



Quest PharmaTech Inc.

Management's Discussion & Analysis

For the year ended January 31, 2025

(Expressed in Canadian Dollars, unless otherwise noted)

May 28, 2025

Table of Contents

Management's Responsibility	1
Forward Looking Statements	2
PART I – COMPANY AND HIGHLIGHTS.....	3
Company	3
Date and Subject of Report	3
Highlights for the Year ended January 31, 2025	3
Events Subsequent to January 31, 2025.....	3
Products Under Development	3
Equity Investments	4
Overall Performance.....	5
Results of Operations	5
Expenses.....	5
Fourth Quarter Results of Operations	6
Summary of Quarterly Information	6
Share-Based Payment Transactions.....	7
Capital Expenditures	7
Outstanding Share Data	7
Contractual Obligations	7
Investment in OncoQuest Inc. and OQP Bio Bonds.....	7
PART III – FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES	9
Liquidity	9
Going concern	9
Capital Resources	10
Cash Flow Information.....	10
Transactions with Related Parties	10
Financial Position	11
PART IV – RISKS	12
PART V – ACCOUNTING POLICIES, ESTIMATES, AND INTERNAL CONTROLS	14
Significant Accounting Policies.....	14
Accounting Estimates and Judgments	16
Related Party Transactions	18
Capital Management	19
Financial Instruments and Financial Risk Management.....	19
Management's Report on Disclosure Controls and Procedures and Internal Control over Financial Reporting	22

Management's Discussion & Analysis

For the year ended January 31, 2025

This management discussion and analysis ("MD&A") of the results of the operations and financial position of Quest PharmaTech Inc. (the "Company" or "Quest Pharma") should be read in conjunction with the Company's audited consolidated financial statements and accompanying notes for the year ended January 31, 2025, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") for financial statements issued by the International Accounting Standards Board. The Company reports its financial results in Canadian dollars and all references to \$ in this MD&A refer to the Canadian dollar.

The MD&A is intended to enable readers to gain an understanding of the Company's current results and financial position. To do so, we provide information and analysis comparing the results of audited consolidated operations and financial position for the current period to those of the same period of the prior year and the comparable period, where applicable. We also provide analysis and commentary that we believe is required to assess the Company's future activities. Accordingly, certain sections of this report contain forward-looking statements based on current plans and expectations. These forward-looking statements are affected by the risks and uncertainties that are discussed in this document on future prospects. Readers are cautioned that actual results could vary.

Management's Responsibility

The Company's management is responsible for the preparation and presentation of the audited consolidated financial statements and the MD&A. This MD&A has been prepared in accordance with the requirements of securities regulators, including National Instrument 51-102 of the Canadian Securities Administrators. Additional information regarding the Company, including the latest Annual Information Form, is available on our website at www.questpharmatech.com or through the SEDAR website at www.sedar.com.

The information provided in this report, including the audited consolidated financial statements, is the responsibility of management. In the preparation of these statements, estimates and judgements are sometimes necessary to make a determination of the future value for certain assets or liabilities. Management believes such estimates and judgements have been based on careful assessments and have been properly reflected in the accompanying audited consolidated financial statements. Management maintains a system of internal controls to provide reasonable assurances that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

Forward Looking Statements

This MD&A contains "forward-looking statements" within the meaning of applicable securities laws, such as statements concerning anticipated future events, results, circumstances, performance, or expectations that are not historical facts. They are based on certain factors and assumptions, including expected growth, results of operations, business prospects and opportunities. Use of words such as "anticipate", "plan", "continue", "estimate", "expect", "intend", "propose", "may", "will", "project", "should", "could", "would", "believe", "predict", "target", "aim", "pursue", "potential" and "objective" and the negative of these terms or other similar expressions may indicate a "forward-looking" statement. These statements are not guarantees of future performance and are subject to numerous risks and uncertainties, including those described in our publicly filed documents and in this MD&A under the heading "Risks and Uncertainties". Those risks and uncertainties include, but are not limited to, the ability to maintain profitability and manage growth, reliance on information systems and technology, reputational risk, regulatory risks, reliance on key professionals, the ability to successfully integrate acquisitions, trends in digital collectables, market compliance with current smart contract standards, general economic conditions and pandemics, natural disasters or other unanticipated events (including the novel coronavirus ("COVID-19") pandemic). Many of these risks and uncertainties can affect our actual results and could cause our actual results to differ materially from those expressed or implied in any forward-looking statement made by us or on our behalf. The forward-looking statements contained herein reflect management's current views, but the assessments and assumptions upon which they are based may prove to be incorrect. Although Management believes that its underlying assessments and assumptions are reasonable based on currently available information, given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results.

These statements are made as of the date of this MD&A and, except as required by applicable law, we undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. Additionally, we undertake no obligation to comment on analyses, expectations or statements made by third parties in respect of us, our financial or operating results or our securities. All figures are in Canadian dollars except share and per share data unless otherwise noted.

PART I – COMPANY AND HIGHLIGHTS

Company

Quest PharmaTech Inc. (the “Company”) is a publicly traded, Canadian-based pharmaceutical company developing products to improve the quality of life. The Company is developing targeted cancer therapy with its lead product (MAb AR9.6), under development for a novel target (truncated O-glycans on MUC16) discovered at the University of Nebraska Medical Center.

The Company’s head office is located at 4342-97 Street NW, Edmonton, Alberta, Canada, T6E 5R9 and it is incorporated under the Business Corporations Act (Alberta). The Company is publicly traded on the TSX Venture Exchange under the symbol “QPT.”

Date and Subject of Report

The following is Management's Discussion and Analysis of the results of operations and financial position of Quest Pharma as at and for the year ended January 31, 2025, and to the date of this MD&A.

This MD&A should be read in conjunction with the audited consolidated financial statements for the year ended January 31, 2025.

The Company reports its financial results in Canadian. All financial information in this MD&A is derived from the Company's audited consolidated financial statements for the year ended January 31, 2025, and 2024 are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Highlights for the Year ended January 31, 2025

In May 2024 the Company announced the appointment of Mr. Bradley J. Glass to the Board of Directors. Mr. Glass has served as the General Counsel of Hepalink USA, Inc. and its subsidiaries for the past two years. The Company held its annual shareholder meeting on October 8, 2024 during which J. Mark Lievonen, Jeffrey Shon, Bradley J. Glass and Ragupathy Madiyalakan were elected as directors.

Events Subsequent to January 31, 2025

The Company’s management has evaluated subsequent events up to date of this MD&A, the date the consolidated financial statements were issued and determined the following event to report:

On Feb 17, 2025, Quest PharmaTech Inc. converted its OQP Bio bonds to OQPBIOM bonds. OQPBIOM Inc. is a private Korean company that owns the Immunotherapy assets and is developing immunotherapeutic products for the treatment of cancer. On April 7, 2025, Quest converted its OQPBIOM bonds to OQPBIOM shares. Quest PharmaTech Inc. now owns 26% of the shares in OQPBIOM Inc.

Products Under Development

MAb AR9.6

Quest has identified and validated the tumor-targeting ability of a novel monoclonal antibody, AR9.6, that binds to MUC16 and blocks the activation of growth factor receptors and thereby inhibits phosphorylation of Akt, which leads to reduced cell proliferation, in vivo tumor growth and metastasis. AR9.6, as a promising theragnostic agent, was established in animal models, leading to six manuscripts in peer reviewed journals and two patents. The potential cancer targets include pancreatic, colon, leukemia, ovarian and breast cancer.

Equity Investments

OncoQuest Inc.

OncoQuest is a private Canadian biotechnology company developing next generation of combinatorial immunotherapy products for the treatment of cancer. On April 22, 2020, OncoQuest announced a definitive agreement to sell its drug portfolio to OQP Bio in exchange for OQP Bio bonds and cash with a notional value of USD 308.4 million and a commitment to fund the Oregovomab Phase 3 Clinical Trial. Quest has a 42.52% equity interest in OncoQuest.

OncoVent Co., Ltd.

OncoVent is a China-based global pharmaceutical company focusing on the development, manufacturing, and commercialization of Cancer Immunotherapy Products within China with pancreatic cancer as its first target. OncoVent holds the license for OncoQuest's immunotherapy portfolio for the greater China market. Quest has a 10.67% direct interest in OncoVent (23% indirect).

Bioceltran Co., Ltd.

In September 2022, the Company sold its ownership interest in Bioceltran Co. Ltd. for proceeds of \$300,000. As part of the transaction, the Company also terminated the exclusive license for Photodynamic Therapy technology. \$90,000 was paid on execution of the sale agreement, \$10,000 was paid December 2023. Although the remaining \$200,000 has been written off, there remains a possibility of recovery in the near future, as the amount due has been collateralized by 169,355 shares of Bioceltran that Quest received subsequent to year-end.

PART II – REVIEW OF FINANCIAL RESULTS

Overall Performance

Net consolidated loss for the year ended January 31, 2025 was \$1,801,058 or \$0.0106 per share on a basic and fully diluted basis, as compared to a net consolidated loss of \$3,018,007 or \$0.0178 per share on a basic and fully diluted basis for the year ended January 31, 2024. Research and development expenditures for the year ended January 31, 2025 totaled \$329,181 while general and administrative expenses were \$488,104 for the same period. As of January 31, 2025, the Company had cash balance of \$205,085 (January 31, 2024 – \$716,963).

Selected Annual Financial Information

For the year ended January 31	2025	2024	2023
	\$	\$	\$
Net loss	(1,801,058)	(3,018,007)	(64,888,153)
Basic loss / share	(0.0106)	(0.0178)	(0.3840)
Diluted loss / share	(0.0106)	(0.0178)	(0.3840)
Total assets	22,563,498	24,475,797	26,802,073

Results of Operations

Quest's net consolidated loss for the years ended January 31, 2025 and 2024 includes significant non-cash items, including equity method loss of \$802,343 and \$516,276, respectively, recognized from Quest's investment in OncoQuest. Other significant non-cash items include fair value adjustment in investment in OQP Bio Bonds. For the years ended January 31, 2025 and 2024, the fair value adjustment in investment in OQP Bio Bonds and shares was \$(458,898) and \$(1,335,594) respectively.

After adjusting for non-cash items, cash flows used in operating activities for the year ended January 31, 2025 were \$511,878 as compared to \$342,418 for the year ended January 31, 2024.

Expenses

The following table identifies the changes in general and administrative expenses for the year ended January 31, 2025, compared to the year ended January 31, 2024.

General and administrative expenses	2025	2024	Change
	\$	\$	\$
Salaries, wages and benefits	44,251	404,048	(359,797)
Professional fees	238,100	124,676	113,424
Bad debt expense	100,000	100,000	—
Travel	1,160	2,554	(1,394)
Other support costs	17,139	73,064	(55,925)
Public company related costs	26,777	36,526	(9,749)
Insurance	29,741	29,119	622
Depreciation	—	2,972	(2,972)
Rent	30,936	—	30,936
	488,104	772,959	(284,855)

Overall, general and administrative costs have decreased during the year ended January 31, 2025, compared to the prior year ended January 31, 2024, due primarily to decrease in salaries, wages, and benefits due to decreased staff salary levels in 2025 compared to 2024.

The following table identifies the changes in research and development (R&D) expenses for the year ended January 31, 2025, compared to the year ended January 31, 2024.

Research and development expenses	2025	2024	Change
	\$	\$	\$
Salaries, wages and benefits	310,348	473,880	(163,532)
Rent	—	46,414	(46,414)
Legal (patent prosecution)	18,599	16,120	2,479
Other R&D costs	234	6,447	(6,213)
	329,181	542,861	(213,680)

R&D costs have decreased during the year ended January 31, 2025, compared to 2024 mostly due to reclassification of rent as General and administrative expenses in 2025 compared to 2024.

Fourth Quarter Results of Operations

For the three months ended January 31, 2025 ("Q4 2025"), the Company had a net loss of \$ \$690,933 or \$0.00041 basic and fully diluted loss per share, compared to a net loss of \$1,978,803 or \$0.0117 basic and fully diluted per share for the three months ended January 31, 2024 ("Q4 2024"). The net loss for Q4 2025 and Q4 2024 relates primarily to the equity method loss and fair value adjustments for Quest's investment in OncoQuest. Research and development costs of \$16,733 were incurred during Q4 2025 compared to \$57,137 during Q4 2024. The decrease relates to reduced staffing costs and rent. General and administrative costs were \$260,423 for Q4 2025 compared to \$254,682 for Q4 2024. The increase relates to increased professional fee and rent devoted to general and administrative activities.

Summary of Quarterly Information

For the year ended January 31, 2025	Q4 2025	Q3 2025	Q2 2025	Q1 2025
	\$	\$	\$	\$
Revenue	—	—	—	—
Net loss	(690,933)	(107,035)	(141,764)	(861,326)
Basic loss per share	(0.0041)	(0.0006)	(0.0008)	(0.0051)
Fully diluted loss per share	(0.0041)	(0.0006)	(0.0008)	(0.0051)

For the year ended January 31, 2024	Q4 2024	Q3 2024	Q2 2024	Q1 2024
	\$	\$	\$	\$
Revenue	—	—	—	—
Net loss	(1,978,803)	(760,076)	(172,201)	(106,927)
Basic loss per share	(0.0117)	(0.0045)	(0.0010)	(0.0006)
Fully diluted loss per share	(0.0117)	(0.0045)	(0.0010)	(0.0006)

(1) Quarterly losses per share are not additive and may not equal the 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, 2025, the Company granted 2,800,000 (2024 – 5,250,000) share options, as per the Company's Share Option Plan. In 2024, the options were granted to non-employees and employees at an exercise price of \$0.05, all vesting immediately. In 2024, the options were granted to non-employees and employees at exercise prices ranging from \$0.08 - \$0.10, all vesting immediately. The fair value of these options, amounting to \$84,000, was recognized as an expense and credited to the contributed surplus for the year ended January 31, 2025 (2024 - \$471,534).

Capital Expenditures

During the years ended January 31, 2025, and 2024, the Company did not spend any amount on capital assets.

Outstanding Share Data

The Company has the following securities outstanding as of the date of this MD&A:

Common shares issued and outstanding	169,129,247
Share options outstanding	19,155,000

Fully diluted common shares outstanding are 188,284,247 assuming the exercise of all share options.

Contractual Obligations

In the normal course of operations, Quest has entered 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	17,508	17,508	—	—	—
Total contractual obligations	17,508	17,508	—	—	—

Investment in OncoQuest Inc. and OQP Bio Bonds

The Company owns 42.52% of the common shares of OncoQuest Inc. The Company accounts for this investment using the Equity Method of accounting.

OncoQuest recorded a net loss for the year ended January 31, 2025 of USD 1,369,061 Cdn\$1,886,971 compared to a loss of USD 900,621 or Cdn\$1,214,196. This loss resulted from foreign exchange and fair value changes during the year related to OncoQuest's foreign-denominated receivables, investments, put options and common share instrument. Quest, with a 42.52% ownership interest in OncoQuest as at January 31, 2025, recorded an Equity Method loss of \$802,343.

Quest recorded a foreign exchange adjustment in other comprehensive loss of \$40,807.

The Company's equity investment in OncoQuest is as follows for the years ended January 31, 2025 and 2024:

	Amount
	\$
Balance – January 31, 2023	7,334,908
Equity method loss	(516,276)
Other comprehensive expense – foreign exchange	3,826
Receipt of dividends	(684,723)
Balance – January 31, 2024	6,137,735
Equity method loss	(802,343)
Other comprehensive expense – foreign exchange	(40,807)
Balance – January 31, 2025	5,294,585

OncoQuest Summarized Financial Information

	January 31, 2025	January 31, 2024
	USD	USD
Current assets	320,318	1,398,864
Non-current assets	9,914,537	11,262,579
Current liabilities	(1,695,765)	2,753,291
Non-current liabilities	—	—

	January 31, 2025	January 31, 2024
	USD	USD
Revenue	—	—
Cost of goods sold	—	—
Gross Profit	—	—
Expenses	(515,577)	(639,149)
Other expenses	(853,484)	(261,472)
Loss before tax	(1,369,061)	(900,621)
Other comprehensive loss	(1,369,061)	(900,621)

Summarized financial information for Quest's other investment, OncoVent is not included because the information is not considered to be material at this time.

OQP Bio Bonds received as a dividend

	Face value	Fair value	Fair value	Maturity date
	KRW	KRW	\$	\$
OQP Bio Bond # 10	20,415,802,314	156,107,565	155,252	February 6, 2050
OQP Bio Bond # 12/13	19,406,110,515	145,498,582	144,701	March 20, 2050
OQP Bio Corporate Bond	89,268,108,367	16,830,115,752	16,789,723	February 24, 2022
Balance – January 31, 2025	129,090,021,196	17,131,721,899	17,037,779	

Refer to Note 6 of the Company's audited consolidated financial statements for details on the valuation method and input used to value the OQP Bio Bonds.

PART III – FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Liquidity

The Company's objective when managing its liquidity and capital structure is to generate sufficient cash to fund the Company's operating and growth requirements.

The following table provides an overview of the Company's liquidity status of the Company:

As at	January 31, 2025	January 31, 2024
	\$	\$
Cash and cash equivalents	205,085	716,963
Current assets	225,279	835,530
Current liabilities	1,168,343	1,322,777
Working capital deficit	(943,064)	(487,247)

Going concern

The Company's consolidated 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 cash outflows from operations since its inception.

The Company has reported a net loss of \$1,801,058 for the year ended January 31, 2025 (2024: \$3,018,007) and a shareholders' equity of \$21,395,155 (2024: \$23,153,020), the Company has cash reserves of \$205,085 at January 31, 2025 (2024: \$716,963) and as at January 31, 2025 had a working capital deficiency of \$943,064 (2024: \$487,247).

In addition, in March 2021, trading in the shares of OQP Korea was suspended on the KOSDAQ exchange which impacts the ability of OncoQuest to monetize the OQP Korea share, and bond consideration received by OncoQuest under the ATA, to pay for the costs of the ATA transaction including Canadian income tax and to distribute any ATA net proceeds to its shareholders, including Quest. The immunotherapy assets of OncoQuest sold to OQP Korea in 2020 under the ATA and subsequently transferred to OQP Bio in 2021 in connection with a reorganization of OQP Korea, were further transferred by OQP Bio without the bond obligations being transferred to or assumed by the buyer and no longer form part of the assets of OQP Bio backing the OQP Bio bonds. This puts the Company at significant risk given that OQP Bio now has diminished assets from which to repay the bonds. Further, the Company's basis for attributing value to the OQP Bio bonds is significantly dependent on the issuance of publicly traded securities in exchange for the bonds. Accordingly, there is a material uncertainty that may cast significant doubt regarding the Company's ability to continue as a going concern.

During the previous year ended January 31, 2024, the Company entered into a non-binding agreement in principle with OQP Bio Inc., to exchange the Company's OQP Bio bonds for 77.5 billion KRW (\$83,855,000) in cash and 64.6 billion KRW (\$69,897,200) in bonds of CABM, however, a definitive agreement was never executed, and no cash payments have been received. The Company holds an interest in OQP Bio bonds and has not been able to monetize its OQP Bio bonds to date.

On July 18, 2024, an agreement was reached, whereby the bonds of OQP Bio held by Quest and other bondholders were exchanged for bonds of OQPBIOM Inc. at face value, subject to Bank of Korea approval and the transfer of the assets and liabilities of OQP Bio to OQPBIOM Inc. OQPBIOM is a private Korean company that owns the immunotherapy assets and is developing immunotherapeutic products for the treatment of cancer. The July 18, 2024 agreement was consummated on February 17, 2025 and Quest exchanged its OQP Bio bonds for bonds of OQPBIOM Inc. On April 7, 2025, Quest converted its OQPBIOM bonds into OQPBIOM shares. As a result, Quest now owns 26% ownership interest in OQPBIOM.

Accordingly, a material uncertainty may cast significant doubt regarding the Company's ability to continue as a going concern.

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 approvals for its products, and upon the ability and timing for the Company to monetize its OQP Bio bonds. It is not possible at this time to predict the outcome of these matters. The Company's consolidated financial statements do not reflect any adjustments to the classifications and carrying values of assets and liabilities, or to the amounts reported as earnings per share, that may be required should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business. The Company intends to address this uncertainty through new share or debt issuances, licensing arrangements and/or strategic partnerships.

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.

On January 31, 2025, cash was \$205,085, as compared to cash of \$716,963 on January 31, 2024.

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 2025. The Company will seek additional capital through the sale of non-core assets, further equity financing, licensing arrangements involving its core technologies and strategic partnerships.

Cash Flow Information

The following table provides an overview of the Company's cash flows for the current and comparable period ended:

For the year ended	January 31, 2025	January 31, 2024
	\$	\$
Net cash provided by (used in):		
Operating activities	(511,878)	(342,418)
Investing activities	—	—
Financing activities	—	684,723
Change in cash	(511,878)	342,305

Operating Activities

The Company used \$511,878 of cash in operating activities for the year ended January 31, 2025, compared to \$342,418 used in the prior year. The increased cash outflows were primarily driven by higher payments related to trade and other liabilities. Additionally, a reduction in the annual net loss and lower non-cash adjustments contributed to the increased use of cash in operations as compared to prior year.

Investing Activities

The Company used \$nil of cash in investing activities during the year ended January 31, 2025 and January 31, 2024.

Financing Activities

The Company generated \$nil through financing activities during the year ended January 31, 2025, compared to \$684,723 generated during the year ended January 31, 2024. This was primarily due to dividends received in the comparative period.

Transactions with Related Parties

See "Part V – Accounting Policies, Estimates and Internal Controls – Related party transactions".

Financial Position

The following table sets forth selected information regarding the Company's financial position:

As at	January 31, 2025	January 31, 2024
	\$	\$
Cash	205,085	716,963
Other receivable	—	100,000
Prepaid expenses	20,194	18,567
Prepaid expenses (Non-current)	5,855	5,855
Investment in OncoQuest	5,294,585	6,137,735
Investment in OQP Bio Bonds	17,037,779	17,496,677
Accounts payables and accrued liabilities	168,343	322,777
Short term loan	1,000,000	1,000,000
Shareholders' equity	21,395,155	23,153,020

Cash

As of January 31, 2025, the Company had cash of \$205,085 compared to \$716,963 as of January 31, 2024. The changes in cash are discussed above in the summary of cash flow activities. See above "Cash Flow Information."

Other receivable

The balance relates to cash receivable from the sale of ownership interest in Bioceltran. In September 2022, the Company sold its ownership interest in Bioceltran for proceeds of \$300,000. \$90,000 cash was paid on execution of the sale agreement and \$10,000 was received in December 2023. The remaining balance of \$200,000 (included in other receivable) is receivable in monthly installments commencing from July 30, 2024 and ending on January 30, 2025 and subject to interest at the rate of 5% per annum commencing from January 1, 2024. The Company has also recorded an expected credit loss of \$100,000 at the rate of 50% on the amount receivable, recorded under general and administrative expenses in the statements of loss and comprehensive loss for the year ended January 31, 2024. As part of the transaction, the Company also terminated the exclusive license for the Photodynamic Therapy technology. During the year ended January 31, 2025, the remaining balance of \$100,000 has been written off. Although the remaining \$200,000 has been written off, there remains a possibility of recovery in the near future, as the amount due has been collateralized by 169,355 shares of Bioceltran that Quest received subsequent to year-end.

Prepaid expenses and deposits

The balance is made up of prepayments for insurance and a security deposit lease property.

Investments

See above "Investment in OncoQuest Inc. and OQP Bio Bonds" in Part II for detailed information.

Trade payables and accrued liabilities

This balance includes liabilities incurred on a regular course of business. The balance has decreased due to the timing difference of the recognition and settlement of regular payables.

Short term loan

Effective during the year ended January 31, 2021, the Company entered in a loan agreement with OncoQuest Inc where the Company received a short-term, unsecured, 2% interest-bearing debt and with no fixed term of repayment and repayable on demand. The funding is for drug development and operational purposes.

Shareholders' equity

Shareholders' equity largely decreased due to the net loss of \$1,801,058 offset by share-based payments of \$84,000.

PART IV – RISKS

The Company is subject to many risks which are outlined below:

- 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, and upon the ability and timing for OncoQuest to monetize the consideration received in the transaction with OQP Korea and distribute any net proceeds to shareholders, including to Quest.
- 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 the 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.
- In March 2021, the trading in the shares of OQP Korea was suspended on the KOSDAQ Exchange due to a denial of an audit opinion related to OQP Korea's December 31, 2020 annual financial statements. Although OncoQuest management continues to work diligently with OQP Korea management to resolve these issues as quickly as possible, it remains uncertain at this time as to whether regulatory approval will ultimately be received or the timing of any such approval. OncoQuest's ability to monetize the consideration received in the transaction with OQP Korea will be dependent upon OQP Korea's ability to fund the repayment of any bonds that become due or that could be redeemed and a liquid trading market being available for any shares of OQP Korea that are received as consideration or issued upon conversion of the bonds held. Monetization of some of the consideration will be necessary for OncoQuest to fund Canadian income tax obligations resulting from the transaction.

- The determination of fair value for Quest's investment in OncoQuest and in the OQP Bio bonds in future periods will depend on management estimates and reasoned judgements for such values looking at appropriate evidence that is available at the time. OncoQuest and OQP Bio are privately held companies with no public trading history. Readers are cautioned that from one reporting period to the next, the change in value for the Company's investments and any resultant fluctuation in earnings per share for Quest may be significant.
- As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may impact operating activities and will depend on future developments, including the duration and spread of the outbreak, related travel advisories and restrictions, the recovery times of the disrupted supply chains, the consequential staff shortages, and production delays, or the uncertainty with respect to the accessibility of additional liquidity or capital markets, all of which are highly uncertain and cannot be predicted. There was no perceived impact for the Company for the year ended January 31, 2025. The potential future impact is unknown currently.

PART V – ACCOUNTING POLICIES, ESTIMATES, AND INTERNAL CONTROLS

Significant Accounting Policies

The Company has prepared the accompanying audited consolidated financial statements in accordance with International Financial Reporting Standards (“IFRS”). Significant accounting policies are described in Note 4 of the Company’s audited consolidated financial statements as at and for the year ended January 31, 2025.

The preparation of audited consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the audited consolidated financial statements and the reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

Accounting pronouncements adopted

The following new standards, amendments and interpretations have been issued which are effective for the fiscal year ending January 31, 2025, and, accordingly, have been applied in preparing these consolidated financial statements.

Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 – Leases relating to sale leaseback transactions for seller-lessees. The amendment adds a requirement that measuring lease payments or revised lease payments shall not result in the recognition of a gain or loss that relates to the right-of-use asset retained by the seller lessee. The amendments are effective for annual reporting periods beginning on or after January 1, 2024. The Company adopted these amendments in the current year and determined there to be no material impact on the consolidated financial statements.

Non-current Liabilities with Covenants

In October 2022, the IASB issued amendments to IAS 1 – Presentation of Financial Statements, which specifies that covenants whose compliance is assessed after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require disclosure of information about these covenants in the notes to the financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2024. The Company adopted these amendments in the current year and determined there to be no material impact on the consolidated financial statements.

Supplier Finance Arrangements

In May 2023, the IASB issued amendments to IAS 7 – Statement of Cash Flows and IFRS 7 – Financial Instruments: Disclosures. The amendments add requirements to disclose information that allows users to assess how supplier finance arrangements affect an entity’s liabilities, cash flows, and exposure to liquidity risk. The amendments are effective for annual reporting periods beginning on or after January 1, 2024. The Company adopted these amendments in the current year and determined there to be no material impact on the consolidated financial statements.

Accounting pronouncements not yet effective

The following new standards, amendments and interpretations have been issued but are not effective for the fiscal year ending January 31, 2025 and, accordingly, have not been applied in preparing these consolidated financial statements.

Lack of Exchangeability

In August 2023, the IASB issued amendments to IAS 21 – The Effects of Changes in Foreign Exchange Rates in relation to Lack of Exchangeability. The amendments require entities to apply a consistent approach in assessing whether a currency can be exchanged into another currency and in determining the exchange rate to use and the disclosures to provide when it cannot. These amendments are effective for annual reporting periods beginning on or after January 1, 2025, with early adoption permitted. The Company assessed the impact of the amendments and determined there to be no material impact on the consolidated financial statements.

Classification and Measurement of Financial Instruments

In May 2024, the IASB issued amendments to IFRS 9 – Financial Instruments and IFRS 7 – Financial Instruments: Disclosures. The amendments relate to settling financial liabilities using an electronic payment system and assessing contractual cash flow characteristics of financial assets, including those with Environmental, Social, and Governance (ESG)-linked features. The IASB also amended disclosure requirements relating to investments in equity instruments designated at FVOCI and added disclosure requirements for financial instruments with contingent features. The amendments are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. The Company is assessing the impacts to the consolidated financial statements.

Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued the new standard IFRS 18 – Presentation and Disclosure in Financial Statements that will replace IAS 1 – Presentation of Financial Statements. The new standard introduces newly defined subtotals on the income statement, requirements for aggregation and disaggregation of information, and disclosure of management performance measures in the financial statements. The new standard is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. The Company is assessing the impacts to the consolidated financial statements.

Annual Improvements

In July 2024, the IASB issued IFRS Accounting Standards Annual Improvements – Volume 11, which clarifies wording, correcting minor consequences, oversights, or conflicts among requirements in the Standards. The amendments affect IFRS 1 - First-time Adoption of International Financial Reporting Standards, IFRS 7 - Financial Instruments: Disclosures, IFRS 9 - Financial Instruments, IFRS 10 - Consolidated Financial Statements, and IAS 7 - Statement of Cash Flows. These amendments will be effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. The implementation of these amendments is not expected to have a significant impact on the Company.

Contracts Referencing Nature- dependent Electricity

In December 2024, the IASB issued amendments to IFRS 9 and IFRS 7 – Contracts Referencing Naturedependent Electricity. The amendments apply only to nature-dependent electricity contracts, which are those that generate variable levels based on uncontrollable factors such as weather conditions. These amendments will be effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. Implementation of these amendments is not expected to have an impact on the Company.

Accounting Estimates and Judgments

In the application of the Company's accounting policies, management is required to make judgments, estimates, and assumptions that affect the carrying amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the audited consolidated financial statements, and the reported amounts of revenues and expenses for the periods presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, the results of which form the basis of the valuation of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

Following are the significant areas of judgments and estimates:

Useful life of property and equipment

Depreciation of property and equipment is dependent upon estimates of useful lives, residual values, and patterns in which the assets' future economic benefits are expected to be consumed, which are determined through the exercise of judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that consider factors such as economic and market conditions and the useful lives of assets.

Investments in OncoQuest

Investments in another company involve several judgments to be exercised, particularly concerning the classification, recognition, and measurement of the investment under International Financial Reporting Standards (IFRS). The nature of these judgments largely depends on the type of investment, the influence or control over the investee, and the purpose of the investment.

Investments in OQP Bio Bonds

The Company uses judgment, estimates and third-party valuation experts to estimate the fair value of its investment in OQP Bio bonds. The most critical judgment in bond valuation is the choice of the discount rate, the allocated weight to the weighted probability approach and the loss recovery % methods used, which are influenced by macroeconomic factors. The issuers credit risk significantly influences bond pricing and estimating credit risk involves assessing the issuers credit worthiness. Estimating the timing and the amount of cash flows from a bond also requires judgment. Judgment about market liquidity of the bonds can be based on trading volume and the availability of buyers and sellers. Liquidity of the bond in the market affects its fair value.

Impairment of non-financial assets

Non-financial assets are reviewed for an indication of impairment at each consolidated statement of financial position date upon the occurrence of events or changes in circumstances indicating that the carrying value of the assets may not be recoverable, which requires significant judgement. An impairment loss is recognized for the amount by which an asset's or CGU's carrying amount exceeds its recoverable amount, which is the higher of fair value less cost of disposal and value in use.

An intangible asset and related equipment that are not yet available for their intended use are tested for impairment at least annually, which also requires significant judgement. To determine the recoverable amount (value in use or fair value less cost to dispose of these assets), management estimates expected future cash flows from the asset or CGU and determines a suitable interest rate in order to calculate the present value of those cash flows using a discounted cash flow model. In the process of measuring expected future cash flows for intangible and tangible assets not yet available for their intended use, management makes assumptions about future operating results using the estimated forecasted prices obtained from various market sources. These key assumptions relate to future events and circumstances. The actual results will vary and may cause adjustments to the Company's assets in future periods. In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and to asset-specific risk factors.

By their nature, assets not yet available for intended use have a higher estimation uncertainty, as they depend on future market development and the Company's ability to commercialize and manufacture new products to realize forecasted earnings. For example, new manufacturing processes may not be scalable to the industrial level within the expected timeframe and new products might not receive sufficient market penetration. Management believes that the following assumptions are the most susceptible to change and impact the valuation of these assets in time: a) expected growth of the market for different renewable energy products (demand), b) selling prices which have an impact on revenues and margins (pricing), c) the discount rate associated with new processes and products.

Share-based compensation

The Company uses estimates, including but not limited to, the fair value of the Company, estimates of forfeitures, share price volatility at the time of issuance, the risk-free interest rates and expected lives of the options and warrants granted in the calculation of the Share-based compensation and issuance related costs, respectively.

Income tax

The Company estimates an income tax provision in accordance with the applicable income tax laws. However, actual amounts of income tax expense only become final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the financial statements. Additionally, estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the ability to use the underlying future tax deductions before they expire against future taxable income. The assessment is based upon existing tax laws and estimates of future taxable income. To the extent estimates differ from the final tax return, earnings would be affected in a subsequent period.

The income tax provision is based on estimates of full-year earnings. The average annual effective income tax rates are re-estimated at the end of each reporting period. To the extent that forecasts differ from actual results, adjustments are recorded in subsequent periods.

The company recognizes deferred tax assets and liabilities based on expected future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets, including those arising from tax loss carryforwards, are recognized only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carry-forward of unused tax credits can be utilized.

Going concern

These financial statements have been prepared on a going concern basis which presumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of its operations.

Collectability of other receivables

The company assesses the collectability of other receivables by evaluating various factors, including the creditworthiness of debtors, past transaction history, and any subsequent events that may impact the ability of debtors to settle their obligations. Judgment is required in the estimation of expected credit loss and management considers the current economic conditions and industry-specific factors that may affect the debtor's ability to pay and in management's opinion, are reasonable.

Related Party Transactions

Key management personnel compensation

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company defines key management personnel as being the directors and key officers.

The compensation awarded to key management personnel is as follows:

	January 31, 2025	January 31, 2024
	\$	\$
Management fees	242,846	375,789
Director fees	—	20,000
Total compensation	242,846	395,789

Cost Recovery - Executive Services Agreement

In July 2020, the Company entered into an Executive Services Agreement with OncoQuest whereby the Company's officers render executive services to OncoQuest for a fee of \$10,000 per month, which increased to \$15,000 per month effective July 1, 2023 and \$25,000 per month effective February 1, 2024. The Company received \$300,000 (January 31, 2024: \$155,000) under this arrangement during the year ended January 31, 2025.

Short term loan

Effective during the year ended January 31, 2021, the Company entered in a loan agreement with OncoQuest Inc for a short term, unsecured, 2% interest bearing debt, with no fixed term of repayment and repayable on demand. The funding is for drug development and operational purposes. The Company recorded interest expense of \$20,000 for the year ended January 31, 2025 (2024 - \$18,657) recorded under finance expenses in the statement of loss and comprehensive loss. The accrued loan interest is included in the accounts payable and accrued liabilities on the statement of financial position.

The table below shows the movement of the principal and accrued interest balance:

	Principal balance	Accrued interest balance
	\$	\$
Balance – January 31, 2023	1,000,000	25,378
Principal balance repayment	(200,000)	—
Principal balance loan	200,000	—
Interest expense	—	18,667
Balance – January 31, 2024	1,000,000	44,045
Interest expense	—	20,000
Balance – January 31, 2025	1,000,000	64,045

Capital Management

The Company's objective and policies for managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company manages its capital structure and makes changes based on economic conditions, risks that impact on the operations and future significant capital investment opportunities. In order to maintain or adjust its capital structure, the Company may issue new equity instruments or raise additional debt financing.

The Company is exposed to a variety of financial risks by virtue of its activities: market risk, interest rate risk, liquidity risk and foreign currency risk. The Board of Directors has overall responsibility for the determination of the Company's capital and risk management objectives and policies while retaining ultimate responsibility for them. The Company's overall capital and risk management program has not changed throughout the period. It focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance. Risk management is carried out by the finance department under policies approved by the Board of Directors. The finance department identifies and evaluates financial risks in close cooperation with management.

Financial Instruments and Financial Risk Management

When measuring the fair value of a financial asset and a financial liability, the Company uses observable market data as far as possible. There were no transfers between fair value levels during the year. Fair values are categorized into different levels in a fair value hierarchy based on the inputs in the valuation techniques as follows:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

As of January 31, 2025	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Investment in OQP Bio Bonds	—	—	17,037,779	17,037,779
Investment in OncoQuest	—	—	5,294,585	5,294,585
	—	—	22,332,364	22,332,364

As of January 31, 2024	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Investment in OQP Bio Bonds	—	—	17,496,677	17,496,677
Investment in OncoQuest	—	—	6,137,735	6,137,735
	—	—	23,634,412	23,634,412

Financial assets		January 31, 2025	January 31, 2024
		\$	\$
Cash	Amortized cost	205,085	716,963
Other receivable	Amortized cost	-	100,000
Investment in OncoQuest	FVTPL Level 3	5,294,585	6,137,735
Investment in OQP Bio Bonds	FVTPL Level 3	17,037,779	17,496,677
		22,537,449	24,451,375

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy:

Financial liabilities		January 31, 2025	January 31, 2024
		\$	\$
Accounts payable and accrued liabilities	Amortized cost	168,350	322,777
Short term loan	Amortized cost	1,000,000	1,000,000
		1,168,350	1,322,777

Investment valuations are affected by various factors including financial position, results from operations and foreseeable future cash flows from operations of investees. Investees have a limited history of operations and there is no certainty that their strategic objectives and goals will be achieved, and there is no guarantee that shareholders' value will increase or be sustained even if these strategic objectives and goals are achieved.

Management recognizes and monitors the performance of investees and makes appropriate adjustments to the assumptions and valuation model, if necessary. Investment valuations are susceptible to high volatilities and actual fair values may significantly differ from management's estimates.

Investments and risk management

The Company considers Level 3, as the fair value techniques used the lowest level of input which was unobservable. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Investment valuations are affected by various factors including financial position, results from operations and foreseeable future cash flows from operations of investees. Investees have a limited history of operations and there is no certainty that their strategic objectives and goals will be achieved, and there is no guarantee that shareholders' value will increase or be sustained even if these strategic objectives and goals are achieved. Management recognizes and monitors the performance of investees and makes appropriate adjustments to the assumptions and valuation model, if necessary. Investment valuations are susceptible to high volatilities and actual fair values may significantly differ from management's estimates.

Refer to Note 3 of the financial statements for the year ended January 31, 2025, under financial instruments for the summary of the classification of the Company's financial instruments under IFRS 9.

Capital and risk management

The Company's objective and policies for managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company manages its capital structure and makes changes based on economic conditions, risks that impact on the operations and future significant capital investment opportunities. In order to maintain or adjust its capital structure, the Company may issue new equity instruments or raise additional debt financing.

The Company is exposed to a variety of financial risks by virtue of its activities: market risk, interest rate risk, liquidity risk, and foreign currency risk. The Board of Directors has overall responsibility for the determination of the Company's capital and risk management objectives and policies while retaining ultimate responsibility for them. The Company's overall capital and risk management program has not changed throughout the period. It focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance. The finance department identifies and evaluates financial risks in close cooperation with management.

Credit risk

Financial instruments that subject the Company to credit risk consist primarily of other receivables and the OQP Bio bonds. The Company's exposure to credit risk, including for other receivable amounts, is considered to be significant which is assessed through an expected credit loss model ("ECL"). The Company's estimate of allowances is based on an ECL approach that employs an analysis of historical data, economic indicators and experience of delinquency and default. The Company has applied an ECL of 52.5% to the other receivable.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to market interest rate risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company generally relies on external financing or key management to provide sufficient liquidity to meet budgeted operating requirements. The following tables set forth details of the payment profile of financial liabilities based on their undiscounted cash flows:

January 31, 2025	Total carrying amount	Contractual cash flows	Less than 1 year	1 to 5 years	More than 5 years
	\$	\$	\$	\$	\$
Accounts payables and accrued liabilities	168,350	168,350	168,350	—	—
Short term loan	1,000,000	1,000,000	1,000,000	—	—
Total	1,168,350	1,168,350	1,168,350	—	—

January 31, 2024	Total carrying amount	Contractual cash flows	Less than 1 year	1 to 5 years	More than 5 years
	\$	\$	\$	\$	\$
Accounts payables and accrued liabilities	322,777	322,777	322,777	—	—
Short term loan	1,000,000	1,000,000	1,000,000	—	—
Total	1,322,777	1,322,777	1,322,777	—	—

Taking into consideration the Company's current cash position, volatile equity markets, global uncertainty in the capital markets and increasing cost pressures, the Company is actively seeking new financing opportunities in accordance with its capital risk management strategy.

Foreign currency risk

Foreign currency risk is defined as the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company maintains financial instruments and enters transactions denominated in foreign currencies, which exposes the Company to fluctuating balances and cash flows due to variations in foreign exchange rates.

The table below indicates the foreign currencies to which the Company has significant exposure in Canadian dollar terms:

	January 31, 2025	January 31, 2024
	\$	\$
Cash	4,212	682
Investments in OQP Bio bonds	17,037,779	17,496,677
Net monetary assets	17,041,991	17,497,359

Rate fluctuation	5%
A fluctuation of +/- 5.0% in the exchange rate between CAD and USD	211
A fluctuation of +/- 5.0% in the exchange rate between CAD and KRW	851,889

Management's Report on Disclosure Controls and Procedures and Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate disclosure controls and procedures ("DC&P") and internal controls over financial reporting ("ICFR"), as those terms are defined in the National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, for the Company. The DC&P provides reasonable assurance that material information relating to the Company is made known to the Chief Executive Officer and the Chief Financial Officer of the Company. The ICFR has been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS.

Management restated its 2023 annual financial statements to change the valuation methodology used to value Quest's OQP Bio bonds to present a more reasonable and appropriate fair value. The change in valuation methodology resulted in a decrease in bond value for Quest's OQP Bio bonds held at January 31, 2023 from \$76.4 million to \$18.8 million. The Company's internal controls over financial reporting ("ICFR") are designed to provide reasonable assurance regarding the reliability of financial reporting in accordance with International Financial Reporting Standards. Management has concluded that material weaknesses existed with respect to certain internal controls and noted that they were not operating effectively as at January 31, 2023. A material weakness is a deficiency, or a combination of deficiencies, in ICFR where there is a possibility that a material misstatement of the financial statements may not be prevented or detected on a timely basis.

Weaknesses identified:

- The estimation and calculation of complex financial instruments.

Remediation plans:

- The Company plans to evaluate and hire a Certified Business Valuator (CBV) Professional Firm to perform complex valuation and business modeling on a regular basis.

Notwithstanding the foregoing, the Company has concluded that the audited annual consolidated financial statements accompanying this report are presented fairly in all material respects. The Company is committed to improving its ICFR through continuous monitoring and review.

Due to inherent limitations in all controls systems, a control system can provide only reasonable, not absolute assurance, that the objective of the control system is met and may not prevent or detect misstatements or instances of fraud. Management's estimates may be incorrect, or assumptions about future events may be incorrect, resulting in varying results. Additionally, controls may be circumvented by the unauthorized acts of individuals, by collusion of two or more people or by Management override.