

Queen's Road Capital Investment Ltd.

(QRC-T: C\$0.65)

BUY

Target: C\$1.50

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Resource Company Financing Reinvented; Initiating with BUY Rating

Rating:	Current BUY
Target:	C\$1.50

Company Data	
Last Price (TSX)	C\$0.65
52-Week Range:	C\$0.60 - C\$0.80
USD/CAD	\$0.76
Market Capitalization (US\$m):	\$224.0
Enterprise Value (US\$m):	\$214.2
Shares Outstanding - Basic (Mln):	456
Shares Outstanding - Diluted (Mln):	456
Dividend Yield (NTM):	2.6%
Avg Daily Volume (3 Mos) (000s):	7.8
Cash	\$9.8
Net Debt	-\$9.8
Fiscal Year End	31-Aug

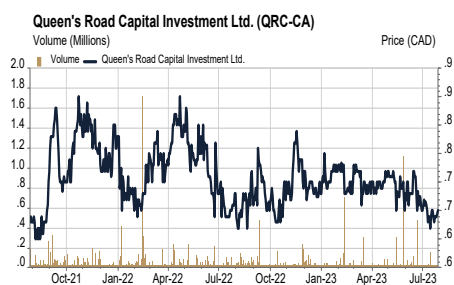
Operating Summary				
	2021 A	2022 A	2023 E	2024 E
Interest Income	0.8	0.7	0.9	0.4
Establishment Fee	0.7	0.3	0.2	0.0
Realized Gain (Loss)	66.9	2.8	-17.9	0.0

Valuation Summary				
	2021 A	2022 A	2023 E	2024 E
EBITDA	67.0	-3.4	-17.5	-0.8
EPS	0.23	-0.01	-0.04	0.00
CFPS	0.00	0.00	0.00	0.00
EV/EBITDA	3.2x	-62.9x	-12.2x	-269.4x
P/E	2.1x	n/a	n/a	n/a
P/CF	0.8x	0.8x	0.6x	n/a
Net Debt/EBITDA	0.0x	0.0x	0.7x	12.3x

Quarterly EBITDA				
	2021 A	2022 A	2023 E	2024 E
Q1	-4.7 A	13.9 A	0.5 A	-0.2 E
Q2	43.9 A	4.2 A	-17.5 A	-0.2 E
Q3	27.1 A	-18.9 A	-0.2 E	-0.2 E
Q4	0.7 A	-2.6 A	-0.2 E	-0.2 E
FY	67.0 A	-3.4 A	-17.5 E	-0.8 E

Quarterly Adj. EPS				
	2021 A	2022 A	2023 E	2024 E
Q1	-0.02 A	0.05 A	0.00 A	0.00 E
Q2	0.15 A	0.01 A	-0.04 A	0.00 E
Q3	0.09 A	-0.04 A	0.00 E	0.00 E
Q4	0.00 A	-0.01 A	0.00 E	0.00 E
FY	0.23 A	-0.01 A	-0.04 E	0.00 E

Source: Company Reports, FactSet, Eight Capital estimates



Source: FactSet

Company Description

Queen's Road Capital is a TSX-listed, dividend-paying resource-focused investment company, that makes 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.

Initiating with a BUY rating at a TP of C\$1.50/share. We believe Queen's Road Capital (QRC) offers investors significant upside as a diversified play on undervalued development-stage resource investments that will command a premium multiple based on tax efficient leverage to value appreciation of underlying investments, reliable and predictable pre-development cash flows via dividends from QRC's unique convert-debt financing structure that returns excess operating income to investors through annual dividends, a high-quality equity portfolio of potential future Tier One mining assets in uranium, precious metals and energy transition sectors, an accretive source of low-cost financing to development-stage resource companies through a unique convert-debt structure, and a highly experienced management team with a proven track record of building shareholder wealth.

We estimate QRC will realize a 525+% return on invested capital (ROIC) and it currently trades at 0.43x P/NAV. QRC presents a compelling investment case for both value and growth-oriented investors with significant potential for capital appreciation based on the intrinsic value of underlying investments built on a portfolio of potential future Tier One assets. NexGen's Arrow Project is a high-conviction investment strategically positioned as the world's largest undeveloped uranium deposit, which comprises 40% of QRC's net asset value (NAV). Iso Energy is a junior uranium explorer advancing its 100%-owned Larocque East project, which is home to the Hurricane Zone, the world's highest-grade uranium resource. Adriatic Metals' Vares Project features a very robust IRR, and Los Andes' Vizcanchitas Project is a very large-scale copper porphyry deposit with expansion and mine life extension potential.

Well-positioned to benefit from our constructive outlook for uranium, copper, and precious metals. We believe uranium markets are undergoing fundamental tightening reflective of increased contracting activity as utilities concentrate supply sources, replenish inventories, and address increasing uncovered uranium requirements. We expect to see moderate-to-severe price spikes in copper over the next 3-5 years, following nearly a decade of underinvestment in supply. Prices remain well below the incentive price based on our analysis and unexpected positive demand shocks from China and emerging economies, continuing supply disruptions to existing mines, and a lack of adequate response to bring on new supply after 2026, supporting our thesis of stronger markets ahead. In the near-term, we find the gold price is vulnerable to a correction as we flag a pickup in soft-landing expectations and weak seasonality; however, gold has been increasingly factoring both geopolitical risk and systematic risk into our "panic premium", which we believe will support higher prices in the medium-term.

Operator-guided first production from Vares in Q3/2023. Vares project construction is 70+% complete and on schedule for first production in Q3/23 with a recently updated mineral resource estimate that will form the basis for an updated LOM plan incorporating new metallurgical test work, mining studies, and the inclusion of the new RNW deposit.

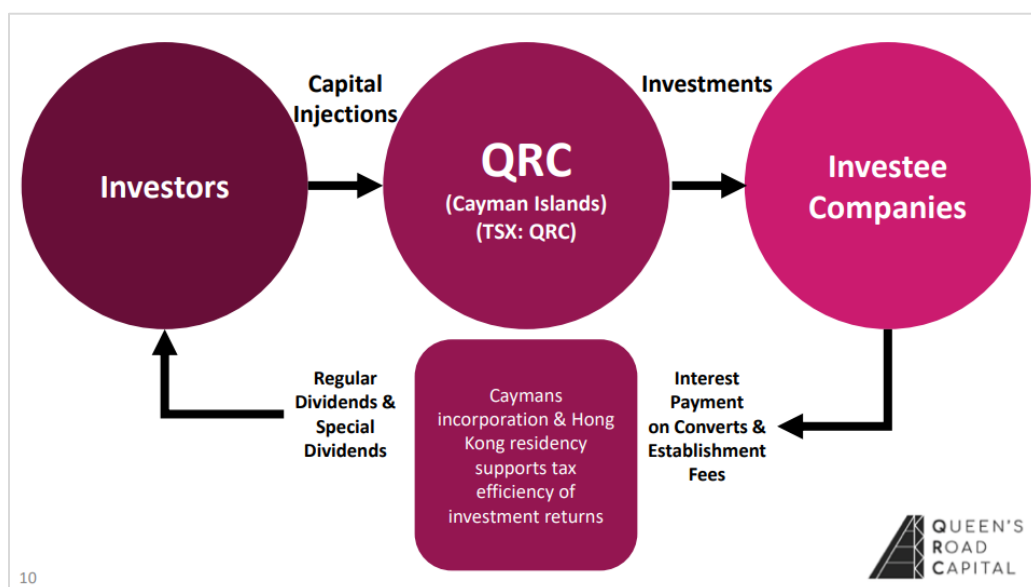
Streaming and royalty peers trade at premiums to the market. As a convert-debt and equity financier, QRC has full exposure to uncapped, long-term capital appreciation opportunities, receives income through the life of the debenture, and receives downside protection through debt structure which ranks ahead of equity, with no direct economic exposure to industry operating and capital cost inflation. In this context, QRC exhibits investment criteria similar to its streaming and royalties peers. Future returns and NAV growth will be driven by the ability to enter into new and accretive transactions and the attractiveness of convert-debt structures to issuers. Our outlook for streaming and royalty plays in the broader industrial metals and precious metals sector is favorable given strong operating margins, a lower cost of capital due to limited financial and environmental risk, enhanced asset base diversification, which combines to provide greater certainty in future cash flows, embedded free call options on production upside from existing assets, and a more sustainable and growing outlook for dividends from excess free cash flow.

Our BUY rating and TP of C\$1.50 are based on the estimated total return on invested capital of the underlying investments. Key risks to our estimates and valuation include capital markets risk (equity and debt) of underlying investments, commodity prices (primarily uranium, copper, and precious metals), reserve and resource estimation risk, and geopolitical, permitting, and regulatory risks in exposed jurisdictions.

Investment Thesis

Initiating with a BUY rating at a TP of C\$1.50/share. We believe Queen's Road Capital (QRC) offers investors a diversified play on development-stage resource equities that will command a premium multiple based on tax efficient leverage to share price appreciation of underlying investments, reliable and predictable pre-development cash flow via dividends from QRC's unique convert-debt financing structure that returns all excess operating income to investors through annual dividends, a high-quality equity portfolio of potential Tier One mining assets in uranium, precious metals and energy transition sectors, an alternative and accretive source of low-costs financing to resource companies based on the convert-debt structure returns compared to traditional equity-issue financing, and a highly experienced management team with a proven track record of building shareholder wealth. Our BUY rating and TP of C\$1.50 are based on the estimated total return on invested capital of the underlying investments.

QRC Investment Structure



Source: Queen's Road Capital presentation (April 2023)

A flexible, scalable investment approach for uncapped upside potential. QRC invests in the securities of both public and private natural resource companies through a combination of financial instruments, which may include (but not limited to) equity, debt, convertible debentures, warrants, preferred shares, bridge financing, collateral, royalty arrangements, and other securities. QRC currently carries an invested capital base of \$125.5Mln, primarily in seven (7) resource companies. QRC places no formal limit on the size of potential investments and may require future equity or debt financings to raise money for specific investments. The majority of investments are expected to have a life of investment of 4-5 years; however, longer-term capital appreciation investments may be undertaken. In certain cases, QRC expects to enter into oversight arrangements as a condition of the investment. Oversight may range from Board appointments, advisory positions, or management consulting positions with the target companies.

Composition of Investment Portfolio

Resource Company	Equity Ticker	Covered by Eight Capital Equity Research	Investment Rating	Target Price	Investment Base (US\$Mln)	InvestmentType
Adriatic Metals PLC	ADT-AU	No	n/a	n/a	20.0	Convertible Debt
Challenger Gold Ltd.	CEL-AU	No	n/a	n/a	15.0	Convertible Debt
Contango ORE, Inc.	CTGO	No	n/a	n/a	20.0	Convertible Debt
IsoEnergy Ltd.	ISO-CA	Yes	BUY	C\$7.10	10.0	Convertible Debt
LosAndes Copper Ltd.	LA-CA	No	n/a	n/a	14.0	Convertible Debt
NexGen Energy Ltd.	NXE-CA	Yes	BUY	C\$11.50	30.0	Convertible Debt and Equity
Osisko Green Acquisition Ltd.	GOCR-CA	No	n/a	n/a	16.5	Equity and Warrants
					125.5	

Source: AIF (2022), Eight Capital estimates

QRC generates income from its investments in three main forms:

- Interest income on its convertible securities.** Currently, QRC receives annual interest payments of approx. \$8.0Mln from convertible debentures of approx. \$94Mln at an average interest rate of 8.5%;

2. **Capital gains (losses) from the disposal of its investments.** Thus far, QRC has not realized any material capital gains (or losses) on its investments since it continues to hold all investments made since inception; and,
3. **Establishment fees.** Initial transaction execution-linked fees are earned as part of its investments, and paid in either cash or shares.

We estimate QRC will realize a 525+% return on invested capital (ROIC), and it currently trades at 0.43x P/NAV. Much like streaming and royalty companies, QRC initiates its investment process on a target investment with an analysis and review of opportunities, subsequently providing a recommendation to the Board. Research and due diligence activities undertaken by the management will include a detailed review of a target company's business strategy, financial history, management team, growth objectives, products, markets, competitive forces, and capital requirements. QRC management oversees due diligence activities and if required, augments its review by outsourcing further due diligence requirements to independent firms (accounting/financial, legal or industry).

Management's review will conclude with a recommendation to the Board and may range from: (1) a "go-ahead" investment; (2) a recommendation not to invest; (3) consideration of an investment with certain agreement covenants, and (4) working with the target company in an advisory capacity in an effort to prepare the target company for an investment at a later date.

Net Asset Value (NAV) Summary

Net Asset Value (NAV) summary							
<i>All figures in US\$Mln</i>	Primary Asset	Investment (US\$Mln)	Discount rate (%)	NPV (US\$Mln)	NPV (%)	NPV per share	Total ROIC (%)
NexGen Energy Ltd.	Canada	30.0	5%	178.8	39.7%	0.39	478.9%
Iso Energy Ltd.	Canada	10.0	5%	64.3	14.3%	0.14	1091.0%
Adriatic Metals plc	Bosnia & Herzegovina	20.0	5%	50.0	11.1%	0.11	150.2%
Los Andes Copper	Chile	14.0	5%	53.7	11.9%	0.12	1147.4%
Osisko Green Acquisition Ltd.	Canada	16.5	5%	34.6	7.7%	0.08	130.7%
Contango ORE Inc.	U.S.A.	20.0	5%	36.4	8.1%	0.08	96.9%
Challenger Gold Ltd.	Australia	15.0	5%	33.1	7.3%	0.07	146.4%
Other		-		-	0.0%	0.00	n/a
Gross asset value		125.5		450.9	100.0%	0.99	527.4%
Less Debt				-		0.00	
Add: Cash				9.8		0.02	
Add: Net Cash				9.8		0.02	
Add: Reinvestment				61.6		0.14	
Less: Corporate SG&A				(2.5)		(0.01)	
Net Asset Value				519.8		1.14	
Shares outstanding				455.8			
Net asset value per share (US\$/share)				1.14			
P/NAV				0.43x			

Source: Company data, Eight Capital estimates

Attractive convertible debt structures for issuers. For successful and established corporate issuers, we believe convertible debt offers significant competitive advantages in the form of lower equity dilution given conversion features a fixed-premium to the market price of the underlying equity on the date of issuance, lower cost of debt capital, and greater financial accretion when compared to equity issue capital raising. Convert-debt investors are levered to income during life of debenture through interest payments, have downside protection as debt structure ranks ahead of shareholder equity, and provides uncapped upside upon conversion. As illustrated below, a hypothetical 15% capital raise utilizing convertible debt compared to a private placement (bought-deal) equity issue would typically result in 35% less shares issued, a 50% reduction in fee's, and 3.6-4.2% relative accretion at 100% and 200% share price appreciation, respectively.

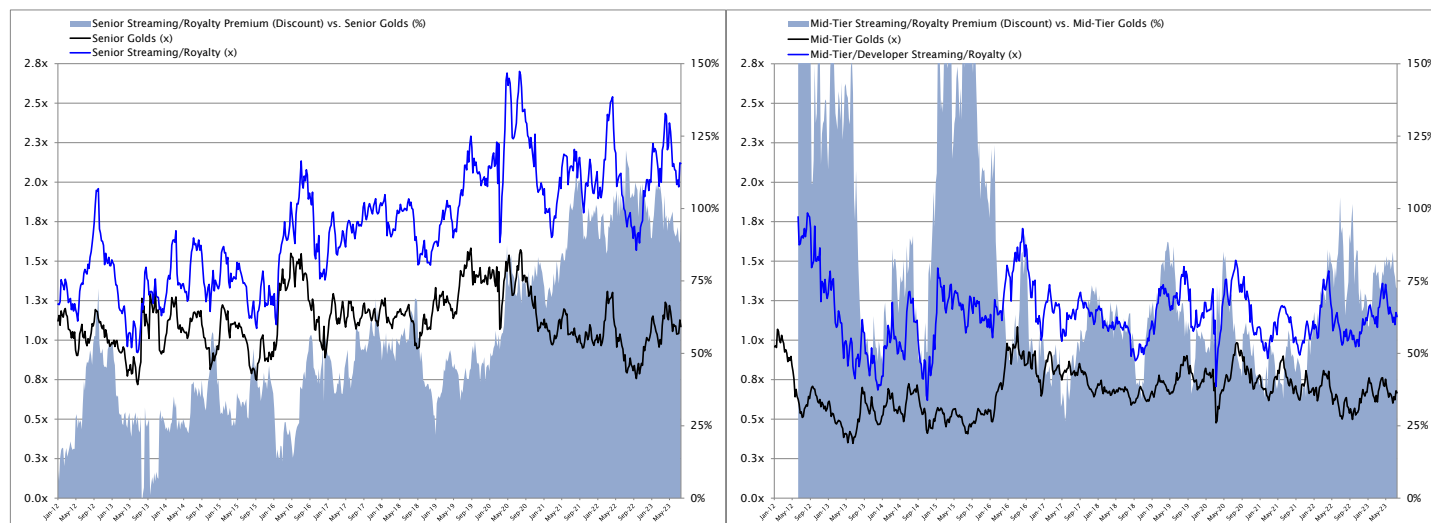
Capital Raise Comparison: Equity Issue vs. Convert-Debt Issue

		Equity Issue Option	Convert-Debt Option	Convert-Debt vs. Equity
Share price at issuance	US\$/share	1.00	1.00	
Share Outstanding	Mln	100.0	100.0	
Market Capitalization	US\$Mln	100.0	100.0	
Target Capital Raise	US\$Mln	15.0	15.0	
Equity Issue Price	US\$/share	0.85	n/a	
Conversion Price	US\$/share	n/a	1.30	
Commission Fee	(%)	6.0%	3.0%	
Coupon Rate	(%)	n/a	8.0%	
Shares Issued	Mln	17.6	11.5	-34.6%
Fees Paid	US\$Mln	0.90	0.45	-50.0%
Net Proceeds	US\$Mln	14.1	14.6	3.2%
Interest payments (3Yrs)	US\$Mln	n/a	3.6	
Equity Accretion (Dilution) at 100%		1.70	1.76	3.6% Accretive
Equity Accretion (Dilution) at 200%		2.55	2.66	4.2% Accretive

Source: Eight Capital estimates

Streaming and royalty peers trade at premiums to the market. As a convert-debt and equity financier, QRC has full exposure to uncapped, long-term capital appreciation opportunities, receives income through the life of the debenture, and receives downside protection through a debt structure ranking ahead of equity, with no direct economic exposure to industry cost inflation. In this context, QRC exhibits investment criteria more similar to those of streaming and royalties companies than producer and development-stage miners. In our view, QRC is very well positioned to benefit from upside to its asset portfolio given our constructive outlook for uranium, copper and precious metals, an asset base comprised of high-conviction Tier One assets that could potentially generate significant free cash flow and share price appreciation, and the ability to enter into new and accretive transactions given management's track record and the relative merits and attractiveness of convert-debt structures to issuers.

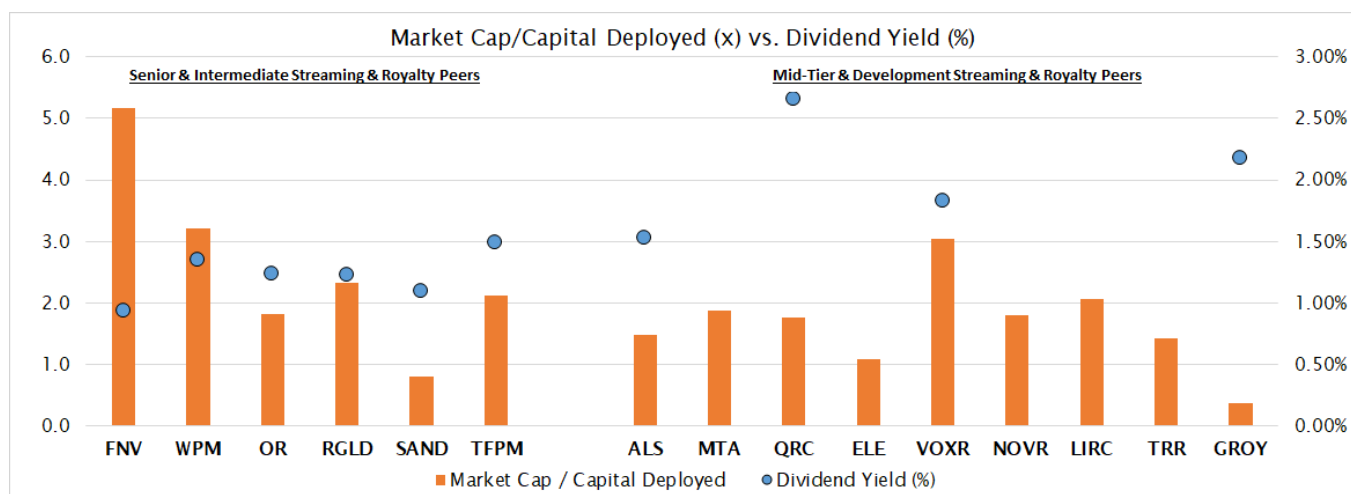
P/NAV Multiples: Senior and Mid-Tier Streaming & Royalties vs. Miners



Source: Eight Capital estimates

Our outlook for streaming and royalty plays in the broader industrial metals and precious metals sector is favorable given strong operating margins, a lower cost of capital due to limited financial and environmental risk, enhanced asset base diversification, which combines to provide greater certainty in future cash flows, embedded free call options on production upside from existing assets, and a more sustainable and growing outlook for dividends from excess free cash flow.

Market Cap /Capital Deployed (Left) vs. Dividend Yield (Right)

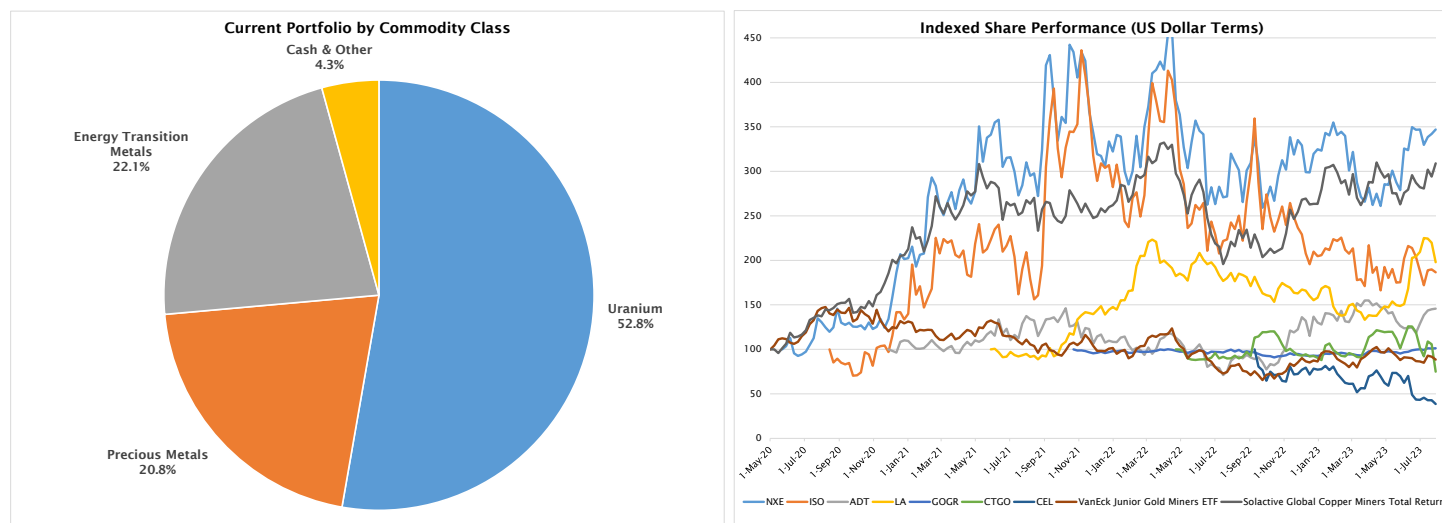


Source: Factset, Company data, Eight Capital estimates

Asset portfolio is built on a solid foundation. QRC's general investment criteria are commodity agnostic, preferable towards companies and projects in safe jurisdictions, projects in production or advancing towards development, seeking world-class projects as well as disruptive assets, supportive of management teams with successful track records, and generally exposed to <20% equity in the investee upon conversion of a debenture. In our view, Tier One investments include: **NexGen (Arrow Project)** as a high-conviction play in the uranium sector. We value NexGen using a similar production profile to the Feasibility Study (2021) with the high grade A2 zone preliminarily accessed to provide higher production in the early years of the mine plan (~30Mn lbs/year in Years 1-5). Our

NPV (10%) valuation returns a +\$3Bln valuation for the Arrow deposit. **Iso Enegy (Larocque Project) features high grades and a premium jurisdiction.** Drilling so far has indicated high grade mineralization over mineable widths and a shallow depth (~320m). ISO has yet to compile a resource however, based on our interpretation of the drilling, we estimate ISO could potentially have up to 100Mln lbs @ 7+% U3O8 across its claims on Larocque East. **Adriatic Metals (Vares Project) features a very robust IRR.** Adriatic Metal released the Updated Feasibility Study of its silver-zinc development project Vares in August 2021, providing estimated high capital efficiency (NAV/Capex) of 6.30x, and a post-tax IRR of 138%. **Los Andes (Vizcanchitas Project) is a potentially very large-scale copper porphyry with expansion potential.** Los Andes released a Pre-Feasibility Study in February 2023 outlining a project with an average annual copper production of 183Ktpa over a LOM of 26 years based on the new plant design with a throughput capacity of 136ktpa.

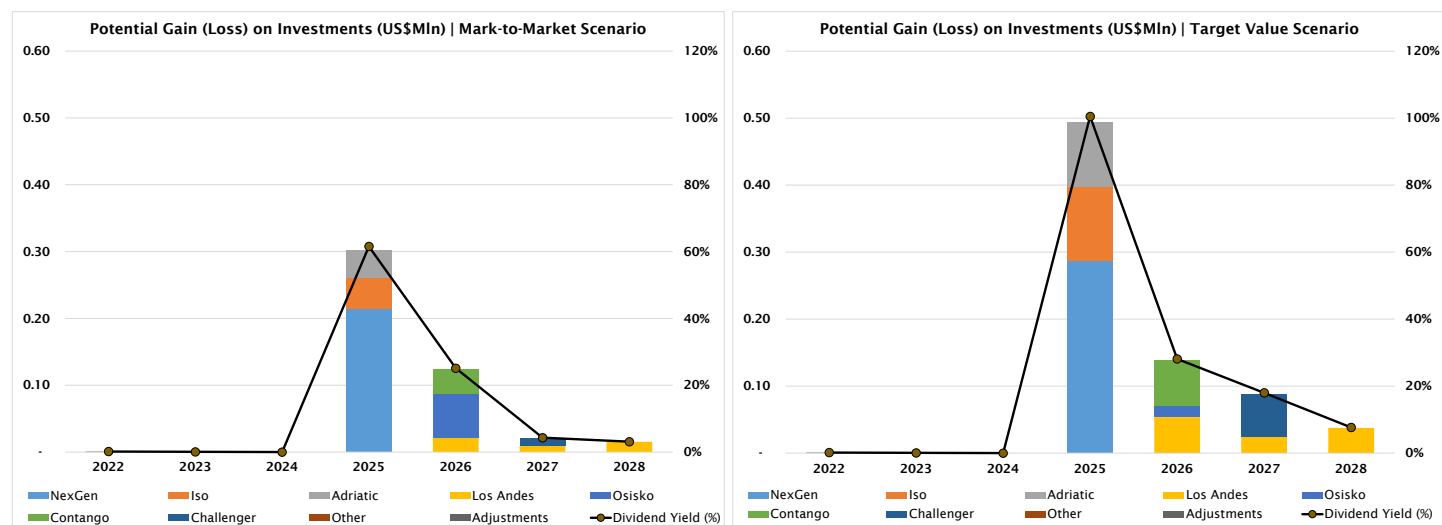
Current Portfolio by Commodity Class and Indexed Share Performance of Investment Portfolio (Equity-Only)



Source: Eight Capital estimates

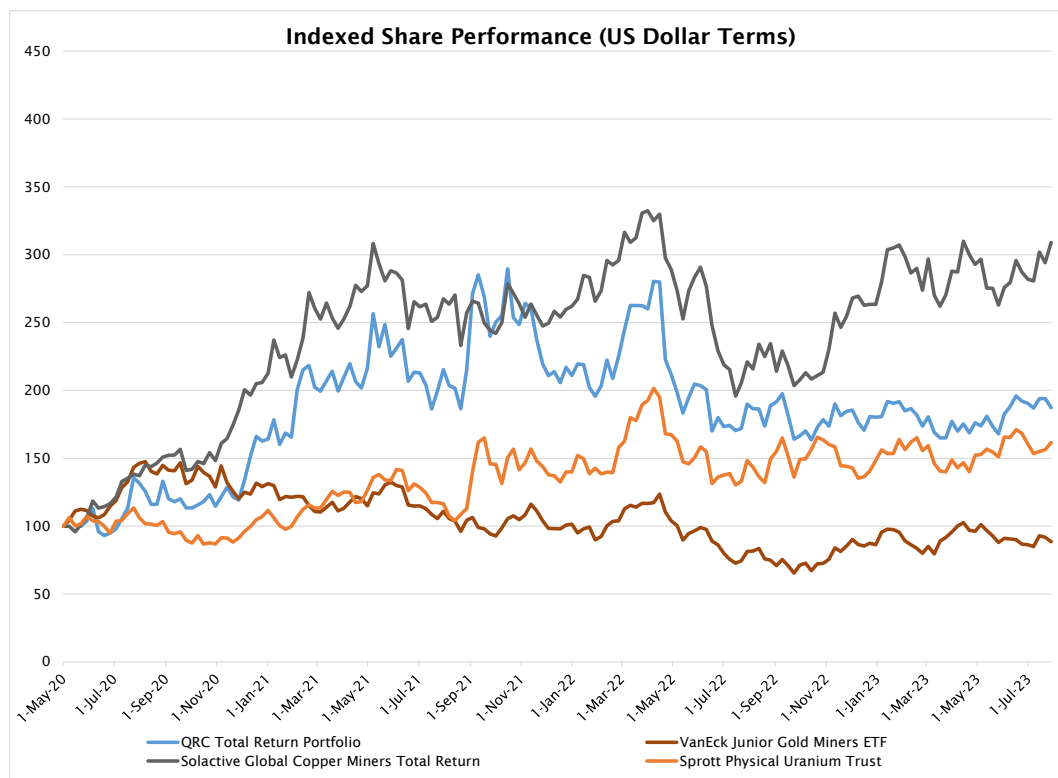
QRC returns all excess operating income to investors through annual dividends. The majority of QRC's investments are expected to have a life of investment of 4-5 years; however, longer-term capital appreciation investments may be undertaken. QRC's asset portfolio is built on a solid foundation of seven (7) high-quality, potential Tier One mining assets in uranium, precious metals, and energy transition sectors, with the potential for significant shareholder returns.

Potential Gain on Investment Based on Current Value (Left) and Future Value (Right) of Total Investment Portfolio



Source: Company data, Eight Capital estimates

In addition, strong shareholder participation in the Dividend Reinvestment Plan (DRIP) with funds used to repurchase shares in the market under a Share Repurchase Program (SRP) allows QRC to re-allocate money from disengaged shareholders to long-term supportive shareholders.

Indexed Share Performance vs. Comparable Benchmarks

Source: Company data, Eight Capital estimates

Capital structure includes strong management with an established track record of value creation.

QRC is tightly held with 75% of shares outstanding in the hands of three strategic investors (Corom Pty Ltd – Jack Cowin; Wyloo Metals Pty Ltd. – Andrew Forrest; and BBRC International Pte Ltd. – Brett Bundy) as well as Directors & Officers who own ~10% of QRC which was acquired entirely through share purchases. QRC is managed by Warren Gilman (CEO) and Alex Granger (President), who have 60+ years of deal-making and financing experience in the global resource sector. Warren Gilman is a mining engineer and the founder of the Canadian Imperial Bank of Commerce (CIBC) Global Mining Team in 1988. He subsequently led the team's efforts out of Australia and Hong Kong, during which time he was responsible for several large equity capital markets transactions and financings. Since 2011, Warren Gilman has led CEF Holdings Ltd., a global mining investment company owned 50% by CIBC and 50% by CK Hutchison Holdings Ltd. Alex Granger previously served as CEO of Barisan Gold Corp., the predecessor company to QRC, and is experienced in investment banking and capital markets transactions covering the metals and mining sector.

QRC is well funded and backed by two of Australia's most successful entrepreneurs: Jack Cowin and Andrew Forrest. Corom Pty Ltd. is an investment vehicle owned and controlled by Mr. Jack Cowin, a Canadian-Australian businessman and philanthropist credited with building Competitive Foods Australia Pty Ltd. into one of Australia's largest restaurant franchisors. Wyloo Metals Pty Ltd. (Wyloo) is the mining business division of Tattarang Pty Ltd., one of Australia's largest private investment groups established by the Forrest family. Dr. Andrew Forrest was the founder and is currently the Non-Executive Chairman of Fortescue Metals Group (FMG-ASX, not rated), the fourth largest iron ore producer globally and one of the largest companies listed on the Australian Stock Exchange. Tattarang owns a 30% interest in FMG as well as operating a number of businesses across the energy, resources, and property, agri-food, hospitality, sport and entertainment sectors. Wyloo manages a diverse portfolio of wholly owned exploration projects and cornerstone investments in both public and private companies, and announced on July 14, 2023, a notice of intention to distribute up to 50.0Mln common shares of QRC representing up to 11.1% of total issued and outstanding common shares.

Investment Portfolio

NexGen Energy Ltd. (NXE-T, BUY, TP C\$11.50, covered by Puneet Singh)

NexGen is a uranium development company that owns & operates the Arrow uranium deposit located in Saskatchewan, Canada. Arrow is the world's largest to-be-developed high-grade uranium deposit with an indicated mineral resource estimate of 179.5Mln lbs U3O8 grading 6.88% U3O8.

May 2020

1. \$15Mln convertible security + US\$15Mln equity private placement

- \$15Mln convertible debenture
- 7.5% annual coupon payable 1/3rd in shares; 2/3rd in cash
- Convertible in NXE shares at C\$2.34/share
- 5-year term (May 2025)
- Payment of 3% establishment fee (in shares – 348,350 shares)

2. \$15Mln equity private placement

- 11,611,667 shares @ C\$1.80

NexGen is a top pick based on our high conviction potential for Arrow/Rook I (once in production) to rival Cameco's (CCO-T, BUY, TP C\$46.00) entire production profile based on defined reserves, to which Cameco has a market capitalization of C\$16Bln compared to NexGen's \$3Bln.

We value NexGen using a similar production profile to the Feasibility Study (2021) with the high grade A2 zone preliminarily accessed to provide higher production in the early years of the mine plan (~30Mln lbs/year in Years 1-5). Given inflationary pressures in the foreseeable future, we have inflated our opex/capex numbers to be prudent. Based on our long-term \$65/lb U3O8 price, a \$1.4Bln build-out, a LOM average unit operating costs of \$8.80/lb with production in 2028, our NPV10% valuation returns a +\$3Bln valuation for the Arrow deposit. Netting out our value for resources not included in the mine plan, balance sheet items, and corporate costs, we arrive at our NAVPS of \$8.65. Our target price is based on a 1.3x P/NAV multiple to reflect the scarcity value of investable alternatives in the uranium sector.

The signing of the June-2023 Impact Benefit Agreement (IBA) with the Métis Nation, Saskatchewan Northern Region 2, and the Métis Nation, Saskatchewan, covering all phases of the Rook 1 project, bodes well for the EA Process, in our view, and follows the successful signing of IBAs with the Clearwater River Dene Nation, the Birch Narrows Dene Nation, and the Buffalo River Dene Nation, which altogether includes all primary Indigenous Nations that cover the Rook I project.

Rook 1 (Arrow) Project Economics based on 2021 Feasibility Study

Robust Economics & Flexible Supply

NexGen's robust economics give flexibility on supply in the context of market demand fundamentals with low break-even points.

\$1,038M

After Tax FCF
@ US\$50/lb (Year 1 – 5)

28.8M lbs U₃O₈

Year 1- 5 Average Annual Production

256.7 Mlbs M&I

@ 3.10% U₃O₈

1,300 tpd

Nominal mill capacity

10.7-year

Initial Mine Life

24-year

Mill Permit

It is estimated that **46 million US homes** would be powered by electricity from Rook I U₃O₈

Source: WNA's The Nuclear Fuel Report.

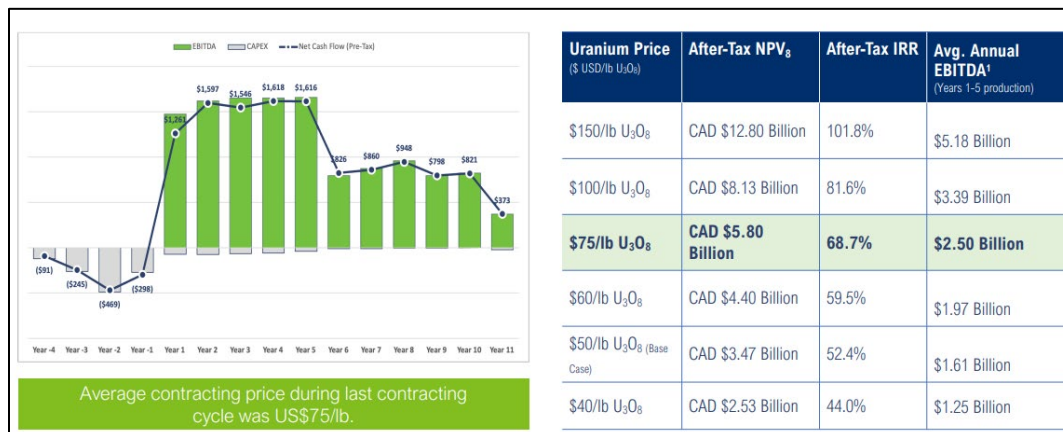
	FS (\$ CAD) ¹	
U ₃ O ₈ Price used in Economic Model	USD 50/lb (base case)	USD 60/lb ²
After-Tax NPV @ 8%	\$3.47 Billion	\$4.40 Billion
After-Tax Internal Rate of Return (IRR)	52.4%	59.5%
After-Tax Payback	0.9 Year	0.8 Year
Pre-Commitment Early Works Capital	\$158 Million	\$158 Million
Project Execution Capital	\$1,142 Million	\$1,142 Million
Total Initial Capital Costs ("CAPEX")	\$1,300 Million	\$1,300 Million
Average Annual Production (Year 1-5)	28.8 M lbs U ₃ O ₈	28.8 M lbs U ₃ O ₈
Average Annual After-Tax Net Cash Flow (Years 1-5)	\$1,038 Million	\$1,255 Million
Average Annual Production (Life of Mine)	21.7 M lbs U ₃ O ₈	21.7 M lbs U ₃ O ₈
Average Annual After-Tax Net Cash Flow (Life of Mine)	\$763 Million	\$929 Million
Nominal Mill Capacity	1,300 tonnes per day	1,300 tonnes per day
Average Annual Mill Feed Grade	2.37% U ₃ O ₈	2.37% U ₃ O ₈
Mine Life	10.7 Years	10.7 Years
Average Annual Operating Cost ("OPEX", Life of Mine)	\$ 7.58 (US \$5.69)/lbs U ₃ O ₈	\$7.58 (US \$5.69)/lbs U ₃ O ₈

1. Technical report on the Preliminary Economic Assessment of the Arrow deposit, Rook I Property, province of Saskatchewan, Canada (RPA, 2017).
2. Arrow deposit, Rook I Project, Saskatchewan, NI 43-101 technical report on Pre-Feasibility Study (Wood, 2018).
3. Arrow Deposit, Rook I Project, Saskatchewan, NI 43-101 Technical Report on Feasibility Study (Starke, Wood, RPA, Golden, 2021). "Feasibility Study"
4. FS analysis is based on CAD \$1.00 = US \$0.75.
5. For illustrative purposes, an alternative to the Base Case using \$60/lb U3O8 is shown. See "Economic Results" for further discussion on the results.

Source: NexGen presentation (May 2023)

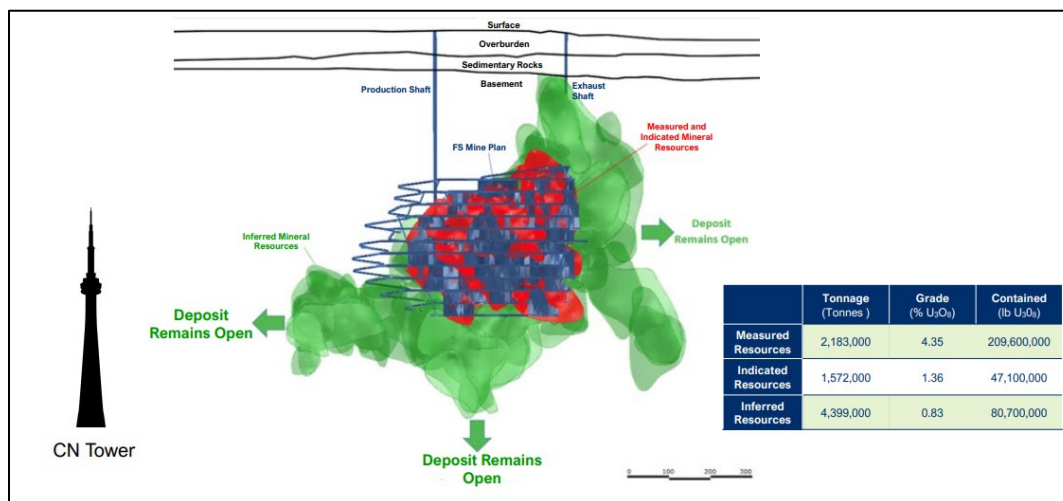
NexGen also recently announced it has received strong interest from lenders to provide project financing of \$1Bln. In our view, the \$1Bln in project financing interest (~C\$1.36B at current F/X rates) is not surprising given the Tier 1 nature of the Rook 1 project. Project financing is scheduled for Q4/23. Additionally, there's also the possibility that NexGen gets more favorable terms than others due to the attractiveness of funding green projects like Rook I. We currently factor a 65:35 debt:equity split on project funding; project financing terms and parameters show NexGen could fund the entire project with debt-only.

Rook 1 (Arrow) Sensitivity Analysis based on 2021 Feasibility Study



Source: NexGen presentation (May 2023)

Rook 1 (Arrow) Mineralization Potential at Strike and Depth



Source: NexGen presentation (May 2023)

Iso Energy Ltd. (NXE-T, BUY, TP C\$11.50, covered by Puneet Singh)

IsoEnergy is a junior uranium explorer advancing its 100%-owned Larocque East project and the high-grade Hurricane Zone discovery in the Athabasca basin of Northern Saskatchewan. IsoEnergy was founded and is supported by the team at its major shareholder, NexGen Energy Ltd.

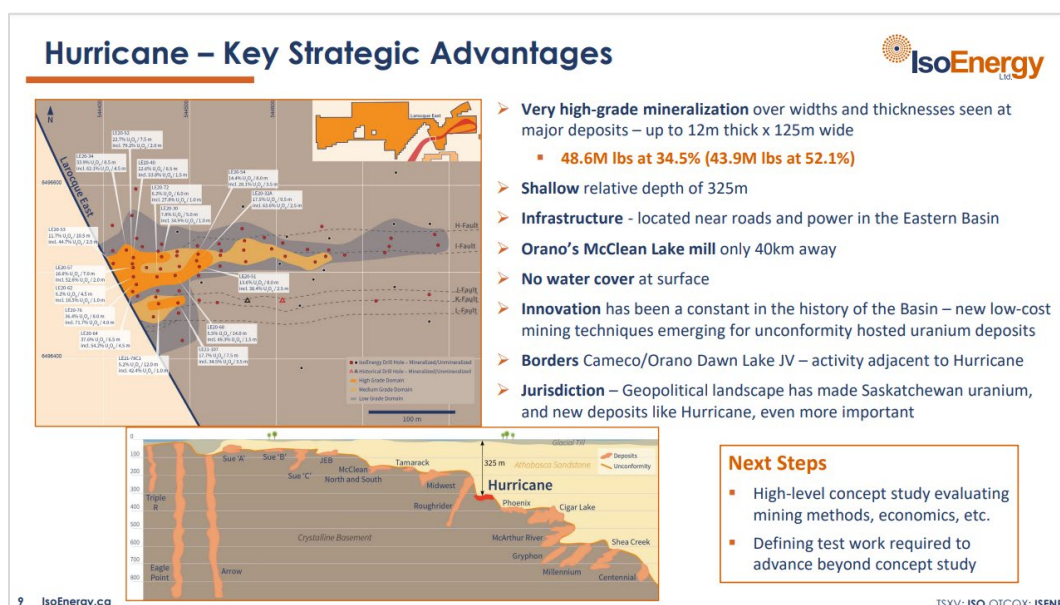
August 2020/December 2022**1. US\$10Mln convertible debentures**

- 9.1% annual coupon payable: 2.5% in shares; 6.6% in cash
- Coupon will decrease to 7.5% on the US\$6Mln portion upon release of a PEA at Hurricane
- US\$6Mln convertible in ISO shares at C\$0.88/share; 5-year term (August 2025)
- US\$4Mln convertible in ISO shares at C\$4.33/share; 5-year term (December 2027)
- Payment of a 3% establishment fee (US\$120,000 + 219,689 shares)

Drilling so far has indicated high-grade mineralization over mineable widths and a shallow depth (~320m). ISO has yet to compile a resource; however, based on our interpretation of the drilling, we estimate ISO could potentially have up to 100Mlbs @ +7% U3O8 across its claims on Larocque East. We point out that most of the drilling so far has been done on the western side of the property. The upside is that ISO recently completed geophysics on the eastern portion and is just starting to drill that side. Additionally, ISO still has to go back and do a larger infill campaign in between all the drilling done so far on the western side and in the future on the eastern side if drilling warrants. Thus, when all is said and done, it is likely that ISO may have a much larger resource than our initial estimate of Larocque East.

Hurricane is shaping up to be a major discovery, measuring up to 12m thick and 125m wide with a strike length of 1km. The crystalline basement, unconformity hosted deposit has a fault system that is common for the Athabasca basin. Other unconformity hosted high grade uranium deposits in Saskatchewan include Cameco's MacArthur River and Cigar Lake (highest grade uranium mines in the world). Typically, higher grade uranium deposits display mineralization close to the unconformity, which is the case here. The best result to date was in hole LE20-76, which returned 38.8% U3O8 over 7.5m (starting depth: 324m). We value Iso Energy at 1.0x P/NAV incorporating a \$7.25/lb EV/lb resource valuation on our 100Mln lbs resources estimate.

Proximity to infrastructure is one of ISO's key advantages: Larocque East is located 40km from Orano's (Private) McClean Lake mill. The mill currently treats ore from Cameco's Cigar Lake mine and has an annual capacity of 24Mlbs of uranium concentrate. Although spot prices have risen dramatically, senior producers such as Cameco still remain disciplined, hoping to propel prices further before bringing on excess capacity. Cameco is targeting to produce 13.5Mlbs at Cigar Lake by 2024, which is 25% below its licensed capacity. The McClean Lake mill remains underutilized and could use feed from a future operation such as Larocque East/Hurricane saving ISO or the eventual operator upfront capex on building out a stand-alone mill. Additionally, the asset is not covered by any body of water, and the sandstone covering the property, ranging from 140m-450m, is thin.

Key Strategic Advantages of Hurricane

Source: Iso Energy presentation (May 2023)

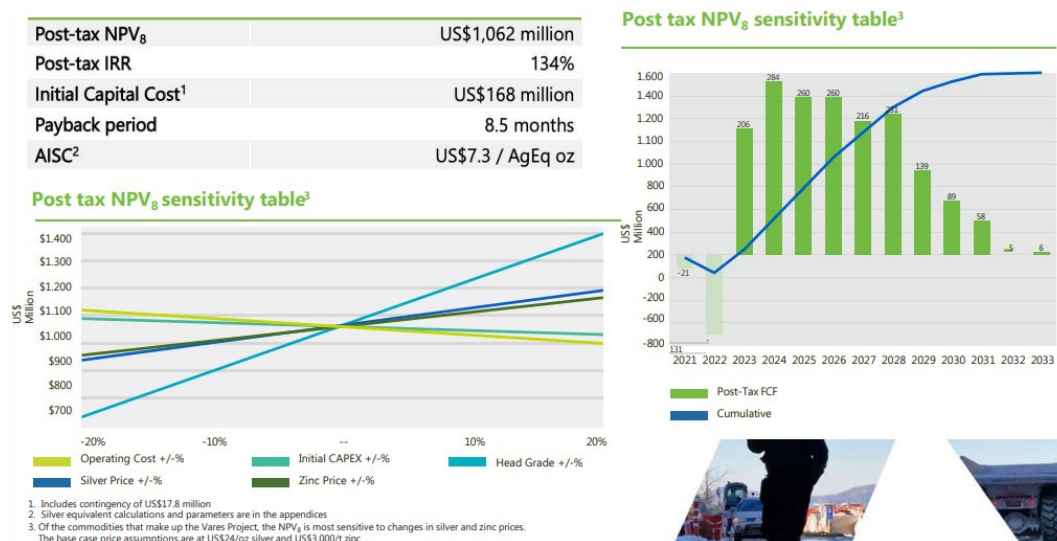
Adriatic Metals Plc (ADT-AX, Not Rated)

Adriatic Metals is a silver-zinc development company developing the 100%-owned Vares project located in Bosnia & Herzegovina and exploring the Raska Project located in Serbia. Vares is a high-grade, silver-rich (~50% of revenue from precious metals) deposit located near surface in a historical mining camp with established infrastructure. Construction at Vares is underway with first production expected in Q3/23.

December 2020**1. \$20Mn convertible debenture**

- 8.5% annual coupon payable in cash
- Convertible in ADT shares at A\$2.7976/share.
- 4-year term (November 2024)
- Payment of a 3% establishment fee in cash (\$0.6Mn)
- Concurrent to \$8Mn EBRD private placement.

Adriatic released a Definitive Feasibility Study (DFS) for the Vares Project in August 2021, providing an estimated high capital efficiency ratio (NPV/Capex) of 6.3x and a post-tax IRR of 138%. Vares is expected to produce at an average throughput rate of 730Ktpa with an average AgEq production of 15Moz per year over 10 years at an estimated re-production capex of \$168Mn, an AISC of \$7.30/oz (AgEq), and a post-tax NPV of \$1,062Mn. We value Adriatic based on a 0.50x P/NPV multiple, a premium valuation vs. peers given project quality and near-production status, plus an in-situ resource valuation of \$2.00/oz AgEq on Rupice and Veovaca.

Vares Project Economics based on 2021 Definitive Feasibility Study

Source: Adriatic Metal presentation (February 2023)

Vares is positioned in central Europe with extensive access to rail networks linking European smelters and the seaborne market, and is located in a mining-friendly jurisdiction with a supportive government, a rich mining history, and a highly skilled workforce. The project is advancing at a fast pace, with the first production commencing in Q3/23.

The updated Indicated and Inferred Mineral Resource Estimate (MRE) for the Rupice deposit released July-2023 now stands at 21.1Mt at 156 g/t Ag, 1.2g/t Au, 4.3% Zn, 2.8% Pb, 0.4% Cu, 27% BaSO₄ (reported above a cut-off grade of 50 g/t AgEq) containing 105Moz Ag, 789Koz Au, 913Kt Zn, 581Kt Pb, 88Kt Cu, and 39Kt Sb, which includes a 93% increase in Indicated tonnes compared to the 2020 Rupice MRE (using a 50 g/t AgEq cut-off). Other features of the updated Rupice MRE include:

- 87% of the updated Mineral Resource is classified as Indicated;
- The updated Rupice MRE includes the first public resource disclosure for the new Rupice Northwest (RNW) discovery;
- The estimates do not include new drilling completed since the end of May 2023; and,
- Exploration drilling continues to successfully identify further high-grade mineralization at Rupice and RNW that is additional to the currently reported Rupice MRE inventory.

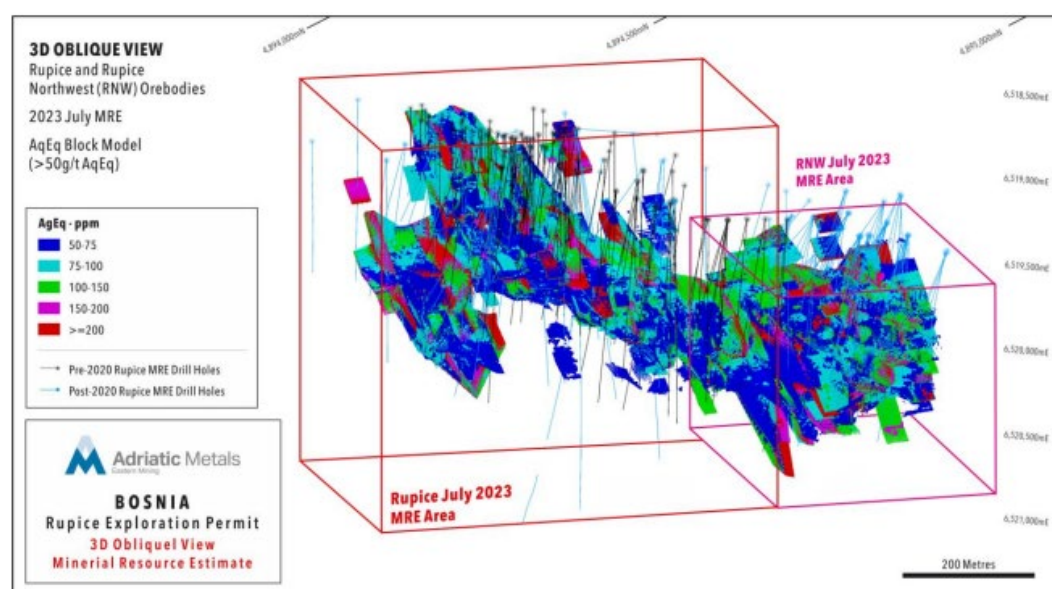
The updated Rupice MRE will be the basis for an update to the Rupice ore reserve estimate, which will include new metallurgical test work, mining studies and inclusion of the new RNW deposit in the life-of-mine (LOM) plan.

Rupice Updated MRE by Classification, and Deposit by Domain (using AgEq cut-off of 50 g/t)

Rupice Mineral Resource estimates, 21 July 2023																	
Deposit(s)	Domains	Resource Classification	Tonnes (Mt)	Grades							Contained metal						
				Ag	Zn	Pb	Au	Cu	Sb	BaSO ₄	Ag	Zn	Pb	Au	Cu	Sb	BaSO ₄
				g/t	%	%	g/t	%	%	%	Moz	kt	kt	koz	kt	kt	kt
Rupice	Upper	Indicated	0.4	55	1.0	1.0	0.4	0.2	0.1	6	0.7	4	4	5	1	1	21
		Inferred	0.2	74	1.3	1.0	0.3	0.2	0.2	10	0.6	3	2	2	0.5	0	24
		Total	0.6	62	1.1	1.0	0.3	0.2	0.1	7	1.3	7	6	7	1	1	46
Rupice	Main	Indicated	10.2	180	4.3	2.7	1.5	0.4	0.2	29	58.8	436	278	495	44	23	2,984
		Inferred	1.0	50	1.1	0.7	0.3	0.1	0.1	11	1.7	12	8	12	2	1	112
		Total	11.2	168	4.0	2.6	1.4	0.4	0.2	28	60.5	448	286	506	46	25	3,097
Rupice	Lower	Indicated	0.5	35	0.7	0.5	0.2	0.1	0.1	3	0.6	3	2	4	1	1	14
		Inferred	0.4	44	0.9	0.8	0.2	0.1	0.1	4	0.6	4	3	3	0.4	0	17
		Total	0.9	39	0.8	0.6	0.2	0.1	0.1	3	1.2	7	6	7	1	1	31
RNW	Upper	Indicated	1.3	75	1.5	0.8	0.2	0.1	0.2	13	3.1	19	11	9	1	3	161
		Inferred	0.2	65	1.0	1.4	0.2	0.2	0.1	10	0.5	2	3	2	0.4	0.3	23
		Total	1.5	74	1.4	0.9	0.2	0.1	0.2	12	3.6	21	14	11	2	3	184
RNW	Main	Indicated	4.5	214	7.4	4.7	1.4	0.6	0.2	47	30.8	332	211	199	26	7	2,113
		Inferred	0.4	145	7.9	4.9	1.5	0.5	0.2	36	1.9	33	20	20	2	0.5	148
		Total	4.9	209	7.5	4.7	1.4	0.6	0.1	46	32.7	365	231	219	29	7	2,261
RNW	Lower	Indicated	1.5	98	3.4	1.9	0.7	0.5	0.1	9	4.7	55	29	31	7	2	2,406
		Inferred	0.4	105	3.4	2.1	0.5	0.4	0.1	6	1.5	15	9	8	1.6	1	199
		Total	1.9	100	3.4	2.0	0.6	0.4	0.1	8	6.2	66	38	39	9	2	2,605
	Total	Indicated + Inferred	21.1	156	4.3	2.8	1.2	0.4	0.2	27	105.4	913	581	789	88	39	5,779

Source: Adriatic Metals press release (July 2023)

Isometric View of the Rupice Block Model coloured by AgEq Grade Ranges



Source: Adriatic Metals press release (July 2023)

Vares Project Development Timeline

	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023
Construction decision / development starting	✓							
Order long-lead mechanical equipment items	✓	✓	✓					
Underground decline development of upper and lower portals at Rupice		✓	✓	✓	✓			
Vares Processing Plant site construction		✓	✓	✓	✓			
Haul road construction			✓	✓	✓			
Underground development reaches orebody / stoping starts								
Commence plant commissioning								
First production / export								

Source: Adriatic Metals presentation (February 2023)

Los Andes Copper (LA-V, Not Rated)

Los Andes is focused on developing the 100% owned Vizcachitas copper molybdenum porphyry project located in Chile. Vizcachitas is one of the largest advanced copper deposits in the Americas and is set to become Chile's next major copper mine. The project is located 150km north of Santiago, in an area of well-established infrastructure and also benefits from a low altitude and year-round working conditions. Los Andes is currently advancing permitting at Vizcachitas and in June-2023, the Second Environmental Court in Chile ruled that Los Andes has complied with all the conditions imposed on July 20, 2022 and is now authorized to restart drilling.

June 2021/ April 2022/ August 2022**1. Total \$14Mln convertible debenture**

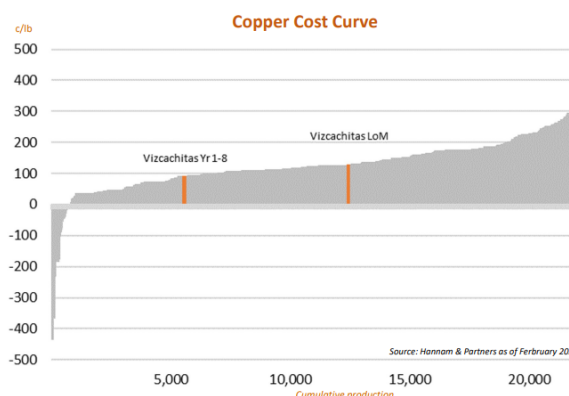
- 8.0% annual coupon payable: 3.0% in shares and 5.0% in cash.
- Payment of 3% establishment fee (\$0.3Mln, +9.9K shares)
- \$5Mln convertible in LA shares at C\$10.82/share, 5-year term (May 2026)
- \$4Mln convertible in LA shares at C\$19.67/share, 5-year term (April 2027)
- \$5Mln convertible in LA shares at C\$16.75/share, 5-year term (August 2027)

Los Andes released a Pre-Feasibility Study in February 2023 based on Proven and Probable reserves of 1.22Bln tonnes @ 0.36% Cu, 136ppm Mo, and 1.1g/t Ag (0.40% CuEq). Vizcachitas is forecast to produce an average annual copper production of 183Ktpa over a LOM of 26 years based on a new plant design with a throughput capacity of 136Ktpa. The Updated PFS designates the use of desalinated water, eliminating the need to draw continental water in an area impacted by drought. The 2023 PFS adopted HPGR technology, reducing energy consumption by 25% vs. the SAG circuit previously in PEA, and dry-stacked tailing, reducing ~50% water consumption, eliminating the need for a tailing dam, and downsizing the project by 500ha. We value Los Andes based on a 0.35x P/NPV multiple, a premium valuation compared to peers given the project's quality.

Vizcachitas Project Economics based on 2023 Prefeasibility Study**2023 PFS Economics**

Mill capacity (dmt)	136,000tpd
Cu production (first 8 years)	183,000tpy
Head grade (first 8 years)	0.52% CuEq*
LOM	26 years
C1 cash cost (first 8 years)	US\$0.93/lb
Initial capex	US\$2.44B
Payback (\$ 3.68 / lb Cu)	2.5 years
After-tax NPV8 \$ 3.68 Cu	US\$ 2.8 B
After-tax IRR	24%

* 0.46% Cu, 141 ppm Mo and 1.3 g/t Ag



Meaningful initial production, long-life asset with **potential for significant extension**

Highly competitive position
C1 cash cost curve:
US\$0.93/lb first 8 years

Every 25c increase in long-term Cu price adds **US\$520M** to after-tax NPV

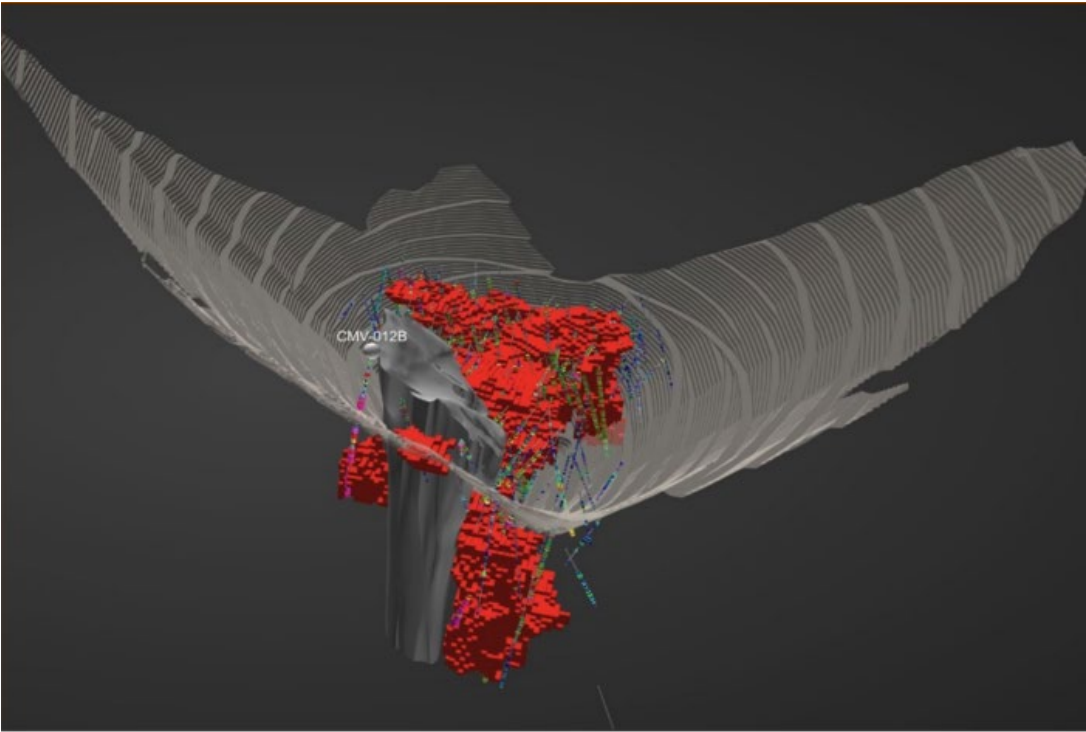


Source: Los Andes presentation (May 2023)

Concentrates would be transported in rotainers by truck 145km to the Port of Ventanas with the Ports of Valparaiso and San Antonio also providing options. There are 35km of existing roads that would require upgrading between Vizcachitas and Putaendo. Rail transportation from San Felipe to any of the three ports is another alternative to be evaluated. Connection to the national grid would be via a 60km line.

Vizcachitas maintains a significant degree of potential to continue growing, including: (1) to the east, extending mineralization from CMV-012B, the first deep drill hole to the east of diatreme, which exhibits the same mineralization as the historical center, which potentially redefines the center of the deposit; (2) to the west, the deposit remains open beneath outcropping diorites; and (2) at depth, multiple deep holes from 2015, 2017, and 2022 show significant intersections of high-grade mineralization indicating potential for increasing grades at depth.

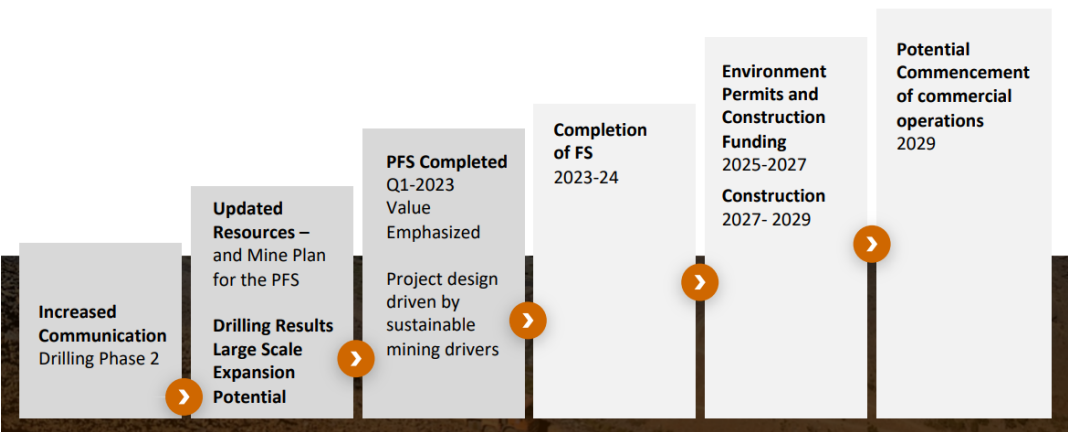
Vizcachitas Deposit Potential



Source: Los Andes presentation (May 2023)

Vizcachitas Development Timeline

Advancing Vizcachitas Development



Source: Los Andes presentation (May 2023)

Osisko Green Metals Acquisition Ltd. (GOGR-V, Not Rated)

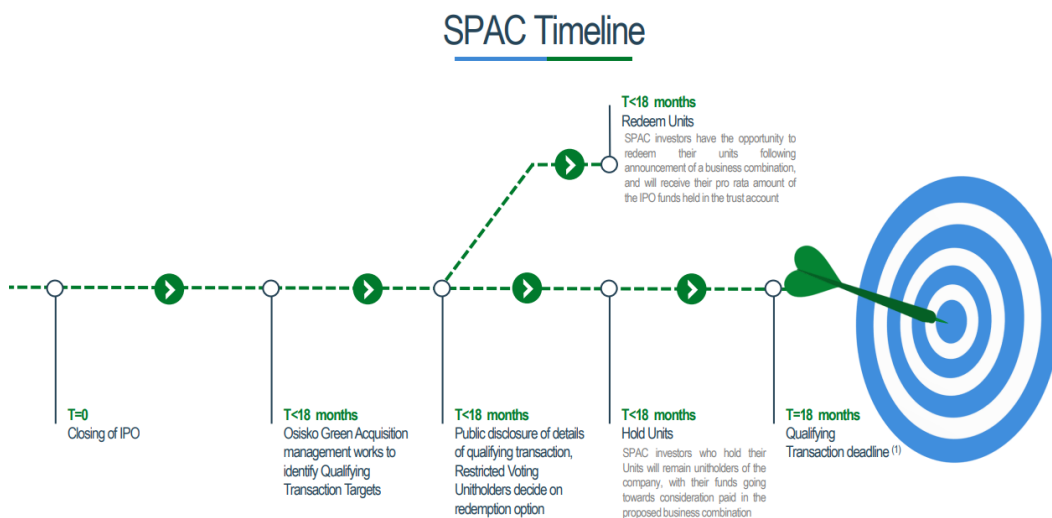
Osisko Green is a special purpose acquisition corporation (SPAC) with the purpose of facilitating an acquisition of a business involved in the transition towards green energy from fossil fuels, such as the mining of battery metals. Osisko Green is led by Sean Roosen, John Burzynski and Robert Wares, who have co-founded and led the Osisko Group of Companies. Osisko Green is scheduled to complete a qualifying transaction by Q3/23.

September 2021:

Total C\$21Mln equity investment

1. 2Mln Class A restricted voting units
 - 2Mln Class A shares
 - 1Mln Class A warrants, C\$11.50 exercise price.
2. 1Mln funding warrants, C\$11.50 exercise price.
3. 665K Class B shares.

Osisko Green aims to merge with companies that are providing the resources, which will allow the global economy to shift away from fossil fuels and towards less carbon intensive forms of energy and infrastructure. Osisko Green believes the battery minerals sector and its supply chain will be one of the biggest opportunities for profitable investment over the next decade with the projected boost in passenger EV sales, as well as clean energy initiatives & favorable policies promoted by the US and Canada. EV adoption is expected to drive increased copper demand, with copper heavily used in vehicle production and charging infrastructure. Nickel and Lithium demand are supported by the development of battery cathode chemistry, IT, advanced robotics and renewable energy technologies. In March 2023, Osisko Green announced the extension of qualifying acquisition to September 8, 2023.

Osisko Green SPAC Timeline

Source: Osisko Green presentation (May 2023)

Contango Ore, Inc. (CTGO, Not Rated)

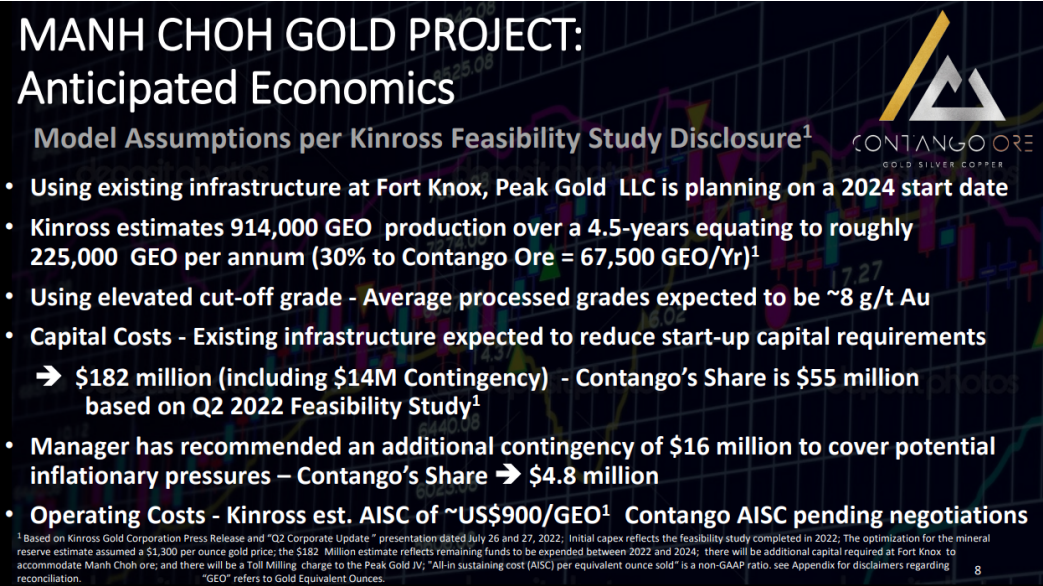
Contango Ore is a U.S.-based gold development company which owns a 30% interest in Peak Gold LLC, along with 70% partner Kinross Gold (K-T, Buy, TP C\$9.50). Peak Gold is developing the Manh Choh gold deposit in Alaska, which is expected to produce over 1Moz of gold over a 4.5yr mine life, with initial production expected to commence in H2/24. Contango Ore also owns a 100% interest in the Lucky Shot mine, an advanced, exploration stage project, as well as the early-stage exploration projects Shamrock, Eagle-Hona, and Triple-Z.

April 2022**1. \$20Mln convertible debenture**

- 8.0% annual coupon payable, 2.0% in shares & 6.0% in cash
- Convertible into CTGO shares at \$30.50/share.
- 4-year term (April 2026).
- Payment of a 3% establishment fee in cash or shares at QRC selection.

The Peak Gold deposit is located on top of a group of low hills in the northern part of the Tetlin Lease and is accessible from the Alaska Hwy via a 15km exploration road. To date, Peak Gold has outlined 1.3Moz of Measured + Indicated gold resources at Manh Choh averaging 4g/t gold and 14g/t silver in a skarn-type mineral deposit. The deposit is well defined, with a total of 55,321m of drilling in 300 drill holes, including 30,989 individual assay intervals. Ore will be trucked about 240 miles one-way for processing at Kinross Fort Knox mine. Processing will occur within existing permitted facilities at Fort Knox, eliminating the need for a mill or tailings facilities at Manh Choh. Access road construction for the proposed mine, a twin road and a site road, and site preparation started in 2022 with completion expected by the year's end in 2023. The mine is estimated to produce for about 4 to 5 years.

Early works have been completed to prepare for full construction in 2023. The site camp is operational and construction development activities are progressing on time and on budget. Kinross estimates Manh Choh to produce 225Koz of GEO per annum for about 4 to 5 years at an initial capex of \$190Mln.

Manh Choh Project Economics based on 2023 SK1300 Technical Report


MANH CHOH GOLD PROJECT:
Anticipated Economics

Model Assumptions per Kinross Feasibility Study Disclosure¹

- Using existing infrastructure at Fort Knox, Peak Gold LLC is planning on a 2024 start date
- Kinross estimates 914,000 GEO production over a 4.5-years equating to roughly 225,000 GEO per annum (30% to Contango Ore = 67,500 GEO/Yr)¹
- Using elevated cut-off grade - Average processed grades expected to be ~8 g/t Au
- Capital Costs - Existing infrastructure expected to reduce start-up capital requirements
→ \$182 million (including \$14M Contingency) - Contango's Share is \$55 million based on Q2 2022 Feasibility Study¹
- Manager has recommended an additional contingency of \$16 million to cover potential inflationary pressures – Contango's Share → \$4.8 million
- Operating Costs - Kinross est. AISC of ~US\$900/GEO¹ Contango AISC pending negotiations

¹ Based on Kinross Gold Corporation Press Release and "Q2 Corporate Update" presentation dated July 26 and 27, 2022. Initial capex reflects the feasibility study completed in 2022. The optimization for the mineral reserve estimate assumed a \$1,300 per ounce gold price; the \$182 Million estimate reflects remaining funds to be expended between 2022 and 2024; there will be additional capital required at Fort Knox to accommodate Manh Choh ore; and there will be a Toll Milling charge to the Peak Gold JV. "All-in sustaining cost (AISC) per equivalent ounce sold" is a non-GAAP ratio. see Appendix for disclaimers regarding reconciliation. "GEO" refers to Gold Equivalent Ounces.

Source: Contango Ore presentation (April 2023)

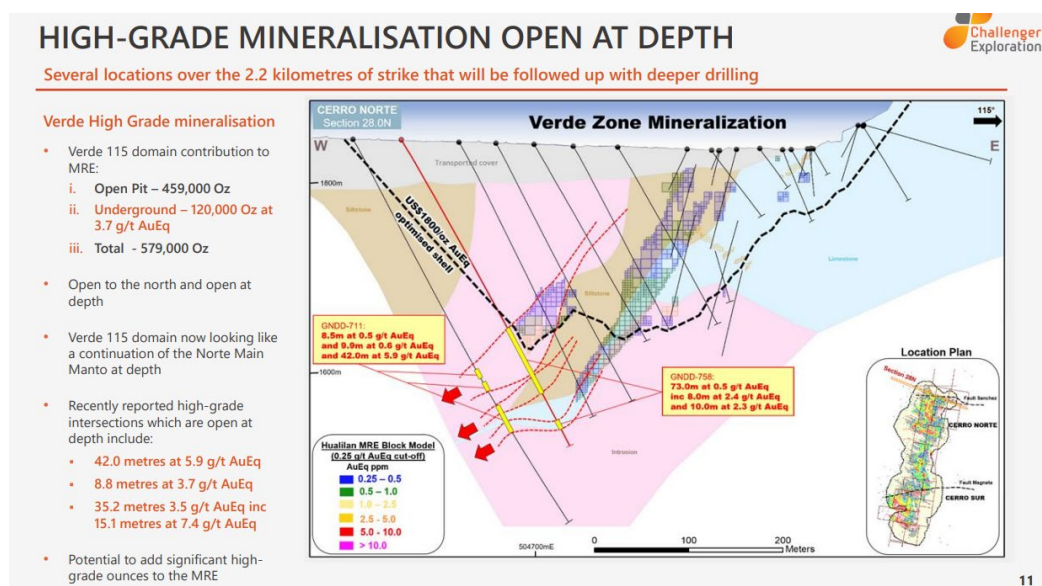
Challenger Gold Ltd. (CEL-AX, Not Rated)

Challenger Gold (formerly Challenger Exploration) is a gold exploration company that is advancing the 100%-owned Hualilan project located in San Juan province, Argentina. Hualilan is a historic, high-grade gold district. In June 2022, Challenger released an initial resource at Hualilan, containing 2.1 million ounces of gold. A Hualilan PEA is due in H1/23. In June 2023, Challenger released an initial resource at the El Guayabo project, containing 4.5Moz AuEq.

September 2022**1. \$15Mln convertible debenture**

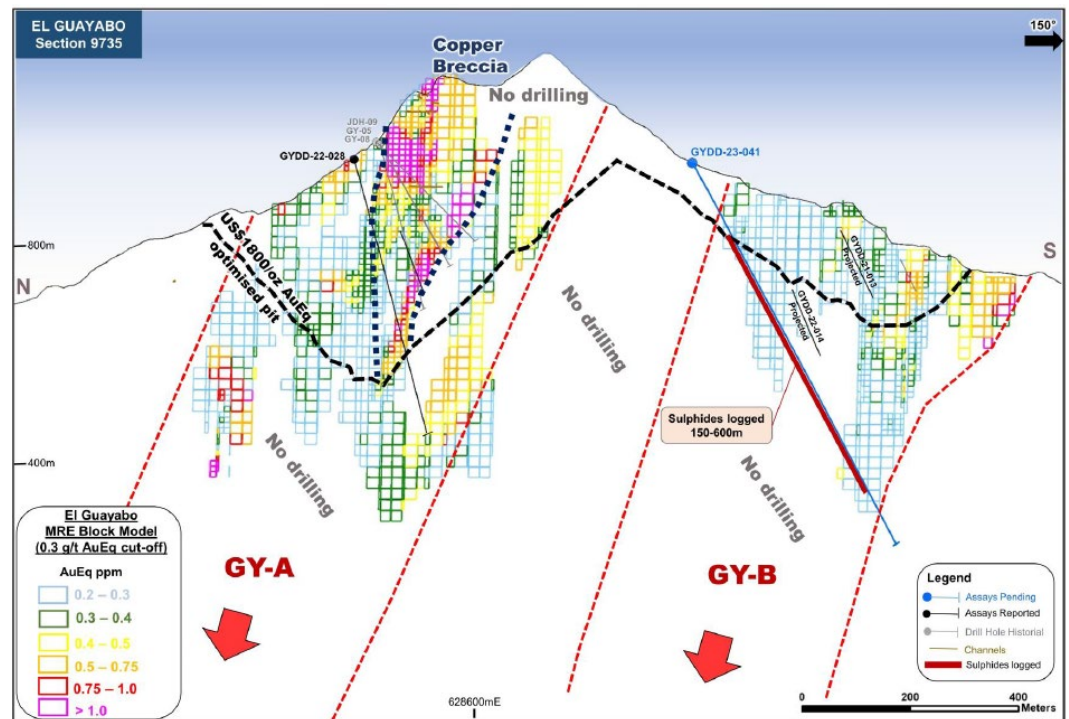
- 9.0% annual coupon payable: 2.0% in shares & 7.0% in cash.
- Convertible in CEL shares at A\$0.25/share.
- 4-year term (September 2026).
- Payment of a 3% establishment fee in shares (3,513,457 shares).
- Concurrent to a \$26Mln BlackRock private placement.

Hualilan is a historic high-grade gold district with a long mining history. Challenger released MRE 2023 including 2.1Moz @ 3.1 g/t AuEq, increased to 2.8Moz gold in mineral resources. Completion of Scoping Study and PEA is expected in July 2023, and PFS commencement is expected in Q3/23. Challenger also owns 100% of the El Guayabo gold-copper project in Southern Ecuador. The project borders the 11.5Moz Cangrejos gold-copper deposit owned by Lumina Gold Corp. and drilling so far has confirmed the geological extension onto the El Guayabo property. The Initial Inferred MRE of 270Mt @ 0.52 g/t AuEq for 4.5Moz AuEq released in June-2023. The MRE contains a significant higher-grade core of mineralization and Challenger Gold announced receiving firm commitments for an A\$10Mln placement to accelerate exploration and development activities at the company's projects.

Hualilan MRE – Verde Zone Mineralization

Source: Challenger Exploration presentation (May 2023)

MRE Block Model GY-A and GY-B and high-grade Copper Breccia - Cross Section



Source: Challenger Gold Press Release (June 2023)

Board of Directors

Warren Gilman, MBA Chairman & CEO	Mining engineer, Chairman and CEO of QRC, with 20+ yrs experience at CIBC running mining investment banking in Canada, 10+ yrs as Chairman & CEO of CEF Holdings, investing in the global mining sector. Mr. Gilman received an undergraduate degree from Queen's University and an MBA from Richard Ivey School of Business.
Alex Granger President & Director	President of QRC, with 20+ yrs experience in Asian metals & mining sector, 10+ yrs as investment banker covering global metals & mining sector at CIBC and Credit Suisse, 9 yrs as CEO & director of TSXV listed junior mining issuers. Mr. Granger received an undergraduate degree from McGill University.
Michael Cowin, MBA Independent Director	Independent Non-Executive director of QRC, Principal of Corom Fund Management, with 20+ yrs as a fund manager in Australia with a focus on small caps and mining issuers. Mr. Cowin received an MBA from Australian Graduate School of Management and an undergraduate degree from The University of New South Wales.
Donald Jeffrey Roberts, CPA Independent Director	Independent Non-Executive director of QRC, Governor at Canadian Chamber of Commerce, Chartered accountant with the CPAs of Canada, Alberta & BC, Retired Group Deputy Chief Financial Officer of Hutchison Whampoa Limited. Mr. Roberts received an undergraduate degree from the University of Calgary.
Peter Chau Independent Director	Independent Non-Executive director of QRC, Managing Director and Chief Investment Officer of Infiniti Investment Management Ltd., Mr. Chau received an undergraduate degree from the University of Waterloo.

Executives

Warren Gilman, MBA Chairman & CEO	Same as above.
Alex Granger President & Director	Same as above.
Vicki Cook CFO	CFO of QRC, Chartered Accountant with CPAs in England and Wales, Member of Hong Kong Institute of CPA, previously as a consultant to Cathay Pacific Airways Limited. Ms. Cook received a graduate degree from the University of Oxford.

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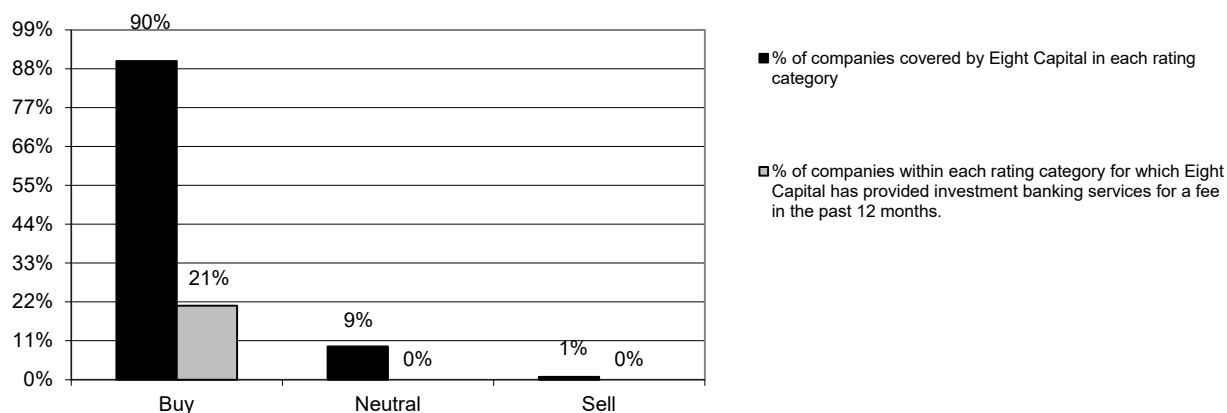
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