Management Discussion and Analysis of Financial Condition and Results of Operations (As of June 25, 2018)

This MD&A contains projections and other forward-looking statements regarding future events. Such statements are predictions, which may involve known and unknown risks, uncertainties and other factors, which could cause the actual events or results and company plans and objectives to differ materially from those expressed. For information concerning factors affecting the Company's business, the reader is referred to the documents that the Company files from time to time with applicable Canadian securities and regulatory authorities.

This discussion and analysis of the results of operations of Quest PharmaTech Inc. ("Quest" or the "Company") should be read in conjunction with the unaudited consolidated financial statements and accompanying notes for the three months ended April 30, 2018 and the audited consolidated financial statements for the years ended January 31, 2018 and 2017. This discussion and analysis provides an update to the discussion and analysis prepared for the year ended January 31, 2018. The unaudited consolidated financial statements have been prepared in accordance with international financial reporting standards ("IFRS") and have not been reviewed by the Company's auditors. This discussion and analysis provides information on the operations of Quest on a consolidated basis. All amounts are expressed in Canadian dollars unless otherwise noted and references to the term "year" refer to the fiscal year ended January 31st. Additional information related to the Company is on SEDAR at www.sedar.com.

Fiscal 2019 Development Highlights:

In February 2018, OncoQuest announced the completion of a private placement financing which raised US$6,030,000 through the issue of 603,000 common shares at US$10 per common share. OncoQuest also announced the conversion of the Series A preferred shares into 3,606,167 common shares, including a dividend in kind of 130,231 common shares.

In May 2018, OncoQuest announced the appointment of Dr. Eliel Bayever as Chief Medical Officer.

In June 2018, OncoQuest announced the publication of an abstract, titled "A Phase II Study of Neoadjuvant Chemoimmunotherapy Followed by Stereotactic Radiotherapy/Nelfinavir in Patients with Locally Advanced CA125 Expressing Pancreatic Adenocarcinoma" in the Journal of Clinical Oncology 36, 2018 (Suppl; asbt.e16202) as part of the Proceedings of American Society of Clinical Oncology (ASCO) Annual Meeting held in Chicago, Illinois.

Technologies Under Development

Combinatory Antibody Immunotherapy of Cancer

Quest is developing its antibody based immunology technologies through OncoQuest Inc. and OncoVent Co., Ltd., OncoQuest's joint venture partner in China. OncoQuest is a clinical stage company, focused on combinatorial immunotherapeutic approaches to cancer by using

monoclonal antibodies of the immunoglobulin G or E (IgG or IgE) subclass in combination with chemotherapy/immune-adjuvant to enhance tumor specific immunity and clinical outcomes. OncoVent is focused on development of immunotherapy products for treatment of cancer in the greater China market.

Oregovomab

Quest, through its subsidiary, OncoQuest, is developing the high affinity monoclonal antibody Oregovomab (MAb B43.13) for the treatment of ovarian cancer. Oregovomab targets the circulating tumor-associated antigen CA125, which is shed from the surface of human epithelial ovarian cancer cells; the antibodies induce broad cellular and humoral immune responses against CA125 via complex formation. Clinical testing conducted to date has shown that front-line carboplatin-paclitaxel administered in combination with Oregovomab immunotherapy results in a more vigorous immune response to the immunization than observed with Oregovomab in the post front-line mono-immunotherapy maintenance setting. There is a growing appreciation in the cancer immunotherapy community that cytotoxic therapy can provide the immune system better access to injured cells and also dampen the immune suppressive pathways that serve to turn off immune reactions. The Company believes further clinical trials are warranted with Oregovomab in combination with front-line chemotherapy for the treatment of ovarian cancer.

Clinical Trial Strategy

Taking advantage of the availability of clinical grade Oregovomab (anti-CA125 antibody), OncoQuest is conducting a number of Phase 2 clinical trials to establish these principles to ultimately lead to the design of a definitive combinatorial product registration.

A multi-centre Italian and U.S. cooperative trial to establish evidence for the clinical benefit associated with enhanced specific T cell immunity achievable by combining Oregovomab with carboplatin and paclitaxel in the initial treatment of advanced ovarian cancer (front-line). In November 2016, OncoQuest announced positive interim clinical results from this 97-patient clinical trial and presented those findings at the American Society of Clinical Oncology meeting in June 2017. This trial was completed in December 2017.

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A Phase II clinical trial in the US to evaluate the ability of an immuno-adjuvant (TLR3 agonist, Hiltonol®) to enhance the strength of the Oregovomab immune response with ovarian cancer patients in the recurrent setting.

Another Phase I/II clinical trial to evaluate the safety and bioactivity of oregovomab and Nivolumab, a checkpoint inhibitor, as a combinatorial immunotherapy strategy in patients with recurrent ovarian cancer. This trial is being conducted at the National Cancer Centre in Singapore.

A Phase II U.S. physician sponsored clinical trial is also currently ongoing evaluating Neoadjuvant Chemotherapy with the use of gemcitabine, another cytotoxic agent, and

immunotherapy to CA125 (Oregovomab) followed by radiotherapy in a cohort of patients with CA125 associated partially resectable pancreatic cancer

OncoQuest may explore the use of selected biomarkers to monitor the induction of CA125 specific T cells in the clinical trials.

Immunoglobulin G Product Pipeline

OncoQuest's pipeline of product candidates consists of four other monoclonal antibodies targeting certain tumor antigens that are presented in a variety of cancers including such cancers as breast, lung, pancreas, stomach, multiple myeloma and prostate. OncoQuest already has in its possession proprietary antibodies against MUC1, PSA, CA19.9 and TAG72. These antibodies in the platform will undergo continuing preclinical development in anticipation of rapid clinical development, once the initial Oregovomab studies establish the validity of the proof-of-concept. It is noted that a Phase I clinical trial with anti-MUC1 antibody in 17 patients with metastatic cancer, including multiple myeloma, demonstrated the activation of anti-tumor immunity in those patients.

Monoclonal IgE for Solid Tumor Immunotherapy

OncoQuest's proprietary approach uses antibodies to modulate and enhance specific immunity to the target tumor antigen (and associated tumor). Recent insights into the ability of the adaptive immune system to exert an anti-cancer effect suggests that previously unappreciated molecular constructs targeting the Fc epsilon (Fcε) receptors may also have unique and beneficial effects as potential cancer immunotherapeutic agents.

The immunoglobulin E (IgE) is a class of antibody that is capable of triggering a broad range of immune responses which are still being fully elucidated in the scientific community. The IgE antibody class reacts with specific receptors via its unique heavy chain constant regions, Fcε receptors that are present on a variety of immune cells (including mast cells, basophils, monocytes, macrophages eosinophils and dendritic cells). IgE plays a central role in, immunity against parasitic infection, wound healing and tissue repair, and is also a major component of allergic reactions against environmental agents. Multiple studies suggest that IgE also plays a role in cancer immunosurveillance. For example, relevant epidemiological studies on the association of allergies with cancer support a lower cancer risk among people with a history of allergies. Antibodies of IgE class isolated from pancreatic cancer patients were shown to mediate cytotoxicity against autologous cancer cells. In addition, levels of polyclonal IgE directly correlated with the overall survival in patients with multiple myeloma. All these observations imply that this class of antibody can be exploited for the treatment of cancer to complement the IgG class that has traditionally been developed for cancer therapy.

This technology has important features as a cancer treatment approach bridging immunology and current standard therapies and supplementing the use of monoclonal IgG's. OncoQuest scientists and collaborators have demonstrated IgE to effectively trigger cross-presentation by antigen presenting cells of selected tumor antigens leading to robust cellular immune responses. Additionally, multiple novel effector cell pathways are activated resulting in enhanced stromal penetration by effector cells and anti-neoplastic agents. The technology offers the promise of a

new therapeutic approach to improve outcomes in the treatment of solid tissue malignancies in conjunction with current therapy. Controlled local hypersensitivity reactions in the tumor site and stroma foster this novel pharmacology.

IgE also has several intrinsic advantages that may increase its therapeutic potential compared to IgG including the exceptionally high affinity for its receptor, FcεR1, and the low serum concentration of endogenous IgE that provides less competition to administered IgE in binding effector cells involved in orchestrating this biology. Interestingly, IgE binds cells in tissue as well as in circulation and will home to tumor stroma.

OncoQuest has licensed a number of cancer antigen specific monoclonal IgE from Advanced Immune Therapeutics, Stanford University, the University of California at Los Angeles and the University of California at San Francisco, that target MUC1, PSA and the HER2/neu antigen. Preclinical studies are being conducted in collaboration with Dr. Michael Hollingsworth at the University of Nebraska Medical Center to develop the Anti-HER2/neu IgE product candidate for advancing it to a clinical trial for the treatment of solid malignancy. Antitumor effects of IgE have been reported in several model systems in the literature, including each of the three OncoQuest monoclonal IgE's in the pipeline.

OncoQuest's preclinical program is underway to identify a lead product candidate that may be advanced to a clinical trial for the treatment of solid malignancy.

SonoLight Technology

SonoLight Technology for Dermatology and Oncology Applications:

SonoLight Technology is based upon proprietary derivatives of hypocrellins, a major, natural product of a phytopathogen of bamboo (Hypocrella bambusae). In general, hypocrellins are small, non-toxic molecules which can be activated by visible light, ultrasound and oxidizing agents such as H_2O_2, to produce reactive oxygen and nitrogen species with high quantum yield. Hypocrellin derivatives can be formulated for topical and systemic delivery and their treatment selectivity effectively limits side-effects or toxicity to the remainder of the patient. Photodynamic therapy has applications in the management and cure of hyperproliferative diseases including cancer, psoriasis, macular degeneration; and cosmetic applications such as hair removal.

In fiscal 2015, the Company out-licensed its SonoLight Technology for Dermatology and Oncology applications to Bioceltran Co., Ltd. ("Bioceltran") in return for future royalty income. Bioceltran is a Korean based company focused on SP Technology for transdermal delivery of drugs for cosmetics and pharmaceuticals. Bioceltran is working with Quest to develop the SonoLight Technology for various applications. In addition, SP Technology when used in combination with Quest's SonoLight Technology has some unique advantages both for dermatology and oncology applications.

Protein Transduction Domain (PTD) Drug Delivery Technology

Quest and Bioceltran are developing skin penetrating active molecules for cosmetic and pharmaceutical use. Quest has worldwide (excluding South Korea) rights to Bioceltran PTD Technology and Products for certain indications.

Macromolecules such as Protein, DNA and Peptide are very difficult to transfer through the skin barrier. However, PTD technology enables effective transfer of these macromolecules and is superior to current use of liposomal delivery systems. The technology can be applied to a variety of growth factors, hormones or other bioactive protein molecules. Quest will be developing products utilizing PTD technology for sexual health/dysfunction, and for wound healing/diabetic ulcers.

Targeted Cancer Therapy Technology

Quest is also developing a novel approach for cancer therapy using a combinatorial approach for optimal efficacy. Lead product (MAb AR9.6) under development is for a novel target (truncated O-glycans on MUC16) for cancer therapy discovered at University of Nebraska Medical Center. MAb AR 9.6 binds to MUC16 and blocks the activation of growth factor receptors and thereby inhibit phosphorylation of Akt, which leads to reduced cell proliferation, in vivo tumor growth and metastasis.

The Akt pathway can also be regulated by Cyclin Dependent Kinases and/or mTOR Inhibitors. Quest has developed ACP 2127, which is a novel immunomodulator with anti-cancer properties targeted to inhibit CDK functionality and prevent the growth of cancer cells. ACP 2127 is a multi-functional potential irreversible inhibitor combining the effect of CDK inhibitor p21 and also through additionally inhibiting mTOR in the PI3K-AKT Pathway. The dual target activity enhances efficacy and the technology is protected by our US patent #7659244 titled “Rapamycin peptides conjugates: synthesis and uses thereof”.

The inhibition of two novel targets with these agents can potentially be complimentary and can enhance the efficacy compared to each individual agent. The potential cancer targets include pancreatic, colon, leukemia, ovarian and breast cancer.

Cosmetics

Quest has signed an exclusive supply and distribution agreement with Smart Cell Tec for the world-wide marketing and distribution rights, excluding South Korea, for the science based, premium anti-wrinkle skin care product, Bellus Skin™.

Bellus Skin™ has several unique qualities that make it an effective high end anti-wrinkle serum. The patented SP Technology in Bellus Skin™ enables superior permeability of the key ingredients to the lower layers of the skin surface where the effect is profound and long lasting. The SP Technology platform, developed by Bioceltran, also has applications for other cosmetic and pharmaceutical products under development.

Bellus Skin™ sales have commenced in Canada and Quest is in the final stages of implementing a European marketing strategy for Bellus Skin™.

Quest has also signed an exclusive distribution agreement with Global Persada International, a Singapore based company managed by Dr. Rikrik Ilya, CEO of Innokeys Pte Ltd., for marketing of Bellus Skin™ in ASEAN countries.

Quest has announced the development of the following three products for the SP-DERM line of cosmeceuticals specifically targeting applications that are demanded by dermatologists and medi -spas: (i) SP-DERM Recovery, a post-procedural cream for promoting recovery after intensive laser treatments and/or other procedures that leave the skin barrier compromised, (ii) SP-DERM Maintenance, a maintenance cream for prolonging the effects of cosmetic procedures and (iii) SP-DERM Acne, a serum to minimize the appearance of acne scars.

Financial Results

Net consolidated loss, exclusive of non-controlling interest, for the three months ended April 30, 2018 was $1,028,300 or $0.006 per share as compared to a consolidated loss of $841,768 or $0.006 per share for the three months ended April 30, 2017. Research and development expenditures totaled $1,883,202 while general and administrative expenses were $470,435 for the same period. As of April 30, 2018, the Company had consolidated cash of $398,041 and short-term investments of $9,769,760 (June 25, 2018 – cash of approximately $225,000 and short-term investments of $9,762,000).

Results of Operations

Quest's net consolidated loss includes some significant non-cash items, including share options issued as consideration for services to employees. For the three months ended April 30, 2018 and 2017, share based payment transaction expense related to share options issued to employees and non-employees was $66,595 and $219,529 respectively. Net consolidated loss for the three months ended April 30, 2018 was $1,028,300 or $0.006 per share on a fully diluted basis as compared to a consolidated loss of $841,768 or $0.006 per share for the three months ended April 30, 2017. After adjusting for non-cash items, cash flows used in operating activities for the three months ended April 30, 2018 were $1,125,731 as compared to $1,053,311 for the three months ended April 30, 2017.

Revenues:

The following table identifies the changes in revenue for the three-month period ended April 30, 2018 compared to the three-month period ended April 30, 2017.

Revenue			
	2018	2017	Increase (decrease)
	$	$	$
Bellus Skin Sales	-	3,043	(3,043)
Bellus Skin COGS	-	(985)	985
Gross Margin	-	2,058	(2,058)

For the 3-month period ended April 30, 2018, the Company did not generate any sales of Bellus Skin serum and the Company is evaluating its consumer health business strategy.

Expenses

The following table identifies the changes in general and administrative expense for the three months ended April 30, 2018 compared to the three months ended April 30, 2017.

General and administrative expenses			
	2018	2017	Increase (decrease)
	$	$	$
Salaries, wages and benefits	121,828	138,031	(16,203)
Professional fees	27,532	56,291	(28,759)
Other support costs	65,580	189,955	(124,375)
Travel	38,193	26,924	11,269
Consulting/business development costs	167,059	98,340	68,719
Rent	4,973	3,935	1,038
Insurance	6,280	6,799	(519)
Public company related costs	37,952	58,669	(20,717)
Depreciation	1,038	1,048	(10)
Total general and administrative expenses	470,435	579,992	(109,557)

Overall, general and administrative costs have decreased during the three months ended April 30, 2018 compared to the three months ended April 30, 2017, due to a decrease in other support costs and public company related costs, offset by an increase in consulting/business development fees. Other support costs in 2017 include the costs for stock based compensation. Public company related costs decreased due to a decrease in investor relations activities. Consulting/business development fees increased due to increased business development related activities.

Cosmetics - Included in general and administrative costs, primarily in professional fees and travel, the Company has incurred expenses related to the Company's cosmetics project for Bellus Skin™. During the three-month period ended April 30, 2018, the Company incurred cosmetics related costs of $17,736.

The following table identifies the changes in research and development (R&D) expense for the three months ended April 30, 2018 compared to the three months ended April 30, 2017.

Research and development expenses			
	2018	2017	Increase (decrease)
	$	$	$
Sub-contract, consulting and clinical trials	1,692,286	736,665	955,621
Salaries, wages and benefits	80,852	75,087	5,765
Legal (patent prosecution)	48,594	49,470	(876)
Rent	11,603	9,181	2,422
Other R&D costs	47,588	95,417	(47,829)
Supplies	1,213	881	332
Depreciation	1,066	2,210	(1,144)
Gross research and development expenses	1,883,202	968,911	914,291
Less			
Government funding	-	-	-
Research and development expense (net)	1,883,202	968,911	914,291

R&D costs have increased during the three-month period in 2018 compared to 2017 due to an increase in sub-contract, consulting and clinical trial costs, offset by a decrease in other R&D costs. Sub-contract, consulting and clinical trial costs increased due to an increase in activity for the Company's clinical trial programs in 2018 compared to 2017. Other R&D costs in 2017 include the costs of stock based compensation and licensing fees.

Summary of Quarterly Results

The following table presents unaudited selected financial information for each of the last eight quarters ended April 30, 2018.

	Q1, fiscal 2019	Q4, fiscal 2018	Q3, fiscal 2018	Q2, fiscal 2018	Q1, fiscal 2018	Q4, fiscal 2017	Q3, fiscal 2017	Q2, fiscal 2017
	$	$	$	$	$	$	$	$
Revenue	-	17,191	5,338	13,299	3,043	2,569	-	-
Net income (loss) for the period	(1,028,300)	(1,895,175)	(1,176,159)	(1,173,099)	(841,768)	(106,611)	(1,326,693)	(694,473)
Basic and diluted income (loss) per share (1)	(0.006)	(0.011)	(0.007)	(0.008)	(0.006)	(0.001)	(0.009)	(0.005)

(1) Quarterly losses per share are not additive and may not equal annual loss per share reported. This is due to the effect of shares issued during the year on the weighted average number of shares outstanding for the full year.

Share-Based Payment Transactions
During the three months ended April 30, 2018, the Company granted a total of nil (2017 – 1,250,000) share options, as per the Company's Share Option Plan. During 2017, these share options were granted to employees, all at an exercise price of $0.15. The fair value of vested and accrued options, totaling $66,595 (2017 - $219,529), was recognized as an expense and credited to contributed surplus for the 3-month periods ended April 30, 2018 and 2017.

Capital Expenditures
Expenditures on capital assets were $nil for the three months ended April 30, 2018 (2017 – $8,722).

Outstanding Share Data
The Company has the following securities outstanding as at June 25, 2018:

Common shares issued and outstanding at April 30, 2018	167,089,247
Share options outstanding as at April 30, 2018	17,850,000
Warrants outstanding as at April 30, 2018	-
Share options granted since April 30, 2018	1,250,000
Share options expired since April 30, 2018	-

Fully diluted common shares are 186,189,247, assuming the exercise of all share options and warrants.

Financial Instruments
Fair Value - Given their short-term maturity, the fair value of cash, short-term investments, accounts receivable, and accounts payable approximate the carrying value. The fair values of these financial instruments are measured using a Level 1 classification (quoted prices in active markets).

Foreign Currency Risk - The Company has assets and liabilities that are denominated in foreign currencies and that are exposed to the financial risk of earnings fluctuation arising from changes in foreign exchange rates and the degree of volatility of those rates. The Company does not currently use derivative instruments to reduce its exposure to foreign currency risk.

Liquidity Risk - Company's exposure to liquidity risk is dependent on its ability to raise funds to meet its commitments and sustain its operations. The Company controls liquidity risk by managing its working capital and by securing additional funds through equity, debt or partnering transactions.

Credit Risk - Financial instruments that subject the Company to credit risk consist primarily of cash, short-term investments and accounts receivable. To minimize its exposure to credit risk for cash and short-term investments, the Company invests surplus cash in fully guaranteed short-term deposits with its financial banker, a major Canadian bank. As the Company is primarily involved in research and development, the Company's exposure to credit risk related to accounts receivable is not considered to be significant. At April 30, 2018, 39% of accounts receivable was due from one organization under a federal government program.

Interest Rate Risk - Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and financial liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company's cash and short-term investments are comprised of highly liquid deposits that earn interest at market rates. Accounts receivable and accounts payable bear no interest. The Company manages its interest rate risk by maximizing the interest income earned on excess funds while maintaining the liquidity necessary to conduct operations on a day-to-day basis.

Liquidity and Capital Resources

At April 30, 2018, consolidated cash balances were $398,041 and short-term investments were $9,769,760 as compared to cash of $416,436 and short-term investments of $10,877,096 at January 31, 2018. At June 25, 2018, the Company had consolidated cash balances of approximately $225,000 and short-term investments of approximately $9,762,000.

Cash used in operating activities was $1,125,731 for the three months ended April 30, 2018 compared to $1,053,311 for the three months ended April 30, 2017.

In November 2015, the Company's subsidiary, OncoQuest, secured a U.S. $13,000,000 preferred share private placement with Hepalink. The preferred shares were issued at U.S. $3.74 per preferred share. The preferred shares have a 5% annual dividend rate and are exchangeable on a one-for-one basis into common shares of OncoQuest.

In August 2017, the Company announced the exercise of 16,666,667 share purchase warrants into common shares at an exercise price of $0.10 per share, for proceeds to the Company of $1,666,667.

During fiscal 2018, OncoQuest completed equity financings totaling $7,629,458 (US$6,030,000) pursuant to common share private placements of 603,000 common shares at US $10.00 per share.

The Company continues to implement a disciplined approach to containing costs and is focusing on programs aimed at achieving near-term goals.

Quest's funding needs will vary as its drug development products move into and through clinical trials. Based on current operating budgets, management believes that the capital resources of the Company should be sufficient to fund operations into the first quarter of fiscal 2019. The Company will seek additional capital through the sale of non-core assets, further equity financings, licensing arrangements involving its core technologies and strategic partnerships.

Related Party Transactions

Cost Sharing Agreement - The Company and OncoQuest operate in the same lease space. In December 2015, the Company entered into a cost sharing agreement with OncoQuest whereby certain of the common costs (leasing costs, utilities, etc.) are shared on an equal 50/50 basis between the companies. These costs were approximately $7,500 gross per month, and fluctuated on a monthly basis. The amount paid for lease and office related costs to Quest increased on February 1, 2017 to $10,000 per month due to increase in scope of operations at OncoQuest.

Investment in OncoVent Co., Ltd.

In March 2016, the Company's subsidiary, OncoQuest, signed a joint venture contract with Shenzhen Hepalink. The agreement results in the creation of a new company in China called OncoVent Co., Ltd. ("OncoVent"), to focus on the research and development of Cancer Immunotherapy Products for the Chinese market. Under the agreement, OncoQuest licensed the greater China rights to the Immunotherapy Technologies and provided US$1,000,000 for 46% of the shares of OncoVent. Shenzhen Hepalink contributed US$5,000,000 for 54% of the shares of OncoVent. As part of the agreement, OncoQuest transferred a portion of its shares in OncoVent to Quest and to another party such that Quest owns 11% and the other party owns 6%, respectively, of the shares of OncoVent. Management believes the creation of OncoVent will provide additional resources for product development that OncoQuest can access to accelerate its worldwide product registration strategy. OncoVent will focus on the development, manufacturing and commercialization of Cancer Immunotherapy Products within China with pancreatic cancer as its first target. On October 31, 2016, Shenzhen Hepalink contributed US$5,000,000 to OncoVent. On November 1, 2016, OncoQuest contributed $1,337,900 (US$1,000,000) to OncoVent.

For financial statement purposes, Quest accounts for its investment in this affiliated entity under the equity method. Oncovent began operations in November 2016.

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Balance, January 31, 2016	**-**
Investment in joint venture, November 1, 2016	1,337,900
Equity method share of loss for the year ended January 31, 2017	(475,771)
Transfer of 6% interest to third party	(174,509)
Balance, January 31, 2017	**687,620**
Equity method loss for the year ended January 31, 2018	(331,442)
Balance, January 31, 2018	**356,178**
Equity method loss for the 3-month period ended April 30, 2018	(74,183)
Balance, April 30, 2018	**281,995**

Investment in Natural Rf Life Sciences Inc.

During the year ended January 31, 2018, for $500,000, the Company acquired a 32% ownership interest in Natural Rf Life Sciences Inc., a private Alberta-based company focused on sales of health care products. Subsequent to period end, the Company made a strategic decision to exercise its option to divest itself of its investment in Natural Rf. Natural Rf has agreed to return the Company's $500,000 principal investment during calendar 2018. Subsequent to period end, Natural Rf returned $300,000 of principal investment to the Company.

Correction of an Error

For the year ended January 31, 2018, the Company became aware that the calculation of non-controlling interest was incorrectly determined for the year ended January 31, 2017 and for the 3-month period ended April 30, 2017. Therefore, the Company has restated the amount for non-controlling interest to include the percentage ownership interests of Hepalink USA Inc. and a Company insider for the 3-month period ended April 30, 2017. As a result, non-controlling interest and loss per share have been restated for the 3-month period ended April 30, 2017 as follows:

Non-controlling interest:

	For the three-month period ended April 30, 2017	
	%	**$**
Non-controlling interest as previously reported	7.26	66,567
Restated non-controlling interest	49.86	457,170

Loss and loss per share:

	For the three-month period ended April 30, 2017	**For the three-month period ended April 30, 2017**
	Loss exclusive of non-controlling interest	**Loss per share**
Loss and loss per share as previously reported	$1,232,371	$0.008 per share
Restated loss and loss per share	$841,768	$0.006 per share

Accounting standards and amendments issued but not yet adopted

The listing below includes standards, amendments and interpretations that the Company reasonably expects to be applicable at a future date and intends to adopt when they become effective. Unless otherwise noted, the effective date of each standard below is the first annual period beginning on or after January 1, 2018, with retrospective application required and early adoption permitted. The Company is currently assessing the impact of adopting these standards on the consolidated financial statements but does not expect any significant impact.

IFRS 2 – Share – Based Payments

In June 2016, the IASB issued amendments to IFRS 2 Share Based Payments to clarify the classification and measurement of share-based payment transactions. IFRS 2 is effective for annual periods beginning on or after 1 January 2018, with early application permitted.

IFRS 9 - Financial Instruments: Classification and Measurement

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted.

IFRS 15 Revenue from Contracts with Customers

This new standard establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue. The new revenue standard has an effective date of January 1, 2018, is applicable to all entities and will supersede all current revenue recognition requirements under IFRS.

IFRS 16 Leases

This new standard specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. IFRS 16 applies to annual reporting periods beginning on or after 1 January 2019.

Disclosure Controls and Procedures

The management of Quest is responsible for establishing and maintaining disclosure controls and procedures for the Company and is continuing with the implementation of disclosure controls and procedures, to provide reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, is made known to Quest management particularly during the period in which the annual filings are being prepared.

Internal Controls Over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal controls over financial reporting. Management has taken steps to improve the procedures and provide maintenance related to an effective design for the Company's internal controls and procedures over financial reporting.

Management continues to note weaknesses in internal controls over financial reporting including those related to the limited number of accounting staff members resulting in a lack of segregation of duties.

Management will continue with the implementation of procedures aimed at minimizing the risk of material error in its financial reporting and will seek outside expertise when the need arises.

Risks and Uncertainties

Quest's proprietary technologies are in various stages of development and some technologies have not received regulatory approval to begin clinical trials. It will be necessary for the Company to produce sufficient preclinical data in order to receive regulatory approval to begin clinical trials. There is no assurance that regulatory approval will be received to begin clinical trials. For the proprietary technologies that have received regulatory approval to begin clinical trials, future success will depend upon the ability of the Company to move the products through clinical trials, the effect and safety of these products, the timing and cost to receive regulatory and marketing approvals and the filing and maintenance of patent claims.

Quest's proprietary technologies have exposure to risks associated with commercialization. Even after product approval is obtained, there is no assurance that the Company will have a sufficient market for its products or the working capital required for commercialization.

The Company maintains clinical trial liability and product liability insurance; however, it is possible that this coverage may not provide full protection against all risks.

The Company may be exposed to risks associated with malfunctioning equipment, catastrophic events and other events within and outside of the Company's control. The Company maintains insurance believed to be adequate to cover any eventuality, but there is no guarantee that coverage will be sufficient for all purposes.

To a large degree, the Company's success is dependent upon attracting and retaining key management and scientific personnel to further the Company's drug development programs. There is a risk that required personnel may not be available to the Company when needed and, as a result, this may have a negative impact on the Company.

Quest must continue to raise additional capital by issuing new share capital through equity financing, licensing arrangements and/or strategic partnerships. The Company's ability to raise additional capital will depend upon the progress of moving its drug development products into and through clinical trials and the strength of the equity markets, which are uncertain. There can be no assurance that additional capital will be available.