

QUEEN'S  
ROAD  
CAPITAL

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QUEEN'S ROAD CAPITAL LIMITED (QRC-TSXV)  
LEADING FINANCIER TO THE GLOBAL RESOURCE SECTOR



# CAUTIONARY STATEMENT

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# ABOUT QRC

- QUEEN'S ROAD CAPITAL LTD TO BECOME A LEADING SOURCE OF INVESTMENT CAPITAL TO RESOURCE COMPANIES & PROJECTS THROUGHOUT THE WORLD
  - QRC's investment focus will be resource companies/projects in safe jurisdictions in advanced development stage or in production using structures which, where possible, limit downside while leaving unlimited upside such as convertible debentures
- THE GLOBAL RESOURCE SECTOR HAS SUFFERED SIGNIFICANTLY OVER THE PAST DECADE AS TRADITIONAL FINANCING POOLS HAVE DRIED UP
  - Many high-quality resource projects are not being advanced due to lack of investment in the sector
  - Many producing assets are behind on life-extending investment projects due to lack of financing available in the sector
- QRC'S EXECUTIVE MANAGEMENT TEAM HAS OVER 60 YEARS OF DEALMAKING & FINANCING IN THE GLOBAL RESOURCE SECTOR

# LANDSCAPE FOR METALS & MINING ISSUERS

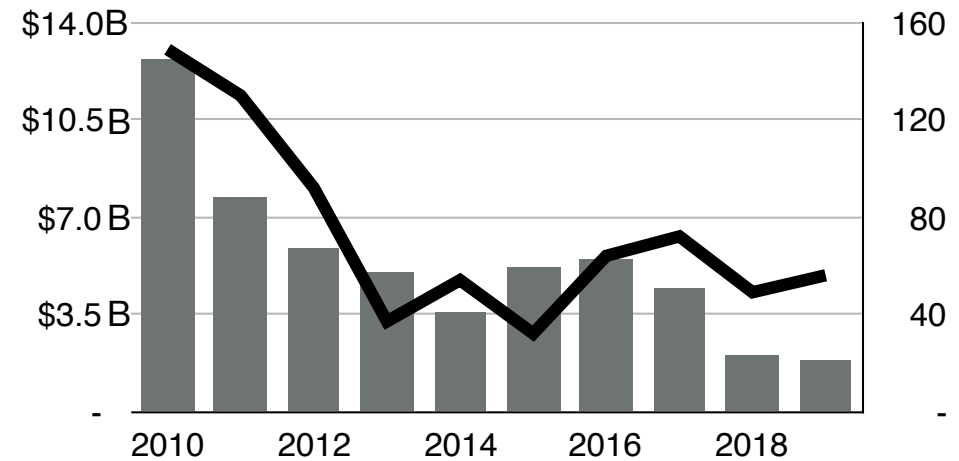
## Deflated Market Values

**S&P TSX Global Mining Index  
Performance (2011-19)**



## Equity Financing Opportunities Dried Up

**Equity Raised by TSX/TSXV Metals &  
Mining Issuers (C\$ billions/ # of  
Transactions)**

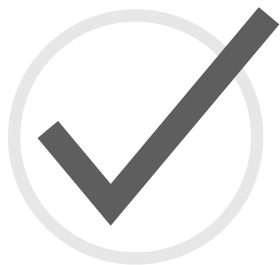


# WHY FOCUS ON CONVERTIBLE SECURITIES



YIELD

- CONVERTIBLE SECURITIES WILL PAY A QUARTERLY/SEMI-ANNUAL INTEREST COUPON TO QRC WHICH WILL, IN PART, BE RETURNED TO SHAREHOLDERS THROUGH A QUARTERLY/SEMI-ANNUAL DIVIDEND
- ANTICIPATED DIVIDEND YIELD ON INVESTMENT BASE: 4-5%



LIMITED  
DOWNSIDE

- QRC WILL STRIVE TO MAXIMIZE ITS SECURITY OVER THE ASSETS OF ITS INVESTEE COMPANIES THROUGH ITS CONVERTIBLE SECURITIES, PROVIDING AN ADDITIONAL LAYER OF PROTECTION
- THE DIVIDEND YIELD OF QRC PROVIDES DOWNSIDE PROTECTION ON THE SHARE PRICE
- THE TARGETS FOR INVESTMENT ARE “SELF-SELECTING” IN THAT THEY NEED TO BE OF SUFFICIENT QUALITY TO SERVICE THE INTEREST COUPON WHICH ELIMINATES MARGINAL CANDIDATES FROM CONSIDERATION

# WHY FOCUS ON CONVERTIBLE SECURITIES



UNLIMITED  
UPSIDE

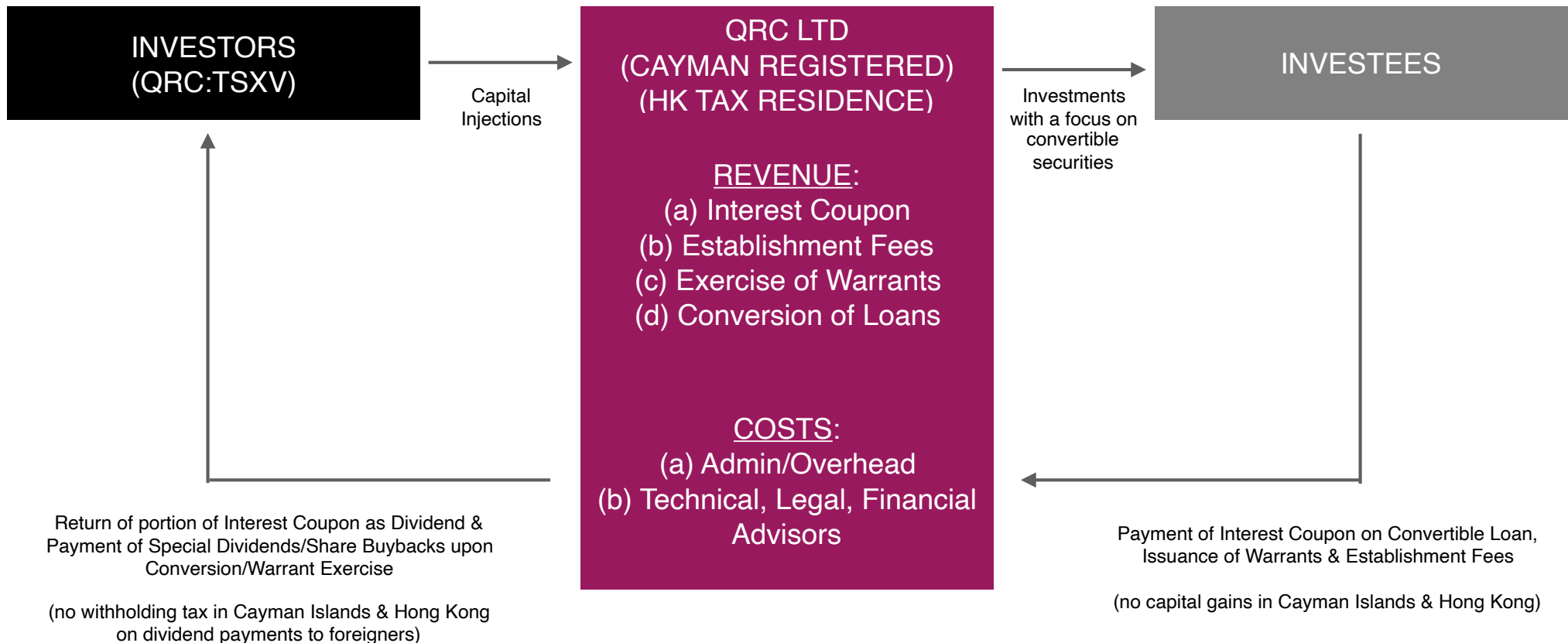
- THE CONVERSION ELEMENT OF THE SECURITIES ENSURE THAT THERE IS NO LIMIT TO THE UPSIDE RETURN TO QRC – IF AN INVESTEE'S SHARE PRICE GOES UP, WE SHARE IN 100% OF THE UPSIDE ABOVE THE CONVERSION PRICE; IF AN INVESTEE'S SHARE PRICES GOES DOWN, THE DEBT OWED TO QRC DOES NOT DIMINISH



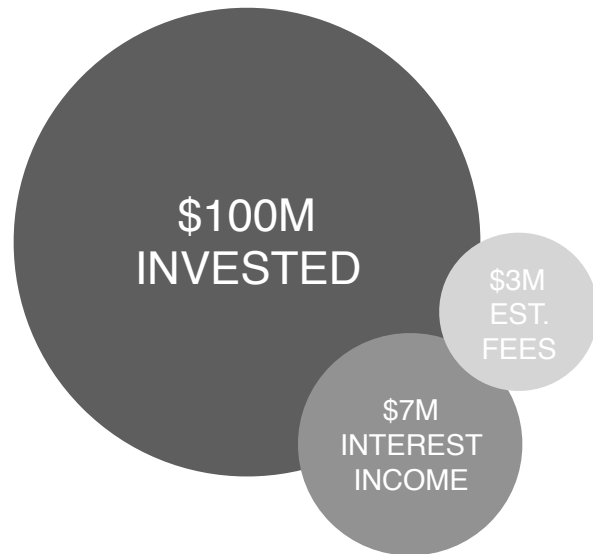
SPECIAL  
PROTECTIONS

- THE TERMS OF THE CONVERTIBLE SECURITIES WILL ALSO PROVIDE QRC WITH ADDITIONAL SPECIAL PROTECTIONS ON A CASE BY CASE BASIS, SUCH AS:
  - CHANGE OF CONTROL PROVISIONS
  - ESTABLISHMENT FEES
  - WARRANTS

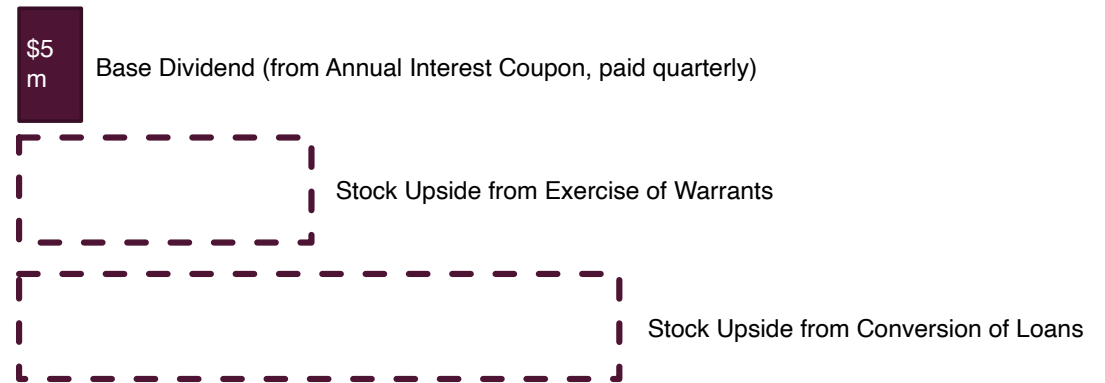
# QRC'S BUSINESS MODEL



# QRC FINANCIAL EXAMPLE



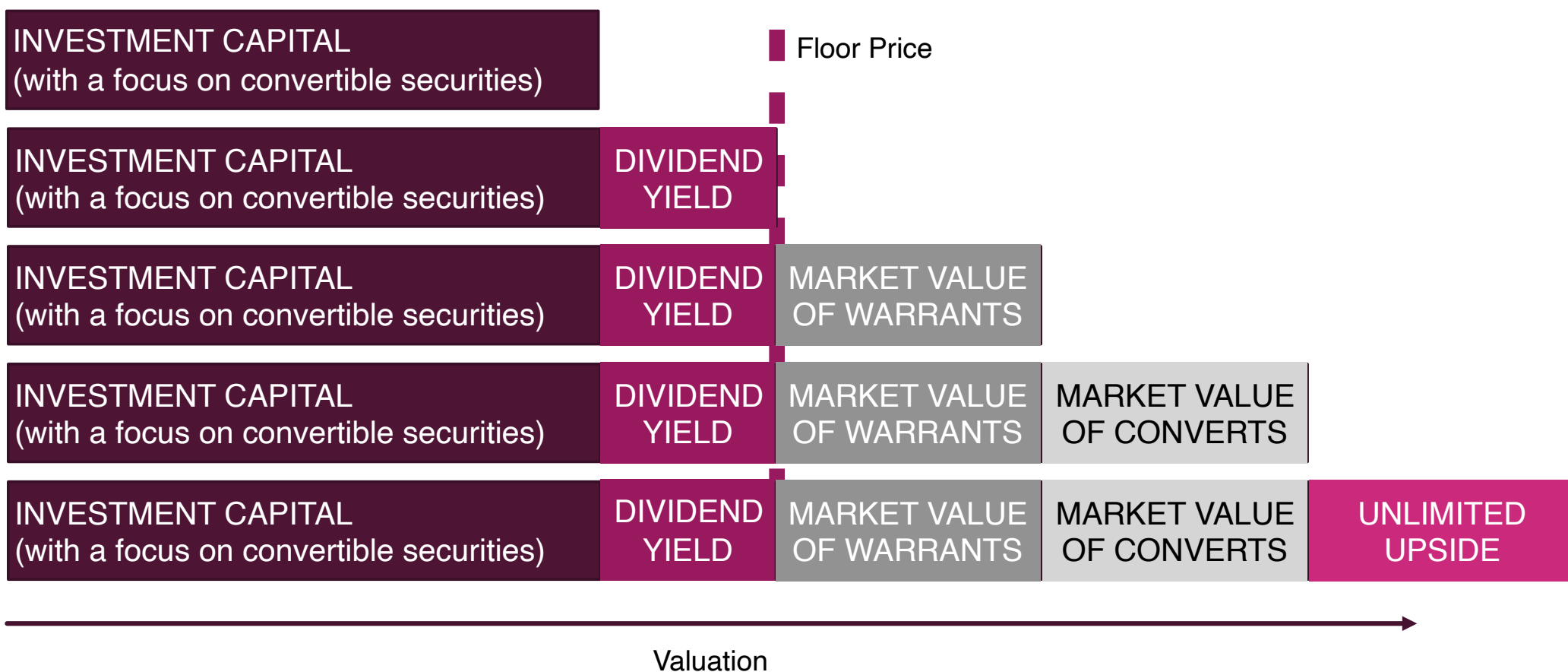
## RETURN TO INVESTORS





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- QRC'S VALUATION WILL BE BASED ON A NUMBER OF PARAMETERS WITH UNLIMITED UPSIDE AND PROTECTION ON THE DOWNSIDE FROM THE DIVIDEND YIELD AND POSITION IN THE CAPITAL STRUCTURE



# LEADERSHIP TEAM

## WARREN GILMAN CHAIRMAN & CEO

- Mining engineer
- 26 years at CIBC running mining investment banking in Canada, Australia and Hong Kong
- 10 years as Chairman & CEO of CEF Holdings, investing in the global mining sector jointly with Li Ka-shing, one of Asia's richest men

## ALEX GRANGER PRESIDENT

- 10 years investment banking at CIBC and Credit Suisse
- 9 years as CEO of publicly listed junior mining companies

## TBD CFO

- [Will be appointed by May 2020]

# WARREN GILMAN CEF TRACK RECORD

- WARREN GILMAN, A MINING ENGINEER, LEFT CIBC IN 2011 AFTER 26 YEARS WITH THE TITLE OF VICE CHAIRMAN AND HEAD OF ASIA PACIFIC RESPONSIBLE FOR ALL OF CIBC'S BUSINESS ACTIVITIES IN ASIA
  - JOINED CEF IN 2011 & LED IT FOR THE NEXT 8 YEARS
  - CEF IS OWNED 50% BY CIBC & 50% BY CK HUTCHISON HOLDINGS (MR. LI KA-SHING'S FLAGSHIP)
  - FROM 2012 UNTIL THE CLOSURE OF CEF IN 2019, THE CEF INVESTMENT COMMITTEE APPROVED US\$555 MILLION OF INVESTMENTS IN 12 SEPARATE TRANSACTIONS
    - 5 OF THOSE WERE CO-INVESTMENTS DIRECTLY WITH MR. LI KA-SHING AND/OR HIS GROUP
  - COMMODITIES INVOLVED INCLUDED: GOLD, COPPER, PGM'S, URANIUM AND NIOBIUM
  - STRUCTURES INCLUDED: DEBT + WARRANTS, CONVERTIBLE DEBENTURES, EQUITY AND PRECIOUS METAL STREAMS
  - IRR'S RANGED FROM 15% TO 48% WITH ALL INVESTMENTS YIELDING POSITIVE RETURNS
  - CEF CONTINUES TO HOLD THE LARGEST OF THOSE INVESTMENTS:
    - NEXGEN (URANIUM, LARGEST SHAREHOLDER OF TSX LISTED MINE DEVELOPER) - US\$170M
    - NIOBEC (NIOBIUM, HELD JOINTLY WITH TEMASEK) - US\$225M

# BOARD OF DIRECTORS\*

## WARREN GILMAN EXECUTIVE DIRECTOR

- Mining engineer
- 26 years at CIBC running mining investment banking in Canada, Australia and Hong Kong
- 10 years as Chairman & CEO of CEF Holdings, investing in the global mining sector jointly with Li Ka-shing, one of Asia's richest men

## ALEX GRANGER EXECUTIVE DIRECTOR

- 10 years investment banking at CIBC and Credit Suisse
- 9 years as CEO of publicly listed junior mining companies

## JOHN ANDERSON INDEPENDENT DIRECTOR

- Practicing Lawyer at Stikeman Elliott since 1991 with a focus on public M&A
- Primary expertise in the mining, forestry and technology sectors

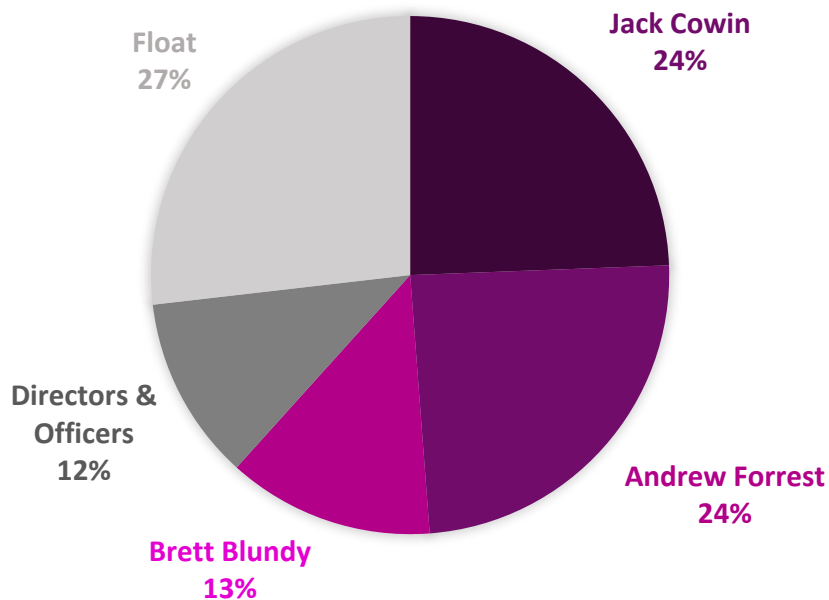
## MICHAEL COWIN INDEPENDENT DIRECTOR

- Principal, Corom Funds Management - entity managing family office investments for the Cowin Family
- 13 years as a fund manager in Australia with a focus on small caps and mining issuers

\* Squadron Resources have the right to appoint a director before 31-12-20 as long as they maintain a 10% stake.

# SHAREHOLDING STRUCTURE

- QRC IS A TIGHTLY HELD COMPANY WITH ~75% OF THE SHARES IN THE HANDS OF THREE STRATEGIC INVESTORS AND DIRECTORS & OFFICERS; THE FLOAT IS ALSO HELD BY LONG-TERM AUSTRALIAN & CANADIAN RETAIL INVESTORS



- AS PART OF THE TRANSACTION THAT CREATED THE COMPANY, QRC RAISED \$31 MILLION FROM THE INVESTOR GROUP\* AT \$0.30/SHARE
- THE INVESTOR GROUP HAS COMMITTED TO INVEST ANOTHER \$42.7 MILLION IN AN UPCOMING PRIVATE PLACEMENT AT \$0.40/SHARE
  - THE \$0.40/SHARE PRIVATE PLACEMENT WILL ALSO INVOLVE CURRENT INVESTORS AS WELL AS SELECTED HIGH NET WORTH INVESTORS IN AUSTRALASIA AND CANADA
- SUBSEQUENT TO THE \$0.40/SHARE PRIVATE PLACEMENT, QRC WILL HAVE IN EXCESS OF \$75 MILLION IN CASH FOR FUTURE INVESTMENTS

\* Please refer to Press Release dated 3 February 2020.

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## ABOUT JACK COWIN

- COROM PTY LTD. IS AN INVESTMENT VEHICLE OWNED AND CONTROLLED BY MR. JACK COWIN, A CANADIAN-AUSTRALIAN BUSINESSMAN AND PHILANTHROPIST
- MR. COWIN IS ONE OF AUSTRALIA'S MOST SUCCESSFUL AND HIGHLY REGARDED ENTREPRENEURS
- STARTING WITH A SINGLE KFC FRANCHISE IN 1969, HE BUILT COMPETITIVE FOODS AUSTRALIA PTY LTD. INTO ONE OF AUSTRALIA'S LARGEST RESTAURANT FRANCHISORS, INCLUDING THE EPONYMOUS HUNGRY JACK'S FRANCHISE
- HE IS CHAIRMAN OF ASX-LISTED DOMINO'S PIZZA ENTERPRISES LTD. WHICH HAS A MARKET CAPITALIZATION OF A\$4 BILLION AND IS 27% OWNED BY THE COWIN FAMILY
- HE IS FAMOUS IN AUSTRALIA AS A SUCCESSFUL INVESTOR ACROSS A VARIETY OF INDUSTRIES INCLUDING MEDIA (TEN NETWORK), CATTLE RANCHING (STANBROKE PASTORAL), TOURISM (BRIDGECLIMB SYDNEY) AND WINE (TORBRECK VINTNERS)
- MR. COWIN RECENTLY RETIRED AS CHANCELLOR OF WESTERN UNIVERSITY IN LONDON, ONTARIO, HIS ALMA MATER

# ABOUT ANDREW FORREST

- SUQADRON RESOURCES PTY LTD. IS AN INVESTMENT VEHICLE OWNED AND CONTROLLED BY MR. ANDREW FORREST, AN AUSTRALIAN BUSINESSMAN AND PHILANTHROPIST
- MR. FORREST IS AUSTRALIA'S MOST ACTIVE PHILANTHROPIST AND ONE OF THE MOST EFFECTIVE LEADERS OF HIS GENERATION
- HE IS THE FOUNDER AND CHAIRMAN OF FORTESCUE METALS GROUP (FMG.AX), ONE OF THE WORLD'S LARGEST IRON PRODUCERS WITH A MARKET CAPITALIZATION OF OVER US\$20 BILLION. MR FORREST LED THE COMPANY FROM ITS INCEPTION TO ITS CURRENT TOP 20 STATUS IN THE AUSTRALIAN ECONOMY AND A LEADER IN GLOBAL IRON ORE
- IN 2001, HE CO-FOUNDED THE MINDEROO FOUNDATION WITH HIS WIFE NICOLE FORREST WHICH HAS SUPPORTED OVER 280 INITIATIVES ACROSS AUSTRALIA AND INTERNATIONALLY IN PURSUIT OF A RANGE OF CAUSES
- IN MAY 2007, MR FORREST ANNOUNCED ONE OF AUSTRALIA'S LARGEST PRIVATE PHILANTHROPIC DONATIONS OF A\$400 MILLION

# CAPITAL STRUCTURE

CURRENT BASIC SHARES OUTSTANDING:

143,636,898

OPTIONS OUTSTANDING

MAY 2020 EXPIRY (\$0.13)

1,000,000

JANUARY 2025 EXPIRY (\$0.30)

11,000,000

PRO FORMA DILUTED SHARES OUTSTANDING:

155,636,898

MAJOR SHAREHOLDERS

COROM PTY LTD (JACK COWIN)

24.4%

SQUADRON RESOURCES PTY LTD (ANDREW FORREST)

24.4%

BBRC INTERNATIONAL PTE LTD (BRETT BLUNDY)

12.9%

DIRECTORS & OFFICERS

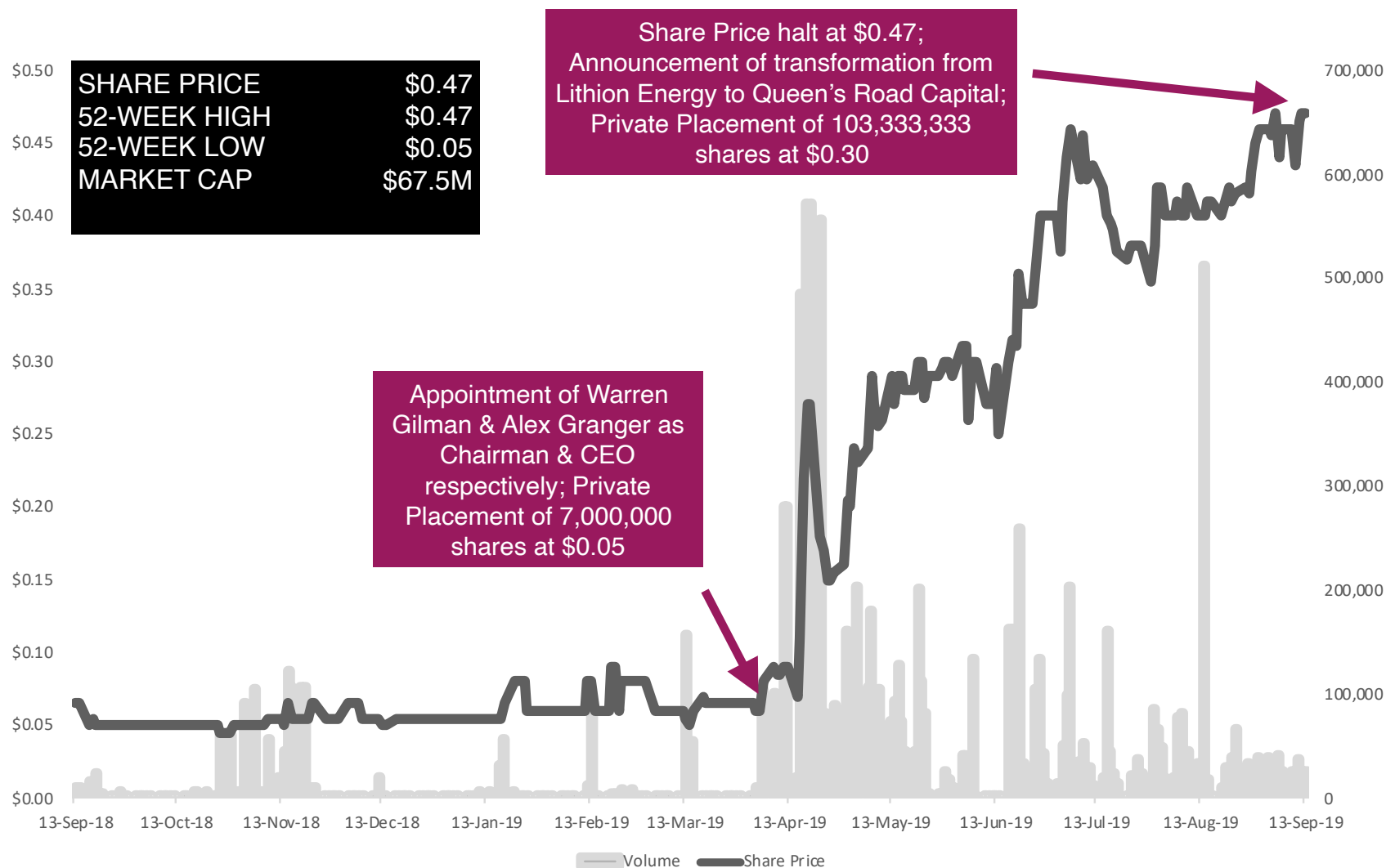
11.5%

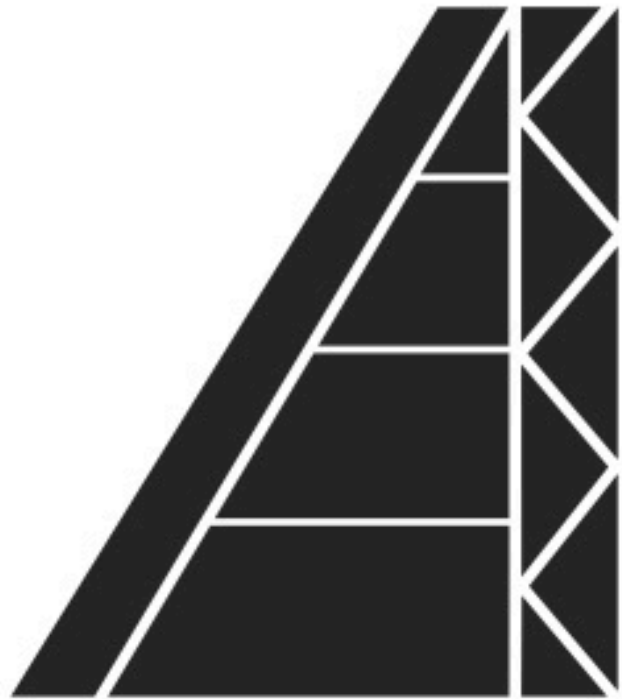
CASH ON HAND

> \$32,000,000



# SHARE PRICE PERFORMANCE





QUEEN'S  
ROAD  
CAPITAL

QUEEN'S ROAD CAPITAL LIMITED  
THANK YOU

