



Quest PharmaTech Inc.

Management's Discussion & Analysis

For the nine months ended October 31, 2024

(Expressed in Canadian Dollars, unless otherwise noted)

December 23, 2024

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Management's Discussion & Analysis **For the nine months ended October 31, 2024**

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 unaudited condensed interim consolidated financial statements and accompanying notes for the nine months ended October 31, 2024, 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 unaudited condensed interim 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 unaudited condensed interim 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 unaudited condensed interim 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 nine months ended October 31, 2024, and to the date of this MD&A.

This MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements for the nine months ended October 31, 2024

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 nine months ended October 31, 2024, and 2023 are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Highlights for the nine months ended October 31, 2024

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 the nine months ended October 31, 2024

The Company has evaluated subsequent events through December 23, 2024, which is the date the condensed interim consolidated financial statements were issued and has determined that there are no events to report.

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. \$90,000 was paid on execution of the sale agreement, \$10,000 was paid December 2023 and the remaining \$200,000 is receivable within 12 months. As part of the transaction, the Company also terminated the exclusive license for Photodynamic Therapy technology.

PART II – REVIEW OF FINANCIAL RESULTS

Overall Performance

Net consolidated loss for the nine months ended October 31, 2024, was \$114,744 or \$0.0006 per share on a basic and fully diluted basis, as compared to a net consolidated loss of \$1,039,204 or \$0.0061 per share on a basic and fully diluted basis for the nine months ended October 31, 2023. Research and development expenditures for the nine months ended October 31, 2024, totaled \$227,681 while general and administrative expenses were \$312,448 for the same period. As of October 31, 2024, the Company had consolidated cash of \$186,356 (January 31, 2024 – cash of \$716,963).

Results of Operations

Quest's net consolidated loss for nine months ended October 31, 2024, and 2023 includes significant non-cash items, including equity method (loss) gain of (\$384,695) and (\$236,088), 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 nine months ended October 31, 2024, and 2023, the fair value adjustment in investment in OQP Bio Bonds and shares was \$616,933 and \$nil respectively.

After adjusting for non-cash items, cash flows used in operating activities for nine months ended October 31, 2024, was \$530,607 as compared to \$280,695 for nine months ended October 31, 2023.

Expenses

The following table identifies the changes in general and administrative expenses for the three and nine months ended October 31, 2024, compared to the three and nine months ended October 31, 2023.

General and administrative expenses	2024	2023	Change	2024	2023	Change
	3 months	3 months		9 months	9 months	
	\$	\$	\$	\$	\$	\$
Salaries, wages and benefits	96,121	37,154	58,967	103,530	135,021	(31,491)
Professional fees	17,800	2,527	15,273	119,064	32,227	86,837
Travel	1,160	317	843	1,160	3,898	(2,738)
Other support costs	3,868	3,883	(15)	15,466	210,522	(195,056)
Public company related costs	8,382	10,098	(1,716)	26,057	32,281	(6,224)
Insurance	7,164	32,492	(25,328)	22,176	47,522	(25,346)
Depreciation	—	—	—	—	1,263	(1,263)
Rent	8,064	8,264	(200)	24,995	14,846	10,149
	142,559	94,735	47,824	312,448	477,580	(165,132)

Overall, general and administrative costs have decreased during the nine months ended October 31, 2024, compared to the prior nine months ended October 31, 2023, due primarily to decrease in other support costs and salary, wages & benefits in 2024 as compared to 2023.

The following table identifies the changes in research and development (R&D) expenses for the nine months ended October 31, 2024, compared to nine months ended October 31, 2023.

Research and development expenses	2024	2023	Change	2024	2023	Change
	3 months	3 months		9 months	9 months	
	\$	\$	\$	\$	\$	\$
Salaries, wages and benefits	102,750	51,505	51,245	216,598	154,423	62,175
Rent	—	1,325	(1,325)	—	23,801	(23,801)
Legal (patent prosecution)	—	9,009	(9,009)	10,849	14,205	(3,356)
Other R&D costs	—	(14)	14	234	253,273	(253,039)
Sub-contract, consulting and clinical trials	—	—	—	—	38,329	(38,329)
Depreciation	—	—	—	—	1,693	(1,693)
	102,750	61,825	40,925	227,681	485,724	(258,043)

R&D costs have decreased during the nine months ended October 31, 2024, compared to 2023 due to a decrease in other R&D cost in 2024 as compared to 2023. The decrease in the rest of the categories was due to a decrease in activity within the Company's research and development programs.

Quarter Results of Operations

For the nine months ended October 31, 2024 ("Q3 2025"), the Company had a net loss of \$107,035 or \$0.0006 basic and fully diluted loss per share, compared to a net loss of \$1,039,204 or \$0.0061 basic and fully diluted per share for the nine months ended October 31, 2023 ("Q3 2024"). The net loss for Q3 2025 relates primarily to the equity method loss and fair value adjustments for Quest's investment in OncoQuest. The net loss for Q3 2024 is primarily due to a result of equity method loss adjustment made to the Company's investment in OncoQuest. Research and development costs of \$227,681 were incurred during Q3 2025 compared to \$312,448 during Q3 2024. Most of the R&D cost decrease is due to reduced company operations. General and administrative costs were \$312,448 for Q3 2025 compared to \$477,580 for Q3 2024. The decrease relates to a decrease in other support costs during Q3 2025.

Summary of Quarterly Information

For the quarter ended October 31, 2024	Q3 2025	Q2 2025	Q1 2025	Q4 2024
	\$	\$	\$	\$
Revenue	—	—	—	—
Net loss	(107,035)	(141,764)	(861,326)	(1,978,803)
Basic loss per share	(0.0006)	(0.0008)	(0.0051)	(0.0117)
Fully diluted loss per share	(0.0006)	(0.0008)	(0.0051)	(0.0117)

For the quarter ended October 31, 2023	Q3 2024	Q2 2024	Q1 2024	Q4 2023
	\$	\$	\$	\$
Revenue	—	—	—	—
Net loss	(1,039,204)	(172,201)	(106,927)	(62,314,781)
Basic loss per share	(0.0045)	(0.0010)	(0.0006)	(0.0280)
Fully diluted loss per share	(0.0045)	(0.0010)	(0.0006)	(0.0280)

Capital Expenditures

During the nine months ended October 31, 2024, and 2023, 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	21,805,000

Fully diluted common shares outstanding are 190,934,247 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 nine months ended October 31, 2024 of USD 663,161 Cdn\$904,722 compared to a income of USD 399,414 or Cdn\$554,028. 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 October 31, 2024, recorded an Equity Method loss of \$384,688.

Quest recorded a foreign exchange adjustment in other comprehensive expense of \$7,709.

The Company's equity investment in OncoQuest is as follows for nine months ended October 31, 2024 and 2023:

	Amount
	\$
Balance – January 31, 2024	6,137,735
Equity method loss	(384,688)
Other comprehensive expense – foreign exchange	(7,709)
Balance – October 31, 2024	5,745,338

	Amount
	\$
Balance – January 31, 2023	7,334,908
Equity method loss	(236,088)
Balance – October 31, 2023	7,098,820

OncoQuest Summarized Financial Information

	October 31, 2024	January 31, 2024
	USD	USD
Current assets	406,437	1,398,864
Non-current assets	10,639,098	11,262,579
Current liabilities	1,800,544	2,753,291
Non-current liabilities	–	–

	October 31, 2024
	USD
Revenue	–
Cost of goods sold	–
Gross Profit	–
Expenses	455,907
Other expenses	207,254
Loss before tax	(663,161)
Other comprehensive loss	(663,161)

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	148,660,718	150,891	February 6, 2050
OQP Bio Bond # 12/13	19,406,110,515	138,557,819	140,636	March 20, 2050
OQP Bio Corporate Bond	89,268,108,367	17,558,702,255	17,822,083	February 24, 2022
Balance – October 31, 2024	129,090,021,196	17,845,920,792	18,113,610	

Refer to Note 7 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	October 31, 2024	January 31, 2024
	\$	\$
Cash and cash equivalents	186,356	716,963
Current assets	339,115	835,530
Current liabilities	1,081,642	1,322,777
Working capital deficit	(742,527)	(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 \$114,744 for the nine months ended October 31, 2024 (2023 Net Loss - \$1,039,204) and a shareholders' equity of \$23,122,276 (January 31, 2024 – shareholders' equity of \$23,153,020), the Company has consolidated cash reserves of \$186,356 at October 31, 2024 (January 31, 2024 - \$716,963) and as at October 31, 2024 had a working capital deficiency of \$742,527 (January 31, 2024 – working capital deficiency \$487,247).

In addition, in March 2021, trading in the shares of OQP Korea was suspended on the KOSDAQ exchange which impacted 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.

During the 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.

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

These condensed interim consolidated financial statements do not include any adjustments to the classification and amounts of assets and liabilities that may be required should the Company be unable to continue as a going concern. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. These conditions indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. Although the Company has been successful at raising funds in the past through the issuance of securities and obtaining loans, it is uncertain whether it will be successful in doing so in the future or at terms that are acceptable to the Company.

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 October 31, 2024, cash was \$186,356, 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	October 31, 2024	October 31, 2023
	\$	\$
Net cash provided by (used in):		
Operating activities	(530,607)	(280,695)
Investing activities	—	—
Financing activities	—	—
Change in cash	(530,607)	(280,695)

Operating Activities

The Company used \$530,607 of cash in operating activities during the nine months ended October 31, 2024, compared to \$280,695 used during nine months ended October 31, 2023. The Company used more cash in operations primarily due to the decrease in accounts payable and accrued liability balances and also due to an increase in professional fees.

Investing Activities

The Company used \$nil of cash in investing activities during the nine months ended October 31, 2024 and 2023.

Financing Activities

The Company used \$nil through financing activities during the nine months ended October 31, 2024 and 2023.

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	October 31, 2024	January 31, 2024
	\$	\$
Cash	186,356	716,963
Other receivable	125,000	100,000
Prepaid expenses	27,759	18,567
Prepaid expenses (Non-current)	5,855	5,855
Investment in OncoQuest	5,745,338	6,137,735
Investment in OQP Bio Bonds	18,113,610	17,496,677
Accounts payables and accrued liabilities	81,642	322,777
Short term loan	1,000,000	1,000,000
Shareholders' equity	23,122,276	23,153,020

Cash

As of October 31, 2024, the Company had cash of \$186,356 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 the execution of the sale agreement and \$10,000 was received in December 2023. The remaining balance of \$200,000 (included in the 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. During the year ended January 31, 2024, the Company recorded an expected credit loss of \$100,000 at the rate of 50% on the amount receivable. As part of the transaction, the Company also terminated the exclusive license for Photodynamic Therapy technology.

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 reduced 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 \$107,035 for the nine months ended October 31, 2024.

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.

- 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 nine months ended October 31, 2024. 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 nine months ended October 31, 2024

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.

New and Amended Accounting Pronouncement

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

On January 23, 2020, the IASB issued Classification of Liabilities as Current or Non-current (Amendments to IAS 1). The amendments address inconsistencies with how entities classify current and non-current liabilities. The amendments serve to address whether debt and other liabilities with an uncertain settlement date should be classified as current or non-current in the Balance Sheets. The amendments are effective on January 1, 2024. The Company intends to adopt the amendments in its consolidated financial statements or the annual period beginning January 1, 2024. The Company assessed the impact of the amendment and determined there to be no material impact on the condensed interim consolidated financial statements.

Amendments to IAS 1: Non-current Liabilities with Covenants

In October 2022, the IASB issued Non-current Liabilities with Covenants (Amendments to IAS 1). The amendments improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with covenants. The amendments are effective for annual periods beginning on or after January 1, 2024. The Company intends to adopt these amendments in its consolidated financial statements for the annual period beginning January 1, 2024. The Company assessed the impact of the amendment and determined there to be no material impact on the condensed interim consolidated financial statements.

Accounting Estimates and Judgments

In preparing these condensed interim consolidated financial statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expense. Actual results may differ from these estimates.

The significant judgments made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those described in the Annual Financial Statements.

Information about assumptions made in measuring fair values is included in relevant note.

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:

	Three months ended October 31, 2024	Three months ended October 31, 2023	Nine months ended October 31, 2024	Nine months ended October 31, 2023
Management fees	\$ 64,767	\$ 81,250	\$ 178,538	\$ 487,750
Total compensation	64,767	81,250	178,538	487,750

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 recognized \$225,000 in advance payments under the arrangement for the six months ended October 31, 2024.

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 \$22,523 for nine months ended October 31, 2024 (2023 - \$13,667) recorded under finance expenses in the statement of loss and comprehensive loss. The accrued loan interest is included in 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, 2024	1,000,000	44,045
Interest expense	—	22,523
Balance – October 31, 2024	1,000,000	66,568

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. 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.

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

Financial assets			October 31, 2024	January 31, 2024
			\$	\$
Cash	FVTPL	Level 1	186,356	716,963
Other receivable	Amortized cost		125,000	100,000
Investment in OncoQuest	FVTPL	Level 3	5,745,338	6,137,735
Investment in OQP Bio Bonds	FVTPL	Level 3	18,113,610	17,496,677
			24,170,304	24,451,375
Financial liabilities			October 31, 2024	January 31, 2024
			\$	\$
Accounts payable and accrued liabilities	Amortized cost		81,642	322,777
Short term loan	Amortized cost		1,000,000	1,000,000
			1,081,642	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 9 of the financial statements for the year ended January 31, 2024, 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 50% 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:

October 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	81,642	81,642	81,642	—	—
Short term loan	1,000,000	1,000,000	1,000,000	—	—
Total	1,081,642	1,081,642	1,081,642	—	—

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:

	October 31, 2024	January 31, 2024
	\$	\$
Cash	4,260	682
Investments in OQP Bio bonds	18,113,610	17,496,677
Net monetary assets	18,117,870	17,497,359

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.

No changes were made in the Company' design of internal controls over financial reporting during nine months ended October 31, 2024, that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting. The Company continues to maintain, monitor and consider improvements to its established system of internal controls.

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.