Consolidated Financial Statements
(Expressed in United States dollars)



QUEEN'S ROAD CAPITAL INVESTMENT LTD.

For the Years Ended

August 31, 2026 and 2025

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Queen's Road Capital Investment Ltd.

Opinion

We have audited the consolidated financial statements of Queen's Road Capital Investment Ltd. (the "Entity"), which comprise:

- the consolidated statements of financial position as at August 31, 2026 and August 31, 2025
- the consolidated statements of income and comprehensive income for the years then ended
- the consolidated statements of changes in shareholders' equity for the years then ended
- the consolidated statements of cash flows for the years then ended
- and notes to the consolidated financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at August 31, 2026 and August 31, 2025, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***"Auditor's Responsibilities for the Audit of the Financial Statements"*** section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended August 31, 2026. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

Assessment of the measurement of certain investments at fair value

Description of the matter

We draw attention to Notes 2(d), 5 and 12 to the financial statements. The Entity records investments in convertible debentures at their fair value of $312,828 thousand. In determining the fair value of investments in convertible debentures, the Entity uses a valuation model based on Black-Scholes option pricing and differential equations. The significant assumptions used in the valuation model include expected price volatility, credit spread and share price for unlisted issuers.

Why the matter is a key audit matter

We identified the assessment of the fair value measurement of investments in convertible debentures as a key audit matter. This matter represented an area of significant risk of material misstatement due to the high degree of estimation uncertainty. Significant auditor judgment and specialized skills and knowledge were required in evaluating the results of our audit procedures due to the sensitivity of the fair value measurement of investments in convertible debentures to changes in certain significant assumptions.

How the matter was addressed in the audit

The primary procedures we performed to address this key audit matter included the following:

We involved Valuation Specialists with specialized skills and knowledge, who assisted in evaluating the appropriateness of the significant assumptions used in the fair value measurement of investments in convertible debentures. Our Valuation Specialists evaluated the expected price volatility and credit spread by comparing them against expected price volatility and credit spread ranges that were independently developed using publicly available market data. We compared the share price for unlisted issuers against third party evidence and recent share issuances of the unlisted issuers.

Other Information

Management is responsible for the other information. Other information comprises:

- the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

- Determine, from the matters communicated with those charged with governance, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG LLP

Chartered Professional Accountants

The engagement partner on the audit resulting in this auditor's report is Jonathan H.F. Wong.

Vancouver, Canada

November 16, 2026

QUEEN'S ROAD CAPITAL INVESTMENT LTD.

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

As at August 31, 2026 and 2025

	Notes	2026	2025
Assets			
Current assets:			
Cash and cash equivalents		$ 2,108	$ 3,076
Prepaids and deposits		158	131
Receivables	4	3,563	2,944
		5,829	6,151
Non-current assets:			
Investments	5	582,252	402,260
Loan to a related party	8	4,556	751
Right-of-use assets		288	470
		587,096	403,481
		$ 592,925	$ 409,632
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable and accrued liabilities	7	$ 1,281	$ 1,143
Borrowings	9	36,730	29,104
Lease liabilities		184	175
		38,195	30,422
Non-current liabilities:			
Long-term lease liabilities		113	299
		38,308	30,721
Shareholders' equity:			
Share capital		241,670	202,483
Reserve		15,824	15,627
Retained earnings		297,123	160,801
		554,617	378,911
		$ 592,925	$ 409,632
Subsequent events	17		

See accompanying notes to these consolidated financial statements.

Approved on behalf of the Board:

/s/ Warren Gilman
Director

/s/ Alex Granger
Director

QUEEN'S ROAD CAPITAL INVESTMENT LTD.

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

Years ended August 31, 2026 and 2025

	Notes	2026	2025
Income from investments:			
Interest and other income	5	$ 21,168	$ 19,067
Establishment fee income	5	1,050	1,200
Realized gain from investments	5	9,975	2,612
Unrealized gain from investments	5	131,227	97,285
Total income from investments		163,420	120,164
Operating expenses:			
Business development and marketing		638	318
Depreciation		182	185
Foreign exchange loss		224	108
Management and director fees	8	2,118	1,986
Office and administration		393	330
Professional and regulatory fees		610	600
Share-based compensation	10(c)	4,725	-
Total operating expenses		8,890	3,527
Income before income taxes and interest expense		154,530	116,637
Interest expense	6	1,785	1,573
Income before income taxes		152,745	115,064
Income tax expense (recovery)	14	50	(11)
Net income and comprehensive income		$ 152,695	$ 115,075
Net income per common share:			
Basic	11	$ 3.02	$ 2.36
Diluted	11	2.99	2.22
Weighted average number of common shares - basic	11	50,573,636	48,659,592
Weighted average number of common shares - diluted	11	51,012,388	51,844,346

See accompanying notes to these consolidated financial statements.

QUEEN'S ROAD CAPITAL INVESTMENT LTD.

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

Years ended August 31, 2026 and 2025

	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	10(a)	2,180,646	24,282	-	-	-	24,282
Shares issued - options exercised	10(a)	1,364,791	9,585	-	(4,528)	-	5,057
Shares issued - dividend reinvestment plan	10(a)	1,207,412	8,149	-	-	(8,149)	-
Shares purchased	10(a)	-	-	(6,122)	-	-	(6,122)
Shares canceled	10(a)	(641,800)	(2,829)	6,122	-	(3,293)	-
Dividend - paid in cash	10(e)	-	-	-	-	(4,931)	(4,931)
Share-based compensation	10(c)	-	-	-	4,725	-	4,725
Net income		-	-	-	-	152,695	152,695
Balance, August 31, 2026		54,070,299	$ 241,670	$ -	$ 15,824	$ 297,123	$ 554,617
Balance, August 31, 2024		45,548,550	$ 177,327	$ -	$ 19,651	$ 53,020	$ 249,998
Shares issued - private placement	10(a)	2,142,857	11,025	-	-	-	11,025
Shares issued - options exercised	10(a)	1,336,600	9,306	-	(4,024)	-	5,282
Shares issued - dividend reinvestment plan	10(a)	1,135,253	5,653	-	-	(5,653)	-
Shares issued - share consolidation	10(a)	3	-	-	-	-	-
Shares purchased	10(a)	-	-	(964)	-	-	(964)
Shares canceled	10(a)	(204,013)	(828)	964	-	(136)	-
Dividend - paid in cash	10(e)	-	-	-	-	(1,505)	(1,505)
Net income		-	-	-	-	115,075	115,075
Balance, August 31, 2025		49,959,250	$ 202,483	$ -	$ 15,627	$ 160,801	$ 378,911

[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.

See accompanying notes to these consolidated financial statements.

QUEEN'S ROAD CAPITAL INVESTMENT LTD.

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

Years ended August 31, 2026 and 2025

	Notes	2026	2025
Cash flows provided by (used in):			
Operating activities:			
Net income		$ 152,695	$ 115,075
Items not affecting cash:			
Interest income on convertible debentures	5(e)	(20,900)	(19,007)
Other income	5(e)	(268)	(60)
Establishment fee income	5(e)	(1,050)	(600)
Realized gain from investments	5	(9,975)	(2,612)
Unrealized (gain) on investments	5	(131,227)	(97,285)
Depreciation		182	185
Interest expense and financing costs	6	1,765	1,560
Interest expense on lease liabilities	6	20	13
Income tax expense (recovery)	14	50	(11)
Unrealized foreign exchange (gain) loss		(94)	72
Share-based compensation	10(e)	4,725	-
Interest received on convertible debentures	5(e)	13,981	13,118
Other income received	5(e)	232	62
Interest expense paid on borrowings	9	(1,745)	(1,592)
Interest expense paid on lease liabilities		(20)	(13)
Income taxes paid		(43)	(14)
		8,328	8,891
Change in non-cash operating working capital:			
Other receivables		-	(4)
Prepaid expenses and advances		(27)	(5)
Accounts payable and accrued liabilities		131	61
Cash flows provided by operating activities		8,432	8,943
Financing activities:			
Common shares issued - private placement	10(a)	24,282	11,025
Common shares issued - options	10(a)	5,057	5,282
Common shares purchased	10(a)	(6,122)	(964)
Dividends paid	10(e)	(4,931)	(1,505)
Payment of lease liabilities		(175)	(200)
Borrowings drawn	9	53,400	45,955
Borrowings repaid	9	(45,794)	(48,445)
Loan to a related party, net of repayments		(3,805)	(751)
Cash flows provided by financing activities		21,912	10,397
Investing activities:			
Acquisition of investments	5	(49,741)	(41,164)
Proceeds from sale of equity and other investments	5	16,119	23,876
Compensation for early conversion of debentures	5	2,217	-
Cash flows used in investing activities		(31,405)	(17,288)
(Decrease) Increase in cash		(1,061)	2,052
Cash, beginning of the year		3,076	1,094
Effect of currency translation on cash		93	(70)
Cash, end of the year		$ 2,108	$ 3,076
Supplemental disclosure with respect to cash flows	15		

See accompanying notes to these 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-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 the accompanying annual 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 consolidated financial statements have been prepared in accordance with IFRS Accounting Standards.

These consolidated financial statements were authorized for issue by the Board of Directors of the Company on November 13, 2026.

(b) Basis of presentation:

These 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 consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

2. Basis of presentation (continued):

(b) Basis of presentation (continued):

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

(c) Material accounting estimates and assumptions:

The preparation of these consolidated financial statements in accordance with IFRS Accounting Standards requires management to make estimates and assumptions that effect the reported amounts of assets, liabilities, and contingent liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable in the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the fair value measurement for financial instruments.

(d) Significant judgments:

The preparation of consolidated 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 Company's consolidated financial statements, relate to the accounting of the Company's investments.

(*i*) Valuation of investments:

The Company's investments are measured at fair value in accordance with IFRS 13, *Fair Value Measurement*.

Publicly traded securities are valued at the close price on the recognized stock exchange on which the securities are listed or principally traded, provided the close price is within the bid-ask spread. Securities which are listed on a stock exchange or traded over-the-counter and which are subject to a hold period or other trading restrictions are valued as described above, with an appropriate discount as determined by management to reflect the restrictions, if relevant.

2. Basis of presentation (continued):

(d) Significant judgements (continued):

(*i*) Valuation of investments (continued):

Equity and other investments which are not traded on a stock exchange are valued at the closing price of an equivalent traded instrument, with an appropriate discount as determined by management to reflect the difference in liquidity or the different nature of the investment. If there are no equivalent traded instruments, relevant third-party information or other valuation methods are used to determine an appropriate closing price, with an appropriate discount as determined by management to reflect the difference in liquidity.

Convertible debentures issued by companies are measured at initial recognition at the transaction price, being the fair value of the consideration given or received. If it is determined that the fair value at initial recognition, as evidenced by a quoted price in an active market or a quoted price for an identical instrument or based on a valuation technique that uses only data from observable markets for listed companies, differs from the transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss.

In all other cases, the difference between fair value at initial recognition and transaction price is deferred. After initial recognition, the deferred difference is recognized as a gain or loss only to the extent that it arises from a change in a factor, including time, that a market participant would take into consideration when pricing the instrument.

Judgment is required in order to determine the assumptions such as expected price volatility, credit spread and underlying share price for unlisted investee companies utilized in determining the fair value of convertible debentures. Inputs to the valuation such as expected life, risk free rate, underlying share price of listed investee companies, conversion price and exchange rates do not require significant application of judgement. In making estimates and judgments, management relies on external information and observable conditions where possible, supplemented by internal analysis as required. These estimates have been applied in a consistent manner and there are no known trends, commitments, events, or uncertainties that the Company believes will materially affect the methodology or assumptions utilized in making these estimates in these consolidated financial statements. The Company takes the risk of its counterparties into account in determining the fair value of these financial assets. Management has reviewed its policies concerning valuation of assets and believes that the fair values ascribed to these financial assets in the Company's consolidated financial statements incorporate appropriate levels of credit risk.

2. Basis of presentation (continued):

(d) Significant judgements (continued):

(*i*) Valuation of investments (continued):

Accordingly, actual values realized in future market transactions may differ from the estimates presented in these consolidated financial statements and the differences may be material. The use of different market assumptions and/or valuation methodologies may have a material effect on the estimated fair values.

3. Material accounting policies:

The Company has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, unless mentioned otherwise.

The material accounting policies of these consolidated financial statements are set out below.

(a) Consolidation:

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, QRC Nexgen Investment Ltd. ("QRC Nexgen"), which was incorporated on July 12, 2021. The financial results of QRC Nexgen are included in these consolidated financial statements from the date of incorporation. All transactions and intercompany balances are eliminated on consolidation.

(b) Functional and presentation currency:

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its subsidiary is the United States dollar, which is also the presentation currency of the Company and the consolidated financial statements. The functional currency determinations were conducted through an analysis of the consideration factors identified in IFRS Accounting Standards.

(c) Foreign currency translations:

Foreign currency transactions are translated into the functional currency using the exchange rate in effect at the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated to their United States dollar equivalents using foreign exchange rates prevailing at the reporting date. Non-monetary assets and liabilities are translated using foreign exchange rates prevailing at the date of the transaction.

Exchange gains or losses arising on the translation of monetary items are recognized in the consolidated statements of income in the period in which they arise.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss shall be recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in net income, any exchange component of that gain or loss shall be recognized in net income.

3. Material accounting policies (continued):

(d) Investment income:

The Company's investment income includes:

- interest income on convertible debentures;
- interest income on cash and cash equivalents;
- dividend income;
- establishment fee income; and
- gain and loss on investments.

Interest income on convertible debentures is recognized under the effective interest method. Interest income on cash and cash equivalents is recognized on an accruals basis in the period in which it accrues. Dividend income and establishment fees are recognized in the profit or loss on the date on which the Company's right to receive payments is established. The net gain or loss on investments classified as financial assets and recorded at fair value is recognized through the profit and loss in accordance with note 3(f).

The "effective interest rate" is the rate that exactly discounts estimated future cash receipts through the expected life of the convertible debenture to the gross carrying amount of the financial asset.

(e) Cash and Cash Equivalents:

Cash and cash equivalents comprise cash on hand and demand balances with financial institutions. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Investments are classified as cash equivalents only if they have an original maturity of three months or less from the date of acquisition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(f) Financial instruments:

Financial assets:

IFRS 9, *Financial instruments*, establishes three primary measurement categories for financial assets: amortized cost, fair value through profit or loss ("FVTPL") or fair value through other comprehensive income ("FVTOCI"). The basis for classification depends on the entity's business model and the contractual cash flow characteristics of the instrument.

(*i*) Recognition and measurement of financial assets:

A financial asset is measured initially at fair value less, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. On initial recognition, a financial asset is classified and measured at amortized cost, FVTPL, or FVTOCI. Regular-way purchases and sales of financial assets are recognized on the trade date.

3. Material accounting policies (continued):

(f) Financial instruments (continued):

Financial assets (continued):

(*ii*) Classification of financial assets:

(A) Financial assets measured at amortized cost:

A financial asset that meets both of the following conditions is classified as a financial asset measured at amortized cost.

- The Company's business model for such financial assets, is to hold the assets in order to collect contractual cash flows.

(B) Financial assets measured at FVTPL:

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with changes in fair value therein, recognized in net income. All financial assets not classified and measured at amortized cost or FVTOCI are measured at FVTPL.

(C) Financial assets measured at FVTOCI:

For financial assets that are equity instruments, the Company can make an irrevocable election at initial recognition to classify the instruments at FVTOCI, with all subsequent changes in fair value being recognized in other comprehensive income ("OCI"). This election is available for each separate investment. Fair value changes are recognized in OCI while dividends are recognized in net income. On disposal of the investment the cumulative change in fair value is not recycled to net income, rather transferred to retained earnings. The Company does not have any financial assets designated as FVTOCI.

For a financial asset that is a debt instrument, it is classified at FVTOCI if it meets both of the following conditions and is not designated at FVTPL:

- The Company's business model for such financial assets, is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding.

(*iii*) Derecognition of financial assets:

The Company derecognizes a financial asset if the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the financial asset. Any interest in transferred financial assets that are created or retained by the Company are recognized as a separate asset or liability. Gains and losses on derecognition are generally recognized in net income.

3. Material accounting policies (continued):

(f) Financial instruments (continued):

Financial liabilities:

(i) Recognition and measurement of financial liabilities:

The Company recognizes financial liabilities when it becomes a party to the contractual provisions of the instruments.

(A) Financial liabilities measured at amortized cost:

A financial liability at amortized cost is initially measured at fair value less transaction costs directly attributable to the issuance of the financial liability. Subsequently, the financial liability is measured at amortized cost based on the effective interest rate method.

(B) Financial liabilities measured at FVTPL:

A financial liability measured at FVTPL is initially measured at fair value with any associated transaction costs being recognized in net income when incurred. Subsequently, the financial liability is re-measured at fair value, and a gain or loss is recognized in net income in the reporting period in which it arises.

The Company does not have any liabilities classified as financial liabilities measured at FVTPL.

(ii) Derecognition of financial liabilities:

The Company derecognizes a financial liability when the financial liability is discharged, cancelled, or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the Consolidated Statements of Income.

(g) Share capital:

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

(h) Share-based payments:

The Company makes periodic grants of share-based awards to selected directors, officers, employees, and others providing similar services.

The fair value of the equity-settled awards is determined at the date of the grant by using the Black-Scholes Option Pricing Model. At each reporting date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are ultimately expected to vest is computed.

3. Material accounting policies (continued):

(h) Share-based payments (continued):

The movement in cumulative expense is recognized in the Consolidated Statements of Income with a corresponding entry within equity, against the reserve for equity settled share-based transactions.

(i) Net income per share:

The basic net income per share figure has been calculated using the weighted average number of shares outstanding during the respective period.

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on net income per common share is recognized from the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period.

(j) Income taxes:

Current tax is the expected tax payable or receivable on the local taxable income or loss for the year, using local tax rates enacted or substantively enacted at the reporting date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred income taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3. Material accounting policies (continued):

(k) Future accounting policy changes*:*

Presentation and disclosure in financial statements (IFRS 18):

IFRS 18 will replace IAS 1, *Presentation and disclosure in financial statements* and applies for annual reporting periods beginning on or after January 1, 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statements of comprehensive income, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures ("MPMs") are required to be disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in these financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statements of cash flows when presenting operating cash flows under the indirect method.

The Company is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Company's statements of comprehensive income, the statements of cash flows and the additional disclosures required for MPM. The Company is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as "other".

Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7):

The IASB has issued amendments to IFRS 9 and IFRS 7 in May 2024. These amendments relate to classification of financial assets and accounting for settlement by electronic payments in the context of the classification and measurement requirements in IFRS 9. The potential impact may include, but is not limited to, a change in timing of recognition and derecognition of financial instruments in certain situations in which settlement of a financial instruments with another takes more than a day. Similarly, a change may be required for entities that derecognize both trade payable and cash on the payment initiation date even if the creditor has not yet received the cash. However, an accounting policy choice is available for derecognizing certain financial liabilities that are settled using an electronic payment system subject to certain criteria being met.

The amendments will be effective for accounting periods commencing after January 1, 2026. Management is currently assessing the impact of the new standard, but it is not expected to have a significant impact on the Company's financial statements.

4. Receivables:

Receivables consist of the following:

	2026	2025
Interest receivable on convertible debentures	$ 3,525	$ 2,942
Other interest receivable	2	2
Dividends receivable	36	-
	$ 3,563	$ 2,944

5. Investments:

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

		2026	2025
Equity and other investments:			
DPM Metals Inc.	(a)	$ 40,704	$ -
Gold Royalty Corp[1]	(b)	56,914	-
NexGen Energy Ltd.	(c)	109,619	82,402
Other investments [2]	(d)	62,187	49,986
		269,424	132,388
Convertible debentures:	(e)		
ATHA Energy Corp.[3]		45,580	-
Gold Royalty Corp.[1]		-	65,353
Moxico Resources plc[4]		112,051	65,928
NexGen Energy Ltd.		109,054	92,094
Other convertible debentures [2]		46,143	46,497
		312,828	269,872
		$ 582,252	$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 $5,382, 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.

5. Investments (continued):

The continuity of the Company's investments during the year ended August 31, 2026, is as follows:

	August 31, 2025	Additions[1]	Net proceeds from disposition [2]	Realized gain	Unrealized gain	August 31, 2026
Equity and other investments	$ 132,388	$ 113,168	$ (35,172)	$ 5,852	$ 53,188	$ 269,424
Convertible debentures	269,872	35,000	(74,206)	4,123	78,039	312,828
	$ 402,260	$ 148,168	$ (109,378)	$ 9,975	$ 131,227	$ 582,252

(1) Additions of equity and other investments of $113,168 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, $14,741 common shares and other equity investments purchased, $5,382 common shares received on the conversion of other convertible debentures in April 2026, $6,335 common shares received for the settlement of interest receivable and $1,050 common shares received for the settlement of establishment fees (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 $35,172 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 $9,494 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 year ended August 31, 2025, is as follows:

	August 31, 2024	Additions[1]	Net proceeds from disposition [2]	Realized gain (loss)	Unrealized gain	August 31, 2025
Equity and other investments	$ 91,607	$ 24,114	$ (23,876)	$ 6,200	$ 34,343	$ 132,388
Convertible debentures	187,725	40,000	(17,207)	(3,588)	62,942	269,872
	$ 279,332	$ 64,114	$ (41,083)	$ 2,612	$ 97,285	$ 402,260

(1) Additions of equity and other investments of $24,114 comprise $9,690 common shares received on the conversion of other debentures in January 2025, $7,517 common shares received on the conversion of other debentures in August 2025, $5,143 common shares received for the settlement of interest receivable, $600 common shares received for the settlement of establishment fees and $1,164 common shares purchased (note 15). Additions of convertible debentures of $40,000 comprise Moxico debentures of $10,000 purchased on October 21, 2024; $10,000 on December 6, 2024; $5,000 on February 18, 2025; $5,000 purchased on April 1, 2025, and $10,000 purchased on June 18, 2025.

(2) Net proceeds from disposition of equity and other investments of $23,876 comprise proceeds from the sale of other equity investments. Net proceeds from the disposition of convertible debentures of $17,207 comprise the value of the common shares received on the conversion of debentures in January 2025 and August 2025 (note 15).

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 DPM Metals Inc. ("DPM") common shares:

The fair value of the DPM 899,094 common shares held at August 31, 2026, is $40,704 (2025 - nil). The DPM shares were acquired from a corporate reorganization of an existing equity investment. The fair value of each common share is estimated using the closing market price on the reporting date.

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

The fair value of Gold Royalty 17,142,857 common shares held at August 31, 2026, is $56,914 (August 31, 2025 – nil). The fair value of each common share is estimated using the closing market price on the reporting date.

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

The fair value of the NexGen 10,475,128 common shares held at August 31, 2026, is $109,619 (2025 - 10,675,128 NexGen common shares at fair value $82,402). The fair value of each common share is estimated using the closing market price on the reporting date.

(d) Other investments held for investment purposes:

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

The estimated fair value of other equity investments at August 31, 2026, is $62,187 (2025 - $49,986).

5. Investments (continued):

(e) 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 US$000	(1)	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		-
Gold Royalty Corp. ("Gold Royalty")	(4)	30,000		December 15, 2023		December 15, 2028	(7) 10.0%	Cash 7.0% Shares 3.0%	$1.90	(7)	(7)
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 20,000)		Various (2021 to 2022)		Various (2026 to 2028)	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 the 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 certain redemption rights after the 3-anniversary of the issue date for a convertible debenture if the weighted average trading price of the relevant stock is above a pre-determined percentage of the conversion price, together with redemption rights on certain defined change of control events.

(7) *Gold Royalty:* The Company converted all of the outstanding principal amount into common shares at the conversion price of $1.90 in November 2025.

(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 between 7.5% and 11% per annum in cash and between 0% and 3.5% per annum in shares, at the election of the issuer. The Company is entitled to convert, from time to time, prior to the maturity date, some or all the outstanding principal amount into common shares at the conversion price of GBP0.90. The issuer can redeem the debenture between July 17, 2027, and July 31, 2027. If the issuer gives notice of redemption during this period, the Company can exercise its right to convert some or all of the outstanding principal at a conversion price of GBP0.83 between July 17, 2027, and July 31, 2027. The issuer also has redemption rights on certain defined change of control events.

5. Investments (continued):

(e) Investments in convertible debentures (continued):

During the year ended August 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 year ended August 31, 2025, the Company received establishment fees of $1,200 on convertible debentures of $40,000 issued by Moxico, $600 settled in cash, and $600 settled in common shares of Moxico (note 15).

The estimated fair value of convertible debentures at August 31, 2026, is $312,828 (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.

5. Investments (continued):

(e) Investments in convertible debentures (continued):

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

August 31, 2026	ATHA	Moxico	NexGen	Others
Expected life (years)	4.4	2.9	2.1	0.0 to 1.7
Market price volatility [(1)]	89%	64%	55%	57% to 71%
Modeled price volatility [(2)]	40%	48%	46%	54% to 71%
Risk-free interest rate	3.3%	4.5%	4.3%	2.5% to 4.7%
Coupon interest rate	12.0%	11.0%	9.0%	8.0% to 10.0%
Expected dividend yield	-%	-%	-%	-%
Credit spread	28%	25%	17%	26% to 29%
Underlying share price of the investee [(3)]	C$1.35	GBP1.25	$10.47	Various
Conversion price	C$0.85	GBP0.90	$6.76	Various
Exchange rate (C$ - $)	0.7217	-	-	0.7217
Exchange rate (A$ - $)	-	-	-	0.7167
Exchange rate (GBP - $)	-	1.3548	-	-

[(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.

5. Investments (continued):

(e) Investments in convertible debentures (continued):

August 31, 2025	Gold Royalty	Moxico	NexGen	Others
Expected life (years)	3.3	3.9	3.1	0.8 to 2.7
Market price volatility [1]	56%	57%	53%	50% to 78%
Modeled price volatility [2]	38%	38%	38%	45% to 70%
Risk-free interest rate	3.7%	4.0%	3.7%	2.6% to 3.7%
Coupon interest rate	10.0%	11.0%	9.0%	8.0% to 10.0%
Expected dividend yield	-%	-%	-%	-%
Credit spread	21%	26%	17%	27% to 30%
Underlying share price of the investee [3]	$3.62	GBP0.80	$7.88	Various
Conversion price	$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.

5. Investments (continued):

(e) Investments in convertible debentures (continued):

For the year ended August 31, 2026, the Company has recorded interest income on convertible debentures of $20,900 (August 31, 2025 - $19,007). During the year ended August 31, 2026, the Company received interest payments of $20,316, of which $13,981 was settled in cash and $6,335 was settled in common shares (August 31, 2025 - received $18,261, of which $13,118 was in cash and $5,143 in common shares).

For the year ended August 31, 2026, the Company recorded interest income on cash balances of $88 and received interest income of $88 (August 31, 2025 - recorded $60 and received $62). For the year ended August 31, 2026, the Company recorded dividend income of $180 (August 31, 2025 – nil), of which $144 was received (August 31, 2025 – nil).

6. Interest expense:

Interest expense consists of the following:

		2026		2025
Interest expense on borrowings (note 9)	$	1,765	$	1,560
Interest expense on lease liabilities		20		13
	$	1,785	$	1,573

7. Accounts payable and accrued liabilities:

Accounts payable and accrued liabilities consist of the following:

		2026		2025
Accounts payable	$	69	$	48
Accrued liabilities		214		178
Taxation liabilities		10		3
Due to related parties (note 8)		988		914
	$	1,281	$	1,143

8. Related party transactions:

Related party transactions consists of:

		2026		2025
Management fees	$	2,012	$	1,887
Directors' fees		106		99
Share-based compensation		4,680		-
	$	6,798	$	1,986

Management fees of $2,012 were paid during the year ended August 31, 2026 (August 31, 2025 - $1,887) to companies controlled by directors and to an officer of the Company for services provided to the Company.

Share-based compensation for the year ended August 31, 2026 of $4,680 (August 31, 2025 – nil) represents the cost of options issued by the Company to directors and an officer of the Company (Note 10(c)).

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

As of August 31, 2026, accounts payable and accrued liabilities include $988 (August 31, 2025 - $914) due to directors and officers of the Company and/or companies controlled by these directors, relating to fees and expense reimbursement (note 7). These amounts are unsecured, non-interest-bearing, and have no fixed repayment terms.

As of August 31, 2026, the Company holds equity investments and convertible debentures in Gold Royalty, Moxico, and NexGen, companies with a common director, and IsoEnergy Limited, a company controlled by NexGen. The estimated fair value of equity investments and convertible debentures in these related companies on August 31, 2026, is $439,912 (August 31, 2025 - $331,725). Establishment fee income for the year ended August 31, 2026, was $300 (August 31, 2025 - $1,200); interest income on convertible debentures was $15,078 (August 31, 2025 - $14,735); and compensation for early conversion of convertible debentures was $3,167 (August 31, 2025 – nil) from these related companies.

Corom Pty Ltd. ("Corom"), a company controlled by a relative of a director of the Company and a significant shareholder of the Company, purchased 553,022 common shares of the 2,142,857 common shares issued by the Company in a private placement on September 18, 2024 (note 10(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 10(a)) and became a significant shareholder.

8. Related party transactions (continued):

During the year ended August 31, 2025, the Company sold $556 of its investment in shares to a member of management who is also a director. The transaction was settled in cash, resulting in a realized gain of $6.

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 10(a)).

During the year ended August 31, 2026, the Company granted 3,090,000 options to directors and an officer of the Company (August 31, 2025 – nil) (Note 10(c)).

During the year ended August 31, 2026, directors and an officer of the Company exercised 1,540,000 options at C$6.40 per share (note 10(c)).

During the year ended August 31, 2025, directors and an officer of the Company exercised 1,321,600 options: 300,000 at C$3.00 per share and 1,021,600 at C$6.40 per share (note 10(c)).

9. Borrowings:

Borrowings consists of the following:

	August 31, 2026	August 31, 2025
Margin loan, secured	$ 36,730	$ 29,104

The movement in borrowings for the year ended August 31, 2026 and August 31, 2025 consists of the following:

	Year Ended	
	August 31, 2026	August 31, 2025
Balance, beginning of the year	$ 29,104	$ 31,626
Margin loan drawdowns	53,400	45,955
Interest expense	1,765	1,560
Margin loan repayments	(45,794)	(48,445)
Interest expense payments	(1,745)	(1,592)
Balance, end of the year	$ 36,730	$ 29,104

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 August 31, 2026, was 4.4% (August 31, 2025 - 5.1%). Interest is accrued daily, and monthly interest is added to the loan account on the third business day of the following month.

9. Borrowings (continued):

The margin loan has no fixed repayment term or maturity. The loan is secured over the cash and securities held by the brokerage firm, with a value of $250,871 on August 31, 2026 (August 31, 2025 - $118,228). Margin requirements are calculated by the brokerage firm and advised 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 within the portfolio to bring the loan back into compliance with margin requirements. The loan complied with the margin requirements for the year ended August 31, 2026, and August 31, 2025.

10. Share capital:

(a) 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.

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:

54,070,299 common shares at August 31, 2026 (August 31, 2025 – 49,959,250).

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

	2026	2025
Shares issued, fully paid and outstanding:		
Balance, beginning of year	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	1,336,600
Issued in settlement of dividend	1,207,412	1,135,253
Issued on rounding up on share consolidation	-	3
Purchased through NCIB and canceled	(641,800)	(204,013)
Balance, end of year	54,070,299	49,959,250

10. Share capital (continued):

(a) Common shares (continued):

Share transactions during the year ended August 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.
- 248,098 shares of the Company were issued on June 1, 2026, as fully paid shares to settle dividends of C$0.125 per share, based on a share price of C$13.97. $2,504 was transferred from retained earnings to share capital.
- 641,800 shares of the Company, purchased under the Normal Course Issuer Bid ("NCIB"), were canceled during the year ended August 31, 2026.
- The total cost of the canceled shares, including commission, was $6,122 or an average of C$13.15 per share. $2,829, representing the average issue price of the canceled shares, was transferred from the treasury share reserve to share capital. The remaining $3,293 was transferred from the treasury share reserve to retained earnings.
- All shares purchased under the NCIB were canceled as at August 31, 2026, and no shares were held in treasury.

Share transactions during the year ended August 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 common shares of the 2,142,857 shares issued.
- $5,282 was received in cash, and $4,024 was transferred from share-based reserves to share capital for the issue of the 1,336,600 common shares on the exercise of the share options.

10. Share capital (continued):

(a) Common shares (continued):

Share transactions during the year ended August 31, 2025, were as follows (continued):

- 1,135,253 shares of the Company were issued on November 14, 2024, as fully paid shares for the settlement of dividends of C$0.21 per share, based on a share price of C$7.00. $5,653 was transferred from retained earnings to share capital.
- 204,013 shares of the Company, repurchased through the Normal Course Issuer Bid ("NCIB") were canceled during the year ended August 31, 2025.
- The total cost of the shares canceled, including commission, was $964, an average cost of C$6.61 per share. $828, representing the average issue price of the canceled shares, was transferred from the treasury share reserve to share capital. The remaining $136 was transferred from the treasury share reserve to retained earnings.
- All shares repurchased under the NCIB were canceled as of August 31, 2025, and no shares were held in treasury.

(b) Warrants:

There were no warrants outstanding on August 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 at August 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) and a weighted- average remaining contractual life of 3.7 years (August 31, 2025 – 1.5 years). The number of options exercisable at August 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).

10. Share capital (continued):

(c) Stock options (continued):

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

	2026	2025
Balance, beginning of year	2,528,400	3,865,000
Issued	3,120,000	-
Exercised	(1,590,000)	(1,336,600)
Balance, end of year	4,058,400	2,528,400

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, of which 3,090,000 options were granted to directors and an officer of the Company (note 8). The options vest 50% on the grant date and the remaining 50% on April 30, 2027. The Company determined the grant-date fair value of $7,466 and the fair value of options vesting in the year ended August 31, 2026, of $4,725, of which $4,680 related to options vesting to directors and an officer of the Company (note 8).

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

The expected price volatility was based on the historical volatility of the Company's share price over a period commensurate with the expected life of the share options.

No stock options were issued in the year ended August 31, 2025.

1,590,000 options of the Company were exercised at C$6.40 per share during the year ended August 31, 2026, of which 1,540,000 options were exercised by directors and an officer of the Company (note 8).

1,336,600 options of the Company were exercised during the year ended August 31, 2025, of which 315,000 options were exercised at C$3.00 per share; 15,000 options at C$5.50 per share; and 1,021,600 at C$6.40 per share. Directors and an officer of the Company exercised 300,000 options at C$3.00 per share and 1,021,600 options at C$6.40 per share (note 8).

10. Share capital (continued):

(c) Stock options (continued):

A summary of the Company's outstanding options at August 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 year ended August 31, 2026, there were purchases of 641,800 shares for cash of $6,122 (2025 - purchases of 204,013 shares for cash of $964).

(e) Dividend:

On April 24, 2026, the Company declared an interim dividend of C$0.125 per share for all shareholders of record on May 20, 2026. The Company paid the interim dividend of $4,873 on June 1, 2026, with $2,369 paid in cash and $2,504 settled by issuing 248,098 shares under the Company's Dividend Reinvestment Plan ("DRIP").

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.

On October 11, 2024, the Company declared a dividend of C$0.21 per share to 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 the issue of 1,135,253 shares under the DRIP.

11. Basic and diluted net income per share:

The basic net income per share is calculated using the weighted average number of common issued 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:

	2026	2025
Weighted average number of issued shares	51,007,174	48,695,619
Weighted average number of shares purchased and held in treasury	433,538	36,027
Weighted average number of issued and outstanding shares	50,573,636	48,659,592

Diluted net income per share was calculated using the weighted average number of common shares issued and outstanding, adjusted for the dilutive effect of 938,400 stock options (August 31, 2025 – 2,528,400 stock options). Stock options to purchase 3,120,000 common shares (August 31, 2025 – nil) were excluded from the computation of diluted income per share because the options' exercise prices were greater than the average market price of the common shares. Consequently, these options were anti-dilutive for the year ended August 31, 2026, but could potentially dilute basic earnings per share in the future.

12. 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 August 31, 2026, and August 31, 2025:

	2026	2025
Fair value through profit and loss:		
Investments	$ 582,252	$ 402,260
Amortized cost:		
Cash and cash equivalents	2,108	3,076
Receivables	3,563	2,944
Loan to a related party	4,556	751
Accounts payable and accrued liabilities	1,281	1,143
Borrowings	36,730	29,104
Lease liabilities	297	474

12. Financial instruments and risk management (continued):

As at August 31, 2026 and August 31, 2025, financial instruments that are not measured at estimated fair value on the balance sheet are represented by cash, receivables, loan to a related party, accounts payable and accrued liabilities, borrowings, and lease liabilities. The fair value of these financial instruments approximates the carrying value due to their short-term nature, and the fair values are estimated using Level 2 inputs.

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

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

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

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

August 31, 2026		Level 1		Level 2		Level 3
Investments at estimated fair value	$	251,887	$	200,984	$	129,381

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

During the year ended August 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.

12. Financial instruments and risk management (continued):

The movement in Level 3 investments for the year ended August 31, 2026, consists of the following:

	Shares	Convertible debentures	Total
Balance, beginning of year	$ 1,427	$ 65,928	$ 67,355
Additions	13,961	10,000	23,961
Unrealized gain	1,942	36,123	38,065
Balance, end of year	$ 17,330	$ 112,051	$ 129,381

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 Consolidated Statements of Income and Comprehensive Income for the year ended August 31, 2026, in respect of Level 3 investments in convertible debentures and common shares was $38,065 (August 31, 2025 - $7,920). The estimated fair value would increase (decrease) if the estimated share price was higher (lower) or the credit spread was lower (higher). The estimated fair value could increase or decrease if the estimated volatility was higher and would decrease if the estimated volatility was lower.

A five-percentage point increase or decrease in the estimated share price, volatility or credit spread would have the following impact on the estimated fair value at August 31, 2026 and August 31, 2025:

	August 31, 2026		August 31, 2025	
	5% Increase	5% Decrease	5% Increase	5% Decrease
Assumption:				
Share price	$ 5,596	$ (6,384)	$ 3,719	$ (3,553)
Volatility	(416)	(431)	136	(314)
Credit spread	(152)	157	(585)	610

12. 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 risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets, including cash and investments and the loan to the related party. The Company has limited exposure to credit risk related to cash, as it only deposits its cash with high credit quality financial institutions, which are available on demand. The Company's equity investments are settled and paid for upon delivery using an approved broker. The risk of default is considered minimal, as delivery of securities sold is made once the broker has received payment and payment on a purchase is received by the broker. The trade will fail if either party fails to meet its obligations. The Company's credit risk related to convertible debentures is associated with the risk that these third parties will not perform their underlying obligations. The Company mitigates its credit risk by only investing and providing loans where they have a detailed knowledge of the investee's operations and business strategy. The Company has convertible debentures invested in seven companies at August 31, 2026, that were made up of 36% MOX; 35% NexGen; 15% ATHA; and 14% Others (2025 - 34% NexGen; 24% Gold Royalty; 24% Moxico; and 18% Others). The Company's maximum exposure to credit risk on the loan to a related party is the full carrying amount of the loan, as the balance is unsecured and has no fixed maturity. The credit risk is concentrated in a single individual and depends directly on the related party's personal financial liquidity, personal net worth, and continued professional engagement with the Company. The Compensation, Corporate Governance and Remuneration Committee and the Board review the loan balance and the terms of the loan. The Company has evaluated the related party's past repayment history, current financial standing, and future earning capacity with the Company. Based on these forward-looking factors, the probability of default is considered low, and the expected credit loss is deemed immaterial. No significant increase in credit risk has occurred since initial recognition.

12. Financial instruments and risk management (continued):

Financial risks (continued):

(b) Liquidity risk:

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

The Company's cash position as at August 31, 2026 was $2,108 (August 31, 2025 - $3,076), and the Company had a negative working capital of $32,366 (August 31, 2025 – negative $24,271). The negative working capital is primarily due to a secured margin loan with no fixed repayment term or maturity. The loan was supported and over-collateralized by marketable securities, with sufficient liquidity to repay the loan, if required.

The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity, bank or other financing. As of August 31, 2026, the Company had no significant contractual obligations other than those included in accounts payable, accrued liabilities, borrowings and lease liabilities (August 31, 2025 - commitment to purchase $30,000 convertible debentures issued by Moxico).

(c) Interest and foreign exchange risk:

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

At August 31, 2026, the Company is exposed to limited interest rate risk as it earns relatively low interest on its cash balance due to modest interest rates on United States dollars, Canadian dollars ("C$") and Australian dollars ("A$"). The Company is exposed to interest rate risk on its borrowings arising from movements in 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 foreign currency fluctuations against the United States dollar functional currency.

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

12. Financial instruments and risk management (continued):

Financial risks (continued):

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

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

August 31, 2026	C$	GBP	HK$	A$	EUR	Total
Cash	$ 1,797	$ -	$ -	$ 1	$ -	$ 1,798
Prepayments and deposits	1	-	74	-	-	75
Receivables	2	-	-	-	-	2
Investments	79,385	17,330	-	355	-	97,070
Accounts payable and accrued liabilities	(247)	(22)	(26)	-	(3)	(298)
Lease liabilities	-	-	(296)	-	-	(296)
Net assets (liabilities)	$ 80,938	$17,308	$ (248)	$ 356	$ (3)	$ 98,351

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 August 31, 2026, and assuming all other variables remain constant, a 2% depreciation or appreciation of the C$, A$, HK$, GBP and Euro against the United States dollar would result in an increase or decrease of approximately $1,967 (2025 - $2,600) in the Company's net income and comprehensive income.

(d) Market price risk:

Market price risk is the risk that the estimated fair value of an investment measured at FVTPL will fluctuate because of changes in market prices (other than those arising from foreign currency risk or interest rate risk). The Company's investments at estimated fair value of public entities are subject to price risk. A 5% increase and a 5% decrease in the value of the individual equity market prices in public entities, or individual equity prices in listed and unlisted entities which are used as equivalent equity instruments for the valuation of non-traded investments, would result in an increase of approximately $25,582 and a decrease of approximately $27,665, respectively, in the value of investments and unrealized gain for the year ended August 31, 2026 (2025 - increase of approximately $16,777 and decrease of approximately $17,500).

13. Capital management:

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

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

The Company's objectives when managing capital are:

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

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

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

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

14. Income taxes:

The actual income tax provision differs from the expected amounts calculated by applying the Hong Kong Special Administrative Region corporate tax rate for the years ended August 31, 2026 and 2025 to the Company's income before income taxes.

Under the current Hong Kong Inland Revenue Ordinance, the Company is subject to 16.5% income tax generated from operations in Hong Kong, with a reduced rate of 8.25% on the first HK$2 million of taxable income. Under the current Hong Kong tax laws, the Company is exempt from Hong Kong income tax on its foreign-derived income and capital gains, which comprises most of the Company's income.

A reconciliation of income taxes at statutory rates with the reported income tax expense is as follows:

		2026		2025
Net income before income taxes	$	152,745	$	115,064
Corporate tax rate		16.5%		16.5%
Expected income tax expense at statutory rate	$	25,203	$	18,986
Non-taxable income net of non-deductible expenses		(25,198)		(18,983)
Tax expense for current year		5		3
Tax recovery for prior year		-		(14)
Foreign withholding tax on dividend income		45		-
Total income tax expense (recovery)	$	50	$	(11)

15. Supplemental disclosure with respect to cash flows:

Significant non-cash transactions in the year ended August 31, 2026 and 2025 were:

	2026	2025
Investments received for settlement of establishment fee (note 5)	$ 1,050	$ 600
Investments received for settlement of interest receivable (note 5)	6,335	5,143
Investments received on conversion of debentures (note 5)	71,039	17,207
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	-

16. Segmented information:

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

17. Subsequent events:

On October 30, 2026, the Company declared a final dividend of C$0.125 per share to all shareholders of record on November 19, 2026. The Company will pay the dividend on December 1, 2026.