MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis ("MD&A") of financial condition and results of operations presented herein is provided to enable readers to assess the results of operations, liquidity and capital resources of Questor Technology Inc. ("Questor" or the "Company") as at and for the three and six month periods ended June 30, 2015 compared to the corresponding date and periods of 2014.

This MD&A dated August 28, 2015 should be read in conjunction with the unaudited condensed consolidated financial statements and accompanying notes of Questor as at and for the three and six month periods ended June 30, 2015 and with the audited financial statements and MD&A of the Company as at and for the year ended December 31, 2014.

The unaudited condensed consolidated financial statements as at and for the three and six months ended June 30, 2015 and related comparatives are based on International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), and have been prepared by Management in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34"). All references to dollar values refer to Canadian dollars unless otherwise stated.

The unaudited condensed consolidated financial statements for the three and six month periods ended June 30, 2015 and related MD&A have been approved and authorized for issue by Questor's Board of Directors and Audit Committee.

Additional information relating to Questor can be found on the Company's website at www.questortech.com. The continuous disclosure materials of Questor, including its annual MD&A and audited financial statements, Management Information Circular and Proxy Statement, material change reports and news releases are also available through the Company's website or directly through the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

ADVISORY REGARDING FORWARD-LOOKING STATEMENTS

The following MD&A contains forward-looking statements. When used in this MD&A, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "seek", "propose", "estimate", "expect" and similar expressions, as they relate to the Company, are intended to identify forward-looking statements. In particular, this MD&A contains forward-looking statements with respect to, among other things, business objectives, expected growth, results of operations, performance, business projects and opportunities and financial results. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Such statements reflect the Company's current views with respect to future events based on certain material factors and assumptions and are subject to certain risks and uncertainties, including without limitation, changes in market competition, governmental or regulatory developments, changes in tax legislation, general economic conditions and other factors set out in the Company's public disclosure documents. Many factors could cause the Company's actual results, performance or achievements to vary from those described in this MD&A, including without limitation those listed above. These factors should not be construed as exhaustive. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this MD&A as intended, planned, anticipated, believed, sought, proposed, estimated or expected, and such forward-looking statements included in, or incorporated by reference in this MD&A, should not be unduly relied upon. These statements speak only as of the date of this MD&A. The Company does not intend, and does not assume any obligation, to update these forward-looking statements except as required by law. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement.

BUSINESS OVERVIEW

The Company

Questor is an international environmental oilfield services provider founded in late 1994 and headquartered in Calgary, Alberta, Canada with a field office located in Grande Prairie, Alberta. ClearPower, a subsidiary of Questor, has an office in Brooksville, Florida. The Company is focused on clean air technologies with activities in Canada, the United States, Europe and Asia. Questor designs and manufactures high efficiency combustion waste gas incinerators for sale or for use on a rental basis and also provides combustion-related oilfield services. The Company's proprietary incinerator technology destroys noxious or toxic hydrocarbon gases at 99.99% combustion efficiency, reduces operating costs for customers while enabling regulatory compliance, environmental protection and gaining the public's confidence. Questor is recognized for its particular expertise in the combustion of sour gas (H_2S). While Questor's current customer base operates primarily in the crude oil and natural gas industry, this technology is applicable to other industries such as landfills, water and sewage treatment, tire recycling and agriculture. Questor trades on the TSX Venture Exchange under the symbol "QST".

On January 31, 2014, Questor acquired 100% of the outstanding shares of ClearPower Systems Inc., ("ClearPower") a company incorporated in 2010 under the laws of the State of Delaware. ClearPower has developed technology that will translate waste heat from any source into power. The integration of waste heat from Questor's incineration process with the capability of the ClearPower technology is expected to present new opportunities for customers of either or both organizations. The accounts of ClearPower have been consolidated with Questor as have the accounts of its U.S. subsidiary – Questor Solutions and Technology, Inc. (QST) - incorporated November 14, 2014. All results discussed are on the consolidated basis in this MD&A.

Financial Highlights Summary – Second Quarter 2015

(Stated in Canadian dollars except shares outstanding)

For the	Three months ended June 30			Six months ended June 30		
	2015	2014	Increase (decrease)	**2015**	2014	Increase (decrease)
Revenue	**1,733,562**	4,502,651	(2,769,089)	**4,102,648**	7,718,088	(3,615,440)
Gross profit(1)	**648,753**	2,545,152	(1,896,399)	**1,848,292**	3,987,693	(2,139,401)
Adjusted EBITDA(1)	**352,240**	1,966,338	(1,614,098)	**1,276,396**	3,121,207	(1,844,811)
Profit for the period(2)	**85,696**	1,394,323	(1,308,627)	**577,678**	2,196,073	(1,618,395)
Cost of sales as a percent of revenue(1)	**62.6%**	43.5%	19.1%	**54.9%**	48.3%	6.6%
Cash generated from operations before movements in non-cash working capital(1)	**125,734**	2,087,203	(1,961,469)	**992,833**	3,342,268	(2,349,435)
Earnings per share - Basic	**$0.003**	0.055	($0.052)	**$0.022**	0.087	($0.065)
Earnings per share - Diluted	**$0.003**	0.053	($0.050)	**$0.022**	0.083	($0.061)
Total assets	**16,506,953**	16,156,941	350,012	**16,506,953**	16,156,941	350,012

Financial Highlights Summary – Second Quarter 2015 (cont'd)

(Stated in Canadian dollars except shares outstanding)

For the	Three months ended June 30			Six months ended June 30		
	2015	2014	Increase (decrease)	**2015**	2014	Increase (decrease)
Non-current liabilities	**221,764**	230,822	(9,058)	**221,864**	230,922	(9,058)
Shares outstanding[2]						
Basic	**25,919,540**	25,475,639	443,901	**25,879,925**	25,379,539	500,386
Diluted	**26,338,494**	26,478,434	(139,940)	**26,311,729**	26,364,696	(52,967)

(1) *Non-IFRS financial measure. Please see discussion in the Non-IFRS Financial Measures section of this MD&A.*
(2) *Weighted average number of shares*

Financial Highlights Summary - Quarterly

(Stated in thousands of Canadian dollars except per share amounts)

		2015		2014				2013	
		Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Revenue		**1,734**	2,369	1,570	3,127	4,503	3,215	2,602	2,990
Gross profit[1]		**649**	1,200	720	1,619	2,545	1,442	1,322	1,337
Adjusted EBITDA[1]		**352**	924	273	1,362	1,967	1,154	964	1,036
Profit and total comprehensive income		**143**	492	(129)	853	1,403	800	675	818
Earnings per share -	Basic	**$0.003**	0.02	0.00	0.03	0.06	0.03	0.02	0.03
-	Diluted	**$0.003**	0.02	0.00	0.03	0.05	0.03	0.02	0.03

(1) *Non-IFRS financial measure. Please see discussion in the Non-IFRS Financial Measures section of this MD&A.*

There are a number of factors contributing to quarterly variations that may not be reflective of Questor's future performance. The majority of the Company's operations are carried out in Western Canada and the United States where activity levels in the oilfield services industry are subject to a degree of seasonality due to volatility in the weather and temperatures. Oilfield services demand is driven by customer capital spending and drilling programs which are affected by crude oil and natural gas commodity prices, changes in legislation and seasonal behaviours. Other factors causing variation include the Company's mix of products sold and/or rented in each period, the mix of services delivered and the currency in which the sales are transacted.

FINANCIAL RESULTS ANALYSIS

Questor's consolidated financial information and the related discussion of consolidated financial results are for the three and six month periods ended June 30, 2015 and 2014.

Profit and Total Comprehensive Income

(Stated in Canadian dollars)

	For the three months ended June 30			For the six months ended June 30		
	2015	2014	Increase (decrease)	**2015**	2014	Increase (decrease)
Profit and total comprehensive income	**143,123**	1,402,558	(1,259,435)	**656,856**	2,202,658	(1,545,802)
Earnings per share - Basic	**$0.003**	0.055	($0.052)	**0.022**	0.087	($0.065)
Earnings per share - Diluted	**$0.003**	0.053	($0.050)	**0.022**	0.083	($0.061)

Total revenue was decreased by 61% this quarter compared to the previous year. Prolonged low commodity oil and gas prices have impacted our customers' activity and spending levels resulting in the revenue decline and the decrease in profit. Higher administrative expense, driven mainly by higher shared-based payments also contributed to the lower profit. These impacts were partially offset by higher rental revenue, higher incinerator and combustion services revenue and higher net foreign exchange gains in the second quarter of 2015 when compared to the same period of the prior year. Overall for the six months ended June 30, 2015 total revenue was 47% less than the same period of the prior year.

Revenue and Other Income

(Stated in Canadian dollars)

	For the three months ended June 30			For the six months ended June 30		
	2015	2014	Increase (decrease)	**2015**	2014	Increase (decrease)
Sale of goods	**517,245**	3,999,279	(3,482,034)	**1,973,504**	6,765,976	(4,792,472)
Incinerator rental revenue	**776,572**	412,332	364,240	**1,519,993**	670,691	849,302
Incinerator and combustion services	**439,745**	91,040	348,705	**609,151**	281,421	327,730
Revenue	**1,733,562**	4,502,651	(2,769,089)	**4,102,648**	7,718,088	(3,615,440)

Revenues from the cost of sales were lower in the three months ended June 30, 2015 when compared to the same period in the prior year driven mostly by a decrease in the number of units sold. All the unit sales this quarter were made in the U.S. Incinerator rental income offset this decline and increased by 88% for the quarter and was over 126% for the six months ended June 30, 2015 compared to the prior year, reflecting current customer preferences to rent rather than to outlay capital to own the equipment. Incinerator and combustion service revenue correspondingly increased this quarter with the higher rental activity in the U.S. and was generated from moving, setting up and commissioning the rental units. Revenue generated from the commissioning of units sold in prior quarters also contributed to the growth. Incinerator and combustion service revenue for the six months ended June 30, 2015 was up by 115% with the majority of the revenue growth in the U.S. Cost of sales as a percent of revenue (1) increased in this quarter as the percentage of lower margin revenue from incinerator and combustion services increased. A comparison of the revenue mix this second quarter to the similar quarter in the prior year shows sales were only 30% of the total revenue from 89% in the previous year. Similarly, the percentage of rental revenue increased from 9% to 45% in the quarter from 2014 to 2015. Service revenue went from 2% of total revenue in the second quarter of 2014 to 25% in this quarter.

Cost of Sales

(Stated in Canadian dollars unless otherwise noted)

	For the three months ended June 30			For the six months ended June 30		
	2015	2014	Increase (decrease)	**2015**	2014	Increase (decrease)
Cost of sales	**1,084,809**	1,957,499	(872,690)	**2,254,356**	3,730,395	(1,476,039)
Cost of sales as a percent of revenue(1)	**62.6%**	43.5%	19.1%	**54.9%**	48.3%	6.6%

(1) *Non-IFRS financial measure. Please see discussion in the Non-IFRS Financial Measures section of this MD&A.*

There are a number of variables that contribute to Questor's cost of sales as a percent of revenue (margin) in this quarter. It was influenced by the increased overall percentage of lower margin service revenue. Some of the Units sold and the revenue recognized in previous quarters were commissioned in this quarter generating additional service revenue. These variables also include the mix of unit sizes sold and the customer configuration specified for each unit, the mix of unit sizes rented, each of which size generates a different level of margin, as well as the fixed costs the Company must incur to maintain its operating capability.

The ratio has historically fallen within a relatively narrow range, with 2015 being at the higher end of the range this quarter. The ratio is impacted by the level and composition of the revenue stream and the level of fixed costs incurred in each period.

Administration Expenses

(Stated in Canadian dollars)

	For the three months ended June 30			For the six months ended June 30		
	2015	2014	Increase (decrease)	**2015**	2014	Increase (decrease)
Employee costs	**338,110**	318,232	19,878	**592,333**	544,375	47,958
Share-based payments	**58,558**	74,566	(16,008)	**153,877**	89,847	64,030
Consultants and contractors	**31,261**	34,678	(3,417)	**100,057**	75,317	24,740
Marketing/business development	**22,226**	10,708	11,518	**43,277**	24,128	19,149
Office costs	**57,295**	71,456	(14,161)	**112,477**	136,393	(23,916)
Corporate/regulatory compliance	**84,076**	45,799	38,277	**171,861**	149,100	22,761
Research and development	**61,463**	48,040	13,423	**280,656**	69,139	211,517
Other	**2,970**	2,245	725	**9,697**	4,581	5,116
Administration expenses	**655,959**	605,724	50,235	**1,464,235**	1,092,880	371,355

The main drivers for increased administration expenses, when comparing the six months ended June 30, 2015 to the same period of 2014, were higher share-based payments and higher research and development expenditures. The latter of which included costs incurred to certify certain of the Company's incinerators under Quad O regulation in the U.S. and costs for the development of the ClearPower ORC and the Company's water vaporization technology. Share-based payment expense increased as a result of share option grants in the second quarter of 2014 at strike prices much higher than for option grants in prior years due to the increase in the Company's share price. Driving the overall increase in employee costs was an increased staff count when comparing the first half of 2015 to the same period of the prior year. Corporate/regulatory compliance expenses are due to the introduction of director fees in the later months of 2014.

Net Foreign Exchange Gains (Losses)

(Stated in Canadian dollars)

	For the three months ended June 30			For the six months ended June 30		
	2015	2014	Increase (decrease)	**2015**	2014	Increase (decrease)
Realized	**(32,231)**	151,108	(183,339)	**189,711**	379,398	(189,687)
Unrealized	**204,753**	(185,155)	389,908	**283,563**	(270,291)	553,854
Net foreign exchange losses (gains)	**172,522**	(34,047)	206,569	**473,274**	109,107	364,167

Net foreign exchange gains were recorded in both the three and six month periods ended June 30, 2015 and 2014. The strengthening of the U.S. dollar compared to the Canadian dollar in 2015 had a more positive impact on the Company's sales and rental revenues denominated in U.S. dollars and collection timing of amounts outstanding in the first three months of 2015 when compared to the same period of 2014.

Depreciation of Property and Equipment

(Stated in Canadian dollars)

	For the three months ended June 30			For the six months ended June 30		
	2015	2014	Increase (decrease)	**2015**	2014	Increase (decrease)
Depreciation included in cost of sales	**117,242**	49,776	67,466	**221,095**	103,409	117,686
Depreciation included in expenses	**11,318**	13,973	(2,655)	**22,775**	25,937	(3,162)
Depreciation of property and equipment	**128,560**	63,749	64,811	**243,870**	129,346	114,524

New incinerators added to rental fleet in the three months ended June 30, 2015 increasing depreciation.

Amortization of Intangible Assets

(Stated in Canadian dollars)

	For the three months ended June 30			For the six months ended June 30		
	2015	2014	Increase (decrease)	**2015**	2014	Increase (decrease)
Amortization of intangible assets	**905**	1,332	(427)	**1,809**	1,637	172

Amortization of patent costs is charged evenly over the period the patents remain in force. The Company commenced amortizing the cost of engineering drawings acquired during the second quarter of 2014, which costs are expected to be charged evenly over a ten year period.

Income Tax Expense

(Stated in Canadian dollars)

	For the three months ended June 30			For the six months ended June 30		
	2015	2014	Increase (decrease)	**2015**	2014	Increase (decrease)
Current income tax	**52,165**	501,934	(449,769)	**278,693**	798,376	(519,683)
Deferred income tax	**25,033**	4,998	20,035	**16,943**	(4,225)	21,168
Income tax expense	**77,198**	506,932	(429,734)	**295,636**	794,151	(498,515)

The level of income tax expense relative to the profit before tax in each of the three and six months ended June 30, 2015 and 2014 reflects permanent differences between the accounting and tax bases of assets and liabilities. The calculated amounts for 2015 represent the consolidated provision for income tax which includes tax expense at higher statutory rates on income generated in the U.S. subsidiaries. Adjustment has also been made to deferred taxes to reflect the rate change in Alberta for current and future tax years.

OUTLOOK

Low commodity prices continue to cause a curtailment in activity throughout much of the oil and gas sector. Producers are seeking opportunities to reduce costs, defer capital spending and focus on more profitable areas. The uncertainty and concern over low oil prices in the market has translated into significant reductions in planned capital expenditures and this is evident with a reduction in sales revenue from 2014 to 2015. In the current economic environment, the option to rent equipment is attractive to both clients and the Company. Comparing rental revenue in 2014 to 2015 in Q1 and the first half of the respective years Questor has seen an increase of 88% in Q1 and 126% in the first half of 2015. There are strong indications that this increased trend toward rental demand with a slowdown in sales will continue into the second half of 2015 and into 2016. This confirms to management that it is vital to continue to market the rental fleet. We have recently added two new Q5000 units to the rental inventory which are scheduled for an Alberta well test in Q3 and the plan is to relocate these units to Colorado in 2016 to address the continuing demand in that region. The solutions that Questor provides enable its customers to reduce costs, comply with regulations and improve the profitability of their operations and these qualities are particularly important during downturns.

Strengthened regulations in the U.S. have caused an increased demand for Questor's technology. On April 17, 2013, the United States Environmental Protection Agency (EPA) issued regulations to reduce harmful air pollution arising out of crude oil and natural gas industry activities with a particular focus on the efficient destruction of volatile organic compounds (VOC's) and Hazardous air pollutants (HAP's). A key marketing strategy will be to highlight the value of Questor's unique ability to address air quality issues associated with tank and gas dehydration emissions and meet the new standards. The superior performance of Questor's products and demonstrated operational success has led certain customers to specify the Company's equipment as a best practice. The successful completion of the EPA's Quad O testing for combustion devices earlier this year positions Questor as a reliable choice. Recent regulations in the U.S. have also focused on methane emission reductions especially as they have a heightened impact on climate change. The Global Warming Potential (GWP) of methane is 25 times higher than that of CO_2 and therefore venting or inefficient combustion increases the greenhouse gases emitted. Questor will also closely monitor where regulations are enforced and ensure that our sales efforts are matched appropriately.

While continuing to meet demand in Canada a key area of focus for 2015 and into 2016 is to continue to expand the Company's presence in the United States. The downturn in the market has created an opportunity to attract new talent and the company has recently added staff to its sales and marketing team who will focus on increasing incinerator sales and rentals in the U.S. and Canada. This has also created opportunities to add U.S. based sales staff in strategic areas such as the Rocky Mountain region and certain areas within Texas.

To assist with sales efforts Management is focussed on hiring sales personnel on a regional basis. Colorado and the Rocky Mountain region is one large key area that Management is actively recruiting for as well as in Texas where the TCEQ is aggressively enforcing regulations in critical areas of activity, such as the Eagleford. In order to penetrate these markets it is vital to retain sales staff that is familiar with the region and the producers in those areas. In addition Management is also looking at other partnerships to add to this sales initiative in these areas that continue to have a base level of activity during this period of curtailment.

Questor quickly recognized that the economics at lower oil pricing was an area that can be positively impacted with technology diversification and water vaporization continues to be developed which is expected to reshape how marginal wells are produced. With elevated costs for water transportation and disposal Questor, has designed a means to compliantly vaporize the produced water which will significantly reduce one of the largest operating expenses that producers face. A pilot demonstration is planned for early Q4 with full commercialization to follow. This will be aggressively marketed to those regions where water handling are prohibitive for higher water cut wells. Western Canada is known to contain thousands of wells may be the first candidate locations for this technology. Certain areas in the U.S. also experience high water handling costs and we will be offering this in those areas as well.

Questor acquired ClearPower Systems Inc. ("ClearPower") in early 2014, and has invested funds to further develop the technology that transforms waste heat from any source into power. Testing of the revised prototype unit was completed this quarter with results that exceeded expectations. The unit in testing generated in excess of 65kW of power. This unit will be moved to the Grande Prairie facility in preparation for further testing in combination with our incinerator prior to the field demonstration. Questor is now marketing this technology and, based on the early interest, the first sale is anticipated prior to year-end.

In addition to satisfying a growing demand in the U.S. it is also strategically important with the current exchange rate. Sales and rental revenue from U.S. activity is important during this period when the Canadian dollar is relatively low. Questor's focus and goal is to add to the rental revenue and to do so by aggressively pursuing areas of higher activity in the U.S. and where new regulations are requiring changes.

Since Questor's inception, the Company has experienced several business cycles and management understands how to adapt its focus through a downturn. During this cycle the weakened Canadian dollar makes it a clear choice to focus on generating revenue in the US. A major customer in the Colorado has committed to utilizing our technology and this has prompted us to open an office in the area to better serve a number of producers. In addition we will have a fully trained technician to provide swift service and we see this as a key move to strengthen our presence and look to leverage this in serving new clients. In addition to Colorado, Questor will pursue the Rocky Mountain region, which includes several neighboring states, and also select areas within Texas. Our recruitment of sales representatives will be more aggressive in those areas which are also areas where newer regulations are being enforced by the respective state regulators.

With an increased focus in the US and an emphasis on adding sales staff to reach clients in those areas Questor plans to significantly add to its sales and rental presence. In addition to its value proposition around clean combustion and ensuring that our clients understand how Questor reduces operating costs, we plan to commercialize water vaporization. This technology is expected to significantly reduce operating expenses and allow producers to flow wells that were deemed uneconomic prior. For the remainder of 2015 and into 2016 Questor will focus on rental opportunities as industry is expected to be more capital sensitive during this low economic cycle. And finally, we will be aggressively marketing the market-ready heat to power technology. In recognizing how we need to adapt to better serve industry we view these strategies as key in our success into the next year.

FINANCIAL POSITION

The following table outlines the significant changes in Questor's financial position from December 31, 2014 to June 30, 2015.

Statement of financial position item	Increase (decrease)	Explanation
Cash and cash equivalents	(709,901)	The decrease is due in part to funding research and development and to the impact of the current economic environment on the Company top line revenue.
Trade and other receivables	(343,077)	The decrease is due to the timing of revenue generating activities and collection of amounts due in the first half of 2015.
Inventories	(506,940)	The decrease is due to the transfer of incinerators to the rental fleet.
Property and equipment	627,532	The increase is due to the transfer of incinerators to the rental fleet.
Intangible assets	1,106,319	The increase is the result of the Company's investing in the development of waste heat to power technology offset by amortization of the patent and drawings.
Trade payables, accrued liabilities and provisions	(395,574)	The decrease relates to the composition and timing of the business activities, particularly incinerator construction.
Current tax liabilities	(417,647)	The decrease is due to final tax remittances for 2014 paid in the first half of 2015 offset by the recording of a provision for the 2015 year to date corporate income tax liability.

INVESTED CAPITAL

The invested capital of $1,163,128 in the six months ended June 30, 2015, is mainly the investment of $1,108,128 in the development of the ClearPower waste heat to power technology. Subsequent to the end of the quarter, Questor received funding from Sustainable Development Technology Canada ("SDTC") for this project.

LIQUIDITY AND CAPITAL RESOURCES

Questor historically has used debt and equity financing to the extent that funds generated from operations, cash balances and deposits received from customers in respect of a sale where insufficient to fund capital expenditures and working capital changes. At this time, management does not reasonably expect any presently known trend or uncertainty to affect the Company's ability to access its anticipated sources of cash. Management further expects that 2015 cash generated from operations and current cash deposit amounts will be sufficient to meet budgeted operating and capital requirements.

Cash Flows

(Stated in Canadian dollars unless otherwise noted)

For the six months ended June 30	**2015**	2014	Increase (decrease)
Cash and cash equivalents at the beginning of period	$5,640,570	$7,323,303	(1,682,733)
Cash provided by (used in):			
Operating activities	**233,989**	(449,988)	683,977
Investing activities	**(1,163,128)**	(1,345,755)	182,627
Financing activities	**56,875**	101,425	(44,550)
Effect of exchange rate changes on cash	**162,363**	6,585	155,778
Cash and cash equivalents at end of the period	**4,930,669**	$5,635,570	(704,901)

Operating Activities

The change is due to the different profile of revenue compared to receipts incurred by the Company in the period.

Working Capital

(Stated in Canadian dollars unless otherwise noted)

As at	**June 30 2015**	December 31 2014	Increase (decrease)
Current assets	**9,411,034**	11,064,976	(1,653,942)
Current liabilities	**850,367**	1,632,534	782,167
Working capital	**8,560,667**	9,432,442	(871,775)
Current ratio	**11.1**	6.8	

Investing Activities

The investing activities comprised expenditures as described in the Invested Capital section of this MD&A.

Financing Activities

Financing activities in the six months ended June 30, 2015 were restricted to the receipt of cash on the exercise of options by employees in the period.

Capital Resources

Management believes that Questor's cash deposits and cash generated from operations will provide sufficient capital resources and liquidity to fund existing operations and anticipated capital requirements in 2015.

As at June 30, 2015, the Company had cash and cash equivalents of $4,930,669 compared to $5,640,570 at December 31, 2014. The foreign currency composition of the cash balances is described in Note 3 to the unaudited condensed consolidated financial statements as at and for the six months ended June 30, 2015. The use of cash during first quarter 2015 is described in the Financial Position and Liquidity and Capital Resources sections of this MD&A.

The credit facilities to which the Company has access are described in Note 11 to the audited consolidated financial statements as at and for the year ended December 31, 2014. As of the date of this MD&A, no amounts are drawn against the facilities.

All of the borrowing facilities from the chartered bank have financial tests and other covenants customary for these types of facilities. At the end of each fiscal quarter the Company's debt-to-tangible-net-worth must be less than 2.50, working capital ratio must be greater than 1.25 and debt service coverage ratio must be in excess of 1.25. Questor was in compliance with these covenants at December 31, 2014 and the end of each fiscal quarter in 2014 and in 2015 to date.

Contractual Obligations and Commitments

The Company's commitments are described in Note 24 to its audited consolidated financial statements as at and for the year ended December 31, 2014. Management has not entered into any new commitments during the six month period ended June 30, 2015.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist, from time to time, of cash and cash equivalents, short-term investments, trade and other receivables, short-term and long-term borrowings and trade payables, accrued liabilities and provisions. The carrying amounts of the current financial assets and current financial liabilities recognized in the Company's financial statements at the end of each reporting period approximate their fair value due to their short period to maturity. The carrying value of short-term borrowings would approximate their fair value as they bear interest at a floating interest rate as described in Note 11 to the Company's audited annual consolidated financial statements as at and for the year ended December 31, 2014. The carrying value of long-term borrowings also would approximate fair value as the fair value of long-term borrowings would be estimated using discounted cash flows based on current rates of interest. At June 30, 2015 and December 31, 2014 there were no short-term or long-term borrowings outstanding. The Company did not hold or issue any derivative financial instruments during 2014 or in 2015 to date.

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. At June 30, 2015 and December 31, 2014 there was no impairment required on any of the financial assets of the Company.

The Company is exposed to market risk and potential loss from changes in the value of financial instruments. These risks are described in Note 23 to the Company's audited consolidated financial statements as at and for the year ended December 31, 2014.

The Company is exposed to market risk and potential loss from changes in the value of financial instruments. These risks are described in Note 22 to the Company's audited annual financial statements as at and for the year ended December 31, 2014.

BUSINESS CONDITIONS AND RISK MANAGEMENT

The Company is exposed to a number of business risks with the potential to affect financial performance as detailed in the MD&A issued by the Company for the year ended December 31, 2014. Since December 31, 2014, there have been no material changes to the uncertainties and risk factors facing Questor.

TRANSACTIONS WITH RELATED PARTIES

The Company's transactions with related parties are described in Note 25 to its audited consolidated financial statements as at and for the year ended December 31, 2014. Management has not entered into any new transactions during the six month period ended June 30, 2015.

OFF-BALANCE-SHEET ARRANGEMENTS

The Company's obligations under guarantees are not recognized in the financial statements but are disclosed. At June 30, 2015 and December 31, 2014, the Company had not entered into any off-balance-sheet arrangements.

SHARE CAPITAL

The following table presents the common shares and share options issued and outstanding at:

As at	**August 28 2015**	**June 30 2014**	December 31 2014
Shares issued and outstanding	**25,964,870**	**25,964,870**	25,839,870
Share options outstanding	**880,500**	**880,500**	1,180,500
Share options exercisable	**414,500**	**414,500**	155,000

On April 15, 24, 25 and 26, 2015, 384,500 options of those granted between 2011 and 2014 vested.

On May 4, 2015 three employees exercised a total of 125,000 options to acquire shares at strike prices of $0.28 and $0.53 per share.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Company's unaudited condensed financial statements are based on International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), and have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34"). The accounting policies and methods of computation used in preparing these unaudited condensed consolidated financial statements are consistent with those used in the preparation of the audited 2014 annual consolidated financial statements.

In the application of the Company's accounting policies, the Company is required to make judgements, estimates and assumptions that affect the carrying amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the 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 most critical of these policies with respect to estimates are those related to componentization and useful lives of property and equipment and intangible assets, impairment of non-financial assets, share-based payments and taxation. These critical judgements in applying accounting policy and other key sources of estimation uncertainty are described in Note 2 to the audited consolidated financial statements as at and for the year ended December 31, 2014.

NEW ACCOUNTING POLICIES

As of January 1, 2015, the Company adopted new IFRS standards and amendments in accordance with the transitional provisions of each standard. A brief description of each new standard and its impact on the Company's financial statements was contained in Note 2 to the unaudited condensed consolidated financial statement as at and for the period ended March 31, 2015.

NON-IFRS FINANCIAL MEASURES

This MD&A contains references to certain financial measures that do not have a standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other entities. The purpose of these financial measures and their reconciliation to IFRS financial measures is discussed below.

Gross Profit

(Stated in Canadian dollars)

	Three months ended June 30		Six months ended June 30	
For the	**2015**	2014	**2015**	2014
Gross profit	**648,753**	2,545,152	**1,848,292**	3,987,693
Add:				
Other income	**9,801**	11,179	**40,567**	13,878
Deduct:				
Administration expenses	**655,959**	605,724	**1,464,235**	1,092,880
Net foreign exchange losses (gains)	**(172,522)**	34,047	**(473,274)**	(109,107)
Depreciation of property and equipment	**11,318**	13,973	**22,775**	25,937
Amortization of intangible assets	**905**	1,332	**1,809**	1,637
Income tax expense	**77,198**	506,932	**295,636**	794,151
Exchange differences on translating foreign operations	**(57,427)**	(8,235)	**(79,178)**	(6,585)
Profit and total comprehensive income (IFRS financial measure)	**143,123**	1,402,558	**656,856**	2,205,658

Gross profit is a measure of the Company's operating profitability. Gross profit provides an indication of the results generated by the Company's principal business activities before corporate activities and costs and prior to accounting for how these activities are financed, assets are amortized or how the results are taxed. Gross profit is calculated from the Statement of Comprehensive Income and is defined as revenue less cost of sales.

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)

(Stated in Canadian dollars)

For the	Three months ended June 30 **2015**	2014	Six months ended June 30 **2015**	2014
ADJUSTED EBITDA	**352,240**	1,966,338	**1,276,396**	3,121,207
Deduct:				
Depreciation of property and equipment (including amount in cost of sales)	**128,560**	63,751	**243,870**	129,346
Amortization of intangible assets	**905**	1,332	**1,809**	1,637
Share-based payments	**59,881**	-	**157,403**	-
Income tax expense	**77,198**	506,932	**295,636**	794,151
Exchange differences on translating foreign operations	**(57,427)**	(8,235)	**(79,178)**	(6,585)
Profit and total comprehensive income (IFRS financial measure)	**143,123**	1,402,558	**656,856**	2,202,658

EBITDA is also a measure of the Company's operating profitability. EBITDA provides an indication of the results generated by the Company's principal business activities prior to accounting for how these activities are financed, assets are amortized or how the results are taxed. EBITDA is calculated from the Statement of Comprehensive Income and is defined as gross profit plus other income less administration expenses, and net foreign exchange gains and losses.

Cost of Sales as a Percent of Revenue

(Stated in Canadian dollars unless otherwise noted)

For the	Three months ended June 30 **2015**	2014	Six months ended June 30 **2015**	2014
Cost of sales (IFRS financial measure)	1,084,809	1,957,499	2,254,356	3,730,395
Revenue (IFRS financial measure)	1,733,562	4,502,651	4,102,648	7,718,088
Cost of sales as a percent of revenue	62.6%	43.5%	54.9%	48.3%

Cost of sales as a percent of revenue is a measure of the Company’s operating profitability generated by the Company's principal business activities prior to administration expenses and how these activities are financed or results are taxed. Cost of sales as a percent of revenue is calculated from the Statement of Comprehensive Income and is defined as cost of sales divided by revenue where revenue does not include other income.

Cash Generated from Operations before Movements in Non-Cash Working Capital

(Stated in Canadian dollars)

For the six months ended June 30	**2015**	2014
Cash generated from operations before movements in non-cash working capital	**992,833**	3,342,268
Movements in non-cash working capital	**(101,648)**	(3,045,341)
Income taxes paid	**(657,196)**	(746,915)
Net cash generated from (used in) operating activities (IFRS financial measure)	**233,989**	(449,988)

Cash generated from operations before movements in non-cash working capital is used to assist management and investors in analyzing operating performance, after interest and taxes, without regard to the impact of foreign exchange gains or losses to cash and to changes in the Company's non-cash working capital in the period. Cash generated from operations as presented should not be viewed as an alternative to net cash generated from operating activities, or other cash flow measures calculated in accordance with IFRS. Cash generated from operations before movements in non-cash working capital is calculated from the Statement of Cash Flows and is defined as net cash generated from operating activities before changes in non-cash working capital and income taxes paid.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Alberta Securities Commission, and the securities commissions in the other jurisdictions in which Questor is registered, has exempted venture issuers from certifying to the establishment and maintenance of disclosure controls and procedures as well as internal controls over financial reporting. As a venture issuer, Questor is required under National Instrument 52-109 to file basic certificates which the Company has done for each fiscal quarter since the exemption came into effect on December 31, 2007.

The Company is cognizant of the impact that good internal controls have with regards to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation. The Company continues to maintain, wherever practical, disclosure controls and procedures designed to ensure that information required to be disclosed in reports filed or submitted under applicable securities legislation is accumulated and communicated to management, including the certifying officers, to allow timely decisions and actions regarding required disclosure. The Company also endeavours to establish and maintain adequate internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements.