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

QUEEN'S ROAD CAPITAL INVESTMENT LTD.

Three and nine months ended May 31, 2026

(Unaudited)

QUEEN'S ROAD CAPITAL INVESTMENT LTD.

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

	Notes		May 31, 2026		August 31, 2025
			(Unaudited)		(Audited)
Assets					
Current assets:					
Cash and cash equivalents	3	$	5,598	$	3,076
Prepaids and deposits			186		131
Receivables	4		5,250		2,944
			11,034		6,151
Non-current assets:					
Investments	5		567,297		402,260
Loan to a related party	8		4,556		751
Right-of-use assets			334		470
			572,187		403,481
		$	583,221	$	409,632
Liabilities and Shareholders' Equity					
Current liabilities:					
Accounts payable and accrued liabilities	6	$	844	$	1,143
Dividend payable	9		4,873		-
Borrowings	10		31,439		29,104
Lease liabilities			181		175
			37,337		30,422
Non-current liabilities:					
Long-term lease liabilities			160		299
			37,497		30,721
Shareholders' equity:					
Share capital			239,799		202,483
Reserves			14,693		15,627
Retained earnings			291,232		160,801
			545,724		378,911
		$	583,221	$	409,632

Subsequent events 17

See accompanying notes to these condensed interim consolidated financial statements.

Approved on behalf of the Board:

/s/ Warren Gilman Director /s/ Alex Granger Director

QUEEN'S ROAD CAPITAL INVESTMENT LTD.

Condensed Interim Consolidated Statements of (Loss) Income and Comprehensive (Loss) Income
(Expressed in thousands of United States dollars, except per share and share numbers)

		Three months ended		Nine months ended	
	Notes	May 31, 2026	May 31, 2025	May 31, 2026	May 31, 2025
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Income from investments:					
Interest and other income	5	$ 5,412	$ 4,893	$ 15,811	$ 13,925
Establishment fee income	5	-	150	1,050	900
Realized gain from investments	5	1,770	1,760	9,187	3,456
Unrealized (loss) gain from investments	5	(62,932)	33,731	127,987	15,774
Total (loss) income from investments		(55,750)	40,534	154,035	34,055
Operating expenses:					
Business development and marketing		163	68	356	214
Depreciation		45	46	136	139
Foreign exchange loss (gain)		121	(66)	157	116
Management and director fees	8	546	496	1,572	1,489
Office and administration		94	82	305	247
Professional and regulatory fees		149	81	450	411
Share-based compensation	11(c)	3,594	-	3,594	-
Total operating expenses		4,712	707	6,570	2,616
(Loss) income before interest expense and income taxes		(60,462)	39,827	147,465	31,439
Interest expense	7	521	351	1,389	1,176
(Loss) income before income taxes		(60,983)	39,476	146,076	30,263
Income taxes		9	(12)	41	(7)
Net income (loss) and comprehensive income (loss)		$ (60,992)	$ 39,488	$ 146,035	$ 30,270
Net (loss) income per common share:					
Basic	12	$(1.18)	$0.81	$2.86	$0.62
Diluted	12	$(1.18)	$0.76	$2.74	$0.58
Weighted average number of common shares:					
Basic	12	51,783,618	48,966,391	50,990,571	48,885,762
Diluted	12	54,453,007	51,694,791	53,363,383	52,260,164

See accompanying notes to these condensed interim consolidated financial statements.

QUEEN'S ROAD CAPITAL INVESTMENT LTD.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Expressed in thousands of United States dollars, except share numbers)

For the nine months ended May 31, 2026 and May 31, 2025
(Unaudited)

	Notes	Issued number of shares[1]		Share capital		Treasury shares		Reserves		Retained earnings		Shareholders' equity
Balance, August 31, 2025		49,959,250	$	202,483	$	-	$	15,627	$	160,801	$	378,911
Shares issued – private placement	11(a)	2,180,646		24,282		-		-		-		24,282
Shares issued – options exercised	11(a)	1,364,791		9,585		-		(4,528)		-		5,057
Shares issued - dividend reinvestment plan	11(a)	959,314		5,645		-		-		(5,645)		-
Shares repurchased	11(a)	-		-		(4,720)		-		-		(4,720)
Shares canceled	11(a)	(501,100)		(2,196)		4,720		-		(2,524)		-
Dividend - paid in cash	11(e)	-		-		-		-		(2,562)		(2,562)
Dividend payable	9	-		-		-		-		(4,873)		(4,873)
Share-based compensation	11(c)	-		-		-		3,594		-		3,594
Net income		-		-		-		-		146,035		146,035
Balance, May 31, 2026		53,962,901	$	239,799	$	-	$	14,693	$	291,232	$	545,724
Balance, August 31, 2024		45,548,550	$	177,327	$	-	$	19,651	$	53,020	$	249,998
Shares issued – private placement	11(a)	2,142,857		11,025		-		-		-		11,025
Shares issued – options exercised	11(a)	1,136,600		7,801		-		(3,455)		-		4,346
Shares issued - dividend reinvestment plan	11(a)	1,135,253		5,653		-		-		(5,653)		-
Shares rounded up on consolidation	11(a)	3		-		-		-		-		-
Shares repurchased	11(a)	-		-		(634)		-		-		(634)
Shares canceled	11(a)	(139,013)		(563)		634		-		(71)		-
Dividend - paid in cash	11(e)	-		-		-		-		(1,505)		(1,505)
Net income		-		-		-		-		30,270		30,270
Balance, May 31, 2025		49,824,250	$	201,243	$	-	$	16,196	$	76,061	$	293,500

See accompanying notes to these condensed interim consolidated financial statements.

[1] The Company implemented a consolidation of its common shares in January 2025, and the number of common shares has been retrospectively adjusted. Refer to Note 1 for further information.

QUEEN'S ROAD CAPITAL INVESTMENT LTD.

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

	Notes	Nine months ended May 31, 2026	Nine months ended May 31, 2025
		(Unaudited)	(Unaudited)
Cash flows provided by (used in):			
Operating activities:			
Net income		$ 146,035	$ 30,270
Items not affecting cash:			
Interest income on convertible debentures	5(d)	(15,593)	(13,873)
Other income	5(d)	(218)	(52)
Establishment fee income	5(d)	(1,050)	(300)
Realized gain on investments	5	(9,187)	(3,456)
Unrealized gain on investments	5	(127,987)	(15,774)
Depreciation		136	139
Interest expense on borrowings	7	1,373	1,170
Interest expense on lease liabilities	7	16	6
Income tax expense (recovery)		41	(7)
Unrealized foreign exchange (loss) gain		(156)	41
Share-based compensation	11(c)	3,594	-
Interest received on convertible debentures	5(c)	9,193	8,374
Other income	5(c)	183	52
Interest expense paid on borrowings	10	(1,380)	(1,214)
Interest expense paid on lease liabilities		(16)	(6)
Income taxes paid		(38)	(18)
		4,946	5,352
Changes in working capital items:			
Prepaid expenses and advances		(55)	(43)
Accounts payable and accrued liabilities		(304)	(244)
Cash flows provided by operating activities		4,587	5,065
Financing activities:			
Common shares issued – private placement	11(a)	24,282	11,025
Common shares issued – options	11(a)	5,057	4,346
Common shares repurchased	11(a)	(4,720)	(634)
Dividends paid	11(e)	(2,562)	(1,505)
Payment of lease liabilities		(131)	(158)
Borrowings drawn	10	43,100	35,055
Borrowings repaid	10	(40,758)	(40,097)
Cash flows provided by financing activities		24,268	8,032
Investing activities:			
Acquisition of investments	5	(38,924)	(30,000)
Proceeds from sale of equity and other investments	5	14,025	18,514
Compensation for early conversion of debentures	5	2,217	-
Loan to a related party net of repayments	8	(3,806)	(751)
Cash flows used in investing activities		(26,488)	(12,237)
Increase in the period		2,367	860
Cash, beginning of the period		3,076	1,094
Effect of currency translation on cash		155	(41)
Cash and cash equivalents, end of the period	3	$ 5,598	$ 1,913

Supplemental disclosure with respect to cash flows 15

See accompanying notes to these condensed interim consolidated financial statements.

1. Reporting entity and nature of operations:

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

The Company was incorporated under the laws of the Province of British Columbia, Canada on January 25, 2011. On January 29, 2020, the Company redomiciled from British Columbia, Canada to the Cayman Islands. The Company’s corporate office is located at Suite 2006, 2 Queen’s Road Central, Hong Kong. The Company is listed on the Toronto Stock Exchange (“TSX”) and trades under the symbol “QRC”.

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-consolidation common shares on January 10, 2025, which were 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 the accompanying condensed interim consolidated financial statements and related notes reflect this Share Consolidation for all periods presented unless otherwise specified.

2. Basis of presentation:

(a) Statement of compliance:

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting* and using the accounting policies, determination of significant estimates and judgments, and corresponding accounting treatments consistent with the Company’s Consolidated Financial Statements for the year ended August 31, 2025. These condensed interim consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements for the year ended August 31, 2025.

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors of the Company on July 9, 2026.

2. Basis of presentation (continued):

(b) Basis of presentation:

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

These condensed interim consolidated financial statements present amounts in thousands of United States dollars ($), except for disclosures of common shares, per common share data, and stock option data, unless otherwise stated. All figures have been rounded to the nearest thousand.

3. Cash and cash equivalents:

As at May 31, 2026, Cash and cash equivalents of $5,598 includes $2,369 held in a segregated account by the Company's transfer agent. These funds were pre-funded on May 27, 2026, solely for the settlement of the cash portion of the interim dividend payable on June 1, 2026 (note 9).

4. Receivables:

Receivables consist of the following:

	May 31, 2026	August 31, 2025
Interest receivable on convertible debentures	$ 5,211	$ 2,942
Other interest receivable	-	2
Dividends receivable	36	-
Income taxes receivable	3	-
	$ 5,250	$ 2,944

(Expressed in thousands of United States dollars, unless otherwise indicated)

5. Investments:

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

			May 31, 2026		August 31, 2025
Equity and other investments:					
NexGen Energy Ltd.	(a)	$	120,861	$	82,402
Gold Royalty Corp.[1]	(b)		56,767		269
Equity and other investments[2]	(c)		81,682		49,717
			259,310		132,388
Convertible debentures:	(d)				
ATHA Energy Corp.[3]			39,214		-
Contango ORE, Inc.			18,025		17,972
Gold Royalty Corp.[1]			-		65,353
Moxico Resources plc[4]			100,405		65,928
NexGen Energy Ltd.			122,518		92,094
Other convertible debentures[2]			27,825		28,525
			307,987		269,872
		$	567,297	$	402,260

(1) In November 2025, the Company received $65,657 in common shares upon conversion of the convertible debentures of Gold Royalty Corp. ("Gold Royalty").

(2) In January 2025, August 2025, and April 2026, the Company received common shares of $9,690, $7,517, and $5,596, respectively, upon conversion of certain other convertible debentures.

(3) The Company purchased $25,000 of convertible debentures issued by ATHA Energy Corp. ("ATHA") on February 5, 2026.

(4) The Company purchased convertible debentures issued by Moxico Resources plc ("Moxico") as follows: $20,000 on July 17, 2024; $10,000 on October 21, 2024; $10,000 on December 6, 2024; $5,000 on February 18, 2025; $5,000 on April 1, 2025; $10,000 on June 18, 2025; and $10,000 on September 11, 2025.

The continuity of the Company's investments during the nine months ended May 31, 2026, is as follows:

		August 31, 2025		Additions[1]		Net proceeds from disposition [2]		Realized gain		Unrealized gain		May 31, 2026
Equity and other investments	$	132,388	$	100,147	$	(33,078)	$	5,064	$	54,789	$	259,310
Convertible debentures		269,872		35,000		(74,206)		4,123		73,198		307,987
	$	402,260	$	135,147	$	(107,284)	$	9,187	$	127,987	$	567,297

(Expressed in thousands of United States dollars, unless otherwise indicated)

5. Investments (continued):

(1) Additions of equity and other investments of $100,147 comprise $65,657 common shares received on the conversion of the Gold Royalty convertible debentures in November 2025, $950 common shares received as compensation for the early conversion of the Gold Royalty convertible debentures in November 2025, $19,053 common shares received due to a corporate buyout of an existing equity investment in September 2025, $5,382 common shares received on the conversion of other convertible debentures in April 2026, $4,131 common shares received for the settlement of interest receivable, $1,050 common shares received for the settlement of establishment fees, and $3,924 common shares and other equity investments purchased (note 15). Additions of convertible debentures of $35,000 comprise Moxico debentures of $10,000 purchased in September 2025 and ATHA debentures of $25,000 purchased in February 2026.

(2) Net proceeds from the disposition of equity and other investments of $33,078 comprise $25,678 from the disposal of equity investments due to a corporate buyout of an existing equity investment, received as $19,053 in common shares and $6,625 in cash, and $7,400 from the sale of equity investments (note 15). Net proceeds from the disposition of convertible debentures of $74,206 comprise $65,657 representing the value of the common shares received on conversion of Gold Royalty debentures in November 2025, together with compensation of $3,167 for the early conversion of the Gold Royalty debentures, settled by $950 in common shares and $2,217 in cash, and $5,382 representing the value of the common shares received on conversion of other convertible debentures in April 2026 (note 15).

The continuity of the Company's investments during the nine months ended May 31, 2025, is as follows:

	August 31, 2024	Additions[1]	Net proceeds from disposition [2]	Realized gain (loss)	Unrealized gain	May 31, 2025
Equity and other investments	$ 91,607	$ 13,145	$ (18,514)	$ 4,164	$ 8,582	$ 98,984
Convertible debentures	187,725	30,000	(9,690)	(708)	7,192	214,519
	$ 279,332	$ 43,145	$ (28,204)	$ 3,456	$ 15,774	$ 313,503

(1) Additions of equity and other investments of $13,145 comprise $9,690 IsoEnergy common shares received on the conversion of $3,000 of the IsoEnergy 2020 debentures in January 2025, $3,155 common shares received for the settlement of interest receivable, and $300 common shares received for the settlement of establishment fees (note 15). Additions of convertible debentures of $30,000 comprise Moxico debentures of $10,000 purchased in October 2024; $10,000 in December 2024; $5,000 in February 2025 and $5,000 in April 2025.

(2) Net proceeds from disposition of equity and other investments of $18,514 comprise proceeds from the sale of other equity investments. Net proceeds from the disposition of convertible debentures of $9,690 comprised the value of the common shares received on the conversion of $3,000 of the IsoEnergy 2020 debentures in January 2025 (note 15).

(Expressed in thousands of United States dollars, unless otherwise indicated)

5. Investments (continued):

The continuity of the Company's investments during the three months ended May 31, 2026, is as follows:

	February 28, 2026	Additions[1]	Net proceeds from disposition [2]	Realized gain	Unrealized loss	May 31, 2026
Equity and other investments	$ 301,687	$ 6,516	$ (1,985)	$ 1,118	$ (48,026)	$ 259,310
Convertible debentures	327,623	-	(5,382)	652	(14,906)	307,987
	$ 629,310	$ 6,516	$ (7,367)	$ 1,770	$ (62,932)	$ 567,297

(1) Additions of equity and other investments of $6,516 comprise $1,134 common shares received for the settlement of interest receivable, and $5,382 common shares received for the settlement of establishment fees.

(2) Net proceeds from the disposition of equity and other investments of $1,985 comprise proceeds from the sale of other equity investments. Net proceeds from the disposition of convertible debentures of $5,382 represents the value of the common shares received on conversion of other convertible debentures in April 2026.

The continuity of the Company's investments during the three months ended May 31, 2025, is as follows:

	February 28, 2025	Additions[1]	Net proceeds from disposition [2]	Realized gain	Unrealized gain	May 31, 2025
Equity investments	$ 89,241	$ 921	$ (7,895)	$ 1,760	$ 14,957	$ 98,984
Convertible debentures	190,745	5,000	-	-	18,774	214,519
	$ 279,986	$ 5,921	$ (7,895)	$ 1,760	$ 33,731	$ 313,503

(1) Additions of equity and other investments of $921 comprise $771 common shares received for the settlement of interest receivable, and $150 common shares received for the settlement of establishment fees. Additions of convertible debentures of $5,000 comprise Moxico debentures purchased in April 2025.

(2) Net proceeds from the disposition of equity and other investments of $7,895 comprise proceeds from the sale of other equity investments.

5. Investments (continued):

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

The unrealized gain or loss represents the difference between the carrying amount of a financial instrument at the beginning of the period, or the transaction price if it was purchased in the current reporting period, and its carrying amount at the end of the reporting period.

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

The fair value of NexGen 10,475,128 common shares held at May 31, 2026, is $120,861 (August 31, 2025 - 10,475,128 NexGen common shares at fair value $82,402). The fair value of each common share is estimated using the closing market price on the relevant date.

(b) Investment in Gold Royalty Corp. ("Gold Royalty") common shares:

The fair value of Gold Royalty 17,466,673 common shares held at May 31, 2026, is $56,767 (August 31, 2025 – 74,257 Gold Royalty common shares at fair value $269). The fair value of each common share is estimated using the closing market price on the relevant date.

(c) Equity and other investments held for investment purposes:

The Company holds common shares in listed and unlisted entities, and other equity investments. The shares and other equity investments are held as a result of (a) establishment fees settled in common shares related to convertible debenture investments; (b) interest income on convertible debenture investments settled in common shares; (c) common shares held from conversion of convertible debenture investments; and/or (d) purchases of common shares and other equity investments for investment purpose.

The estimated fair value of equity and other investments at May 31, 2026, is $81,682 (August 31, 2025 - $49,717).

The fair value for shares traded on a stock market is estimated using the closing market price of the shares on the relevant date. The fair value for equity and other investments that are not traded on a stock market is estimated using the closing market price of an equivalent traded instrument with an appropriate discount applied to reflect the restrictions or different nature of the investment or other third-party evidence.

5. Investments (continued):

(d) Investments in convertible debentures:

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

Issuer		Principal [1] US$000	Issue date [2]	Maturity date	Annual coupon	Annual coupon settled by	Conversion price [3]	Redemption
ATHA Energy Corp. ("ATHA")	(4)	25,000	February 5, 2026	February 5, 2031	12.0%	Cash 8.0% Shares 4.0%	C$0.85	-
Contango ORE, Inc. ("Contango")	(4)	20,000	April 26, 2022	May 26, 2028 (7)	9.0% (7)	Cash 7.0% Shares 2.0%	$30.50	(6)
Moxico Resources plc ("Moxico")	(5)	70,000	July 17, 2024 (8)	July 17, 2029 (8)	11.0%	Cash 7.5% (8) Shares 3.5% (8)	GBP0.90 (8)	(8)
NexGen Energy Ltd. ("NexGen")	(4)	70,000	September 22, 2023	September 22, 2028	9.0%	Cash 6.0% Shares 3.0%	US$6.76	(6)
Other convertible debentures	(4)	Various (4,000 to 15,000)	Various (2022)	Various (2026 to 2027)	Various (8.0% to 10%)	Various Cash 5.0% to 7.0% Shares 2.0% to 3.0%	Various	(6)

Notes:

(1) The convertible debentures are unsecured and rank equally in right of payment with all present and future unsecured and unsubordinated indebtedness of the issuer.

(2) The Company was paid an establishment fee equal to 3% of the principal amount of the convertible debentures on issue date, settled either in cash or common shares of the issuer.

(3) The Company is entitled to convert, from time to time prior to the maturity date, some or all of the outstanding principal amount into common shares at the conversion price.

(4) Listed entities.

(5) Unlisted entity.

(6) Issuers have redemption rights after the 3-year anniversary of the issue date for a convertible debenture if the weighted average trading price of the relevant stock exceeds a predetermined percentage of the conversion price, and they also have redemption rights on certain defined change-of-control events.

(7) *Contango:* The maturity date was extended from April 26, 2026, to May 26, 2028, and the annual coupon increased from 8.0% to 9.0% on May 17, 2023.

(8) *Moxico:* The Company purchased $20,000 debentures on July 17, 2024, $10,000 debentures on October 21, 2024, $10,000 debentures on December 6, 2024, $5,000 on February 18, 2025, $5,000 on April 1, 2025, $10,000 on June 18, 2025, and $10,000 on September 11, 2025. These debentures all form part of the same debentures with a maturity date of July 17, 2029. Interest can be settled at 7.5% to 11% per annum in cash and 0% to 3.5% per annum in shares, at the issuer's election. The Company is entitled to convert, from time to time, prior to the maturity date, some or all of the outstanding principal amount into common shares at the conversion price of GBP0.90. The issuer can redeem the debenture between July 17, 2027, and July 31, 2027. If the issuer gives notice of redemption during this period, the Company can exercise it's right to convert some or all of the outstanding principal at a conversion price of GBP0.83 between July 17, 2027, and July 31, 2027. The issuer also has redemption rights in the event of certain defined change-of-control events.

5. Investments (continued):

(d) Investments in convertible debentures (continued):

During the nine months ended May 31, 2026, the Company received establishment fees of $1,050 comprising $300 on convertible debentures of $10,000 issued by Moxico, settled in common shares of Moxico, and $750 on convertible debentures of $25,000 issued by ATHA, settled in common shares of ATHA (note 15). During the nine months ended May 31, 2025, the Company received establishment fees of $900 on convertible debentures of $30,000 issued by Moxico, $600 settled in cash, and $300 settled in common shares of Moxico (note 15).

The estimated fair value of convertible debentures at May 31, 2026, is $307,987 (August 31, 2025 - $269,872). The fair value for convertible debentures is estimated pursuant to IFRS 13, *Fair Value Measurement*, using valuation models based on a system of two coupled Black-Scholes Option Pricing equations and partial differential equations that are solved simultaneously using finite-difference methods.

(Expressed in thousands of United States dollars, unless otherwise indicated)

5. Investments (continued):

(d) Investments in convertible debentures (continued):

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

May 31, 2026	ATHA	Contango	Moxico	NexGen	Others
Expected life (years)	4.7	2.0	3.1	2.3	0.3 to 1.5
Market price volatility (1)	89%	68%	56%	55%	60% to 87%
Modeled price volatility (2)	37%	60%	41%	48%	55% to 84%
Risk-free interest rate	2.6%	3.9%	4.2%	3.9%	2.6% to 4.6%
Coupon interest rate	12.0%	9.0%	11.0%	9.0%	8.0% to 10.0%
Expected dividend yield	-%	-%	-%	-%	-%
Credit spread	28%	29%	26%	17%	26% to 28%
Underlying share price of the investee (3)	C$1.16	$20.11	GBP1.10	$11.56	Various
Conversion price	C$0.85	$30.50	GBP0.90	$6.76	Various
Exchange rate (C$ - $)	0.7252	-	-	-	0.7252
Exchange rate (A$ - $)	-	-	-	-	0.7187
Exchange rate (GBP - $)	-	-	1.3456	-	-

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

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

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

(Expressed in thousands of United States dollars, unless otherwise indicated)

5. Investments (continued):

(d) Investments in convertible debentures (continued):

August 31, 2025	Contango	Gold Royalty	Moxico	NexGen	Others
Expected life (years)	2.7	3.3	3.9	3.1	0.8 to 2.3
Market price volatility (1)	66%	56%	57%	53%	50% to 78%
Modeled price volatility (2)	50%	38%	38%	38%	45% to 70%
Risk-free interest rate	3.7%	3.7%	4.0%	3.7%	2.6% to 3.3%
Coupon interest rate	9.0%	10.0%	11.0%	9.0%	8.0% to 10.0%
Expected dividend yield	-%	-%	-%	-%	-%
Credit spread	30%	21%	26%	17%	27% to 29%
Underlying share price of the investee (3)	$22.03	$3.62	GBP0.80	$7.88	Various
Conversion price	$30.50	$1.90	GBP0.90	$6.76	Various
Exchange rate (C$ - $)	-	-	-	-	0.7277
Exchange rate (A$ - $)	-	-	-	-	0.6540
Exchange rate (GBP - $)	-	-	1.3504	-	-

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

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

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

(Expressed in thousands of United States dollars, unless otherwise indicated)

5. Investments (continued):

(d) Investments in convertible debentures (continued):

For the nine months ended May 31, 2026, the Company recorded interest income on convertible debentures of $15,593 (May 31, 2025 - $13,873). During the nine months ended May 31, 2026, the Company received interest payments of $13,324, of which $9,193 was settled in cash and $4,131 in common shares (May 31, 2025 - received $11,529, of which $8,374 was in cash and $3,155 in common shares) (note 15).

For the nine months ended May 31, 2026, the Company recorded interest income on cash balances of $74 (May 31, 2025 - $52), of which $75 was received (May 31, 2025 - $52). For the nine months ended May 31, 2026, the Company recorded dividend income of $144 (May 31, 2025 – nil), of which $108 was received (May 31, 2025 – nil).

6. Accounts payable and accrued liabilities:

Accounts payable and accrued liabilities consist of the following:

		May 31, 2026		August 31, 2025
Accounts payable	$	59	$	48
Accrued liabilities		45		178
Taxation liabilities		9		3
Due to related parties (note 8)		731		914
	$	844	$	1,143

7. Interest expense:

Interest expense consists of the following:

	Three months ended				Nine months ended			
		May 31, 2026		May 31, 2025		May 31, 2026		May 31, 2025
Interest expense on borrowings (note 10)	$	516	$	346	$	1,373	$	1,170
Interest expense on lease liabilities		5		5		16		6
	$	521	$	351	$	1,389	$	1,176

(Expressed in thousands of United States dollars, unless otherwise indicated)

8. Related party transactions:

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

	Three months ended		Nine months ended	
	May 31, 2026	May 31, 2025	May 31, 2026	May 31, 2025
Management fees	$ 519	$ 471	$ 1,494	$ 1,415
Directors' fees	27	25	78	74
	$ 546	$ 496	$ 1,572	$ 1,489

As at May 31, 2026, non-current assets include a loan to a director of the Company of $4,556 (August 31, 2025 - $751). The loan is non-interest-bearing and has no fixed repayment terms.

As at May 31, 2026, accounts payable and accrued liabilities include $731 (August 31, 2025 - $914) due to directors and officers of the Company and/or companies controlled by these directors, relating to fees, expense reimbursements, and other amounts payable. These amounts are unsecured, non-interest-bearing, and have no fixed repayment terms.

As at May 31, 2026, 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 as at May 31, 2026, is $441,506 (August 31, 2025 - $331,725). Establishment fee income for the nine months ended May 31, 2026, is $300 (May 31, 2025 - $900), and interest income on convertible debentures from these related companies is $11,481 (May 31, 2025 - $10,670).

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 (note 11(a)).

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 (note 11(a)) and became a significant shareholder.

A director and significant shareholder of the Company purchased 10,905 common shares of the 2,180,646 common shares issued by the Company in a private placement on April 30, 2026 (note 11(a)).

(Expressed in thousands of United States dollars, unless otherwise indicated)

8. Related party transactions (continued):

Directors of the Company exercised 1,400,000 options at C$6.40 per share during the nine months ended May 31, 2026 (note 11(c)).

A director of the Company exercised 300,000 options at C$3.00 per share and 800,000 options at C$6.40 per share during the nine months ended May 31, 2025 (note 11(c)).

Share-based compensation costs for directors during the nine months ended May 31, 2026 was $3,559 (May 31, 2025 – nil).

9. Dividend payable:

On April 24, 2026, the Company declared an interim dividend of C$0.125 per share for shareholders of record on May 20, 2026. As at May 31, 2026, a total dividend liability of $4,873 was recognized as a current liability. The dividend was paid on June 1, 2026, with $2,369 paid in cash, pre-funded to the Company's transfer agent on May 27, 2026 (note 3), and $2,504 settled by issuing 248,098 common shares under the Company's Dividend Reinvestment Plan ("DRIP").

10. Borrowings:

Borrowings comprise:

	May 31, 2026	August 31, 2025
Margin loan, secured	$ 31,439	$ 29,104

The movement in borrowings for the nine months ended May 31, 2026 and May 31, 2025, consists of the following:

	Nine Months Ended	
	May 31, 2026	May 31, 2025
Balance, beginning of the period	$ 29,104	$ 31,626
Margin loan drawdowns	43,100	35,055
Interest expense	1,373	1,170
Margin loan repayments	(40,758)	(40,097)
Interest expense payments	(1,380)	(1,214)
Balance, end of the period	$ 31,439	$ 26,540

The margin loan has an annual interest rate calculated as a blended rate based on tiers with spreads from 0.5% to 1.5% over the benchmark rate of the US Fed Funds Effective Overnight Rate. The effective interest rate on May 31, 2026, was 4.4% (August 31, 2025 – 5.1%). Interest accrues daily, and monthly interest is added to the loan account on the third business day of the following month.

(Expressed in thousands of United States dollars, unless otherwise indicated)

10. Borrowings (continued):

The margin loan has no fixed repayment term. The loan is secured by the cash and securities held by the brokerage firm, valued at $251,368 on May 31, 2026 (August 31, 2025 - $118,228). Margin requirements are calculated by the brokerage firm and communicated daily. If the loan's value exceeds the maintenance margin requirement, a portion of the margin loan must be repaid or additional collateral must be provided. The brokerage firm has the right to liquidate securities in the portfolio to restore margin compliance. The loan complied with the margin requirements on May 31, 2026, and August 31, 2025.

11. Share capital:

(a) Common shares:

As at 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.

Authorized:

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

Issued and outstanding:

53,962,901 common shares at May 31, 2026 (August 31, 2025 – 49,959,250).

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

	Nine Months Ended	
	May 31, 2026	May 31, 2025
Balance, beginning of period	49,959,250	45,548,550
Issued by private placement	2,180,646	2,142,857
Issued on exercise of share options	1,364,791	1,136,600
Issued in settlement of dividend	959,314	1,135,253
Issued on rounding up on share consolidation	-	3
Repurchased through NCIB and canceled	(501,100)	(139,013)
Balance, end of period	53,962,901	49,824,250

11. Share capital (continued):

(a) Common shares (continued):

Share transactions during the nine months ended May 31, 2026, were as follows:

- 2,180,646 common shares of the Company were issued on April 30, 2026, at C$15.50 per share, for gross proceeds of $24,887 through a non-brokered private placement. Finders' fees of $605 were paid. The private placement included shares purchased by a director of the Company (note 8).
- $5,057 was received in cash, and $4,528 was transferred from share-based reserves to share capital for the issue of 1,364,791 common shares on the exercise of the share options.
- 959,314 shares of the Company were issued on November 13, 2025, as fully paid shares to settle dividends of C$0.23 per share, based on a share price of C$8.26. $5,645 was transferred from retained earnings to share capital.
- 501,100 shares of the Company, purchased under the Normal Course Issuer Bid ("NCIB"), were canceled: 68,500 shares on November 3, 2025; 4,400 shares on November 28, 2025; 208,400 shares on February 27, 2026; 219,700 shares on May 20, 2026; and 100 shares on May 25, 2026.
- The total cost of the canceled shares, including commission, was $4,720, or an average of C$12.94 per share. $2,196, representing the average issue price of the canceled shares, was transferred from the treasury share reserve to share capital. The remaining $2,524 was transferred from the treasury share reserve to retained earnings.
- All shares purchased under the NCIB were canceled as at May 31, 2026, and no shares were held in treasury.

Share transactions during the nine months ended May 31, 2025, were as follows:

- 2,142,857 common shares of the Company were issued on September 18, 2024, at C$7.00 per share, for gross proceeds of $11,025, through a non-brokered private placement. The private placement included shares purchased by two related parties: Corom and a director of the Company (note 8). BBFIT Investments Pte Ltd., a significant shareholder of the Company, purchased 397,142 of the 2,142,857 issued common shares.
- $4,346 was received in cash, and $3,455 was transferred from share-based reserves to share capital for the issue of 1,136,600 common shares on the exercise of the share options.
- 1,135,253 shares of the Company were issued on November 14, 2024, as fully paid shares to settle dividends of C$0.21. $5,653 was transferred from retained earnings to share capital.

11. Share capital (continued):

(a) Common shares (continued):

- 139,013 shares of the Company, repurchased through the Normal Course Issuer Bid (“NCIB”), were canceled: 750 shares on November 4, 2024; 11,700 shares on November 14, 2024; 2,307 shares on November 29, 2024; 6,900 shares on February 28, 2025; and 117,356 shares on May 30, 2025.
- The total cost of the canceled shares, including commission, was $634, for an average cost of C$6.45 per share. $563, representing the average issue price of the canceled shares, was transferred from the treasury share reserve to share capital. The remaining $71 was transferred from the treasury share reserve to retained earnings.
- All shares repurchased under the NCIB were canceled as at May 31, 2025, and no shares were held in treasury.

(b) Warrants:

There were no warrants outstanding on May 31, 2026, and August 31, 2025.

(c) Stock options:

Options granted under the Company’s previous stock option plan (“Old Option Plan”) will continue to be governed by that plan. An amendment to the Old Option Plan, providing participants with a cashless exercise alternative, was approved by the Company’s shareholders at the Annual General Meeting on January 9, 2026.

The renewal of the Company’s incentive stock option plan (“New Option Plan”) was approved by the Company’s shareholders at the Annual General Meeting on January 9, 2026. Under the New Option Plan, the Company is authorized to grant options to executive officers, directors, employees, and consultants to acquire up to 10% of the outstanding issued common shares, subject to certain limitations on the maximum number of common shares issuable to insiders. The New Option Plan provides that the option price at the time each option is granted may not be less than the volume-weighted average trading price of the common shares on the TSX for the 5 days immediately preceding the grant date. The New Option Plan provides participants with a cashless exercise alternative. Options granted under the New Option Plan will have a term of no more than 5 years. Vesting is determined at the discretion of the Board of Directors and in accordance with the policies of the TSX.

The number of options outstanding as at May 31, 2026, was 4,058,400 with a weighted average exercise price of C$13.40 (August 31, 2025 – 2,528,400 with a weighted average exercise price of C$6.40). The number of options exercisable as at May 31, 2026 was 2,498,400 with a weighted average exercise price of C$12.08 (August 31, 2025 – 2,528,400 with a weighted average exercise price of C$6.40).

(Expressed in thousands of United States dollars, unless otherwise indicated)

11. Share capital (continued):

(c) Stock options (continued):

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

	Nine Months Ended	
	May 31, 2026	May 31, 2025
Balance, beginning of period	2,528,400	3,865,000
Issued	3,120,000	-
Exercised	(1,590,000)	(1,136,600)
Balance, end of period	4,058,400	2,728,400

3,120,000 stock options were granted under the New Option Plan on May 15, 2026, with an exercise price of C$15.50 per share and an expiration date of April 30, 2031. The options vest 50% on the grant date and the remaining 50% after 12 months. The Company determined the grant-date fair value of $7,466 and the fair value of options vesting in the nine months ended May 31, 2026, of $3,594.

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

	May 15, 2026
Expected price volatility	41%
Expected life	2.75 years
Risk free interest rate	3.13%
Expected dividend yield	1.5%
Underlying share price (C$)	$14.05
Exchange rate (US$:C$)	0.7273

No stock options were issued in the nine months ended May 31, 2025.

(Expressed in thousands of United States dollars, unless otherwise indicated)

11. Share capital (continued):

(c) Stock options (continued):

1,590,000 options of the Company were exercised at C$6.40 per share during the nine months ended May 31, 2026, of which 1,400,000 options were exercised by directors (note 8).

1,136,600 options of the Company were exercised during the nine months ended May 31, 2025, of which 315,000 options were exercised at C$3.00 and 821,600 options were exercised at C$6.40 per share. 300,000 options were exercised at C$3.00 per share and 800,000 options were exercised at C$6.40 per share by directors (note 8).

A summary of the Company’s outstanding options at May 31, 2026, is as follows:

	Number of options		
Exercise price C$	outstanding	exercisable	Expiry date
6.40	938,400	938,400	February 28, 2027
15.50	3,120,000	1,560,000	April 30, 2031
	4,058,400	2,498,400	

A summary of the Company’s outstanding options at August 31, 2025, is as follows:

	Number of options		
Exercise price C$	outstanding	exercisable	Expiry date
6.40	2,528,400	2,528,400	February 28, 2027

(d) Normal Course Issuer Bid (“NCIB”):

The NCIB, a Company share repurchase program, was renewed for 12-months from November 24, 2025. Repurchases are conducted by a third-party broker. The current NCIB allows for the repurchase of up to 1,760,000 shares.

During the nine months ended May 31, 2026, there were repurchases of 501,100 shares for cash of $4,720 (May 31, 2025 - repurchases of 139,013 shares for cash of $634).

(e) Dividend:

On October 14, 2025, the Company declared a dividend of C$0.23 per share for all shareholders of record on November 3, 2025. The dividend of $8,207 was paid on November 13, 2025, with $2,562 paid in cash and $5,645 settled by issuing 959,314 shares under the DRIP (note 15).

On October 11, 2024, the Company declared a dividend of C$0.21 per share for all shareholders of record on November 4, 2024. The dividend of $7,158 was paid on November 14, 2024, with $1,505 paid in cash and $5,653 settled by issuing 1,135,253 shares under the DRIP (note 15).

(Expressed in thousands of United States dollars, unless otherwise indicated)

12. Basic and diluted net (loss) income per share:

The basic net (loss) income per share is calculated using the weighted average number of issued common shares, less the weighted average number of shares repurchased and held in treasury, to derive the weighted average number of issued and outstanding shares as follows:

	Three months ended		Nine months ended	
	May 31, 2026	May 31, 2025	May 31, 2026	May 31, 2025
Weighted average number of issued shares	51,886,922	49,033,285	51,065,090	48,909,877
Weighted average number of shares issued and held in treasury	103,304	66,894	74,519	24,115
Weighted average number of issued and outstanding shares	51,783,618	48,966,391	50,990,571	48,885,762

Diluted loss per share for the three months ended May 31, 2026, did not include the effects of stock options, as the effect would be anti-dilutive.

Diluted net income per share for the nine months ended May 31, 2026, and for the three and nine months ended May 31, 2025, was calculated using the weighted average number of common shares issued and outstanding, adjusted for the dilutive effect of 2,372,812 stock options (May 31, 2025 – three months 2,728,400 and nine months 3,374,403).

13. Financial instruments and risk management:

The Company provides disclosures that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the year and at the date of the Statement of Financial Position, and how the entity manages these risks.

The following table summarizes the carrying value of financial assets and liabilities of the Company as at May 31, 2026, and August 31, 2025:

	May 31, 2026	August 31, 2025
Estimated fair value through profit and loss:		
Investments	$ 567,297	$ 402,260
Amortized cost:		
Cash and cash equivalents	5,598	3,076
Receivables	9,806	3,695
Accounts payable and accrued liabilities	844	1,143
Dividend payable	4,873	-
Borrowings	31,439	29,104
Lease liabilities	341	474

(Expressed in thousands of United States dollars, unless otherwise indicated)

13. Financial instruments and risk management (continued):

As at May 31, 2026, and August 31, 2025, financial instruments not measured at estimated fair value on the balance sheet comprise cash, receivables, accounts payable, accrued liabilities, borrowings, and lease liabilities. The fair values of these financial instruments approximate their carrying amounts due to their short-term nature and are estimated using Level 2 inputs.

Financial instruments recognized on the balance sheet at fair value can be classified within a hierarchy based on the relative reliability of the inputs used to estimate fair value:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (*i.e.*, as prices) or indirectly (*i.e.*, derived from prices); and
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

May 31, 2026	Level 1	Level 2	Level 3
Investments at estimated fair value	$ 251,632	$ 209,542	$ 106,123

August 31, 2025	Level 1	Level 2	Level 3
Investments at estimated fair value	$ 107,678	$ 227,227	$ 67,355

During the nine months ended May 31, 2026, there were asset transfers from Level 2 to Level 1 of $70,083 due to the conversion of debentures into common shares and $19,053 due to the finalization of a corporate reorganization. During the year ended August 31, 2025, there were asset transfers from Level 2 to Level 1 of $20,795 due to the conversion of debentures into common shares. As at August 31, 2025, investments of $23,283 were included in Level 2, which were transferred from Level 1 as a result of a corporate reorganization.

(Expressed in thousands of United States dollars, unless otherwise indicated)

13. Financial instruments and risk management (continued):

The movement in Level 3 investments for the nine months ended May 31, 2026, consists of the following:

	Shares	Convertible debentures	Total
Balance, beginning of period	$ 1,427	$ 65,928	$ 67,355
Additions	3,249	10,000	13,249
Unrealized gain	1,043	24,476	25,519
Balance, end of period	$ 5,719	$ 100,404	$ 106,123

The movement in Level 3 investments for the year ended August 31, 2025, consists of the following:

	Shares	Convertible debentures	Total
Balance, beginning of year	$ -	$ 18,162	$ 18,162
Additions	1,830	40,000	41,830
Proceeds from disposals	(563)	-	(563)
Realized gain	6	-	6
Unrealized gain	154	7,766	7,920
Balance, end of year	$ 1,427	$ 65,928	$ 67,355

The total unrealized gain recognized in Condensed Interim Consolidated Statements of Income and Comprehensive Income for the nine months ended May 31, 2026, in respect of Level 3 investments in convertible debentures and common shares, was $25,519 (May 31, 2025 - $1,853).

The estimated fair value would increase (decrease) if the estimated share price were higher (lower), the estimated volatility were higher (lower), or the credit spread or risk-free rate were lower (higher). A five-percentage-point increase or decrease in the estimated share price, volatility, credit spread, or risk-free rate would have the following impact on the estimated fair value at May 31, 2026, and August 31, 2025:

	May 31, 2026		August 31, 2025	
	5% Increase	5% Decrease	5% Increase	5% Decrease
Assumption:				
Share price	$ 4,522	$ (5,211)	$ 3,719	$ (3,553)
Volatility	(597)	(387)	136	(314)
Credit spread/risk-free rate	(254)	262	(585)	610

13. Financial instruments and risk management (continued):

Financial risks:

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk;
- Interest and foreign exchange risk; and
- Market price risk.

(a) Credit risk:

Credit risk is the potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company’s credit risk is primarily attributable to its liquid financial assets, including cash and investments. The Company has limited exposure to credit risk related to cash, as it deposits cash only with high-credit-quality financial institutions, and such deposits are available on demand. The Company’s equity investments are settled and paid for upon delivery through an approved broker. The risk of default is considered minimal, as delivery of sold securities occurs once the broker has received payment, and payment for purchases is received by the broker. A trade will fail if either party fails to meet its obligations. The Company’s credit risk related to convertible debentures arises from the risk that these third parties will not perform their underlying obligations. The Company mitigates its credit risk by investing only in and providing loans to investees about which it has detailed knowledge of their operations and business strategy. At May 31, 2026, the Company held convertible debentures in seven companies, consisting of 40% NexGen, 33% Moxico, 13% ATHA, 6% Contango, and 8% others (August 31, 2025 - seven companies: 34% NexGen; 24% Gold Royalty; 24% Moxico; 7% Contango; and 11% others).

(b) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company has ensured, as far as reasonably possible, that it will have sufficient working capital to meet short-term business requirements, taking into account cash flows from operations and the Company’s cash holdings. Historically, the Company’s primary source of financing has been the issuance of equity securities for cash through private placements. The Company has also obtained liquidity by arranging secured bank and other margin loans.

The Company’s cash position as at May 31, 2026, was $5,598 (August 31, 2025 - $3,076), and the Company has a negative working capital of $26,303 (August 31, 2025 - negative $24,271). The negative working capital is primarily 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.

(Expressed in thousands of United States dollars, unless otherwise indicated)

13. Financial instruments and risk management (continued):

The Company’s access to financing is uncertain. There can be no assurance of continued access to significant equity, bank, or other financing. As at May 31, 2026, the Company had no significant contractual obligations other than those included in accounts payable, accrued liabilities, dividend payable, borrowings, and lease liabilities.

(c) Interest and foreign exchange risk:

The Company is subject to normal risks, including fluctuations in interest and foreign exchange rates. While the Company manages its operations to minimize exposure to these risks, it has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure.

As at May 31, 2026, the Company is exposed to limited interest rate risk because it earns relatively low interest on its cash balance, given modest interest rates on United States dollars, Canadian dollars (“C$”), and Australian dollars (A$). The Company is also exposed to interest rate risk on its borrowings due to movements in the United States Federal Funds Effective Overnight Rate.

The Company has assets and liabilities denominated in foreign currencies. The Company’s exposure to exchange rate fluctuations arises mainly from fluctuations in foreign currencies relative to the United States dollar functional currency.

The Company is exposed to foreign currency risk from fluctuations in cash, prepayments and deposits, investments, accounts payable and accrued liabilities, and lease liabilities that are denominated in Canadian dollars (C$), Hong Kong dollars (“HK$”), Australian dollars (“A$”), and British pounds (“GBP”).

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

May 31, 2026	C$	GBP	HK$	A$	Total
Cash	$ 4,744	$ (1)	$ 18	$ 1	$ 4,762
Prepayments and deposits	5	-	56	-	61
Receivables	-	-	3	-	3
Investments	71,425	5,718	-	408	77,551
Accounts payable and accrued liabilities	(90)	(3)	(11)	-	(104)
Lease liabilities	-	-	(341)	-	(341)
Net assets (liabilities)	$ 76,084	$ 5,714	$ (275)	$ 409	$ 81,932

(Expressed in thousands of United States dollars, unless otherwise indicated)

13. Financial instruments and risk management (continued):

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

August 31, 2025	C$	GBP	HK$	A$	Total
Cash	$ 635	$ -	$ 19	$ 1,444	$ 2,098
Prepayments and deposits	1	-	56	-	57
Receivables	-	-	-	2	2
Investments	105,326	1,426	-	23,747	130,499
Accounts payable and accrued liabilities	(128)	(36)	(64)	-	(228)
Lease liabilities	-	-	(474)	-	(474)
Net assets (liabilities)	$ 105,834	$ 1,390	$ (463)	$ 25,193	$ 131,954

Based on the above net exposure as at May 31, 2026, and assuming all other variables remain constant, a 2% depreciation or appreciation of the C$, HK$, A$ and GBP against the United States dollar would result in an increase or decrease of approximately $1,639 (August 31, 2025 - $2,600) in the Company's net (loss) income and comprehensive (loss) income.

(d) Market price risk:

Market price risk is the risk that the estimated fair value of an investment measured at FVTPL will fluctuate due to changes in market prices (excluding those arising from foreign currency or interest rate risk). The Company's investments in public entities, measured at estimated fair value, are subject to price risk. A 5% increase and a 5% decrease in the individual equity market prices of public entities, or in the individual equity prices of listed and unlisted entities used as equivalent equity instruments for valuing non-traded investments, would result in an increase of approximately $25,548 and a decrease of approximately $25,356, respectively, in the value of investments and unrealized gain for the nine months ended May 31, 2026 (August 31, 2025 - increase of approximately $16,777 and decrease of approximately $17,500).

14. Capital management:

The Company considers the items in shareholders' equity as capital. The Company's objectives when managing capital are to maintain financial strength, protect its ability to meet future liabilities, continue as a going concern, maintain creditworthiness, and maximize returns for shareholders over the long term.

Management reviews its capital management approach on an ongoing basis and believes that, given the Company's relative size, this approach is reasonable.

(Expressed in thousands of United States dollars, unless otherwise indicated)

14. Capital management (continued):

The Company's objectives when managing capital are:

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

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

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

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

15. Supplemental disclosure with respect to cash flows:

Significant non-cash transactions in the nine months ended May 31, 2026, and May 31, 2025, were:

	Nine Months Ended	
	May 31, 2026	May 31, 2025
Investments received for settlement of establishment fee (note 5)	$ 1,050	$ 300
Investments received for settlement of interest receivable (note 5)	4,131	3,155
Investments received on conversion of debentures (note 5)	71,039	9,690
Investments received as compensation for the early conversion of debentures (note 5)	950	-
Investments received on the corporate reorganization of an existing equity investment (note 5)	19,053	-
Transfer from retained earnings to share capital for shares issued under the DRIP (note11(e))	5,645	5,653
Transfer from reserves to share capital for shares issued for options exercised (note 11(a))	4,528	3,455
Transfer from retained earnings to reserves for share-based compensation costs (note 11(c))	3,594	-

16. Segmented information:

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

17. Subsequent events:

On April 24, 2026, the Company declared an interim dividend of C$0.125 per share for all shareholders of record as at May 20, 2026. The dividend was paid on June 1, 2026, with $2,369 paid in cash and $2,504 settled by issuing 248,098 common shares under the Company's DRIP (note 9).