
NORTHQUEST CAPITAL FUND, INC.

ANNUAL REPORT

DECEMBER 31, 2022



**NorthQuest Capital Fund, Inc.
16 Rimwood Lane
Colts Neck, NJ 07722
1-800-239-9136**

**Ticker: NQCFX
www.NorthQuestFund.com**

NORTHQUEST CAPITAL FUND, INC.

SHAREHOLDER LETTER

DECEMBER 31, 2022 (UNAUDITED)

To the Shareholders of NorthQuest Capital Fund, Inc.:

The Fund's total return for 2022 was down 26.09%, which included a \$0.219004 per share distribution paid to all shareholders on December 28, 2022. The table below compares the 2022 performances of the Fund's and the S&P 500 Index Total Return (TR) with dividends reinvested.

Performance Comparison

<u>The Fund and S&P 500 Index (TR)</u>	<u>Year-To-Date (Loss)</u>
NorthQuest Capital Fund	(26.09%)
S&P 500 Index (TR)	(18.11%)

Major Purchases and Sales of Common Stocks during 2022

NorthQuest purchased new positions in the following common stock securities during 2022: Continental Resources Inc. (CLR), Deere & Company (DE), EOG Resources, Inc. (EOG), Alphabet Inc. Class C (GOOG), Paccar Inc. (PCAR), Tractor Supply Company (TSCO), and Advanced Drainage Systems, Inc. (WMS). See additional information about all of our company investments on pages 2, 3, and 4.

NorthQuest sold entire positions in Adobe Inc. (ADBE), Amazon.com Inc. (AMZN), Continental Resources Inc. (CLR), Dollar General Corp. (DG), Edwards Lifesciences Corp. (EW), Generac Holdings Inc. (GNRC) and Royal Gold Inc. (RGLD).

2022 Economic Issues and Portfolio Adjustments

The Fund's portfolio performance was hampered by persistent inflation, labor shortages, rising interest rates, a strong U.S. dollar, and supply chain interruptions during 2022. The following factors factored into the Fund's decision to sell the common stocks mentioned above. Rising expenses from transportation and distribution began to negatively affect the net profit margins of AMZN and DG. Labor shortages continued to interrupt hospital diagnostic testing and medical procedures which slowed revenues and profits of EW. A decline in home generator installations caused a dramatic decline in GNRC earnings. Higher interest rates caused commodity prices to fall and the U.S. dollar to strengthen dramatically against other currencies. The stronger U.S. dollar made it more difficult to sell U.S. products and services internationally. This resulted in the Fund changing its long-term views on ADBE and RGLD. And finally, CLR entered an agreement with its billionaire founder Harold Hamm to take the company private which removed CLR as a listed public company.

NorthQuest added DE, EOG, and PCAR to our investment portfolio as a way to invest in "taken for granted" industries related to food, energy, and transportation, respectively. The Fund believes that these companies will continue to embrace the latest technologies to produce superior products and services as well as attract more sales with greater profit margins.

Investments were also made in GOOG, TSCO, and WMS due to their efficient and unique operations in the businesses of "search engine technology", specialized retailing, and water management solutions, respectively.

The Fund will continue to take a long-term, disciplined, and steadfast investment approach with the goal of selecting companies that consistently and efficiently grow their sales, profits, and retained earnings. Over time businesses with these qualities have a tendency to rise in value.

Please do not hesitate to call or write me with any comments or questions. Thank you for your trust, confidence, and investments.

Sincerely,



Peter J. Lencki
President

December 31, 2022

NORTHQUEST CAPITAL FUND, INC.

2022 Business Information about the Fund's Investments DECEMBER 31, 2022 (UNAUDITED)

These comments are not recommendations to buy or sell these common stocks.

<u>Company</u>	<u>Stock Symbol</u>
Apple, Inc. Products & Services:	AAPL AAPL designs, manufactures, and sells smart phones, tablets, personal computers wearables, software, and other related services and accessories.
Arthur J. Gallagher & Co. Products & Services:	AJG AJG offers cost-effective property/casualty insurance and risk management programs. AJG also engages in the consulting, design, and administration services for health and retirement plans.
Deere & Co. Products & Services:	DE DE is a manufacturer of products, equipment, and machines for agriculture, turf, construction, and forestry industries. DE has a financial-services unit to finance equipment and machine purchases.
EOG Resources, Inc. Products & Services:	EOG EOG is an oil and natural gas exploration and discovery company located in the U.S. with proved reserves in the U.S. and Trinidad.
Alphabet, Inc. Class C Product & Service	GOOG GOOG is an American multinational technology company offering search engine technology, internet advertising, computer software, artificial intelligence, cloud computing, and consumer electronics.
Fortinet, Inc. Products & Services:	FTNT FTNT provides cybersecurity protection, detection, and response. Clients include businesses, governments, and organizations.
Home Depot, Inc. Products & Services:	HD HD is a home improvement retailer that sells home, garden, and lawn products to homeowners and professional contractors.
Intercontinental Exchange, Inc. Products & Services:	ICE ICE is an operator of regulated marketplaces for listing, trading, and clearing trades across many asset classes such as bonds, equities, energy and agricultural commodities. ICE owns the New York Stock Exchange.
Intuit, Inc. Products & Services:	INTU INTU is an internet-based platform company that develops and sells accounting and tax preparation software to individuals, accountants, and small businesses.
Lam Research Corp. Products & Services:	LRCX LRCX is a supplier of wafer fabrication equipment and services which are used by the semiconductor industry to build semiconductor chips. The chips are used in mobile phones, computers, autos, and other electronic products.

NORTHQUEST CAPITAL FUND, INC.

2022 Business Information about the Fund's Investments (CONTINUED) DECEMBER 31, 2022 (UNAUDITED)

These comments are not recommendations to buy or sell these common stocks.

<u>Company</u>	<u>Stock Symbol</u>
MasterCard, Inc. Products & Services:	MA MA operates a payment processing network connecting consumers, financial institutions, governments, and merchants throughout the world.
Monolithic Power Systems, Inc. Products & Services:	MPWR MPWR designs, develops, and markets very small-scale semiconductor chips that operate with greater energy efficiency for industrial applications, telecom equipment, cloud computing, automotive, and consumer applications.
Microsoft Corp. Products & Services:	MSFT MSFT is a technology company that develops, supports, and services software products, devices, and cloud-based solutions for individuals and businesses.
O'Reilly Automotive, Inc. Products and Services:	ORLY ORLY is a retailer that sells automotive parts, tools, supplies, equipment, and accessories to consumers and professional installers in the U.S. and Mexico.
Paccar, Inc. Products & Services:	PCAR PCAR designs, manufactures and offers customer support of light, medium, and heavy duty trucks which are sold globally under the brands Kenworth, Peterbilt, and DAF. PCAR has an extensive dealer network of 2,200 locations worldwide.
Pool Corp. Products & Services:	POOL POOL is a distributor to wholesale accounts that sell and service swimming pools, lawn irrigation supplies and equipment, and related outdoor leisure products.
Sherwin-Williams Co. Products & Services:	SHW SHW is a global manufacturer, distributor, and seller of paints, varnishes, and coatings for aerospace, marine, automotive, and transportation applications. Buyers of SHW products include professional, industrial, commercial and retail customers.
S&P Global, Inc. Products & Services:	SPGI SPGI provides credit ratings, research, and data on capital and commodity markets to investors and financial institutions worldwide.
Stryker Corp. Products & Services:	SYK SYK is a medical technology company that offers products and services in medical and surgical, orthopaedics, neurotechnology and spinal healthcare.

NORTHQUEST CAPITAL FUND, INC.

2022 Business Information about the Fund's Investments (CONTINUED) DECEMBER 31, 2022 (UNAUDITED)

These comments are not recommendations to buy or sell these common stocks.

<u>Company</u>	<u>Stock Symbol</u>
Tractor Supply Co. Product & Services:	TSCO TSCO is a U.S. retailer that sells products for agriculture, lawn and garden maintenance, livestock, equine and pet care for pet owners and landowners.
UnitedHealth Group, Inc. Product & Services:	UNH UNH is a health care company that offers healthcare and pharmacy services, health insurance products, and other related information and technology services.
Union Pacific Corp. Products & Services:	UNP UNP has approximately 10,000 customers and delivers products by railroad transportation over 32,213 miles connecting 23 states in the western U.S. with routes into Canada and Mexico.
Advanced Drainage Systems, Inc. Products & Services:	WMS WMS manufactures drainage products and provides services that deliver solutions for persistent and challenging water management problems in a wide variety of applications and markets including commercial, residential, infrastructure, and agriculture.
Zebra Technology Corp. Products & Services:	ZBRA ZBRA provides mobile computers and printers, barcode scanners, real-time location systems, warehouse autonomous mobile robots, and other communication products and services to transportation, logistics, government, and educational enterprises.
Zoetis Inc. Products & Services:	ZTS ZTS is an animal health company that delivers medicines, vaccines, and diagnostic products in more than 100 countries. ZTS serves veterinarians, livestock producers, and those who have farm and companion animals in their care.

NORTHQUEST CAPITAL FUND, INC.

TOP TEN HOLDINGS, as a Percentage of the Fund's Net Assets DECEMBER 31, 2022 (UNAUDITED)

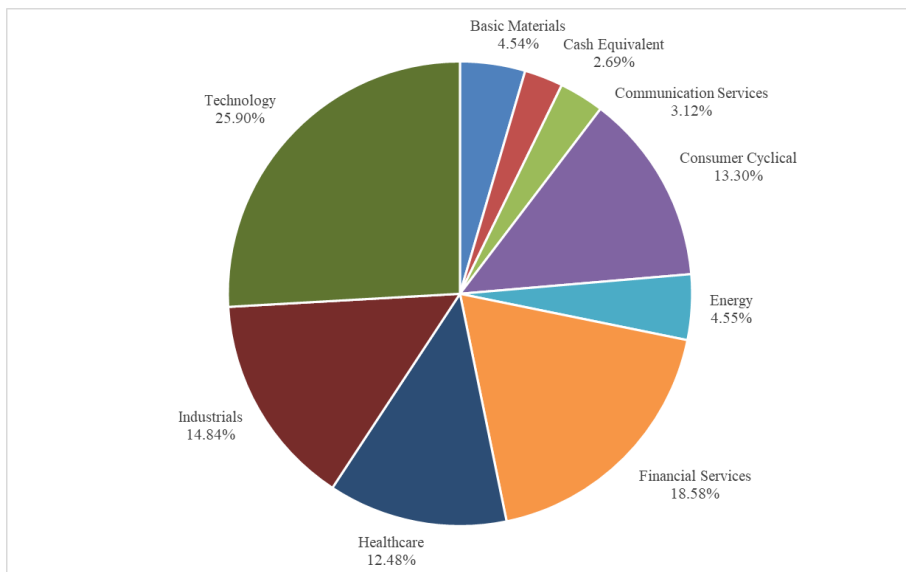
1.	Arthur J. Gallagher & Co.	5.71%
2.	O'Reilly Automotive, Inc.	5.38%
3.	UnitedHealth Group, Inc.	5.07%
4.	Home Depot, Inc.	5.04%
5.	Mastercard, Inc. Class A	4.99%
6.	Apple, Inc.	4.97%
7.	Deere & Co.	4.79%
8.	EOG Resources, Inc.	4.54%
9.	The Sherwin-Williams Co.	4.54%
10.	Fortinet, Inc.	4.29%
		<hr/>
		49.32%
		<hr/> <hr/>

NORTHQUEST CAPITAL FUND, INC.

PORTFOLIO ILLUSTRATION

DECEMBER 31, 2022 (UNAUDITED)

The following chart gives a visual breakdown of the Fund by the industry sectors the underlying securities represent as a percentage of the portfolio of investments.

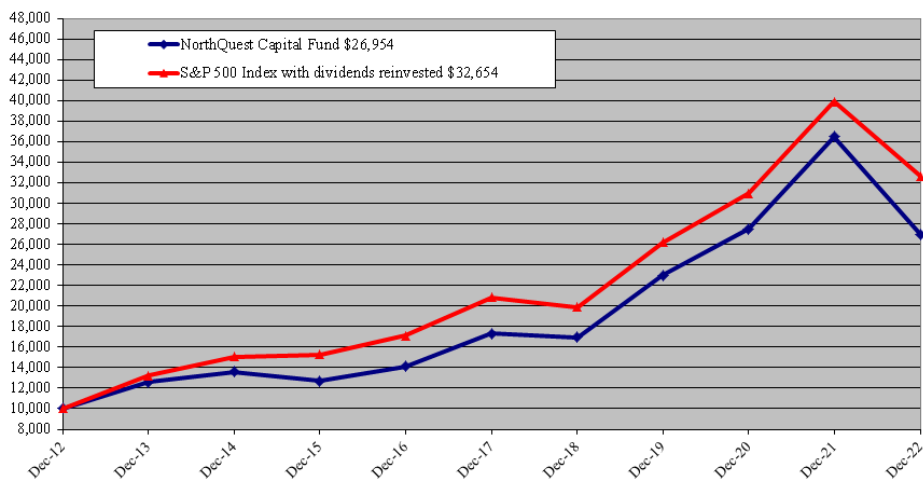


Sectors are categorized using Morningstar® classifications.

NORTHQUEST CAPITAL FUND, INC.

PERFORMANCE ILLUSTRATION DECEMBER 31, 2022 (UNAUDITED)

Cumulative Performance Comparison of \$10,000 Investment Since December 31, 2012*



Average Annual Total Returns For the Periods Ended December 31, 2022

	1 Year	3 Year	5 Year	10 Year	Value
NorthQuest Capital Fund	-26.09%	5.46%	9.23%	10.42%	\$ 26,954
S&P 500 Index with dividends reinvested	-18.11%	7.66%	9.41%	12.56%	\$ 32,654

* The line graph above assumes an initial \$10,000 investment in the NorthQuest Capital Fund on 12/31/12 and the value of the account on 12/31/22, compared to the \$10,000 investment into the S&P 500 Index with dividends reinvested for the same period. Past performance is not predictive of future performance. Investment return and principal value will fluctuate so that your shares, when redeemed, may be worth more or less than the original cost. The returns do not reflect taxes that a shareholder would pay on Fund distributions or on the sale of Fund shares.

The Standard & Poor's 500 Index ("S&P 500") is a market value-weighted index, representing the aggregate market value of the common equity of 500 stocks primarily traded on the New York Stock Exchange. The S&P 500 is a widely recognized, unmanaged index of common stock prices. The figures for the S&P 500 reflect all dividends reinvested but do not reflect any deductions for fees, expenses or taxes.

NORTHQUEST CAPITAL FUND, INC.

SCHEDULE OF INVESTMENTS

DECEMBER 31, 2022

<u>Shares</u>		<u>Fair Value</u>
COMMON STOCKS - 97.25%		
Communication Equipment - 2.45%		
600	Zebra Technologies Corp. Class A *	\$ 153,846
Crude Petroleum & Natural Gas - 4.54%		
2,200	EOG Resources, Inc.	284,944
Electronic Computers - 4.97%		
2,400	Apple, Inc.	311,832
Farm Machinery & Equipment - 4.79%		
700	Deere & Co.	300,132
Hospital & Medical Service Plans - 5.07%		
600	UnitedHealth Group, Inc.	318,108
Insurance Agents Brokers & Services - 5.71%		
1,900	Arthur J. Gallagher & Co.	358,226
Motor Vehicles & Passenger Car Bodies - 1.58%		
1,000	Paccar, Inc.	98,970
Pharmaceutical Preparations - 3.50%		
1,500	Zoetis, Inc. Class A	219,825
Plastics Foam Products - 1.31%		
1,000	Advanced Drainage Systems, Inc.	81,970
Railroads, Line-Haul Operating - 3.30%		
1,000	Union Pacific Corp.	207,070
Retail-Auto & Home Supply Stores - 5.38%		
400	O'Reilly Automotive, Inc. *	337,612
Retail-Building Materials, Hardware, Garden Supply - 7.41%		
1,200	The Sherwin-Williams Co.	284,796
800	Tractor Supply Co.	179,976
		<hr/> 464,772
Retail-Lumber & Other Building Materials Dealers - 5.04%		
1,000	Home Depot, Inc.	315,860
Security & Commodity Brokers, Dealers, Exchanges & Services - 3.60%		
2,200	Intercontinental Exchange, Inc.	225,698
Semiconductors & Related Devices - 3.95%		
700	Monolithic Power Systems, Inc.	247,527

The accompanying notes are an integral part of these financial statements.

NORTHQUEST CAPITAL FUND, INC.

SCHEDULE OF INVESTMENTS (CONTINUED)

DECEMBER 31, 2022

<u>Shares</u>	<u>Fair Value</u>
COMMON STOCKS - 97.25% (CONTINUED)	
Services-Business Services - 4.99%	
900 Mastercard, Inc. Class A	\$ 312,957
Services-Computer Programming, Data Processing, Etc. - 3.11%	
2,200 Alphabet, Inc. Class C *	195,206
Services-Consumer Credit Reporting, Collection Agencies - 4.27%	
800 S&P Global, Inc.	267,952
Services-Prepackaged Software - 7.55%	
600 Intuit, Inc.	233,532
1,000 Microsoft Corp.	239,820
	473,352
Software - Infrastructure - 4.29%	
5,500 Fortinet, Inc. *	268,895
Special Industry Machinery - 2.68%	
400 Lam Research Corp.	168,120
Surgical & Medical Instruments - 3.90%	
1,000 Stryker Corp.	244,490
Wholesale-Misc. Durable Goods - 3.86%	
800 Pool Corp.	241,864
	241,864
TOTAL COMMON STOCKS (Cost \$3,912,808) - 97.25%	6,099,228
SHORT-TERM INVESTMENT - 2.69%	
168,694 Huntington Conservative Deposit Account 4.05% **	168,694
TOTAL SHORT-TERM INVESTMENT (Cost \$168,694) - 2.69%	168,694
TOTAL INVESTMENTS (Cost \$4,081,502) - 99.94%	6,267,922
OTHER ASSETS LESS LIABILITIES, NET - 0.06%	3,680
NET ASSETS - 100.00%	\$ 6,271,602

* Non-income producing securities during the period.

** Variable rate security; the coupon rate shown represents the yield at December 31, 2022.

The accompanying notes are an integral part of these financial statements.

NORTHQUEST CAPITAL FUND, INC.

STATEMENT OF ASSETS AND LIABILITIES

DECEMBER 31, 2022

Assets:	
Investments in Securities, at Value (Cost \$4,081,502)	\$6,267,922
Cash	3,500
Receivables:	
Dividends and Interest	6,104
Prepaid Expenses	2,001
Total Assets	<u>6,279,527</u>
Liabilities:	
Due to Advisor	5,433
Accrued Expenses	2,492
Total Liabilities	<u>7,925</u>
Net Assets	<u>\$6,271,602</u>
Net Assets Consist of:	
Common Stock, at \$0.001 par value	\$ 324
Paid In Capital	4,084,858
Distributable Earnings	2,186,420
Net Assets, for 323,558 Shares Outstanding	<u>\$6,271,602</u>
Net Asset Value Per Share	<u>\$ 19.38</u>

The accompanying notes are an integral part of these financial statements.

NORTHQUEST CAPITAL FUND, INC.

STATEMENT OF OPERATIONS

For the Year Ended December 31, 2022

Investment Income:	
Dividends	\$ 69,237
Interest	1,623
Total Investment Income	<u>70,860</u>
Expenses:	
Advisory fees	66,941
Administrative fees	300
Trustee fees	600
Transfer Agent fees	9,921
Audit fees	10,204
Custody	4,329
Insurance fees	337
State taxes	1,565
Registration	3,999
Postage & printing	846
NASDAQ fees	575
Other expenses	1,387
Total Expenses	<u>101,004</u>
Net Investment Loss	<u>(30,144)</u>
Realized and Unrealized Gain (Loss) on Investments:	
Realized Gain on Investments	70,058
Net Change in Unrealized Appreciation (Depreciation) on Investments	<u>(2,213,148)</u>
Realized and Unrealized Loss on Investments	<u>(2,143,090)</u>
Net Decrease in Net Assets Resulting from Operations	<u><u>\$(2,173,234)</u></u>

The accompanying notes are an integral part of these financial statements.

NORTHQUEST CAPITAL FUND, INC.

STATEMENTS OF CHANGES IN NET ASSETS

	Year Ended <u>12/31/2022</u>	Year Ended <u>12/31/2021</u>
Increase (Decrease) in Net Assets From Operations:		
Net Investment Loss	\$ (30,144)	\$ (57,878)
Net Realized Gain on Investments	70,058	497,768
Unrealized Appreciation (Depreciation) on Investments	<u>(2,213,148)</u>	<u>1,578,983</u>
Net Increase (Decrease) in Net Assets Resulting from Operations	<u>(2,173,234)</u>	<u>2,018,873</u>
Distributions to Shareholders:	<u>(70,058)</u>	<u>(497,519)</u>
Capital Share Transactions	<u>262,964</u>	<u>869,995</u>
Total Increase (Decrease) in Net Assets	(1,980,328)	2,391,349
Net Assets:		
Beginning of Year	<u>8,251,930</u>	<u>5,860,581</u>
End of Year	<u>\$ 6,271,602</u>	<u>\$ 8,251,930</u>

The accompanying notes are an integral part of these financial statements.

NORTHQUEST CAPITAL FUND, INC.

FINANCIAL HIGHLIGHTS

Selected data for a share outstanding throughout the year.

	Years Ended				
	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018
Net Asset Value, at Beginning of Year	\$ 26.52	\$ 21.28	\$ 19.85	\$ 15.07	\$ 16.38
Income (Loss) From Investment Operations:					
Net Investment Loss *	(0.10)	(0.20)	(0.14)	(0.10)	(0.10)
Net Gain (Loss) on Securities (Realized and Unrealized)	(6.82)	7.14	4.03	5.49	(0.30)
Total from Investment Operations	(6.92)	6.94	3.89	5.39	(0.40)
Distributions from Realized Capital Gains	(0.22)	(1.70)	(2.46)	(0.61)	(0.91)
Net Asset Value, at End of Year	\$ 19.38	\$ 26.52	\$ 21.28	\$ 19.85	\$ 15.07
Total Return **	(26.09)%	32.58%	19.70%	35.75%	(2.34)%
Ratios/Supplemental Data:					
Net Assets at End of Year (Thousands)	\$ 6,272	\$ 8,252	\$ 5,861	\$ 5,175	\$ 3,808
Ratio of Expenses to Average Net Assets	1.51%	1.47%	1.59%	1.60%	1.65%
Ratio of Net Investment Loss to Average Net Assets	(0.45)%	(0.83)%	(0.67)%	(0.55)%	(0.61)%
Portfolio Turnover	26.07%	15.24%	30.94%	22.90%	13.30%

* Per share net investment loss has been determined on the basis of average shares outstanding during the year.

** Assumes reinvestment of dividends.

The accompanying notes are an integral part of these financial statements.

NORTHQUEST CAPITAL FUND, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations: NorthQuest Capital Fund, Inc. (the “Fund”) was incorporated on January 3, 2001 in New Jersey and commenced investment operations January 15, 2002. The Fund is registered as an open-end, non-diversified management investment company under the Investment Company Act of 1940, as amended, and its shares are registered under the Securities Act of 1933.

The Fund's investment objective is to seek long-term capital appreciation and to secondarily earn dividend income.

The following is a summary of the significant accounting policies followed by the Fund in the preparation of its financial statements. The Fund is an investment company that follows the accounting and reporting guidance of Accounting Standards Codification Topic 946 applicable to investment companies.

Security Valuation: All investments in securities are recorded at their estimated fair value, as described in Note 2.

Federal Income Taxes: The Fund makes no provision for federal income or excise tax. The Fund intends to qualify each year as a “regulated investment company” (“RIC”) under subchapter M of the Internal Revenue Code of 1986, as amended, by complying with the requirements applicable to RICs and by distributing substantially all of their taxable income. The Fund also intends to distribute sufficient net investment income and net capital gains, if any, so that they will not be subject to excise tax on undistributed income and gains. If the required amount of net investment income or gains is not distributed, the Fund could incur a tax expense. Therefore, no federal income tax or excise provision is required.

The Fund recognizes the tax benefits of uncertain tax positions only when the position is more likely than not to be sustained, assuming examination by tax authorities. Management has analyzed the Fund's tax positions and concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on returns filed for open tax years (2019-2021) or expected to be taken in the Fund's 2022 tax returns. The Fund identifies their major tax jurisdiction as U.S. Federal and state of New Jersey, however the Fund is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next 12 months.

The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Statement of Operations. During the year ended December 31, 2022, the Fund did not incur any interest or penalties.

Distributions to Shareholders: The Fund intends to distribute to its shareholders substantially all of its net realized capital gains and net investment income, if any, annually.

NORTHQUEST CAPITAL FUND, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2022

Other: The Fund follows industry practice and records security transactions on the trade date. The specific identification method is used for determining gains or losses for financial statements and income tax purposes. Dividend income is recorded on the ex-dividend date and interest income is recorded on an accrual basis.

Cash and Cash Equivalents: The Fund maintains its cash in an account at a custodian bank, which, at times, may exceed federally insured limits. The Fund has not experienced any losses in such account and believes it is not exposed to any significant credit risk on its cash deposits.

Use of Estimates: The preparation of financial statements in conformity with U.S. generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

2. SECURITIES VALUATIONS

Processes and Structure

The Fund's Board of Directors have adopted guidelines for valuing securities including in circumstances in which market quotes are not readily available and has delegated to the Advisor the responsibility for determining fair value prices, subject to review by the Board of Directors.

Hierarchy of Fair Value Inputs

The Fund utilizes various methods to measure the fair value of most of their investments on a recurring basis. GAAP establishes a hierarchy that prioritizes inputs to valuation techniques used to measure fair value. The three levels of inputs are as follows:

- *Level 1.* Unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access.
- *Level 2.* Observable inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates, and similar data.
- *Level 3.* Unobservable inputs for the asset or liability to the extent that relevant observable inputs are not available, representing the Fund's own assumptions about the assumptions that a market participant would use in valuing the asset or liability, and that would be based on the best information available.

NORTHQUEST CAPITAL FUND, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2022

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in level 3.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Fair Value Measurements

A description of the valuation techniques applied to the Fund's major categories of assets and liabilities measured at fair value on a recurring basis follows.

Equity securities (common stocks). Securities traded on a national securities exchange (or reported on the NASDAQ national market) are stated at the last reported sales price on the day of valuation. To the extent these securities are actively traded, and valuation adjustments are not applied, they are categorized in level 1 of the fair value hierarchy. Certain foreign securities may be fair valued using a pricing service that considers the correlation of the trading patterns of the foreign security to the intraday trading in the U.S. markets for investments such as American Depositary Receipts, financial futures, Exchange Traded Funds, and the movement of the certain indexes of securities based on a statistical analysis of the historical relationship and that are categorized in level 2.

Short term investments. Short term investments are valued using amortized cost, which approximates fair value. These securities will be categorized in Level 1 of the fair value hierarchy.

The following table summarizes the inputs used to value the Fund's assets measured at fair value as of December 31, 2022:

<i>Categories</i>	Financial Instruments—Assets			
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Fair Value</i>
Common Stocks *	\$ 6,099,228	\$ -	\$ -	\$ 6,099,228
Short-Term Investment	168,694	-	-	168,694
	<u>\$ 6,267,922</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,267,922</u>

* Industry classifications for these categories are detailed in the Schedule of Investments.

The Fund did not hold any Level 3 assets during the year ended December 31, 2022. The Fund did not hold any derivative instruments at any time during the year ended December

NORTHQUEST CAPITAL FUND, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2022

31, 2022. There were no significant transfers into or out of Level 1 or Level 2 during the period. It is the Fund's policy to recognize transfers into and out of Level 1 and Level 2 at the end of the reporting period.

3. INVESTMENT ADVISORY AGREEMENT AND OTHER RELATED TRANSACTIONS

The Fund has an investment advisory agreement with Emerald Research Corporation ("the Advisor"), whereby the Advisor receives a fee of 1% per year on the net assets of the Fund. All fees are computed on the average daily closing net assets of the Fund and are payable monthly. The investment advisory fee earned by the Advisor for the year ended December 31, 2022 was \$66,941. The Advisor has contractually agreed to decrease the investment advisory fee or, if necessary, to reimburse the Fund for expenses if and to the extent that the Fund's aggregate annual operating expenses exceed 1.79% of the Fund's daily average net assets until August 10, 2023. The Fund owed the Advisor \$5,433 at December 31, 2022 for advisory fees. There was no reimbursement for the year ended December 31, 2022.

Mr. Peter J. Lencki is President of the Advisor and is also President of the Fund.

4. CAPITAL SHARE TRANSACTIONS

As of December 31, 2022, there were 500,000,000 shares of \$0.001 par value capital stock authorized. Total capital stock and paid-in capital as of December 31, 2022 amounted to \$4,085,182. Transactions in capital for the years ended December 31, 2022 and 2021 were as follows:

	<u>December 31, 2022</u>		<u>December 31, 2021</u>	
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>
Shares sold	13,489	\$ 290,797	17,798	\$ 390,078
Shares reinvested	3,663	69,989	18,669	497,519
Shares redeemed	<u>(4,781)</u>	<u>(97,822)</u>	<u>(649)</u>	<u>(17,602)</u>
Net increase	<u>12,371</u>	<u>\$ 262,964</u>	<u>35,818</u>	<u>\$ 869,995</u>

5. INVESTMENT TRANSACTIONS

For the year ended December 31, 2022, purchases and sales of investment securities other than short-term investments aggregated \$1,784,560 and \$1,743,531, respectively.

6. TAX MATTERS

Income and long-term capital gain distributions are determined in accordance with Federal income tax regulations, which may differ from the character of net investment income or net realized gains presented in these financial statements in accordance with U.S. GAAP.

NORTHQUEST CAPITAL FUND, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2022

As of December 31, 2022, the tax basis components of unrealized appreciation (depreciation) and cost of investments were as follows:

Gross tax appreciation of investments	\$ 2,453,662
Gross tax depreciation of investments	<u>\$ (267,242)</u>
Net tax appreciation of investments	<u>\$ 2,186,420</u>
Federal tax cost of investments, including short-term investments	<u>\$ 4,081,502</u>

The tax character of distributions paid for the years ended December 31, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Long-term capital gain	\$70,058	\$497,519

The Fund's distributable earnings on a tax basis are determined only at the end of each fiscal year. As of December 31, 2022, the Fund's most recent fiscal year-end, the components of distributable earnings on a tax basis were as follows:

Unrealized Appreciation	\$ <u>2,186,420</u>
Total Distributable Earnings, Net	\$ <u>2,186,420</u>

In accordance with GAAP, the Fund recorded a permanent book/tax difference of \$30,144 from net investment loss to paid in capital. This reclassification has no impact on the net asset value of the Fund and is designed generally to present undistributed income and net realized gains on a tax basis, which is considered to be more informative to shareholders.

7. CONTROL AND OWNERSHIP

The beneficial ownership, either directly or indirectly, of more than 25% of the voting securities of a fund creates a presumption of control of the fund under Section 2(a)(9) of the Investment Company Act of 1940. As of December 31, 2022, the Portfolio manager and immediate family members, in aggregate, owned approximately 40% of the shares of the Fund.

8. INDEMNIFICATIONS

In the normal course of business, the Fund enters into contracts that contain general indemnification to other parties. The Fund's maximum exposure under these contracts is unknown as this would involve future claims that may be made against the Fund that have not yet occurred. The Fund expects the risk of loss to be remote.

NORTHQUEST CAPITAL FUND, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2022

9. MARKET RISK

The global outbreak of COVID-19 (commonly referred to as “coronavirus”) has disrupted economic markets and the prolonged economic impact is uncertain. Although vaccines for COVID-19 are becoming more widely available, the ultimate economic fallout from the pandemic, amid the spread of COVID-19 variants, and the long-term impact on economies, markets, industries and individual companies are not known. The operational and financial performance of individual companies and the market in general depends on future developments, including the duration and spread of any future outbreaks and the pace of recovery which may vary from market to market, and such uncertainty may in turn adversely affect the value and liquidity of the Fund’s investments, impair the Fund’s ability to satisfy redemption requests, and negatively impact the Fund’s performance.

Russian Invasion of Ukraine

Russia launched a large-scale invasion of Ukraine on February 24, 2022. As a result of this military action, the United States and many other countries have instituted various economic sanctions against Russian individuals and entities. The situation has led to increased financial market volatility and could have severe adverse effects on regional and global economic markets, including the markets for certain securities and commodities, such as oil and natural gas. The extent and duration of the military action, resulting sanctions imposed, other punitive action taken, and the resulting market disruptions cannot be easily predicted.

10. SECTOR CONCENTRATION RISK

Sector concentration risk is the possibility that securities within the same sector will decline in price due to sector-specific market or economic developments. If the Fund invests more heavily in a particular sector, the value of its shares may be especially sensitive to factors and economic risks that specifically affect that sector. As a result, the Fund’s share price may fluctuate more widely than the value of shares of a mutual fund that invests in a broader range of sectors. Additionally, some sectors could be subject to greater government regulation than other sectors. Therefore, changes in regulatory policies for those sectors may have a material effect on the value of securities issued by companies in those sectors.

11. SUBSEQUENT EVENTS

Management has evaluated the impact of all subsequent events on the Funds through the issuance date of these financial statements and has noted no such other events requiring accounting or disclosure.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and
Board of Directors of the
NorthQuest Capital Fund, Inc.

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of the NorthQuest Capital Fund, Inc., (the "Fund") including the schedule of investments, as of December 31, 2022, the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended and the related notes (collectively referred to as the "financial statements") and the financial highlights for each of the five years in the period then ended. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of the NorthQuest Capital Fund, Inc. as of December 31, 2022, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risk of material misstatement of the financial statements and financial highlights, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and financial highlights. Our procedures included confirmation of securities and cash owned as of December 31, 2022, by correspondence with the custodian. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and financial highlights. We believe that our audits provide a reasonable basis for our opinion.



We have served as the Fund's auditor since 2002
Abington, Pennsylvania
February 21, 2023

NORTHQUEST CAPITAL FUND, INC.

EXPENSE ILLUSTRATION

DECEMBER 31, 2022 (UNAUDITED)

Expense Example

As a shareholder of the NorthQuest Capital Fund, you incur ongoing costs which typically consist of management fees and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire six-month period, July 1, 2022 through December 31, 2022.

Actual Expenses

The first line of the table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The second line of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in this Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads), redemption fees, or exchange fees. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	Beginning Account Value	Ending Account Value	Expenses Paid During the Period*
	<u>July 1, 2022</u>	<u>December 31, 2022</u>	<u>July 1, 2022 to December 31, 2022</u>
Actual	\$1,000.00	\$1,015.13	\$7.72
Hypothetical (5% Annual Return before expenses)	\$1,000.00	\$1,017.54	\$7.73

* Expenses are equal to the Fund's annualized expense ratio of 1.52%, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half year period).

NORTHQUEST CAPITAL FUND, INC.

ADDITIONAL INFORMATION

DECEMBER 31, 2022 (UNAUDITED)

BOARD DISCUSSION ON RENEWING FUND'S ADVISORY CONTRACT

The Board renewed the advisory contract with Emerald Research Corporation (the "ERC") on August 9, 2022 (effective August 10, 2022 to August 10, 2023) for the following reasons:

Nature and Quality of Services

The Directors reviewed the nature, extent and quality of the services provided by ERC to the Fund. They considered the Investment Adviser's responsibilities in maintaining and updating its common stock securities research; overseeing daily and monthly reports furnished by the Fund's transfer agent; maintaining technology devices, updating the Fund's website, staying apprised of current political, economic, and geopolitical events, and to adhering to the ERC and Fund's Code of Ethics and compliance policies. Based on this review, the Directors concluded that they were satisfied with the nature, extent and quality of services provided by the Investment Adviser.

Investment Performance

The Board reviewed the Fund's performance. They noted that as of 07/29/2022 the Fund was down 19.34% while the S&P500 Total Return was down 12.58%. Directors examined the following data: investment category, fees, assets under management, and Y-T-D performance as of 07/29/2022. The Board reviewed the data of 12 mutual funds and compared the statistics with the Fund's data. The Board concluded that the Fund's overall performance was satisfactory.

Fees

The Directors examined the advisory fee paid to the Investment Advisor according to the advisory agreement. They compared the ERC advisory fee with fees of other Investment Advisors which have advisory contracts with mutual funds that have different investment styles. Based on these findings the Board determined that the advisory fees paid to ERC, as stated in the advisory contract, were reasonable when compared to fees charged by other Investment Advisors providing similar services to other Funds.

Profitability and Other Benefits to the Investment Adviser

The Board next reviewed ERC's financial documents, which are examined quarterly. Based on this examination, the Directors concluded that ERC's profitability and financial condition would not prevent the Board from approving the Advisory Agreement.

Economies of Scale

The Board considered information regarding the economies of scale and Fund's expense ratio. Directors took into account the size of the Fund's assets and services rendered by the Investment Advisor. Additionally, the Investment Advisor has contractually agreed to decrease the investment advisory fee or, if necessary, to reimburse the Fund for expenses if and to the extent that the Fund's aggregate annual operating expenses exceed 1.79% of the Fund's daily average net assets until August 10, 2023. The Directors decided that no adjustment to the existing advisory fee was necessary.

On the basis of this examination, the Fund's Board of Directors including all Independent Directors, unanimously approved the renewal of the advisory contract.

NORTHQUEST CAPITAL FUND, INC.

ADDITIONAL INFORMATION (CONTINUED)

DECEMBER 31, 2022 (UNAUDITED)

PORTFOLIO HOLDINGS

The Fund files its complete schedule of investments with the Securities and Exchange Commission (“SEC”) for the first and third quarters of each fiscal year on Form N-PORT. The Form N-PORT filing must be made within 60 days of the end of the quarter. The Fund’s Form N-PORT is available on the SEC’s web site at <http://www.sec.gov>, or they may be reviewed and copied at the SEC’s Public Reference Room in Washington, DC (call 1-800-732-0330 for information on the operation of the Public Reference Room). You may also obtain copies by calling the Fund at 1-800-239-9136, free of charge.

PROXY VOTING

The Fund’s proxy voting policies, procedures and voting records relating to common stock securities in the Fund’s investment portfolio are available without charge, upon request, by calling the Fund’s toll-free telephone number 1-800-239-9136. The Fund will send this information within three business days of receipt of the request, by first class mail or other means designed to ensure prompt delivery. The Fund’s proxy information is also available on the Securities and Exchange Commission website at <http://www.sec.gov>.

ADDITIONAL INFORMATION

The Fund’s Statement of Additional Information (“SAI”) includes additional information about the directors and is available, without charge, upon request. You may call toll-free 1-800-239-9136 to request a copy of the SAI or to make shareholder inquiries.

LIQUIDITY RISK MANAGEMENT PROGRAM

The Fund has adopted and implemented a Liquidity Risk Management Program (the “LRM Program”) as required by Rule 22e-4 under the Investment Act of 1940. The LRM Program was devised to assess and alleviate the risk that the Fund could not meet requests to redeem Fund shares without significant dilution of the remaining investor interests in the Fund. The Fund considers a variety of factors such as the Fund’s long-term investment strategy, liquidity classifications of portfolio investments, and holdings of cash and cash equivalents during normal and unprecedented stressful stock market conditions as part of the management and assessment of liquidity risk.

On December 8, 2022, the Board reviewed the LRM Program Administrator’s annual report. The LRM Program Administrator disclosed to the Board that throughout the 12-month period ended November 30, 2022 (“Covered Period”), the Fund maintained a high level of liquidity by being primarily invested in “highly liquid investments”. During the Covered Period, there were no liquidity events that materially impacted the Fund’s ability to meet redemptions in a timely manner without dilution to existing shareholders.

NORTHQUEST CAPITAL FUND, INC.

DIRECTORS & OFFICERS

DECEMBER 31, 2022 (UNAUDITED)

The Fund's Board of Directors has the ultimate responsibility of operating the Fund. Information about the Fund's Directors is provided below. Additional board member information is included in the SAI, which is available free of charge by calling 1-800-239-9136.

INDEPENDENT DIRECTORS

Name and Age	Position	Term/Time on Bd.	Principal Occupation During Last 5 Years	Other Public Company Directorships
Charles G. Camarata Age 78	Lead Director	1 year term; 11 years	Private Investor	None
William S. Foote, Jr. Age 78	Director	1 year term; 8 years	Private Investor	None
George Sikora Age 77	Director	1 year term; 7 years	Private Investor	None

INTERESTED DIRECTOR & OFFICER

Name and Age	Position	Term/Time on Bd.	Principal Occupation During Last 5 Years	Other Public Company Directorships
Peter J. Lencki Age 68	Chairman President/ Treasurer Chief Compliance Officer	1 year term; 21 years	Portfolio Manager NorthQuest Capital Fund	None
Mary E. Lencki * Age 65	Secretary	1 year term; 21 years	Nurse Brighton Gardens Assisted Living	None

* Directors of the Fund are considered "Interested persons", as define in the Investment Company Act of 1940, because these individuals are affiliated with the Investment Adviser. Mary and Peter Lencki have a "family relationship".

Directors of the Fund are considered "Interested Directors", as defined in the Investment Company Act of 1940, because these individuals are affiliated with the Fund's Investment Adviser. Mr. Peter Lencki is president/owner of the Fund's Investment Adviser.

Each independent director received compensation of \$200 during the year ended December 31, 2022.

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Board of Directors

Charles G. Camarata
William S. Foote, Jr.
Peter J. Lencki
George Sikora

Investment Adviser

Emerald Research Corporation
16 Rimwood Lane
Colts Neck, NJ 07722

**Dividend Paying Agent,
Shareholders' Servicing Agent,
Transfer Agent**

Mutual Shareholder Services, LLC
8000 Town Centre Drive, Suite 400
Broadview Heights, OH 44147

Custodian

The Huntington National Bank
7 Easton Oval
Columbus, Ohio 43219

Independent Registered Public Accounting Firm

Sanville & Company
1514 Old York Road
Abington, PA 19001

Administration and Compliance

Empirical Administration, LLC
8000 Town Centre Drive, Suite 400
Broadview Heights, OH 44147

This report and the financial statements contained herein are submitted for the general information of shareholders and are not authorized for distribution to prospective investors unless preceded or accompanied by an effective prospectus. Nothing herein contained is to be considered an offer of sale or solicitation of an offer to buy shares of NorthQuest Capital Fund, Inc. Such offering is made only by prospectus, which includes details as to offering price and material information.
