MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management Discussion and Analysis ("MD&A") for Questor Technology Inc. ("Questor" or the Company") has been prepared by management as of November 6, 2017 and is a review of the Company's financial condition and results of operations based on International Financial Reporting Standards (IFRS).

The focus of this MD&A is a comparison of the financial performance for the three months ended September 30, 2017 and 2016. It should be read in conjunction with the interim consolidated financial statements for the three months ended September 30 2017 as well as the audited consolidated financial statements and MD&A for the year ended December 31, 2016.

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 consolidated 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.

QUESTORS'S BUSINESS

Questor is a public, international environmental cleantech Company founded in late 1994 and headquartered in Calgary, Alberta, with field offices located in; Grande Prairie, Alberta; Brighton, Colorado; and Brooksville, Florida. The Company is active in Canada, the United States, Europe and Asia and is focused on clean air technologies that safely and cost effectively improves air quality, supports energy efficiency and greenhouse gas emission reductions.

Questor designs, manufactures and services high efficiency waste gas incinerator systems. The Company also provides combustion and burner-related services; as well as, power generation systems and water treatment solutions. Our proprietary incinerator technology is utilized worldwide in the effective management of methane, hydrogen sulphide gas, volatile organic hydrocarbons, hazardous air pollutants and BTEX gases ensuring sustainable development, community acceptance and regulatory compliance. Questor and its subsidiary, ClearPower Systems are providing solutions for landfill biogas, syngas, waste engine exhaust, geothermal and solar, cement plant waste heat in addition to a wide variety of oil and gas projects in Canada, throughout the United States, the Caribbean, Western Europe, Russia, Thailand, Indonesia and China.

With a focus on solid engineering design, its products enable Questor's clients to operate cost effectively in an environmentally responsible and sustainable manner.

Questor trades on the TSX Venture Exchange under the symbol 'QST'.

FINANCIAL OVERVIEW – THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017 VERSUS 2016

CONSOLIDATED HIGHLIGHTS

	Three Months Ended September 30		Nine Months Ended September 30	
	2017	2016	**2017**	2016
(stated in CDN$) *(unaudited)*	***($)***	*($)*	***($)***	*($)*
Revenue	**5,686,227**	1,674,587	**12,645,976**	4,595,653
Gross Profit (1)	**3,208,582**	794,491	**7,033,076**	1,576,238
Adjusted EBITDA(1)	**2,247,918**	225,796	**4,694,400**	(176,172)
Profit (Loss) for the period	**1,425,433**	(96,484)	**2,800,626**	(689,131)
Per share — basic	**0.06**	(0.00)	**0.11**	(0.03)
Per share — diluted	**0.05**	(0.00)	**0.11**	(0.03)

As at	**September 30, 2017**	December 31, 2016
Working capital, end of period	**6,736,722**	7,595,068
Total assets, end of period	**22,008,334**	16,346,546
Total equity, end of period	**17,757,825**	14,765,975

(1) Refer to "Non-GAAP Measures" on pages 12 and 13 for further information.

OVERVIEW

- Revenue increased $4.0 million for the 3 months and $8.0 million for the 9 months ending September 30, 2017 versus the same periods of 2016 :
    - Incinerator rental revenue for the three months ended September 30, 2017 increased $2.1 million versus the same period of 2016, and increased $4.5 million for the nine months ended September 30, 2017 versus the same period of 2016;
    - Revenue from incinerators sales during the three months ended September 30, 2017 increased $1.7 million versus the same period of 2016 and increased $3.0 million for the nine months ended September 30, 2017 versus the same period of 2016;
    - The Company invested $4.8 million in rental units since September 30, 2016. The investment resulted in expanding the rental pool by 23 units and added a new rental revenue stream with 14 detachable stack tops. All of the rental expansion equipment has been mobilized to Colorado;
    - Colorado's active oil and gas market combined with the State's regulated enclosed combustion requirements is a strong driver for the Company's proprietary combustion technology;
    - Rental utilization during the three months ended September 30, 2017 increased 58% versus the same period of 2016, and increased 85% for the nine months ended September 30, 2017 versus the same period of 2016

- Gross profit increased $2.4 million for the 3 months and $5.4 million for the 9 months ending September 30, 2017 versus the same periods of 2016 as result of higher sales and rental revenue.

- EBITDA increased $2.0 million for the 3 months and $4.9 million for the 9 months ending September 30, 2017 versus the same periods of 2016 as a result of:
    - Increased gross profit as described;
    - Offset partially by unrealized foreign exchange losses.

- Incurred capital expenditures of $2.0 million for the 3 months and $4.5 million for the 9 months ending September 30, 2017.

CONSOLIDATED

Three Months Ended September 30	**2017**	2016	Change
(stated in CDN$) *(unaudited)*	*($)*	*($)*	*(%)*
Revenue	**5,686,227**	1,674,587	>100
Cost of Sales	**2,477,645**	880,096	>100
Gross Profit (1)	**3,208,582**	794,491	>100
Gross Profit (%)	**56**	**47**	19

(1) Refer to "Non-GAAP Measures" on pages 12 and 13 for further information.

REVENUE

Revenue for the three months ended September 30, 2017 was $5.7 million versus $1.7 million in 2016, for an increase of $4.0 million. The following is a breakdown of revenue by the major service lines comprised of rentals, sales and services. Incinerator rentals were $3.2 million versus $1.1 million in the same period of 2016. Incinerator sales were $2.2 million versus $0.5 million the same period of 2016. Incinerator service revenue was $0.3 million versus $0.2 million in the same period of 2016.

Rentals

Revenue from incinerators rentals during the three months ended September 30, 2017 increased 190% versus the same period of 2016. The increase is result of the combined effect of capital invested expanding the rental fleet and significantly higher rental utilization during the three months ended September 30, 2017 versus the same period of 2016.

Questor invested $4.8 million in rental unit expansion since September 30, 2016. The investment resulted in expanding the rental pool by 23 units and added a new rental revenue stream with 14 detachable stack tops. All of the rental expansion equipment has been mobilized to Colorado.

The detachable stack tops allow clients to purchase a base level of capacity and rent additional capacity throughput to meet the shorter term demands of high initial production. The benefits to the client are lower capital and operating costs, reduced lease foot print, and elimination of the tallest, most visually impactful equipment at production facilities.

Rental utilization during the three months ended September 30, 2017 increased 58% versus the same period of 2016. Utilization for the three months ended September 30, 2016 was lower as the Company was in the process of reallocating a portion of the existing rental equipment from Canada to the US region. The reallocation resulted in non-reoccurring transportation costs from Alberta to Colorado and also non-reoccurring interruption to rental revenue streams during the transit period.

Sales

Incinerator sales increased $1.7 million versus the same period of 2016. In the first quarter of 2017, Questor received a $4.0 million order from a key customer for hybrid units to be delivered during 2017. Approximately 40% of the order was delivered in the third quarter of 2017. Comparatively, the Company delivered units for two smaller projects during the third quarter of 2016.

The Company expects demand for the purchase of incinerators will vary from period to period due to constraints on capital spending in the North American oil and gas sector as oil and gas prices remain low.

Service

Incinerator service revenue increased during the first quarter of 2017 versus the same period of 2016 due to increased rental and sales commissioning projects.

GROSS PROFIT (LOSS)

Gross Profit for the three months ended September 30, 2017 was $3.2 million versus $0.8 million in 2016, for an increase of $2.4 million. The $2.4 million increase in gross profit was the result of higher rental and sales revenue.

The $2.1 million rental revenue increase for the three months ended September 30, 2017, as discussed above, increased gross profit by $1.6 million versus the same period in 2016. Increased sales revenue contributed to additional gross profit of $0.6 million versus the same period in 2016.

CORPORATE

Three Months Ended September 30	**2017**	2016	Change
(stated in CDN$) *(unaudited)*	***($)***	*($)*	*(%)*
Gross Profit[1]	**3,208,582**	794,491	>100
less corporate costs :			
Administration expenses	**911,285**	823,625	11
Administration equipment depreciation	**19,576**	(1,608)	>(100)
Amortization of intangible assets	**1,811**	905	100
Net foreign exchange losses (gains)	**327,443**	(49,258)	>(100)
Other (income)	**(340)**	(6,983)	(95)
Profit before tax	**1,948,807**	27,810	>100
Income Tax	**523,374**	124,294	>100
Profit (Loss) for the period	**1,425,433**	(96,484)	>100

[1] *Refer to "Non-GAAP Measures" on pages 12 and 13 for further information.*

ADMINISTRATIVE EXPENSES

Administration expenses during the three months ended September 30, 2017 increased 11% versus the same period of 2016. The majority of the increase during the quarter is result of accrued incentive compensation recorded during the period. The Company is expected to exceed targets set for the fiscal year which will trigger incentive compensation payments.

Administration infrastructure is consistent with the prior year. There have been minimal changes to both headcount and administration operating infrastructure.

The most significant change to administration costs for 2017 is related to Questor's expansion into the United States. This has resulted in an overall increase in corporate costs primarily related to tax filing and tax advisory services. The fees related to these services will vary from quarter to quarter but will trend higher in 2018.

DEPRECIATION

Administration depreciation increased as the Company relocated its head office during Q2 2017 and invested in new administrative equipment.

There was a depreciation reclassification in the prior year, moving depreciation expense from administration to operations.

AMORTIZATION OF INTANGIBLE ASSETS

The Company has incurred $2.8M of development expenses relating to the waste heat to power technology. The development expenses have been recorded to intangible assets. The Company has not amortized any of the waste heat to power development expenses as the technology has not reach the commercialization stage. The Company received $0.6M of funding from Sustainable Development Technology Canada (SDTC) for the development of the waste heat to power technology relating the development expenditures already incurred. The funding was recorded to intangible assets, effectively reducing the development expenses relating to the waste heat to power technology.

FOREIGN EXCHANGE LOSSES

The Company recorded an unrealized $0.3 million foreign exchange loss during the third quarter 2017 versus a gain of $0.05 million in the same period of 2016. Foreign exchange gains and losses arise from the translation of net monetary assets or liabilities that were held in U.S. dollars. The foreign exchange losses incurred during the quarter was attributable to the translation of U.S. dollar-denominated monetary assets which depreciated against the Canadian dollar over the quarter. The Company transacts a significant majority of its revenue in the United States and carries US receivables and cash balances.

INCOME TAX

The increased tax expense is primarily result of improved earnings as discussed above. The effective tax rate is higher than the Canadian enacted tax rates due to higher tax rates for our US operations and permanent differences related to stock compensation, unrealized foreign exchange losses and non-deductible meals, travel and entertainment.

CONSOLIDATED

Nine Months Ended September 30,	**2017**	2016	Change
(stated in CDN$) *(unaudited)*	*($)*	*($)*	*(%)*
Revenue	**12,645,976**	4,595,653	>100
Cost of sales	**5,612,900**	3,019,415	86
Gross profit[(1)]	**7,033,076**	1,576,238	>100
Gross profit (%)	**56**	34	65

(1) Refer to "Non-GAAP Measures" on pages 12 and 13 for further information.

REVENUE

Revenue for the nine months ended September 30, 2017 was $12.7 million versus $4.6 million in 2016, for an increase of $8.1 million. The following is a breakdown of revenue by the major service lines comprised of rentals, sales and services. Incinerator rentals were $6.8 million versus $2.3 million in the same period of 2016. Incinerator sales were $4.9 million versus $1.9 million in the same period of 2016. Incinerator service revenue was $0.9 million versus $0.4 million in the same period of 2016.

Rentals

Revenue from incinerators rentals during the nine months ended September 30, 2017 increased 200% versus the same period of 2016. The increase is a result of the combined effect of capital invested expanding the rental fleet and significantly higher rental utilization during the nine months ended September 30, 2017 versus the same period of 2016.

Questor has invested $4.8 million in rental unit expansion since September 30, 2016. The investment resulted in expanding the rental pool by 23 units and added a new rental revenue stream with 14 detachable stack tops. All of the rental expansion equipment has been mobilized to Colorado.

The detachable stack tops allow clients to purchase a base level of capacity and rent additional capacity throughput to meet the shorter term demands of high initial production. The benefits to the client are lower capital and operating costs, reduced lease foot print, and elimination of the tallest, most visually impactful equipment at production facilities.

Rental utilization during the nine months ended September 30, 2017 increased 85% versus the same period of 2016. Utilization for the nine months ended September 30, 2016 was lower as the Company reallocated a portion of the existing rental equipment from Canada to the US region. The reallocation resulted in non-reoccurring transportation costs from Alberta to Colorado and also non-reoccurring interruption to rental revenue streams during the transit period.

Sales

Incinerator sales increased $3.0 million versus the same period of 2016. In the first quarter of 2017, Questor received a $4.0 million order from a key customer for hybrid units to be delivered during 2017. Approximately 87% of the order was delivered in the nine months ended September 30, 2017.

Service

Incinerators service revenue increased during the first quarter of 2017 versus the same period of 2016 due to increased rental and sales commissioning activity.

GROSS PROFIT

Gross Profit for the nine months ended September 30, 2017 was $7.0 million versus $1.6 million in 2016, for an increase of $5.4 million. The $5.4 million increase in gross profit was the result of higher rental and sales revenue.

The rental revenue increase for the nine months ended September 30, 2017, as discussed above, increased gross profit by approximately $3.6 million versus the same period in 2016. Increased sales revenue contributed to additional gross profit of $1.4 million versus the same period in 2016.

CORPORATE

Nine Months Ended September 30,	**2017**	2016	Change
(stated in CDN$)	*($)*	*($)*	*(%)*
(unaudited)			
Gross profit [1]	**7,033,076**	1,576,238	>100
less corporate costs :			
Administration expenses	**2,472,858**	2,367,502	4
Administration equipment depreciation	**34,611**	31,866	9
Amortization of intangible assets	**2,716**	2,717	0
Net foreign exchange	**567,729**	121,028	>100
Other expense (recovery)	**5,396**	(190,904)	>(100)
Profit (loss) before tax	**3,949,766**	(755,971)	>100
Income Tax (Recovery)	**1,149,140**	(66,840)	>100
Profit (Loss) for the period	**2,800,626**	(689,131)	> 100

(1) Refer to "Non-GAAP Measures" on pages 12 and 13 for further information.

ADMINISTRATIVE EXPENSES

Administration expenses during the nine months ended September 30, 2017 increased 4% versus the same period of 2016. The majority of the increase during the quarter is a result of accrued incentive compensation recorded during the period. The Company is expected to exceed targets set for the fiscal year which will trigger incentive compensation payments.

Administration infrastructure is consistent with the prior year. There have been minimal changes to both headcount and administration operating infrastructure. The most significant change to administrative costs for 2017 is related to Questor's expansion into the United States. This has resulted in an overall increase in corporate costs primarily related to tax filing and advisory services. The fees related to these services will vary from quarter to quarter but will trend higher in 2018. Insurance costs have also increased due to a high mix of work performed in the United States. The Company is required to carry additional policies specific to the US and incremental coverage for increased activity.

DEPRECIATION

Administration depreciation increased as the Company relocated its head office during Q2 2017 and invested in new administrative equipment.

AMORTIZATION OF INTANGIBLE ASSETS

The Company has incurred $2.8M of development expenses relating to the waste heat to power technology. The development expenses have been recorded to intangible assets. The Company has not amortized any of the waste heat to power development expenses as the technology has not reach the commercialization stage. The Company received $0.6M of funding from Sustainable Development Technology Canada (SDTC) for the development of the waste heat to power technology relating the development expenditures already incurred. The funding was recorded to intangible assets, effectively reducing the development expenses relating to the waste heat to power technology.

FOREIGN EXCHANGE LOSSES

The Company has recorded an unrealized $0.5 million foreign exchange loss for the nine months ending September 30, 2017 versus $0.1 million in the same period of 2016. The foreign exchange loss recorded during the period was attributable to the translation of U.S. dollar-denominated monetary assets which depreciated against the Canadian dollar over the last two quarters. The Company transacts a significant majority of its revenue in the United States and carries US receivables and cash balances.

OTHER INCOME

The Company wrote-off $0.7 million of receivables in 2015 as result of two customers filing chapter 11 bankruptcies. The Company was able to recover $0.2 million of the bad debt during the third quarter of 2016.

INCOME TAX

The increased tax expense is primarily the result of improved earnings as discussed above. The effective tax rate is higher than the Canadian enacted tax rates due to higher tax rates for our US operations and permanent differences related to stock compensation, unrealized foreign exchange losses and non-deductible meals, travel and entertainment.

LIQUIDITY AND CAPITAL RESOURCES

	Three Months Ended September 30		Nine Months Ended September 30	
	2017	2016	**2017**	2016
(stated in CDN$) *(unaudited)*	**($)**	($)	**($)**	($)
Cash provided by (used in):				
Operating activities	**1,125,988**	45,126	**1,453,987**	1,613,891
Financing activities	**-**	127,400	**3,500**	133,025
Investing activities	**(2,228,859)**	22,551	**(4,966,788)**	(1,007,209)
(Decreased) Increased in cash	**(1,102,871)**	195,077	**(3,509,301)**	739,707

OPERATING ACTIVITIES

The Company's "cash provided by" operating activities for the three months ended September 30, 2017 was $1.1 million versus $0.05 million cash for the same period in 2016 and $1.5 for the nine months ended September 30, 2017 versus $1.6 million for the same period in 2016. The increases in "cash provided by" are the result of higher profitability offset by increases in receivables and deposits made on equipment purchases. The increases in receivables and deposits are reflected in "movements in non-cash working capital" as shown in the financial statements.

FINANCING ACTIVITIES

The Company has financed its operating and capital requirements through working capital.

The Company has available a revolving demand operating loan to a maximum of $560,000. The Company made no draws on its revolving demand operating loan during the three and nine months ended September 30, 2017. The revolving demand operating loan bears interest at bank prime plus 1 percent per annum. The Company has provided a general security agreement and an assignment of insurance proceeds as security. Up to $100,000 of this loan is available to secure the issue of letters of credit and/or letters of guarantee for suppliers. At September 30, 2017, the Company had no outstanding letters of guarantee on this facility.

The availability of this facility is also subject to the Company meeting certain financial covenants. As shown in the table below, at September 30, 2017, the Company was in compliance with the financial covenants associated with its credit facilities.

	Covenant	**Actual**
As at September 30,	2017	**2017**
Working capital ratio not to fall below	1.25x	**2.42x**
Debt service ratio must be greater than 1.25	4.50x	***no debt***
Debt to tangible net worth not to fall below	2.5x	***no debt***

INVESTING ACTIVITIES

Questor's cash used for investing activities was $2.2 million for the three months ended September 30, 2017 versus $0.0 million for the same period in 2016 and $5.0 million for the nine months ended September 30, 2017 versus $1.0 million for the same period in 2016.

Questor has invested $4.8 million in rental unit expansion since September 30, 2016. The investment resulted in expanding the rental pool by 23 units and added a new rental revenue stream with 14 detachable stack tops.

EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS

The Company's September 30, 2017 foreign exchange loss was attributable to the translation of U.S. dollar cash held as the Canadian dollar appreciated against the U.S. dollar during the quarter.

CAPITAL RESOURCES

The Company believes that its cash deposits and net cash generated from operating activities will provide sufficient capital resources and liquidity to fund existing operations and anticipated capital requirements in 2017 and 2018.

At September 30, 2017, the Company had cash of $3.1 million as compared to $6.7 million at December 31, 2016. The foreign currency composition of the cash balances is described in note 3 of the unaudited interim consolidated financial statements as at September 30, 2017.

OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares.

On September 15th 2016, the shareholders approved an amendment to the Corporation's stock option plan to fix the maximum number of common shares reserved for issuance at 10% of the number of common shares of the Corporation issued and outstanding. At September 30, 2017, the number of common shares available for issuance under Corporation's stock option plan was 2,645,737 shares.

Employees have been granted options to purchase common shares under the Company's shareholder-approved stock option plan. Each option entitles the option holder to purchase one share. As at November 6, 2017, there were 26,457,370 common shares issued and outstanding and 1,133,000 options issued and outstanding to purchase common shares.

SUMMARY OF QUARTERLY RESULTS

Three Months Ended	**Sep. 30 2017**	Jun. 30 2017	Mar. 31 2017	Dec. 31, 2016	Sep. 30, 2016	Jun. 30, 2016	Mar. 31, 2016	Dec. 31, 2015
(stated in '000's CDN$ except per share amounts) (unaudited)	($)	($)	($)	($)	($)	($)	($)	($)
Financial								
Revenue	**5,686**	3,936	3,023	2,483	1,675	697	2,224	2,328
Gross Profit (Loss)(1)	**3,209**	2,364	1,461	1,105	794	(132)	914	999
Adjusted EBITDA(1)	**2,248**	1,599	847	580	226	(587)	185	(483)
Profit (loss) for the period	**1,425**	959	416	244	(96)	(597)	4	(506)
Per share – basic	**0.06**	0.04	0.02	0.00	(0.00)	(0.02)	0.00	(0.02)
Per share – diluted	**0.05**	0.04	0.02	0.00	(0.00)	(0.02)	0.00	(0.02)

(1) Refer to "Non-GAAP Measures" on pages 12 and 13 for further information.

OUTLOOK

Questor has successfully introduced our "hybrid" incineration technology. The technology allows clients to purchase a base level of capacity and rent additional capacity to meet the shorter term demands of high initial production. The benefits to the client are lower capital and operating costs, reduced lease footprint and clean enclosed combustion to meet stringent emission regulations in a capital constrained environment.

Questor is seeing demand for our hybrid equipment in the United States for equipment and has received $4.0 million of orders from a key client for hybrid units to be delivered in 2017. The Company is proud to be recognized and selected for its solutions and will continue its pursuit of earning the confidence and business of existing clients as well as new customers.

In addition to the equipment orders, Questor is seeing strong demand for our rental equipment in the United States and has committed $7.4 million to grow its rental fleet. The Company expects to add 34 additional rental units for the 12 months ended December 31, 2017.

Audrey Mascarenhas, Questor's President and Chief Executive Officer commented "In this challenging economic environment, our clients need technology solutions that are reliable, reduce operating costs, are cost effective, have a track record, and are proven. In response to regulations and demand for our equipment in Colorado, we deployed our mobile rental units to the State and set up an operations facility to meet demand for regulated closed loop completions or green completions. The Company is well positioned to create additional operating hubs with rental equipment in other locations as the opportunities arise. Strengthened regulations in the U.S. have caused an increased demand for Questor's technology. 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) and had recently introduced methane emission reduction legislation. Although President Trump has made it his mandate to reverse the EPA methane rules creating some uncertainty, many of the States are standing up and continuing their pursuit of air quality improvements and GHG emission reductions. The governors of California and New York have said that they will push ahead with their aggressive climate change policies despite President Donald Trump's executive order. The states have both pledged to reduce greenhouse gas emissions 40 per cent below 1990 levels by 2030 and 80 per cent by 2050. They also have mandated that half of each state's electricity be generated from renewable sources by 2030. Questor's technology has a unique ability to address both those mandates in a cost effective way with our combustion technology and waste heat to power technology. Questor will continue to monitor the regions where regulations are enforced or becoming enforceable and ensure that our sales efforts match appropriately."

While continuing to meet demand in Canada, the Company expects to continue to expand its presence in the United States. With stringent regulations imposed by the US Environmental Protection Agency (EPA) that requires performance testing for incinerators and other stacks that burn waste gas it is expected that the demand for better equipment will increase. Each State may have additional requirements that reflect some of the unique and specific needs that extend beyond the EPA's requirements.

The Alberta government has released the new Climate Change Policy. The policy opens opportunities for Questor to provide high efficiency combustion and heat to power technologies solutions. The opportunities range from methane emissions reductions to replacing coal-powered electricity with electrical power generated from waste heat. Questor's solutions are ideal for this policy's targets, as they enable customers to reduce costs, comply with regulations and improve the profitability of their operations. Further policy changes require small emitters under 100,000 tonnes per year of CO2e to aggregate their facilities. The aggregation may result in the same level of compliance required by large emitter (>100,000 tonnes per year of CO2). Questor has developed solutions that have meaningful impact on emissions reductions for smaller facilities.

Cleanly combusting methane using Questor's technology solutions will reduce GHG emissions nine-fold at a cost of less than $3/tonne or $0.02/mscf because the Global Warming Potential (GWP) of methane is 25 times that of CO_2 over a hundred year period. Therefore, venting or inefficient combustion of methane increases the greenhouse gases emitted," said Ms. Audrey Mascarenhas, Questor's President and CEO.

Questor's wholly owned subsidiary ClearPower Systems Inc. (CPS) has been aggressively marketing the waste heat to power technology. There is considerable global market interest in the ClearPower solution. We continue to make significant progress and gain confidence in our technology. CPS is pleased to announce the appointment of two new distributors during 2016; Inner Point Energy of Kirkwood (InnerPoint) and IHR Energy ApS of Norway (IHR). InnerPoint Energy is a company that focuses on renewable waste to energy, gasifiers to produce syngas, and behind the fence power. CPS continues to pursue opportunities in the US including other key marketing collaborations. Questor remains confident the technology will become a profitable division that offers an essential economic waste heat recovery to power solution. Questor continues to be identified as an innovator.

Alberta Innovates has approved the support of two demonstration projects: water vaporization and glycol dehydration emissions. The equipment for the water vaporization project was assembled in our Grande Prairie facility during 2016. The Company is currently reviewing the results of the produced water test which was performed in the third quarter of 2017. Questor expects the next phase of produced water development to be completed in the second half of 2017.

The glycol dehydration emissions project has been approved for $465,000 and will demonstrate Questor's incineration technology as both a best in class control device for emissions as well as a replacement technology for condensing, liquid storage, trucking and deep-well disposal activities. There are approximately 4,000 operating glycol dehydrators in Alberta, which could utilize this solution to eliminate benzene emissions, reduce operating costs and generate greenhouse gas emission reductions at a cost of less than $1.40/tonne of CO_2e. The greenhouse gas emission reduction potential of this solution for Alberta is approximately 36 Mega tonnes, contributing significantly to the targets set by the provincial and federal governments.

The Company remains committed to strategic and measurable technology diversification. Heat to power, water vaporization, and glycol dehydration emissions are all synergistic diversification of clean technology products and services that will support resource development over the long term. Recently, at the request and invitation of the Environment Agency in the United Kingdom Questor presented its suite of technologies to industry and government. Questor continues to explore areas where industry and government are seeking changes to traditional practices as a means to grow its reputation and business profile. We participated in the following this year;

Jan 10 & 11	AltaCorp | Panel member Jan 11; Toronto
Jan 30 to Feb 3	Natural Resources Canada | Mexico Trade Mission; Mexico City
Feb 10	Speaker: Understanding & Implementing Alberta's Oil and Gas Sector Methane Reduction Strategy; Drayton Valley
Feb 16	Kuwait HSE Conference | Speaker: Challenges of Operations in Environmentally Sensitive Areas & Panel Chairman "Managing Water and Waste Water Resources
Feb 22	ERIA Luncheon; Speaker; Calgary
Apr-06	Attended Dinner with members of Canadian Parliament | Discussion aimed to strengthen Canada-US relationship; Denver, CO
Apr 21 to 28	CNOOC | China Mission; Beijing
May-03	SDTC Cleantech Leadership Summit | Panel Member - Commercialize & scale-up clean technology; Ottawa
May-17	Select USA |InvestTech; Ottawa
May-18	American Chamber of Commerce - Leader Talk | Speaker: NAFTA, the EPA & Finding Success in the US; Calgary
May-30	Energy Roundtable | Panel member - Canadian Gas Strategy; Toronto
Jun-01	Oil & Gas Council Canada Assembly |Attendee: How to make Canada more competitive in Renewable sector; Calgary
Jun-07	CEO & Executive Breakfast | How to Innovate, Embrace Technology & Gain a Competitive Edge; Calgary
Jun-12	Global Methane Initiative Oil & Gas Subcommittee Meeting | Calgary
Jun-14	Global Petroleum Show | Clean Tech Knowledge Bar; Speaker: Emission Reduction Opportunities; Calgary
Jun-26	Manufacturing NAFTA Roundtable | Calgary
Jun-27	Cleantech Direction Roundtable | Participant: theme Alberta - Opportunities in Focus; Edmonton
Sep-20	TechTalk NEB | Presenter: "Emission Reduction Technologies"; Calgary
Sep-28	CGEF Conference | Panel Member – Clean Technology in E&P – Making it Work; Calgary

SUMMARY

Although Questor's long-term strategy has not changed, in the short-to-medium term the Company remains focused on one thing: managing through the industry downturn. Since Questor's inception, the Company has experienced several business cycles and management understands how to adapt its focus through a downturn. Key focal points include managing the Company's cost structure, employing further process efficiencies, retaining key personnel, maintaining strong relationships with its existing customers as well as expanding its customer base, all while ensuring the Company has sufficient liquidity to navigate the cyclical downturn. The Company's United States operations continue to generate strong cash contributions and provide an avenue for growth. Questor believes that the clean technology industry will remain an integral component of resource development over the long term and that the Company will be well positioned given its focus on top-tier service, quality, logistics management and technology. These qualities are particularly important during downturns.

NON-GAAP MEASURES

Certain supplementary measures presented in this MD&A do not have any standardized meaning under IFRS and, because IFRS have been incorporated as Canadian generally accepted accounting principles (GAAP), these supplementary measures are also non-GAAP measures. These measures have been described and presented in order to provide shareholders and potential investors with additional information regarding the Company's financial results, liquidity and ability to generate funds to finance its operations. These measures may not be comparable to similar measures presented by other entities, and are explained below.

Gross profit is defined as net income (loss) before administrative expenses, administrative depreciation, amortization, foreign exchange gains or losses, other (income) expenses and income taxes. Management believes that gross profit is a useful supplemental measure as it provides an indication of the financial results generated by Questor's operating segment. Gross profit for the period was calculated as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
	2017	2016	**2017**	2016
(stated in CDN$) *(unaudited)*	*($)*	*($)*		*($)*
Profit (loss) for the period	**1,425,433**	(96,484)	**2,800,626**	(689,131)
Add back (deduct):				
Income taxes (recovery)	**523,374**	124,294	**1,149,140**	(66,840)
Other expense (recovery)	**(340)**	(6,983)	**5,396**	(190,904)
Net foreign exchange (gains) losses	**327,443**	(49,258)	**567,729**	121,028
Amortization of intangible assets	**1,811**	905	**2,716**	2,717
Administration equipment depreciation	**19,576**	(1,608)	**34,611**	31,866
Administration Expenses	**911,285**	823,625	**2,472,858**	2,367,502
Gross Profit	**3,208,582**	794,491	**7,033,076**	1,576,238

Adjusted EBITDA is defined in the Company's credit facilities for covenant purposes as net income or loss for the period less interest, taxes, depreciation and amortization, and non-cash stock-based compensation. Adjusted EBITDA for the period was calculated as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
	2017	2016	**2017**	2016
(stated in CDN$) *(unaudited)*	*($)*	*($)*		*($)*
Profit (loss) for the period	**1,425,433**	(96,484)	**2,800,626**	(689,131)
Add back (deduct):				
Income taxes (recovery)	**523,374**	124,294	**1,149,140**	(66,840)
Interest (Income)	**(230)**	(6,983)	**(8,229)**	(21,766)
Depreciation of property and equipment	**249,022**	168,823	**599,234**	449,670
Amortization of intangible assets	**1,811**	905	**2,716**	2,717
Stock Based Compensation	**48,508**	35,241	**150,913**	149,178
Adjusted EBITDA	**2,247,918**	225,796	**4,694,400**	(176,172)

CONTRACTUAL OBLIGATIONS AND CONTINGENCIES

Questor has various contractual lease commitments related to three facilities located in Alberta and Florida as disclosed in the Company's 2016 annual consolidated financial statements.

On February 6, 2017, the Company entered into a commercial building lease agreement. The term of the lease is six years, commencing December 1, 2018 and expiring November 30, 2024. The lease agreement includes a Fixturing period of June 1, 2017 to November 30, 2018. Total commitments over the lease period are $1.3 million, which is comprised of total base rent payable $0.6 million and total operating costs of $0.7 million.

The Company has entered agreements to purchase equipment for the rental fleet and equipment for resale. The outstanding commitments related to these purchases are $2.9 million. These commitments are expected to be settled by year end.

LITIGATION

From time to time, the Company is subject to costs and other effects of legal proceedings, settlements, investigations, claims and actions. The Company determines whether an estimated loss from a contingency should be accrued by assessing whether a loss is deemed probable and can be reasonably estimated. The Company assesses potential liabilities by analyzing the claims using available information. The Company develops its views on estimated losses in consultation with outside counsel handling our defense in these matters. Should developments in any of these matters cause a change in our determination as to an unfavorable outcome and result in the need to recognize a material accrual, or should any of these matters result in a final adverse judgment or be settled for significant amounts, they could have a material adverse effect on our results of operations, cash flows and financial position in the period or periods in which such change in determination, judgment or settlement occurs.

Notwithstanding the uncertainty as to the final outcome, based on the information currently available to it, the Company does not currently believe these matters in aggregate will have a material adverse effect on its consolidated financial position. Management regularly evaluates the likelihood of potential liabilities being incurred and the amounts of such liabilities after careful examination of available information and discussions with its legal advisors. Management is of the view that it is improbable there will be a material financial impact to the Company as a result of these claims. Consequently, no provision was recorded in the consolidated financial statements.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

This MD&A is based on the Company's consolidated financial statements for the three and nine months ended September 30, 2017 which were prepared in accordance with IFRS. Management is required to make assumptions, judgments and estimates in the application of IFRS. Questor's significant accounting policies are described in note 2 to the annual consolidated financial statements.

The preparation of the consolidated financial statements requires that certain estimates and judgments be made concerning the reported amount of revenue and expenses and the carrying values of assets and liabilities. These estimates are based on historical experience and management's judgment. The estimation of anticipated future events involves uncertainty and, consequently, the estimates used by Management in the preparation of the consolidated financial statements may change as future events unfold, additional experience is gained or the environment in which the Company operates changes. The accounting policies and practices requiring estimates that have a significant impact. on the Company's financial results include the allowance for depreciation, the fair value of financial instruments, the carrying value of goodwill, impairment of property, plant and equipment, income taxes, stock-based compensation expenses, functional currency and cash-generating units. Judgment is also used in the determination of the functional currency of each subsidiary and in the determination of cash-generating units

DEPRECIATION

Depreciation of the Company's property, plant and equipment incorporates estimates of useful lives and residual values. These estimates may change as more experience is obtained or as general market conditions change, thereby affecting the value of the Company's property, plant and equipment.

FINANCIAL INSTRUMENTS

Financial instruments included in the Company's consolidated balance sheets are cash, accounts receivable, deposits, current tax assets, accounts payable, accrued liabilities, customer deposits and current tax liabilities.

FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The fair values of financial instruments included in the consolidated balance sheets, approximate their carrying amounts due to the short nature of those instruments.

GOODWILL

Goodwill represents an excess of the purchase price over the fair value of net assets acquired and is not amortized. The Company assesses goodwill at least annually. Goodwill is allocated to each operating segment, which represents the lowest level within the Company at which the goodwill is monitored for internal management purposes. The fair value of each operating segment is compared to the carrying value of its net assets.

IMPAIRMENT

Assessment of impairment is based on management's judgment of whether there are internal and external factors that would indicate that an asset or CGU is impaired. The Company reviews the carrying amounts of its impairment of property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. The Company completes an annual assessment for impairment of property, plant and equipment impairment and determines if the recoverable amounts of its operating segments are greater than their carrying amounts to conclude if goodwill impairment is required.

INCOME TAXES

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement amounts of existing assets and liabilities and their respective tax bases. Estimates of the Company's future taxable income are considered in assessing the utilization of available tax losses. The Company's business is complex and the calculation of income taxes involves many factors as well as the Company's interpretation of relevant tax legislation and regulations.

STOCK-BASED COMPENSATION

The fair value of stock options is estimated at the grant date using the Black-Scholes option pricing model, which includes underlying assumptions, related to the risk-free interest rate, average expected option life, estimated forfeitures, estimated volatility of the Company's shares and anticipated dividends.

FUNCTIONAL CURRENCY

Management applies judgment in determining the functional currency of its foreign subsidiaries. Judgment is made with regard to the currency that influences and determines sales prices, labor, material and other costs as well as financing and receipts from operating income.

CASH GENERATING UNITS

The determination of CGUs is based on Management's judgment regarding shared equipment, mobility of equipment, geographical proximity and materiality.

RELATED-PARTY TRANSACTIONS

The Company defines key management personnel as being the directors, Chief Executive Officer, Chief financial Officer, and Chief Operating Officer and other key employees. In addition to their salaries and directors' fees, the Company also provides non-cash benefits including participation in the Company's share option plan, as described in notes 7 and 8.

The Company has entered into an employment agreement with an executive officer of the Company. In the event of termination without cause or resignation or change of control, the executive officer is entitled to any unpaid annual base salary and all accrued but unpaid bonuses and vacation pay through to the date of termination, a severance payment equal to 18 months of her annual base salary and accelerated vesting of any share options not then exercisable but which would have become exercisable within nine months of the date of termination. In the event of a change of control, all share options that are not then exercisable shall vest immediately and become exercisable.

CHANGES IN ACCOUNTING POLICIES

No new IFRS or interpretations from the International Financial Reporting Interpretations Committee came into effect for the year beginning on or after January 1, 2017 that had a material impact on the Company.

RECENT ACCOUNTING STANDARDS NOT YET APPLIED

Unless otherwise noted, the following revised standards and amendments are effective for annual periods beginning on or after January 1, 2017 with earlier application permitted. The Company does not expect these standards to have a significant effect on its consolidated financial statements.

January 2016, the IASB issued IFRS 16 Leases, which requires lessees to recognize all leases on the statement of Financial Position. IFRS 16 is effective for annual periods beginning on or after January 1, 2019 with earlier application permitted.

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers, which replaces IAS 18 Revenue, IAS 11 Construction Contracts, and related interpretations. The standard is required to be adopted either retrospectively or using a modified transition approach for fiscal years beginning on or after January 1, 2018, with earlier adoption permitted. IFRS 15 will come into effect for annual periods beginning on or after January 1, 2018. The Company is currently evaluating the impact of the standard on its consolidated financial statements.

In July 2014, the IASB completed the final elements of IFRS 9 Financial Instruments. The Standard supersedes earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9, as amended, includes a principle based approach for classification and measurement of financial assets, a single 'expected loss' impairment model and a substantially reformed approach to hedge accounting. IFRS 9 will come into effect for annual periods beginning on or after January 1, 2018, with earlier adoption permitted. The Company is currently evaluating the impact of the standard on its consolidated financial statements.

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

There have been no changes in the Company's internal control over financial reporting that occurred during the interim period ended September 30, 2017 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

BUSINESS RISKS

The business of Questor is subject to certain risks and uncertainties. Prior to making any investment decision regarding Questor, investors should carefully consider, among other things, the risk factors set forth in the Company's most recently filed Annual Information Form, which are specifically incorporated by reference herein.

ADVISORIES

FORWARD-LOOKING STATEMENTS

In order to provide Questor shareholders and potential investors with information regarding the Company and its subsidiaries, including management's assessment of Questor's plans and future operations, certain statements contained in this MD&A, including statements that contain words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", "forecast" or similar words suggesting future outcomes, are forward-looking statements.

In particular, forward-looking statements in this MD&A include, but are not limited to, statements with respect to expected operating strategies and targets, capital expenditure programs, future financial resources, use of funds held in the Company's segregated bank account (as an equity cure or otherwise), anticipated equipment utilization levels, future oil and natural gas well activity in each of the Company's operating jurisdictions, results of acquisitions, the impact of environmental regulations and economic reforms and sanctions on the Company's business, future costs or potential liabilities, projections of market prices and costs, supply and demand for oilfield services, expectations regarding the Company's ability to maintain its competitive position, anticipated benefits of the Company's competitive position, expectations regarding the Company's ability to raise capital, treatment under government regulatory regimes, commodity prices, anticipated outcomes of specific events, trends in, and the growth prospects of, the global oil and natural gas industry, the Company's growth prospects including, without limitation, its international growth strategy and prospects, and the impact of changes in accounting policies and standards on the Company and its financial statements.

These statements are derived from certain assumptions and analyses made by the Company based on its experience and perception of historical trends, current conditions, expected future developments and other factors that it believes are appropriate in the circumstances, including, but not limited to, the economic and political environment in which the Company operates, the Company's expectations for its current and prospective customers' capital budgets and geographical areas of focus, the Company's existing contracts and the status of current negotiations with key customers and suppliers, the effect unconventional gas projects have had on supply and demand fundamentals for natural gas and the likelihood that the current tax and regulatory regime will remain substantially unchanged.

Forward-looking statements are subject to a number of known and unknown risks and uncertainties that could cause actual results to differ materially from the Company's expectations. Such risk factors include: general economic conditions in Canada, the United States, volatility in market prices for oil and natural gas and the effect of this volatility on the demand for oilfield services generally; competition; liabilities and risks, including environmental liabilities and risks, inherent in oil and natural gas operations; changes in legislation and the regulatory environment; sourcing, pricing and availability of raw materials, components, parts, equipment, suppliers, facilities and skilled personnel; the ability to integrate technological advances and match advances by competitors; the availability of capital on satisfactory terms; intellectual property risks; uncertainties in weather and temperature affecting the duration of the service periods and the activities that can be completed; dependence on, and concentration of, major customers; the creditworthiness and performance by the Company's counterparties and customers; liabilities and risks associated with prior operations; the effect of accounting pronouncements issued periodically; failure to realize anticipated benefits of acquisitions and dispositions; and currency exchange rate risk. Further information about these and other risks and uncertainties may be found under "Business Risks" above.

Consequently, all of the forward-looking statements made in this MD&A are qualified by these cautionary statements and there can be no assurance that actual results or developments anticipated by the Company will be realized, or that they will have the expected consequences or effects on the Company or its business or operations. These statements speak only as of the respective date of this MD&A or the document incorporated by reference herein. The Company assumes no obligation to update publicly any such forward-looking statements, whether as a result of new information, future events or otherwise, except as required pursuant to applicable securities laws.

ADDITIONAL INFORMATION

Further information regarding Questor Technology Inc. can be accessed on the Company's website at www.questortech.com or under the Company's public filings found at www.sedar.com.