Management Discussion and Analysis of Financial Condition and Results of Operations (As of May 30, 2019)

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 audited consolidated financial statements and accompanying notes for the years ended January 31, 2019 and 2018. The audited consolidated financial statements have been prepared in accordance with international financial reporting standards ("IFRS") and have been audited 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.

In July 2018, the Company announced its strategic decision to no longer actively promote consumer health products, in order to focus on pharmaceutical product development.

In November 2018, the Company announced the signing of a license agreement with OncoCare Therapeutics to develop and commercialize the Company's Targeted Cancer Therapy technology in the U.S.

In December 2018, the Company announced that its Board had approved the adoption of a shareholder rights plan.

In December 2018, the Company announced that its Board had approved the adoption of an amendment to its By-Laws requiring advance notice for the nomination of directors.

In January 2019, OncoQuest announced retaining the services of IQVIA and the GOG Foundation to assist with the company's Phase 3 study in frontline ovarian cancer.

In January 2019, the Company announced the election of Mr. Lorne Meikle, Mr. J. Mark Lievonen, Mr. W. John Meekison, Mr. Shawn Lu, Ms. Norma Beauchamp and Madi R. Madiyalakan, Ph.D. to the Company's Board of Directors.

In March, OncoQuest completed a private placement financing, raising US$2,000,000 through the issue of 80,000 common shares at US$25 per common share.

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.

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.

Both MAb AR9.6 and ACP2127 have recently been licensed to OncoCare Therapeutics Inc. for development and commercialization of these technologies in the U.S.

Financial Results

Net consolidated loss exclusive of non-controlling interest for the year was $4,392,659 or $0.026 per share as compared to a consolidated loss of $5,086,202 or $0.032 per share for the year ended January 31, 2018. Net research and development expenditures for fiscal 2019 totaled $6,265,172 while general and administrative expenses were $2,776,732 for the same period. As of January 31, 2019, the Company had consolidated cash of $347,301 and consolidated short-term investments of $3,113,349 (May 30, 2019 – consolidated cash of approximately $525,000 and consolidated short-term investments of approximately $3,625,000).

Selected Annual Financial Information

	January 31, 2019	**January 31, 2018**	**January 31, 2017**
Net loss for the year	(4,392,659)	(5,086,202)	(2,460,220)
Basic and diluted loss / share	(0.026)	(0.032)	(0.016)
Total assets	5,809,931	12,784,609	11,365,741

Results of Operations

Quest's net consolidated loss includes some significant non-cash items. These non-cash items include a $324,877 allocation of loss from OncoVent Co., Ltd., and options/shares issued as consideration for services and options issued to employees. For the years ended January 31, 2019 and January 31, 2018, share based payment transaction expense related to shares/options issued for services was $1,094,230 and $69,250 respectively and for employees was $649,456 and $585,159, respectively. Net consolidated loss for the year ended January 31, 2019 was $4,392,659 or $0.026 per share on a fully diluted basis as compared to a consolidated loss of $5,086,202 or $0.032 per share for the year ended January 31, 2018. After adjusting for non-cash items, cash flows used in operating activities for the year ended January 31, 2019 were $6,907,706 as compared to $7,325,029 for the year ended January 31, 2018.

Expenses

The following table identifies the changes in general and administrative expense for the year ended January 31, 2019 compared to the year ended January 31, 2018.

General and administrative expenses			
	2019	**2018**	Increase (decrease)
	$	$	$
Salaries, wages and benefits	584,683	573,965	10,718

Audit fees	201,836	252,233	(50,397)
Legal fees	70,063	57,780	12,283
Other support costs	1,047,067	557,986	489,080
Travel	114,401	68,049	46,352
Consulting/business development costs	603,410	433,885	169,525
Rent	20,020	14,749	5,271
Insurance	32,265	28,453	3,812
Public company related costs	98,530	137,894	(39,364)
Depreciation	4,457		(694)
Total general and administrative expenses	**2,776,732**	**2,130,146**	**646,586**

General and administrative costs have increased in 2019 compared to 2018, due to increases in other support costs, consulting / business development fees and travel costs, offset by decreases in audit fees and public company related costs. Other support costs include share-based compensation which was $426,707 higher in fiscal 2019 compared to fiscal 2018. Consulting/business development costs increased due to increased business development activities in fiscal 2019 compared to fiscal 2018. Travel and entertainment costs increased in fiscal 2019 compared to fiscal 2018 due to increased business development activities within the corporate group. Audit fees and public company related costs were lower in fiscal 2019 compared to fiscal 2018 due to a decrease in regulatory submissions and filings and corporate financing activities.

The following table identifies the changes in research and development (R&D) expense for the year ended January 31, 2019 compared to the year ended January 31, 2018.

Research and development expenses			
	2019	**2018**	Increase (decrease)
	$	$	$
Sub-contract, consulting and clinical trials	4,666,394	4,683,097	(16,703)
Salaries, wages and benefits	342,025	290,156	51,869
Legal (patent prosecution)	224,022	255,259	(31,237)
Rent	46,712	34,414	12,298
Other R&D costs	960,912	265,728	695,185
Supplies	54,383	4,667	49,716
Depreciation	3,055	6,806	(3,752)
Gross research and development expenses	6,297,503	5,540,127	757,376
Less			
Government assistance	(32,331)	(33,634)	(1,303)
Research and development expense (net)	**6,265,172**	**5,506,493**	**758,679**

Overall, R&D costs have increased in 2019 compared to 2018 due to increases in other R&D costs, salaries, wages and benefits and supplies costs, offset by a decrease in legal costs for patents. Other R&D costs include the costs of share-based compensation which was $662,569 higher in fiscal 2019 compared to fiscal 2018. Salaries, wages and benefits cost increases relate to increased staffing and staff salary levels. Supplies costs were higher in fiscal 2019 compared to fiscal 2018 due to increased preclinical activity within the company. Legal costs for patents

were lower in fiscal 2019 compared to fiscal 2018 due to cost reduction measures implemented by management

Discontinued Operations

On July 20, 2018 the Company announced its strategic decision to no longer actively promote consumer health products in order to focus on pharmaceutical product development. As a result, the Company will no longer actively promote the Bellus Skin line of products and will treat these activities as discontinued operations.

The following table identifies the activity in connection with the Company's discontinued operations for the year ended January 31, 2019 compared to the year ended January 31, 2018.

Discontinued operations			
	2019	**2018**	Increase (decrease)
	$	$	$
Revenue	22,757	38,871	(16,114)
Direct costs	12,261	17,728	(5,467)
Gross margin	10,496	21,143	(10,647)
General and administrative expenses	56,112	178,379	(122,267)
Impairment charge	-	59,900	(59,900)
Service charges	1,684	1,743	(59)
Foreign exchange (gain) / loss	(13,398)	(671)	12,727
Income / (loss) from discontinued operations	(33,902)	(218,208)	(184,306)

Fourth Quarter Results of Operations

For the three months ended January 31, 2019 ("Q4 2019"), the Company had a net loss of $1,046,994 or $0.006 per share compared to a net loss of $1,895,175 or $0.011 per share for the three months ended January 31, 2018 ("Q4 2018"). The decrease in net loss for Q4 2019 compared to Q4 2018 relates primarily to foreign exchange gains that were realized in Q4 2019 compared to foreign exchange losses incurred in Q4 2018 and to decreases in clinical trial and contract manufacturing activities within the Company. Research and development costs of $1,394,436 were incurred during Q4 2019 compared to $1,475,970 during Q4 2018. Most of the R&D cost decrease is the result of decreased clinical trial and contract manufacturing costs which decreased by $238,714 for Q4, 2019 compared to Q4, 2018. R&D costs were also affected by an increase in other R&D costs which increased by $113,681, primarily resulting from higher share-based compensation costs. General and administrative costs of $811,337 were incurred for Q4 2019 compared to $691,657 for Q4 2018. The Q4, 2019 increase relates primarily to increased share-based compensation costs which increased by $133,065 for Q4 2019 compared to Q4 2018.

Summary of Quarterly Results

The following table presents unaudited selected financial information for each of the last eight quarters ended January 31, 2019.

	Year ended January 31, 2019				Year ended January 31, 2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	$	$	$	$	$	$	$	$
Revenue	-	12,566	4,550	5,641	3,043	13,299	5,338	17,191
Net income (loss) for the period	(1,028,300)	(1,423,044)	(894,321)	(1,046,994)	(841,768)	(1,173,099)	(1,176,159)	(1,895,175)
Basic and diluted income (loss) per share (1)	(0.006)	(0.009)	(0.005)	(0.006)	(0.006)	(0.008)	(0.007)	(0.011)

(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 year ended January 31, 2019, the Company granted a total of 3,850,000 (2018 – 3,250,000) share options, as per the Company's Share Option Plan. In 2019, 2,600,000 options were granted to non-employees, and 1,250,000 to employees, at exercise prices ranging from $0.18 - $0.25, all vesting immediately. In 2018, 525,000 options were granted to non-employees, and 2,725,000 to employees, at an exercise price of $0.15. The fair value of these options, totaling $600,500, was recognized as an expense and credited to contributed surplus for the year ended January 31, 2019 (2018 - $384,500).

During the year ended January 31, 2019, the Company's subsidiary, OncoQuest, granted a total of 345,000 (2018 - nil) share options, as per OncoQuest's Share Option Plan. The fair value of options granted / vested, totaling $1,143,186, was recognized as an expense and credited to contributed surplus for the year ended January 31, 2019 (2018 – $269,909).

Capital Expenditures

Expenditures on capital assets were $1,634 for the year ended January 31, 2019 (2018 - $8,722).

Outstanding Share Data
The Company has the following securities outstanding as at May 30, 2019:

Common shares issued and outstanding at January 31, 2019	167,389,247
Share options outstanding as at January 31, 2019	19,650,000
Warrants outstanding as at January 31, 2019	-
Share options granted since January 31, 2019	200,000
Share options expired since January 31, 2019	-

Fully diluted common shares are 187,239,247 assuming the exercise of all share options.

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, restricted cash and 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.

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, restricted cash and restricted 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

The Company's ability to continue as a going concern is uncertain and is dependent upon its ability to raise additional capital to successfully complete its research and development programs, commercialize its technologies, conduct clinical trials and receive regulatory approval for its products.

At January 31, 2019, consolidated cash was $347,301 and consolidated short-term investments were $3,113,349, as compared to consolidated cash of $416,436 and consolidated short-term investments of $10,877,096 at January 31, 2018. At May 30, 2019, the Company had consolidated cash of approximately $525,000 and consolidated short-term investments of approximately $3,625,000.

Cash used in operating activities was $6,907,706 for the year ended January 31, 2019 compared to $7,325,029 for the year ended January 31, 2018.

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.

Subsequent to year end, OncoQuest raised $2,628,800 (US$2,000,000) pursuant to a common share private placement of 80,000 common shares at US $25.00 per common 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 2021. 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.

Contractual Obligations

In the normal course of operations, Quest has entered into several contracts providing for the following payments over the following fiscal years:

	Payments due by year				
	Total	Within 1 year	2 – 3 years	4 – 5 years	After 5 years
	$	$	$	$	$
Operating leases	208,683	63,030	126,060	19,593	-
Research & development and other contracts	13,090,221	7,293,987	5,408,486	387,748	-
Total contractual obligations	13,298,904	7,357,017	5,534,546	407,341	-

Related Party Transactions

Two of the Company's officers, Mr. Pierre Vermette, CFO, and one of the Company's former directors, Dr. Eric Shi, participated in the Company's fiscal 2018 warrant exercise, acquiring a total of $181,667 worth of common shares under the warrant exercise.

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 month to month basis. The amount paid for lease and other office related costs to Quest increased on February 1, 2017 to a monthly rate of $10,000 per month due to increase in scope of operations at OncoQuest.

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, 2019, 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 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

Going concern uncertainty - The Company's financial statements have been prepared on a going concern basis which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The Company has experienced significant operating losses and cash outflows from operations since its inception. The Company's ability to continue as a going concern is uncertain and is dependent upon its ability to raise additional capital to successfully complete its research and development programs, commercialize its technologies and conduct clinical trials and receive regulatory approvals for its products.

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.