

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



QUEEN'S ROAD CAPITAL INVESTMENT LTD.

Three and six months ended February 28, 2026

(Unaudited)

QUEEN'S ROAD CAPITAL INVESTMENT LTD.

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

	Notes	February 28, 2026 (Unaudited)	August 31, 2025 (Audited)
Assets			
Current assets:			
Cash and cash equivalents		\$ 1,275	\$ 3,076
Prepays and deposits		205	131
Receivables	3	3,534	2,944
		<u>5,014</u>	<u>6,151</u>
Non-current assets:			
Investments	4	629,310	402,260
Receivables	7	1,065	751
Right-of-use assets		379	470
		<u>630,754</u>	<u>403,481</u>
		<u>\$ 635,768</u>	<u>\$ 409,632</u>

Liabilities and Shareholders' Equity

Current liabilities:			
Accounts payable and accrued liabilities	6	\$ 763	\$ 1,143
Borrowings	8	52,633	29,104
Lease liabilities		179	175
		<u>53,575</u>	<u>30,422</u>
Non-current liabilities:			
Long-term lease liabilities		207	299
		<u>53,782</u>	<u>30,721</u>
Shareholders' equity:			
Share capital		209,442	202,483
Reserves		14,060	15,627
Retained earnings		358,484	160,801
		<u>581,986</u>	<u>378,911</u>
		<u>\$ 635,768</u>	<u>\$ 409,632</u>

Subsequent events 15

See accompanying notes to these condensed interim consolidated financial statements.

Approved on behalf of the Board:

/s/ Warren Gilman Director

/s/ Alex Granger Director

QUEEN'S ROAD CAPITAL INVESTMENT LTD.

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

	Notes	Three months ended		Six months ended	
		February 28, 2026 (Unaudited)	February 28, 2025 (Unaudited)	February 28, 2026 (Unaudited)	February 28, 2025 (Unaudited)
Income from investments:					
Interest and other income	4	\$ 5,005	\$ 4,724	\$ 10,398	\$ 9,032
Establishment fee income	4	750	450	1,050	750
Realized gain from investments	4	1,298	544	7,417	1,697
Unrealized gain (loss) from investments	4	132,819	(74,020)	190,919	(17,958)
Total income (loss) from investments		139,872	(68,302)	209,784	(6,479)
Operating expenses:					
Business development and marketing		140	65	192	145
Depreciation		46	47	91	93
Foreign exchange (gain) loss		(114)	111	37	182
Management and director fees	7	530	496	1,026	993
Office and administration		103	90	211	165
Professional and regulatory fees		159	137	301	330
Total operating expenses		864	946	1,858	1,908
Income (loss) before interest expense and income taxes		139,008	(69,248)	207,926	(8,387)
Interest expense	5	413	442	868	826
Income (loss) before income taxes		138,595	(69,690)	207,058	(9,213)
Income taxes		28	4	32	5
Net income (loss) and comprehensive income (loss)		\$ 138,567	\$ (69,694)	\$ 207,026	\$ (9,218)
Net income (loss) per common share:					
Basic	10	\$2.72	(\$1.42)	\$4.09	(\$0.19)
Diluted	10	\$2.60	(\$1.42)	\$3.91	(\$0.19)
Weighted average number of common shares:					
Basic	10	51,021,376	49,036,888	50,604,971	48,327,325
Diluted	10	53,269,438	52,646,628	52,955,871	52,013,649

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 six months ended February 28, 2026 and February 28, 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 – options exercised	9(a)	387,089	2,481	-	(1,567)	-	914
Shares issued - dividend reinvestment plan	9(a)	959,314	5,645	-	-	(5,645)	-
Shares repurchased	9(a)	-	-	(2,303)	-	-	(2,303)
Shares canceled	9(a)	(281,300)	(1,167)	2,303	-	(1,136)	-
Dividend - paid in cash	9(e)	-	-	-	-	(2,562)	(2,562)
Net income		-	-	-	-	207,026	207,026
Balance, February 28, 2026		51,024,353	\$ 209,442	\$ -	\$ 14,060	\$ 358,484	\$ 581,986
Balance, August 31, 2024		45,548,550	\$ 177,327	\$ -	\$ 19,651	\$ 53,020	\$ 249,997
Shares issued – private placement	9(a)	2,142,857	11,025	-	-	-	11,025
Shares issued – options exercised	9(a)	315,000	1,817	-	(1,115)	-	702
Shares issued - dividend reinvestment plan	9(a)	1,135,253	5,653	-	-	(5,653)	-
Shares rounded up on consolidation	9(a)	3	-	-	-	-	-
Shares repurchased	9(a)	-	-	(112)	-	-	(112)
Shares canceled	9(a)	(21,657)	(88)	112	-	(24)	-
Dividend - paid in cash	9(e)	-	-	-	-	(1,505)	(1,505)
Net loss		-	-	-	-	(9,218)	(9,218)
Balance, February 28, 2025		49,120,006	\$ 195,734	\$ -	\$ 18,536	\$ 36,620	\$ 250,889

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	Six months ended	
		February 28, 2026 (Unaudited)	February 28, 2025 (Unaudited)
Cash flows provided by (used in):			
Operating activities:			
Net income (loss)		\$ 207,026	\$ (9,218)
Items not affecting cash:			
Interest income on convertible debentures	4(c)	(10,233)	(8,986)
Other income	4(c)	(165)	(47)
Establishment fee income	4(c)	(1,050)	(150)
Realized gain on investments	4	(7,417)	(1,697)
Unrealized (gain) loss on investments	4	(190,919)	17,958
Depreciation		91	93
Interest expense on borrowings	5	857	824
Interest expense on lease liabilities	5	11	2
Income tax expense		32	5
Unrealized foreign exchange loss		(229)	170
Interest received on convertible debentures	4(c)	6,683	6,161
Other interest and dividend income received	4(c)	132	39
Interest expense paid on borrowings	8	(816)	(846)
Interest expense paid on lease liabilities		(11)	(2)
Income taxes paid		(29)	-
		3,963	4,304
Changes in working capital items:			
Prepaid expenses and advances		(74)	(74)
Accounts payable and accrued liabilities		(385)	1,471
Cash flows provided by operating activities		3,504	5,701
Financing activities:			
Common shares issued – private placement	9(a)	-	11,025
Common shares issued – options	9(a)	914	702
Common shares repurchased	9(a)	(2,303)	(112)
Dividends paid	9(e)	(2,562)	(1,505)
Payment of lease liabilities		(87)	(111)
Borrowings drawn, net of transaction costs	8	41,350	26,855
Borrowings repaid	8	(17,862)	(25,004)
Cash flows provided by financing activities		19,450	11,850
Investing activities:			
Acquisition of investments	4	(38,924)	(25,000)
Proceeds from sale of equity investments	4	12,039	10,619
Compensation for early conversion of debentures	4	2,217	-
Loan advanced to a related party net of repayments	7	(315)	(751)
Cash flows used in investing activities		(24,983)	(15,132)
(Decrease) increase in the period		(2,029)	2,419
Cash, beginning of the period		3,076	1,094
Effect of currency translation on cash		228	(164)
Cash, end of the period		\$ 1,275	\$ 3,349

Supplemental disclosure with respect to cash flows 13

See accompanying notes to these condensed interim consolidated financial statements.

QUEEN'S ROAD CAPITAL INVESTMENT LTD.

Notes to Condensed Interim Consolidated Financial Statements
(Expressed in thousands of United States dollars, unless otherwise indicated)

Three and six months ended February 28, 2026 and February 28, 2025

1. Reporting entity and nature of operations:

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

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

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 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 April 9, 2026.

QUEEN'S ROAD CAPITAL INVESTMENT LTD.

Notes to Condensed Interim Consolidated Financial Statements
(Expressed in thousands of United States dollars, unless otherwise indicated)

Three and six months ended February 28, 2026 and February 28, 2025

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 data related to stock options or where otherwise stated. All figures have been rounded to the nearest thousand.

3. Receivables:

Receivables consist of the following:

	February 28, 2026	August 31, 2025
Interest receivable on convertible debentures	\$ 3,495	\$ 2,942
Other interest receivable	-	2
Dividends receivable	36	-
Income taxes receivable	3	-
	<u>\$ 3,534</u>	<u>\$ 2,944</u>

QUEEN'S ROAD CAPITAL INVESTMENT LTD.

Notes to Condensed Interim Consolidated Financial Statements
(Expressed in thousands of United States dollars, unless otherwise indicated)

Three and six months ended February 28, 2026 and February 28, 2025

4. Investments:

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

			February 28, 2026		August 31, 2025
Equity and other investments:					
NexGen Energy Ltd.	(a)	\$	133,620	\$	82,402
Gold Royalty Corp. ⁽¹⁾	(b)		81,569		269
Equity and other investments ⁽²⁾	(c)		86,498		49,717
			301,687		132,388
Convertible debentures:					
ATHA Energy Corp. ⁽³⁾	(d)		30,593		-
Contango ORE, Inc.			21,959		17,972
Gold Royalty Corp. ⁽¹⁾			-		65,353
Moxico Resources plc ⁽⁴⁾			100,464		65,928
NexGen Energy Ltd.			138,980		92,094
Other convertible debentures ⁽²⁾			35,627		28,525
			327,623		269,872
		\$	629,310	\$	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 and August 2025, the Company received common shares of \$9,690 and \$7,517, respectively, upon conversion of certain other convertible debentures.
- (3) The Company purchased convertible debentures issued by ATHA Energy Corp. ("ATHA") of \$25,000 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 six months ended February 28, 2026, is as follows:

	August 31, 2025	Additions ⁽¹⁾	Net proceeds from disposition ⁽²⁾	Realized gain	Unrealized gain	February 28, 2026
Equity and other investments	\$ 132,388	\$ 93,630	\$ (31,092)	\$ 3,946	\$ 102,815	\$ 301,687
Convertible debentures	269,872	35,000	(68,824)	3,471	88,104	327,623
	\$ 402,260	\$ 128,630	\$ (99,916)	\$ 7,417	\$ 190,919	\$ 629,310

QUEEN'S ROAD CAPITAL INVESTMENT LTD.

Notes to Condensed Interim Consolidated Financial Statements
(Expressed in thousands of United States dollars, unless otherwise indicated)

Three and six months ended February 28, 2026 and February 28, 2025

4. Investments (continued):

- (1) Additions of equity and other investments of \$128,630 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, \$2,996 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 purchased (note 13). 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 \$31,092 comprise proceeds of \$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 \$5,414 from the sale of equity investments (note 13). Net proceeds from the disposition of convertible debentures of \$68,824 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 (note 13).

The continuity of the Company's investments during the six months ended February 28, 2025, is as follows:

	August 31, 2024	Additions ⁽¹⁾	Net proceeds from disposition ⁽²⁾	Realized gain (loss)	Unrealized loss	February 28, 2025
Equity investments	\$ 91,607	\$ 12,225	\$ (10,619)	\$ 2,405	\$ (6,376)	\$ 89,241
Convertible debentures	187,725	25,000	(9,690)	(708)	(11,582)	190,745
	\$ 279,332	\$ 37,225	\$ (20,309)	\$ 1,697	\$ (17,958)	\$ 279,987

- (1) Additions of equity and other investments of \$12,225 comprise \$9,690 IsoEnergy common shares received on the conversion of \$3,000 of the IsoEnergy 2020 debentures on January 27, 2025, \$2,384 investments received for the settlement of interest receivable, and \$150 investments received for the settlement of establishment fees (note 13). Additions of convertible debentures of \$25,000 comprise Moxico debentures of \$10,000 purchased on October 21, 2024; \$10,000 on December 6, 2024; and \$5,000 on February 18, 2025.
- (2) Net proceeds from disposition of equity and other investments of \$10,619 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 on January 27, 2025 (note 13).

QUEEN'S ROAD CAPITAL INVESTMENT LTD.

Notes to Condensed Interim Consolidated Financial Statements
(Expressed in thousands of United States dollars, unless otherwise indicated)

Three and six months ended February 28, 2026 and February 28, 2025

4. Investments (continued):

The continuity of the Company's investments during the three months ended February 28, 2026, is as follows:

	November 30, 2025	Additions ⁽¹⁾	Net proceeds from disposition ⁽²⁾	Realized gain	Unrealized gain	February 28, 2026
Equity investments	\$ 227,397	\$ 3,888	\$ (3,326)	\$ 1,298	\$ 72,430	\$ 301,687
Convertible debentures	242,234	25,000	-	-	60,389	327,623
	\$ 469,631	\$ 28,888	\$ (3,326)	\$ 1,298	\$ 132,819	\$ 629,310

(1) Additions of equity and other investments of \$3,888 comprise \$1,959 investments received for the settlement of interest receivable, and \$750 investments received for the settlement of establishment fees, and \$1,179 common shares purchased (note 13). Additions of convertible debentures comprise ATHA debentures of \$25,000 purchased in February 2026.

(2) Net proceeds from the disposition of equity and other investments of \$3,326 comprise proceeds from the sale of other equity investments.

The continuity of the Company's investments during the three months ended February 28, 2025, is as follows:

	November 30, 2024	Additions ⁽¹⁾	Net proceeds from disposition ⁽²⁾	Realized gain (loss)	Unrealized loss	February 28, 2025
Equity investments	\$ 120,670	\$ 11,683	\$ (5,291)	\$ 1,252	\$ (39,072)	\$ 89,241
Convertible debentures	221,091	15,000	(9,690)	(708)	(34,948)	190,745
	\$ 341,761	\$ 26,683	\$ (14,981)	\$ 544	\$ (74,020)	\$ 279,987

(1) Additions of equity and other investments of \$11,683 comprise \$9,690 IsoEnergy common shares received on the conversion of \$3,000 of the IsoEnergy 2020 debentures on January 27, 2025 (note 13), \$1,842 investments received for the settlement of interest receivable, and \$150 investments received for the settlement of establishment fees. Additions of convertible debentures of \$15,000 comprise Mexico debentures of \$10,000 purchased on December 6, 2024, and \$5,000 on February 18, 2025.

(2) Net proceeds from the disposition of equity and other investments of \$5,291 comprise proceeds from the sale of other equity investments. Net proceeds from the disposition of convertible debentures of \$9,691 comprised the value of the common shares received on the conversion of \$3,000 of the IsoEnergy 2020 debentures on January 27, 2025 (note 13).

QUEEN'S ROAD CAPITAL INVESTMENT LTD.

Notes to Condensed Interim Consolidated Financial Statements
(Expressed in thousands of United States dollars, unless otherwise indicated)

Three and six months ended February 28, 2026 and February 28, 2025

4. 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 February 28, 2026, is \$133,620 (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 February 28, 2026, is \$81,569 (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 February 28, 2026, is \$86,498 (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 which are not traded on a stock market is estimated using the closing market price of an equivalent traded instrument with an appropriate discount applied to reflect the restrictions or different nature of the investment or other third-party evidence.

QUEEN'S ROAD CAPITAL INVESTMENT LTD.

Notes to Condensed Interim Consolidated Financial Statements
(Expressed in thousands of United States dollars, unless otherwise indicated)

Three and six months ended February 28, 2026 and February 28, 2025

4. 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 (2021 to 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 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 in the event of certain defined change-of-control events.

QUEEN'S ROAD CAPITAL INVESTMENT LTD.

Notes to Condensed Interim Consolidated Financial Statements
(Expressed in thousands of United States dollars, unless otherwise indicated)

Three and six months ended February 28, 2026 and February 28, 2025

4. Investments (continued):

(d) Investments in convertible debentures (continued):

During the six months ended February 28, 2026, the Company received establishment fees of \$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 13). During the six months ended February 28, 2025, the Company received establishment fees of \$750 on convertible debentures of \$25,000 issued by Moxico, \$600 settled in cash, and \$150 settled in common shares of Moxico (note 13).

The estimated fair value of convertible debentures at February 28, 2026, is \$327,623 (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.

QUEEN'S ROAD CAPITAL INVESTMENT LTD.

Notes to Condensed Interim Consolidated Financial Statements
(Expressed in thousands of United States dollars, unless otherwise indicated)

Three and six months ended February 28, 2026 and February 28, 2025

4. Investments (continued):

(d) Investments in convertible debentures (continued):

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

February 28, 2026	ATHA	Contango	Moxico	NexGen	Others
Expected life (years)	4.9	2.2	3.4	2.6	0.3 to 1.8
Market price volatility ⁽¹⁾	90%	67%	57%	54%	54% to 87%
Modeled price volatility ⁽²⁾	34%	54%	40%	50%	51% to 83%
Risk-free interest rate	2.6%	3.4%	3.6%	3.5%	2.2% to 4.2%
Coupon interest rate	12.0%	9.0%	11.0%	9.0%	8.0% to 10.0%
Expected dividend yield	-%	-%	-%	-%	-%
Credit spread	28%	30%	26%	17%	27% to 29%
Underlying share price of the investee ⁽³⁾	C\$0.88	\$30.07	GBP1.10	\$12.78	Various
Conversion price	C\$0.85	\$30.50	GBP0.90	\$6.76	Various
Exchange rate (C\$ - \$)	0.7331	-	-	-	0.7331
Exchange rate (A\$ - \$)	-	-	-	-	0.7118
Exchange rate (GBP - \$)	-	-	1.3482	-	-

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

⁽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.

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

⁽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.

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4. Investments (continued):

(d) Investments in convertible debentures (continued):

For the six months ended February 28, 2026, the Company has recorded interest income on convertible debentures of \$10,233 (February 28, 2025 - \$8,986). During the six months ended February 28, 2026, the Company received interest payments of \$9,679, of which \$6,683 was settled in cash, and \$2,996 was settled in common shares (February 28, 2025 - received \$8,546, of which \$6,161 was in cash and \$2,384 in common shares).

For the six months ended February 28, 2026, the Company recorded interest income on cash balances of \$58 (February 28, 2025 - \$47), of which \$60 was received (February 28, 2025 - \$39). For the six months ended February 28, 2026, the Company recorded dividend income of \$107 (February 28, 2025 – nil), of which \$72 was received (February 28, 2025 – nil).

5. Interest expense:

Interest expense consist of the following:

	Three months ended		Six months ended	
	February 28, 2026	February 28, 2025	February 28, 2026	February 28, 2025
Interest expense on borrowings (note 8)	\$ 408	\$ 442	\$ 857	\$ 824
Interest expense on lease liabilities	5	-	11	2
	\$ 413	\$ 442	\$ 868	\$ 826

6. Accounts payable and accrued liabilities:

Accounts payable and accrued liabilities consist of the following:

	February 28, 2026	August 31, 2025
Accounts payable	\$ 180	\$ 48
Accrued liabilities	66	178
Taxation liabilities	9	3
Due to related parties (note 7)	508	914
	\$ 763	\$ 1,143

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7. Related party transactions:

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

	Three months ended		Six months ended	
	February 28, 2026	February 28, 2025	February 28, 2026	February 28, 2025
Management fees	\$ 503	\$ 471	\$ 975	\$ 943
Directors' fees	27	25	51	50
	\$ 530	\$ 496	\$ 1,026	\$ 993

As of February 28, 2026, noncurrent receivables of \$1,065 is an amount due from a director of the Company (August 31, 2025 - \$751). This amount is non-interest-bearing and has no fixed repayment terms.

As of February 28, 2026, accounts payable and accrued liabilities include an amount of \$508 (August 31, 2025 - \$914) due to directors and officers of the Company, and/or companies controlled by these directors, relating to fees, expense reimbursement, and other payable amounts. These amounts are unsecured, non-interest bearing, and have no fixed repayment terms.

As of February 28, 2026, the Company holds equity investments and convertible debentures in 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 of February 28, 2026, is \$491,241 (August 31, 2025 - \$331,725, including Gold Royalty, Moxico, NexGen, and IsoEnergy). Establishment fee income for the six months ended February 28, 2026, is \$300 (February 28, 2025 - \$750), and interest income on convertible debentures is \$7,881 (February 28, 2025 - \$6,851) 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 9(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 9(a)) and became a significant shareholder.

Directors of the Company exercised 500,000 options at C\$6.40 per share during the six months ended February 28, 2026 (note 9(c)).

A director of the Company exercised 300,000 options at C\$3.00 per share, and a director of the Company exercised 15,000 options at C\$5.50 per share during the six months ended February 28, 2025 (note 9(c)).

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8. Borrowings:

Borrowings comprise:

	February 28, 2026	August 31, 2025
Margin loan, secured	\$ 52,633	\$ 29,104

The movement in borrowings for the six months ended February 28, 2026 and February 28, 2025 consist of the following:

	Six Months Ended	
	February 28, 2026	February 28, 2025
Balance, beginning of the period	\$ 29,104	\$ 31,626
Margin loan drawdowns	41,350	26,855
Interest expense	857	824
Margin loan repayments	(17,862)	(25,004)
Interest expense payments	(816)	(846)
Balance, end period	\$ 52,633	\$ 33,455

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 February 28, 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.

The margin loan has no fixed repayment term. The loan is secured over the cash and securities held by the brokerage firm, with a value of \$287,014 on February 28, 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 margin compliance. The loan complied with the margin requirements on February 28, 2026, and August 31, 2025.

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9. 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:

51,024,353 common shares at February 28, 2026 (August 31, 2025 – 49,959,250).

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

	Six Months Ended	
	February 28, 2026	February 28, 2025
Balance, beginning of period	49,959,250	45,548,550
Issued by private placement	-	2,142,857
Issued on exercise of share options	387,089	315,000
Issued in settlement of dividend	959,314	1,135,253
Issued on rounding up on share consolidation	-	3
Repurchased through NCIB and canceled	(281,300)	(21,657)
Balance, end of period	51,024,353	49,120,006

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9. Share capital (continued):

(a) Common shares (continued):

Share transactions during the six months ended February 28, 2026, were as follows:

- \$914 was received in cash, and \$1,567 was transferred from share-based reserves to share capital for the issue of 387,089 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 for the settlement of 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.
- 281,300 shares of the Company, purchased through the Normal Course Issuer Bid ("NCIB"), were canceled: 68,500 shares on November 3, 2025; 4,400 shares on November 28, 2025, and 208,400 shares on February 27, 2026.
- The total cost of the shares canceled, including commission, was \$2,303, an average cost of C\$11.24 per share. \$1,167, representing the average issue price of the canceled shares, was transferred from the treasury share reserve to share capital. The remaining \$1,136 was transferred from the treasury share reserve to retained earnings.
- All shares purchased under the NCIB were cancelled as of February 28, 2026, and no shares were held in treasury.

Share transactions during the six months ended February 28, 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 7). BBFIT Investments Pte Ltd., a significant shareholder of the Company, purchased 397,142 common shares of the 2,142,857 shares issued.
- \$702 was received in cash, and \$1,115 was transferred from share-based reserves to share capital for the issue of the 315,000 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 for the settlement of dividends of C\$0.21. \$5,653 was transferred from retained earnings to share capital.
- 21,657 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, and 6,900 shares on February 28, 2025.

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9. Share capital (continued):

(a) Common shares (continued):

- The total cost of the shares canceled, including commission, was \$112 an average cost of C\$7.25 per share. \$88, representing the average issue price of the canceled shares, was transferred from the treasury share reserve to share capital. The remaining \$24 was transferred from the treasury share reserve to retained earnings.
- All shares repurchased under the NCIB were cancelled as of February 28, 2025, and no shares were held in treasury.

(b) Warrants:

There were no warrants outstanding on February 28, 2026, and August 31, 2025.

(c) Stock options:

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

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

The number of options outstanding at February 28, 2026, was 1,978,400 with a weighted average exercise price of C\$6.40 (August 31, 2025 – 2,528,400 with a weighted average exercise price of C\$6.40).

No stock options were issued during the six months ended February 28, 2026, nor in the year ended August 31, 2025.

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9. Share capital (continued):

(c) Stock options (continued):

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

	Six Months Ended	
	February 28, 2026	February 28, 2025
Balance, beginning of period	2,528,400	3,865,000
Exercised	(550,000)	(315,000)
Balance, end of period	1,978,400	3,550,000

550,000 options of the Company were exercised during the six months ended February 28, 2026, as follows:

- 200,000 options at C\$6.40 per share were exercised by a director on October 24, 2025.
- 300,000 options at C\$6.40 per share were exercised by a director on January 28, 2026.
- 50,000 options at C\$6.40 per share were exercised by a consultant on February 6, 2026.

315,000 options of the Company were exercised during the six months ended February 28, 2025, as follows:

- 115,860 options at C\$3.00 per share were exercised by a director on October 10, 2024.
- 15,000 options at C\$5.50 per share were exercised by a consultant of the Company on October 23, 2024.
- 97,421 options at C\$3.00 per share were exercised by a director on November 11, 2024.
- 86,719 options at C\$3.00 per share were exercised by a director on January 31, 2025.

A summary of the Company's outstanding options at February 28, 2026, is as follows:

Exercise price C\$	Number of options		Expiry date
	outstanding	exercisable	
6.40	1,978,400	1,978,400	February 28, 2027

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

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

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9. Share capital (continued):

(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 six months ended February 28, 2026, there were repurchases of 281,300 shares for cash of \$2,303 (February 28, 2025 - repurchases of 21,657 shares for cash of \$112).

(e) Dividend:

On October 14, 2025, the Company declared a dividend of C\$0.23 per share to 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 the issue of 959,314 shares under the Company's Dividend Reinvestment Plan ("DRIP") (note 13).

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 Company's Dividend Reinvestment Plan ("DRIP") (note 13).

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

The basic net (loss) 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:

	Three months ended		Six months ended	
	February 28, 2026	February 28, 2025	February 28, 2026	February 28, 2025
Weighted average number of issued shares	51,117,741	49,040,185	50,663,839	48,327,700
Weighted average number of shares issued and held in treasury	96,365	3,297	58,868	375
Weighted average number of issued and outstanding shares	51,021,376	49,036,888	50,604,971	48,327,325

Diluted net income per share for the three and six months ended February 28, 2026, was calculated using the weighted average number of common shares issued and outstanding adjusted for the dilutive effect of 2,248,063 and 2,350,900 stock options, respectively.

Diluted net loss per share for the three and six months ended February 28, 2025, does not include the effects of stock options, as the effects would be anti-dilutive.

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11. Financial instruments and risk management:

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

The following table summarizes the carrying value of financial assets and liabilities of the Company as at February 28, 2026, and August 31, 2025:

	February 28, 2026	August 31, 2025
Estimated fair value through profit and loss:		
Investments	\$ 629,310	\$ 402,260
Amortized cost:		
Cash and cash equivalents	1,275	3,076
Receivables	4,599	3,695
Accounts payable and accrued liabilities	763	1,143
Borrowings	52,633	29,104
Lease liabilities	386	474

As at February 28, 2026, and August 31, 2025, financial instruments that are not measured at estimated fair value on the balance sheet are represented by cash, receivables, accounts payable and accrued liabilities, borrowings and lease liabilities. The fair value of these financial instruments approximates the carrying value due to their short-term nature and the fair values are estimated using Level 2 inputs.

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

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

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

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11. Financial instruments and risk management (continued):

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

February 28, 2026	Level 1	Level 2	Level 3
Investments at estimated fair value	\$ 293,507	\$ 230,183	\$ 105,620

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

During the six months ended February 28, 2026, there were asset transfers from Level 2 to Level 1 of \$65,353 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 of 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.

The movement in Level 3 investments for the six months ended February 28, 2026, consists of the following:

	Shares	Convertible debentures	Total
Balance, beginning of period	\$ 1,427	\$ 65,928	\$ 67,355
Additions	2,636	10,000	12,636
Unrealized gain	1,093	24,536	25,629
Balance, end of period	\$ 5,156	\$ 100,464	\$ 105,620

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

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11. Financial instruments and risk management (continued):

The total unrealized gain recognized in Condensed Interim Consolidated Statements of Income and Comprehensive Income for the six months ended February 28, 2026, in respect of Level 3 investments in convertible debentures and common shares, was \$25,629 (February 28, 2025 - \$3,542).

The estimated fair value would increase (decrease) if the estimated share price were higher (lower), the estimated volatility was 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 February 28, 2026 and August 31, 2025:

	February 28, 2026		August 31, 2025	
	5% Increase	5% Decrease	5% Increase	5% Decrease
Assumption:				
Share price	\$ 5,581	\$ (4,167)	\$ 3,719	\$ (3,553)
Volatility	301	514	136	(314)
Credit spread/risk-free rate	(373)	(146)	(585)	610

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.

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11. Financial instruments and risk management (continued):

(a) Credit risk:

Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets, including cash and investments. The Company has limited exposure to credit risk related to cash, as it only deposits its cash with high-credit-quality financial institutions, which are available on demand. The Company's equity investments are settled and paid for upon delivery using an approved broker. The risk of default is considered minimal, as delivery of securities sold is made once the broker has received payment and payment on a purchase is received by the broker. The trade will fail if either party fails to meet its obligations. The Company's credit risk related to convertible debentures is associated with the risk that these third parties will not perform their underlying obligations. The Company mitigates its credit risk by investing only in and providing loans to investees with which it has detailed knowledge of their operations and business strategy. The Company has convertible debentures invested in seven companies at February 28, 2026, consisting of 42% NexGen, 31% Moxico, 9% ATHA, 7% Contango, and 11% 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, 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 February 28, 2026, was \$1,275 (August 31, 2025 - \$3,076), and the Company has a negative working capital of \$48,561 (August 31, 2025 - negative \$24,271). The negative working capital is mainly due to a secured margin loan with no fixed repayment terms. The loan is supported and over-collateralized by marketable securities with sufficient liquidity to repay the loan if required.

The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity, bank, or other financing. As of February 28, 2026, the Company had no significant contractual obligations other than those included in accounts payable, accrued liabilities, borrowings, and lease liabilities.

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11. Financial instruments and risk management (continued):

(c) Interest and foreign exchange risk:

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

At February 28, 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 that are 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 on fluctuations related to cash, prepayments and deposits, investments, accounts payable and accrued liabilities and lease liabilities that are denominated in Canadian (C\$); Hong Kong ("HK\$"); Australian ("A\$") dollars; and British Pounds ("GBP").

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

February 28, 2026	C\$	GBP	HK\$	A\$	Total
Cash	\$ 956	\$ -	\$ 19	\$ 1	\$ 976
Prepayments and deposits	1	-	56	-	57
Receivables	-	-	3	-	3
Investments	76,209	5,156	-	451	81,816
Accounts payable and accrued liabilities	(99)	(5)	(28)	-	(132)
Lease liabilities	-	-	(386)	-	(386)
Net assets (liabilities)	\$ 77,067	\$ 5,151	\$ (336)	\$ 452	\$ 82,334

QUEEN'S ROAD CAPITAL INVESTMENT LTD.

Notes to Condensed Interim Consolidated Financial Statements
(Expressed in thousands of United States dollars, unless otherwise indicated)

Three and six months ended February 28, 2026 and February 28, 2025

11. 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 February 28, 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 \$1,647 (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 at the 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 \$28,208 and a decrease of approximately \$28,462, respectively, in the value of investments and unrealized gain for the three months ended February 28, 2026 (August 31, 2025 - increase of approximately \$16,777 and decrease of approximately \$17,500).

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Three and six months ended February 28, 2026 and February 28, 2025

12. Capital management:

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

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

The Company's objectives when managing capital are:

- (a) to maintain the Company's ability to make new investments by allowing it to respond to economic changes and/or the marketplace;
- (b) to maintain growth of shareholders' equity; and
- (c) to continue taking a conservative approach towards financial leverage and management of financial risks.

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

13. Supplemental disclosure with respect to cash flows:

Significant non-cash transactions in the six months ended February 28, 2026, and February 28, 2025, were:

	Six Months Ended	
	February 28, 2026	February 28, 2025
Investments received for settlement of establishment fee (note 4)	\$ 1,050	\$ 150
Investments received for settlement of interest receivable (note 4)	2,996	2,384
Investments received on conversion of debentures (note 4)	65,657	9,690
Investments received as compensation for the early conversion of debentures (note 4)	950	-
Investments received on the corporate reorganization of an existing equity investment (note 4)	19,053	-
Transfer from retained earnings to share capital for shares issued under the DRIP (note 9(e))	5,645	5,653
Transfer from retained earnings to share capital for shares Issued for options exercised (note 9(a))	1,567	1,115

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14. Segmented information:

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

15. Subsequent events:

Subsequent to the balance sheet date and up to the date of approval of these financial statements, the Company purchased 113,800 common shares under its existing NCIB for a total consideration of \$1,217, all of which are held in treasury. The share repurchases have no impact on the statements of financial position as at the balance sheet date, as they represent transactions that occurred after the reporting period.