investments	30,385	32,696
Unrealized gain on convertible debentures	27,715	23,367
Total income from investments	69,912	61,824

Total income from investments during the three months ended November 30, 2025, of \$69,912 mainly represents unrealized gains on equity investments and convertible debentures, interest income on the convertible debenture portfolio, and realized gain on convertible debentures and realized gain on equity investments. Total income from investments during the three months ended November 30, 2024, of \$61,824 mainly represents unrealized gains on equity investments and convertible debentures, interest income on the convertible debenture portfolio, and realized gain on equity investments.

Interest income during the three months ended November 30, 2025, and November 30, 2024, was \$5,393 and \$4,308, respectively, and mainly represents interest earned on the convertible debentures.

Establishment fee income during the three months ended November 30, 2025, of \$300 represents the establishment fee earned on the Moxico debentures issued in September 2025. Establishment fee income during the three months ended November 30, 2024, of \$300 represents the establishment fee earned on the Moxico debentures issued in October 2024.

Realized gain on equity investments during the three months ended November 30, 2025, and November 30, 2024, of \$2,648 and \$1,153, respectively, arise from the sale of equity investments.

Realized gain on convertible debentures during the three months ended November 30, 2025, of \$3,471 arise from the conversion of the \$30 million convertible debentures issued by Gold Royalty Corp. (November 30, 2024 – nil).



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Results for the Three Months ended November 30, 2025 (continued)

Overall Performance (continued)

Unrealized gain on equity investments during the three months ended November 30, 2025, and November 30, 2024, of \$30,385 and \$32,696, respectively, mainly represents gain arising from the increase in the share price of NexGen, Gold Royalty and DMP Metals Inc. in the three months ended November 30, 2025 and the increase in the share price of NexGen and Adriatic in the three months ended November 30, 2024.

Unrealized gain on convertible debentures during the three months ended November 30, 2025, of \$27,715 mainly represents increases in the fair value of the debentures in Moxico and NexGen.

Unrealized gain on convertible debentures during the three months ended November 30, 2024, of \$23,367 mainly represents increases in the fair value of the debentures in Moxico, NexGen, 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.

	Years ended		
	August 31, 2025	August 31, 2024	August 31, 2023
	\$000	\$000	\$000
Income from investments	120,164	23,197	10,293
Net income (loss)	115,075	18,035	4,343
Basic income (loss) \$ per share	2.36	0.40	0.10
Diluted income (loss) \$ per share	2.22	0.37	0.09
Total assets	409,632	282,856	237,241



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Summary of Quarterly Results

Quarter ended	Total assets \$000	Net (loss) income from investments \$000	Net income (loss) \$000	Net income (loss) per share basic \$	Net income (loss) per share diluted \$
November 30, 2025	485,449	69,912	68,460	1.36	1.30
August 31, 2025	409,632	86,108	84,806	1.70	1.59
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

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

Income from investments during the three months ended November 30, 2025, was principally attributable to unrealized gain from equities and other investments due to the increase in the share price of NexGen, and the unrealized gain from convertible debentures due to the increase in the underlying share price of NexGen, and Moxico.

Income from investments during the three months ended August 31, 2025, was principally attributable to unrealized gain from convertible debentures due to the increase in the underlying share price of Gold Royalty, NexGen, and Moxico, and unrealized gain from equities and other investments due to the increase in the share price of NexGen.

Income 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



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Summary of Quarterly Results (continued)

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.

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.

Net income during the three months ended November 30, 2025, August 31, 2025, May 31, 2025, November 30, 2024, May 31, 2024, February 29, 2024, and November 30, 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 Months ended November 30, 2025, and November 30, 2024

	Three Months Ended	
	November 30, 2025	November 30, 2024
	\$000	\$000
Interest income	5,393	4,308
Establishment fee income	300	300
Realized gain from investments	6,119	1,153
Unrealized gain from investments	58,100	56,063
	69,912	61,824

During the three months ended November 30, 2025, the Company recorded income from investments of \$69,912 compared to income from investments in the three months ended November 30, 2024, of \$61,824. The higher income for the three months to November 30, 2025, compared to the corresponding period was mainly attributable to a higher realized gain from investments in the period compared to the corresponding period due to the higher increase in share prices of investments converted and sold in the current period compared to the corresponding period.

Interest income for the three months ended November 30, 2025, of 5,393 compared to \$4,308 in the three months ended November 30, 2024. The Company primarily earned interest income on its convertible debenture securities. The increase for the three months ended November 30, 2025, compared to the corresponding period, was mainly due to the purchase of additional investments in convertible debentures at higher interest rates, generating increased interest income.

Establishment fee income for the three months ended November 30, 2025, of \$300 compared to \$300 in the three months ended November 30, 2024. The income in the three months ended November 30, 2025 and November 30, 2024, was the 3% establishment fee on the principal amounts of \$10 million Moxico convertible debentures invested in each of those periods.

Realized gain from investments for the three months ended November 30, 2025, of \$6,119 compared to realized gain from investment of \$1,153 in the three months ended November 30, 2024. The income in the three months ended November 30, 2025, comprises gains from the conversion of convertible debentures and the sale of equity investments. The income in the three months ended November 30, 2024 comprise a gain from the sale of equity investments.



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Results of Operations (continued)

Income from Investments for the Three Months ended November 30, 2025, and November 30, 2024 (continued)

The gain on the conversion of the 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 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.

The unrealized gain from investments in the three months ended November 30, 2025, of \$58,100 compared to the unrealized gain in the three months ended November 30, 2024, of \$56,063.

The unrealized gain from investments in the three months ended November 30, 2025 and November 30, 2024, was mainly attributable to an increase in the fair value of some of the investments in equities of companies combined with an increase in the fair value of some of the convertible debenture owned by the Company. The share price of the some of the underlying issuers of the convertible debentures and equities increased less between the start and end of the three months ended November 30, 2025, compared to the increase in the corresponding period, resulting lower unrealized gain in the current period compared to the corresponding period.

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

Operating Expenses for the Three Months ended November 30, 2025 and November 30, 2024

	November 30, 2025	November 30, 2024	Increase (decrease) expenses
	\$000	\$000	\$000
Business development and marketing	52	80	(28)
Depreciation	45	47	(2)
Foreign exchange loss	150	72	78
Management and directors' fees	496	496	-
Office and administration	108	75	33
Professional and regulatory fees	142	193	(51)
	993	963	30



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Results of Operations (continued)

Operating Expenses for the Three Months ended November 30, 2025 and November 30, 2024 (continued)

Significant changes for the three months ended November 30, 2025, compared to November 30, 2024, are as follows:

- Business development and marketing decreased \$28 mainly due to decreased travel.
- Foreign exchange loss increased \$78, mainly due to the increased impact of the C\$/ and A\$/ exchange rate fluctuations, combined with the higher Australian dollar cash held.
- Office and administration increased \$33, mainly due to increased health insurance costs.
- Professional and regulatory fees decreased \$51 mainly due to the level and timing of corporate activities.

Interest Expense for the Three Months ended November 30, 2025 and November 30, 2024

	November 30, 2025	November 30, 2024	Increase (decrease) expenses
	\$000	\$000	\$000
Interest expense	449	383	66
Interest expense on lease liabilities	6	1	5
	455	384	71

Significant changes for the three months ended November 30, 2025, compared to November 30, 2024, are as follows:

- Interest expense increased \$66 due to the higher balances on a secured margin loan, partially offset by lower interest rates.



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Liquidity and Capital Resources

Cash Flows

	Three Months Ended	
	November 30, 2025	November 30, 2024
	\$000	\$000
Operating activities	278	1,055
Financing activities	7,258	6,743
Investing activities	(1,815)	(4,672)
Change in cash during the period	5,721	3,126

Cash provided by operating activities for the three months ended November 30, 2025, was \$278 (2024 - \$1,055). The cash provided operating activities for the three months ended November 30, 2025, consists primarily net income of \$68,460 (2024 - \$60,476) adjusted for items not affecting cash; interest income received; interest expense paid and changes in working capital.

Significant items not affecting cash for the year three months November 30, 2025, were unrealized gain on investments of \$58,100 (2024 - \$56,063), realized gain on investments of \$6,119 (2024 - \$1,153); establishment fee income of \$300 (2024 - \$300); depreciation of \$45 (2024 - \$47).

Interest income recorded on convertible debentures of \$5,348 (2024 - \$4,289) was adjusted to reflect interest received in cash on convertible debentures of \$2,450 (2024 - \$1,722). Interest expense on borrowings of \$449 (2024 - \$383) was adjusted to reflect interest paid of \$433 (2024 - \$409). Income tax expense of \$4 (2024 - \$1) was adjusted to reflect income tax paid of \$11 (2024 - nil). There was a decrease of \$815 in other net working capital items during the three months ended November 30, 2025 (2024 - increase of \$280).

Financing activities for the three months ended November 30, 2025, provided \$7,258 (2024 - provided \$6,743). The cash provided in the three months ended November 30, 2025, consists of funds raised by the issue of shares in a private placement of nil (2024 - \$11,025); funds received from the exercise of share options of \$914 (2024 - \$522); and borrowings of \$14,500 less borrowings repaid of \$5,105 (2024 - borrowings \$13,000 and repayments \$16,165). This was reduced by the cash used in the three months ended November 30, 2025, for the purchase of common shares under the NCIB of \$446 (2024 - \$81); a cash dividend of \$2,562 (2024 - \$1,505), and payment of lease liabilities of \$43 (2024 - \$53).



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

For the three months ended November 30, 2025

Liquidity and Capital Resources (continued)

Cash Flows (continued)

Investing activities for the three months ended November 30, 2025, were \$1,815 (2024 - \$4,672). The cash used in investing activities for the three months ended November 30, 2025, was for investments of \$12,745 (2024 - \$10,000), less the net proceeds from the sale of equity investments of \$8,713 (2024 - \$5,328) and compensation for early conversion of debentures of \$2,217 (2024 – nil).

Capital Resources and Liquidity Risk

The Company's cash position as at November 30, 2025, was \$8,790 (August 31, 2025 - \$3,076) and the Company's has a negative working capital of \$26,190 (August 31, 2025 - negative \$24,271). The negative working capital is due to a secured margin loan with no fixed repayment terms. The loan is supported and over-collateralized by marketable securities with sufficient liquidity to repay the loan if required. The Company has long-term lease liabilities as at November 30, 2025 of \$253 (August 31, 2025 - \$299).

As at November 30, 2025, the Company believes there is sufficient working capital available to meet its current operational requirements. The Company may raise additional 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, 2025.

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.



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Management's Discussion and Analysis

For the three months ended November 30, 2025

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Transactions between Related Parties

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

	Three Months Ended	
	November 30, 2025	November 30, 2024
Management fee	\$ 471	\$ 471
Directors' fees	25	25
	\$ 496	\$ 496

As of November 30, 2025, non-current receivables of \$1,665 is an amount due from a director of the Company (August 31, 2025 - \$751). This amount is non-interest-bearing and has no fixed repayment terms.

As at November 30, 2025, accounts payable and accrued liabilities include an amount of \$1,146 (August 31, 2025 - \$914) 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, 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, at November 30, 2025, is \$372,463 (August 31, 2025 - \$331,725, including Gold Royalty, Moxico, NexGen, and IsoEnergy). Establishment fee income for the three months ended November 30, 2025, is \$300 (November 30, 2024 - \$300), and interest income on convertible debentures is \$4,281 (November 30, 2024 - \$3,222) from these related companies.

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



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Management's Discussion and Analysis

For the three months ended November 30, 2025

Transactions between Related Parties (continued)

A director of the Company exercised options at C\$6.40 per share during the three months ended November 30, 2025.

A director of the Company exercised 213,281 options at C\$0.30 per share during the three months ended November 30, 2024.

Outstanding Share Data

The Company has the following common shares and stock options, outstanding as November 30, 2025, and November 30, 2025, and the date of this report.

Common Shares

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 of common shares, per common share data and data related to stock options reflect this Share Consolidation for all periods presented.

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 November 30, 2025, and at the date of this report there were 51,045,664 issued and outstanding common shares (November 30, 2024 – 49,040,184).

On November 13, 2025, the Company issued 959,314 shares of the Company in settlement of dividends of C\$0.23 per share.

During the three months ended November 30, 2025, the Company issued 200,000 shares on the exercise of share options.

No stock options were issued during the three months ended November 30, 2025, nor in the year ended August 31, 2025.

The Company purchased 72,900 common shares during the three months ended November 30, 2025, all of which have been canceled (2024 – 14,757 common shares purchased and canceled). As at January 6, 2026, the Company has purchased 82,900 additional common shares that are held in treasury.

Stock Options

As at November 30, 2025, and as at the date of this report, there were 2,328,400 stock options outstanding and exercisable with a weighted average price of C\$6.40 (August 31, 2025 – 2,528,400 stock options, with a weighted-average exercise price of C\$6.40). During the three months ended November 30, 2025, 200,000 stock options were exercised (2024 – 228,281 stock options exercised).



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Controls and Procedures

As of November 30, 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 November 30, 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.sedarplus.ca.