

Part B
STATEMENT OF ADDITIONAL INFORMATION
April 13, 2023

This Statement of Additional Information ("SAI") is not a prospectus, but should be read in conjunction with the Fund's current prospectus dated April 13, 2023. This SAI incorporates by reference the Fund's Annual Report to shareholders for the fiscal year ended December 31, 2022, which was filed with the Securities and Exchange Commission on February 27, 2023. To obtain a free copy of the Prospectus or Annual Report, please write or call the Fund at the address or the telephone numbers that are shown above.

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FUND HISTORY

The NorthQuest Capital Fund, Inc. (also referred to as the "Fund") was incorporated in New Jersey on January 3, 2001. The Fund's registered office is in Colts Neck, NJ. Mail may be addressed to 16 Rimwood Lane, Colts Neck, NJ 07722.

DESCRIPTION OF THE FUND AND ITS INVESTMENTS AND RISKS

Classification

The Fund is an open-end, non-diversified management investment company.

Investment Strategies and Risks

All investment strategies and risks are discussed in the prospectus. No additional strategies and risks exist to be discussed here. Accordingly, all of the Fund's investment strategies are principal investment strategies.

Disclosure of Portfolio Holdings

The Fund discloses all portfolio holdings on a fiscal quarterly basis by filing with the SEC within 60 days of the end of each fiscal quarter in the Fund's Annual Report and Semi-Annual Report to shareholders on Form N-CSR and in the Fund's quarterly holdings reports on Form N-PORT. The Form N-CSR report is available and the public portion of Form N-PORT will be available, free of charge, on the SEC website at <http://www.sec.gov> or by calling the Fund's toll-free telephone number (800-239-9136).

Disclosure of non-public information about the Fund portfolio holdings may occur when there is a legitimate business purpose such as making disclosures to the Fund's transfer agent, broker-dealer, custodian, and auditing firm, who have a duty to keep information confidential or have been instructed by the Fund to keep information confidential. On an ongoing basis, when necessary, certain parties such as a printing firm will enter into a non-disclosure agreement with the Fund.

Fund Policies

Investment Restrictions: Investment restrictions were selected to aid in maintaining the conservative nature of the Fund. These investment restrictions are the Fund's fundamental investment policies and therefore may not be changed except by the approval of a majority of the outstanding shares; i.e. A) 67% or more of the voting securities present at a duly called meeting, if the holders of more than 50% of the outstanding voting securities, are present or represented by proxy, or B) of more than 50% of the outstanding voting securities, whichever is less. Under the Fund's fundamental investment policies, the Fund may not:

- a) Change Fund's Investment Objectives.
- b) Borrow money or purchase securities on margin, but may obtain such short-term credit as may be necessary for clearance of purchases and sales of securities for temporary or emergency purposes in an amount not exceeding 5% of the value of its total assets.
- c) Make investments in commodities, commodity contracts or real estate although the Fund may purchase and sell securities of companies which deal in real estate or interests therein.
- d) Make loans. The purchase of a portion of a readily marketable issue of publicly distributed bonds, debentures or other debt securities will not be considered the making of a loan.

- e) Acquire more than 10% of the securities of any class of another issuer, treating all preferred securities of an issuer as a single class and all debt securities as a single class, or acquired more than 10% of the voting securities of another issuer.
- f) Invest in companies for the purpose of acquiring control.
- g) Purchase or retain securities of any issuer if those officers and directors of the Fund or its Investment Adviser owning individually more than 1/2 of 1% of any class of security or collectively own more than 5% of such class of securities of such issuer.
- h) Pledge, mortgage or hypothecate any of its assets.
- i) Invest in securities which may be subject to registration under the Securities Act of 1933 prior to sale to the public or which are not at the time of purchase readily salable.
- j) Invest more than 5% of the total Fund assets, taken at market value at the time of purchase, in securities of companies with less than three years' continuous operation, including the operations of any predecessor.
- k) Issue senior securities.
- l) Underwrite securities of other issuers.
- m) Invest 25% or more of its assets at the time of purchase in any one industry.

Temporary Defensive Position & Portfolio Turnover

The Fund follows the portfolio management methodology with no exceptions other than those considered to be minor that are discussed in section "Principal Investment Strategies of the Fund" in the Prospectus.

MANAGEMENT OF THE FUND

Board of Directors

Shareholders meet annually to elect all members of the Board of Directors, select an independent auditor, and vote on any other items deemed pertinent by the incumbent Board. The Directors holds ultimate responsibility for running the Fund and that the Fund operates in accordance with its stated objectives, policies and investment restrictions. The Board oversees the actions of the Fund's officers, portfolio manager, and investment adviser. The Board appoints officers to run the Fund and selects an Investment Advisor to provide investment advice (See section "Investment Adviser" in the Prospectus). It plans to meet at least four times a year to review Fund progress and status.

Risk Oversight

The Fund's Board of Directors consists of four directors of which three are independent. The Board oversees risk as part of its oversight of the Fund. The Fund's Board leadership positions include a Chairperson and Chief Compliance Officer ("CCO"). The Board selected these leaders from its membership to assist the Board on overseeing Fund operations and to assess any Fund risks. The Board reviews reports from its CCO, officers, investment adviser, and auditor with regard to any risks facing the Fund. Not all risks that may affect the Fund can be identified or processes and controls developed to eliminate or mitigate their occurrence or effects, and some risks are simply beyond any control of the Fund or the Manager, or other service providers.

The following qualities provide the careful considerations that led the Board to select an individual to serve on the Fund's Board of Directors. Generally, no one factor determines the nomination or appointment of an individual to the Board but all nominees should possess: the highest ethics, integrity and values. The following factors are also examined by the Board: (a) the individual's business and professional experience and accomplishments; (b) the individual's ability to work effectively with other directors: (c)

an individual's skills and knowledge that would benefit the Board; and the individual's prior experience, if any, serving in unique institutions and industries. Below is a summary of each Director's professional experience and accomplishments.

Charles G. Camarata – Mr. Camarata is a private investor. He received a B.S degree in accounting/economics and a Master of Business Administration (M.B.A) from Monmouth College in New Jersey.

William S. Foote, Jr. – Mr. Foote is a private investor who has extensive sales experience in the light and heavy-duty outdoor equipment industry. He received a B.S degree in Business Administration and a Master of Business Administration (M.B.A.) from Monmouth College in New Jersey.

Peter J. Lencki - Mr. Lencki has investment management and research experience as President of an investment advisory company, ERC, since 1996. Mr. Lencki holds a Bachelor of Arts degree in Political Science from Seton Hall University in New Jersey.

George Sikora – Mr. Sikora is a private investor. He served in the U.S Army and in law enforcement as a police officer in Bayonne, New Jersey.

Management Information

Officers and Directors of the Fund: Their addresses and principal occupations during the past five years are:

<u>Interested</u> *				Other Director Positions Held by Director
Name and Address **	Position(s) Held With Fund & Age	Term of Office & Length of Time Served	Principal Occupation Past 5 Yrs.	
Peter J. Lencki *	Chairman President Treasurer Age 68	1 Year Term 21 Years	Portfolio Manager NorthQuest Capital Fund Colts Neck, NJ	None
Mary E. Lencki *	Secretary Age 65	1 Year Term 21 Years	Nurse Brighton Gardens Assisted Living Middletown, NJ	N/A
<u>Independent</u>				
Charles G. Camarata	Lead Director Age 78	1 Year Term 11 Years	Private Investor	None
William S. Foote, Jr.	Director Age 78	1 Year Term 8 Year	Private Investor	None
George Sikora	Director Age 77	1 Year Term 7 Year	Private Investor	None

Footnotes:

* 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, who are spouses, are considered "Interested persons". The children of Mary and Peter Lencki own shares in the Fund.

** The address for each Director is 16 Rimwood Lane, Colts Neck, NJ 07722

Director and Officer Ownership of Fund Shares:

Name	Dollar Range of Equity Securities in the Fund **	Aggregate Dollar Range of Equity Securities in All Registered Investment Companies Overseen by Director in Family of Investment Companies
Mary E. Lencki	\$ 10,001 - \$ 50,000	N/A
Peter J. Lencki	\$500,001 - \$1,000,000	\$ 500,001 - \$1,000,000
Charles G. Camarata	\$ 1 - \$ 10,000	\$ 1 - \$ 10,000
William S. Foote, Jr.	\$ 1 - \$ 10,000	\$ 1 - \$ 10,000
George Sikora	\$ 1 - \$ 10,000	\$ 1 - \$ 10,000

Footnote: ** Valuation date as of March 21, 2023.

Certain Transactions: Neither the Independent Directors nor members of their immediate family, own securities beneficially or of record in ERC, the Investment Adviser, or any affiliate of the Investment Adviser. Neither the Independent Directors nor members of their immediate family have conducted any transactions, or series of transactions, during the two most recently completed calendar years, in which the amount exceeded \$120,000, in the Investment Adviser or any affiliate of the Investment Adviser.

Compensation of Directors: The Fund does not pay any fees to, or reimburse expenses to, its directors who are considered "Interested persons" of the Fund. The aggregate compensation for the fiscal year ended December 31, 2022 is set forth below. The Investment Adviser does not provide investment advisory services to any other investment companies registered under the 1940 Act other than the Fund.

Name of Directors and Officers	Aggregate Compensation the Fund	Pension or Retirement Benefits from Fund	Total Compensation from Fund
Charles G. Camarata	\$200	\$0	\$200
William S. Foote, Jr.	\$200	\$0	\$200
Mary E. Lencki	\$0	\$0	\$0
Peter J. Lencki	\$0	\$0	\$0
George Sikora	\$200	\$0	\$200

Sales Load: The Fund does not charge a sales load.

CODE OF ETHICS

Pursuant to the requirements of rule 17j-1 code of ethics under the Investment Company Act of 1940 and in order to protect against certain unlawful acts, practices and courses of business by certain individuals or entities related to the NorthQuest Capital Fund, Inc. (the "Fund"), the Fund and ERC have adopted a Code of Ethics and procedures for implementing the provisions of the code. The personnel of the Fund and Investment Adviser are subject to the code of ethics when investing in securities that may be purchased, sold or held by the Fund.

PROXY VOTING POLICIES

The Fund exercises its voting rights in the best interests of the Fund when voting proxies with regard to securities held or purchased by the Fund. Proxies that propose offering additional stock options to their managers or compensate management excessively are usually voted down by the Fund. Generally, the Fund votes in favor of proxies that propose the repurchase of the issuer's shares without increasing the issuer's debt. For all other proposals, the Fund will evaluate whether a proposal is in the best interests of Fund shareholders and take into account the following factors such as: (a) is the proposal considering past and future performance when compensating management; (b) is the proposal in conflict with the company's long-term strategies; and (c) is the proposal in keeping with high ethical standards and corporate governance.

To obtain the Fund's voting policies and information regarding how the Fund voted proxies related to portfolio securities during the most recent 12-month period ended June 30, without charge, call the Fund's toll-free telephone number (800-239-9136) or go to the SEC internet site at <http://www.sec.gov>.

CONTROL PERSONS AND PRINCIPAL HOLDERS OF SECURITIES

Principal Holders

Major Shareholders: As of March 21, 2023, shareholders on record who own 5% or more of the outstanding shares of the Fund as follows:

<u>Name</u>	<u>Address</u>	<u>Percent</u>
Rene A. Lencki (1)	Springfield, MO	20.49%
Peter J. Lencki (2)	Colts Neck, NJ	12.19%
Molly M. Lencki	North Palm Beach, FL	6.93%
Andrew & Carol A. Gross	Farmingdale, NJ	5.37%

- (1) Includes 12,753 shares jointly owned by Rene's and her spouse Shaun Lencki.
- (2) Includes 1,041 shares held by Mary E. Lencki. Mary also jointly owns 12,374 shares in Peter's IRA. Peter and Mary are spouses.

Management Ownership

All officers and directors of the Fund own 40,012 shares (12.39%) of the outstanding shares of the Fund. Officers and directors are each required to own a minimum of 100 Fund shares.

INVESTMENT ADVISORY AND OTHER SERVICES

Investment Adviser

The Investment Advisory Contract between the Fund and Emerald Research Corporation ("ERC"), the investment adviser, has been renewed by the Fund's Board including a majority of the independent directors at a meeting on August 9, 2022. ERC was formed on March 8, 1996 and is currently owned and controlled by Peter Lencki, an officer, director, and affiliate of the Fund. Peter Lencki is President and owner (100%) of ERC. Mary Lencki, the Fund's Secretary, is affiliated with the Investment Adviser (her spouse is Peter Lencki).

Board Discussion on Renewing Fund's Advisory Contract

The discussion regarding the basis for approving the renewal of any advisory contract with the Fund will be available in the Fund's Annual Report.

Services Provided by, and Fees Paid to, the Investment Adviser

The Investment Adviser is responsible for furnishing investment direction advice to Directors of the Fund on the basis of a continuous review of the portfolio and recommend to the Fund when and to what extent securities should be purchased or disposed. See section "Investment Adviser" in prospectus. ERC has an agreement with the Fund to pay the Fund's startup expenses and to absorb sufficient expenses to hold the total expenses of the Fund to equal to or less than 1.79% per year of the averaged total net assets of the Fund. The advisory fee paid by the Fund is 1% per year of the averaged total net assets of the Fund. This fee is computed daily and is payable monthly.

PRINCIPAL UNDERWRITER - See section "UNDERWRITERS OF THE FUND".

OTHER SERVICE PROVIDERS

Transfer Agent

Mutual Shareholder Services, LLC (the "MSS") is the Fund's transfer agent and dividend disbursing agent. MSS processes shareholder requests for the purchase or redemption of Fund shares and sends statements of ownership to shareholders. MSS is located at 8000 Town Centre Drive, Suite 400, Broadview Heights, OH 44147.

Independent Registered Public Accounting Firm

Sanville & Company is the independent registered public accounting firm which was selected by the Fund to perform the annual audit of the Fund's financial statements. Their offices are located at 1514 Old York Road, Abington, PA 19001.

Accounting Services

MSS has been selected to provide accounting services such as preparing and filing required financial reports; calculating the Fund's daily net asset value (the "NAV"); reporting the daily NAV to the NASDAQ; and performing other related services for the Fund.

Custodian

The Huntington National Bank has been selected to serve as the custodian of the Fund's investments. The custodian safe keeps the Fund's portfolio securities and investments, pays out funds as instructed, collects income, and maintains records in connection with its duties. The custodian is located at 7 Easton Oval, Columbus, OH 43219.

Administration and Compliance Services

The Empirical Administration, LLC has been selected to provide administrative and compliance services. It is located at 8000 Town Centre Drive, Suite 400, Broadview Heights, OH 44147.

Third-Party Payments & Service Agreements

There are no third-party payments of any kind or service agreements with any organization or individual other than the Investment Adviser and those firms described in the previous section "Other Service Providers".

Dealer Re-allowances and Other Services

There are no dealer re-allowances, Rule 12b-1 plans, paid advertising, compensation to underwriters or broker-dealers, sales personnel or interest, carrying or other finance charges. The Fund does send Prospectuses when it receives unsolicited requests.

PORTFOLIO MANAGER

Peter J. Lencki is the Fund's Portfolio Manager and is responsible for the daily management of the Fund's investment portfolio. He is a member of the Fund's Board of Directors. Peter Lencki is the President, Treasurer, CCO and CEO of the Fund. Mr. Lencki is also the President and owner of Fund's investment adviser, ERC.

At this time Mr. Lencki does not manage accounts for any other registered investment companies or other pooled investment vehicles or any other accounts. Peter Lencki has 2 shareholder accounts in the Fund in the dollar range of \$500,001 - \$1,000,000 as of March 21, 2023.

The Fund paid the Adviser 1% of the Fund's average daily net assets. The Adviser has contractually agreed through August 10, 2023 to reimburse the Fund for expenses that exceed 1.79% per year of the average total net assets of the Fund.

BROKERAGE ALLOCATION AND OTHER PRACTICES

Brokerage Transactions

The Fund requires all brokers to affect transactions in portfolio securities in such a manner as to get prompt execution of the orders at the most favorable price.

Commissions

The Fund has no fixed policy, formula, method, or criteria which it uses in allocating brokerage business based on commission charges. The Board of Directors will evaluate and review the reasonableness of brokerage commissions paid by the Fund on a quarterly basis.

Brokerage Selection

The Board of Directors has approved permission for the President of the Fund to place buy and sell orders for securities as per the Fund's investment portfolio based on recommendations from the Portfolio Manager. The President may select brokers who, in addition to meeting primary requirements of execution and price, may furnish statistical or other factual information and services, which in the opinion of management, are helpful or necessary to the Fund's normal operations. Information or services may include economic studies, industry studies, statistical analyses, corporate reports, or other forms of assistance to the Fund or its Adviser. No effort is made to determine the value of these services or the amount they might have reduced expenses of the Adviser. The Fund will not pay higher brokerage commissions for soft dollar credits.

Directed Brokerage and Regular Broker-Dealers

The Fund and Investment Adviser receives unsolicited solicitations and literature from many brokers. The Fund selects brokers based on competitive commission rates and transaction services rendered. At this time the Fund will not be making principal transactions with broker-dealers.

CAPITAL STOCK AND OTHER SECURITIES

Description of Common Stock: The authorized capitalization of the Fund consists of 500,000,000 shares of NorthQuest Capital common stock of \$0.001 par value per share. Each share has equal dividend, distribution and liquidation rights. There are no conversion or preemptive rights applicable to any shares of the Fund. All shares once issued in book format are fully paid and non-assessable.

Voting Rights: Each holder of the Fund's shares has voting rights equal to the number of shares held. Voting rights are non-cumulative. Therefore, the holders of a majority of

shares of common stock can elect all directors of the Fund if they so choose, although holders of remaining shares are still able to cast their votes.

PURCHASE, REDEMPTION, AND PRICING OF SHARES

Purchase of Shares

Offers or sales of Fund shares may not occur until a prospectus is delivered to prospective offerees or purchasers. Investors may only purchase Fund shares after receipt of a current prospectus and by filling out and submitting an application supplied by the Fund. See section "Purchase of Fund Shares" in the prospectus for more information.

Offering Price and Redemption in Kind

The Fund always trades at the net asset value. That means that the offering and redemption prices always are the same. Details about the offering price are given in section "Pricing of Fund Shares" in our Prospectus. Redemption in kind is discussed in section "Redemption of Fund Shares" in the Fund's Prospectus.

TAXATION OF THE FUND

Taxation of the Fund is discussed in section "Tax Consequences" in the Fund's Prospectus.

UNDERWRITERS OF THE FUND

The Fund has no underwriter because the Fund sells its shares directly to the public.

CALCULATION OF PERFORMANCE DATA

Average Annual Total Return Quotation: The average ending redeemable value for a hypothetical \$1000 investment made over the period of 1 year, 5 years and 10 years according to the following formula:

$$P(1+T)^n = ERV$$

Where: P = a hypothetical initial payment of \$1000; T = average annual total return; n = number of years; and ERV = ending redeemable value.

Period	Initial Purchase	Average Annual Return	Ending Redeemable Value 12/31/2022
1 Year 12/31/21-12/31/22	\$1,000	-26.09%	\$ 739
5 Years 12/31/17-12/31/22	\$1,000	9.23%	\$ 1,555
10 Years 12/31/12-12/31/22	\$1,000	10.42%	\$ 2,695

As with all mutual funds past results are not an indication of future performance.

Average Annual Total Return (After Taxes on Distribution): * The average annual total return (after taxes on distribution) is computed by finding the average annual compounded rates of return over the period that would equate the initial amount invested to the ending value, according to the following formula:

$$P(1+T)^n = \frac{ATV}{D}$$

Where: P = a hypothetical initial payment of \$1,000; T = average annual total return (after taxes on distributions); n = number of years; ATV = ending value of a hypothetical

\$1,000; D = payment made at the beginning of the 1-, 5-, or 10-year periods at the end of the 1-, 5-, or 10-year periods (or fractional portion), after taxes on Fund distributions but not after taxes on redemptions.

Period	Initial Purchase	Average Annual Return	Ending Redeemable Value 12/31/2022
1 Year 12/31/21-12/31/22	\$1,000	-26.28%	\$ 737
5 Years 12/31/17-12/31/22	\$1,000	7.86%	\$ 1,460
10 Years 12/31/12-12/31/22	\$1,000	9.19%	\$ 2,408

Average Annual Total Return (After Taxes on Distributions and Redemption): *

The average annual total return (after taxes on distributions and sale of Fund shares) is calculated by finding the average annual compounded rates of return over the periods that would equate the initial amount invested to the ending value, according to the following formula:

$$P(1+T)^n = \text{ATV} + \text{DR}$$

Where: P = a hypothetical initial payment of \$1,000; T = average annual total return (after taxes on distributions and redemption); n = number of years; ATV = ending value of a hypothetical \$1,000; DR = payment made at the beginning of the 1-, 5-, or 10-year periods at the end of the 1-, 5-, or 10-year periods (or fractional portion), after taxes on Fund distributions and redemption.

Period	Initial Purchase	Average Annual Return	Ending Redeemable Value 12/31/2022
1 Year 12/31/21-12/31/22	\$1,000	-15.30%	\$ 847
5 Years 12/31/17-12/31/22	\$1,000	7.29%	\$ 1,422
10 Years 12/31/12-12/31/22	\$1,000	8.43%	\$ 2,246

* After tax returns are calculated using historical highest federal tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an individual investor's tax situation and may differ from those shown. After tax returns are not relevant to investors who hold Fund shares through tax-deferred arrangements such as 401(k) plans or IRA's. As with all mutual funds past results are not an indication of future performance.

FINANCIAL STATEMENTS

The Financial Statements and Report of Independent Registered Public Accounting Firm required to be included in the Statement of Additional Information are incorporated herein by reference to the Fund's Annual Report to shareholders for the fiscal year ended December 31, 2022. The Fund will provide the Annual Report without charge at written or telephone request.