

MANAGEMENT DISCUSSION AND ANALYSIS

This Management Discussion and Analysis ("MD&A") is dated August 14, 2024 and is a review of Questor Technology Inc. ("Questor" or the Company") financial condition and results of operations prepared in accordance with International Financial Reporting Standards ("IFRS"). The focus of this MD&A is a comparison of the financial performance of the Company for the three and six months ended June 30, 2024 and 2023. This MD&A should be read in conjunction with the unaudited condensed consolidated financial statements for the three and six months ended June 30, 2024 as well as the audited consolidated financial statements of Questor as at and for the year ended December 31, 2023. This MD&A contains definitions of certain non-IFRS financial measures, included under the "Non-GAAP Financial Measures" section of this MD&A. Readers are cautioned that these measures do not have a standardized meaning prescribed by IFRS Accounting Standards and therefore may not be comparable to similar measures presented by other entities. Refer to "Non-GAAP Financial Measures" section at the end of this MD&A. Readers should also refer to the forward-looking information or statements included in this MD&A. See the legal advisory related to this in the *Forward-Looking Statements* section of this MD&A.

QUESTOR'S BUSINESS OVERVIEW

Questor Technology Inc., incorporated in Canada under the Business Companies Act (Alberta) is an environmental emissions reduction technology company founded in 1994, with global operations. The Company is focused on clean air technologies that safely and cost effectively improve air quality, support energy efficiency and greenhouse gas emission reductions. The Company designs, manufactures and services high efficiency clean combustion systems that destroy harmful pollutants, including Methane, Hydrogen Sulfide gas, Volatile Organic Hydrocarbons, Hazardous Air Pollutants and BTEX (Benzene, Toluene, Ethylbenzene and Xylene) gases within waste gas streams at 99.99 percent efficiency per its ISO 14034 Certification. This enables its clients to meet emission regulations, reduce greenhouse gas emissions, address community concerns and improve safety at industrial sites.

The Company also has proprietary heat to power generation technology and is currently targeting new markets including landfill biogas, syngas, waste engine exhaust, geothermal and solar, cement plant waste heat in addition to a wide variety of oil and gas projects. The combination of Questor's clean combustion and power generation technologies can help clients achieve net zero emission targets for minimal cost. The Company is also doing research and development on data solutions to deliver an integrated system that amalgamates all of the emission detection data available to demonstrate a clear picture of the site's emission profile.

The Company's common shares are traded on the TSX Venture Exchange under the symbol "QST". The address of the Company's corporate and registered office is 2240, 140 - 4 Avenue S.W. Calgary, Alberta, Canada, T2P 3N3.

CONSOLIDATED FINANCIAL RESULTS

For the	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
<i>(Stated in CDN \$)</i>				
Revenue	870,360	2,216,578	1,601,978	4,055,353
Gross profit	42,156	807,705	254,431	1,550,221
Adjusted EBITDA ⁽¹⁾	(721,640)	205,289	(1,199,225)	433,911
Loss for the period	(966,246)	(501,777)	(1,603,005)	(676,645)
Loss per share - basic and diluted	(0.03)	(0.02)	(0.06)	(0.02)
As at			June 30, 2024	December 31, 2023
<i>(Stated in CDN \$)</i>				
Working capital ⁽²⁾			7,837,556	11,844,178
Total assets			26,925,851	27,125,820
Total equity			22,716,291	24,357,652

⁽¹⁾ Non-GAAP financial measure. Refer to "Non-GAAP Financial Measures" section at the end of this MD&A.

⁽²⁾ Working capital is defined as total current assets less total current liabilities.

Revenue for the three and six months ended June 30, 2024 was \$0.9 million and \$1.6 million, compared to \$2.2 million and \$4.1 million for the same periods ended June 30, 2023. The reduction of revenue is primarily attributed to timing differences resulting from shifting projects and rental start dates within the timelines of customer proposals. As at the date of this MD&A, the Company has \$1.5 million of committed equipment sales revenue to be completed in 2024. Requests for both equipment sales and rental proposals remain strong in 2024. The company remains focused on strategic initiatives to drive future growth.

Gross profit as a percent of revenue for the three and six months ended June 30, 2024 was 5 and 16 percent compared to 36 and 38 percent in the same period of 2023. The reduction is mainly due to the shifting of projects and rental start dates, where the Company continues to incur fixed costs, partially offset with strong margins on revenue and sales mix, paired with continued focus on controlling costs.

Adjusted EBITDA for the three and six months ended June 30, 2024 was negative \$0.7 million and negative \$1.2 million compared to positive \$0.2 million and positive \$0.4 million for the same periods in 2023. The reduction in Adjusted EBITDA is mainly due to the shifting of equipment sales projects and rental start dates, where the Company continues to incur operational and administrative fixed costs.

The Company continues to have a strong financial position at June 30, 2024 including cash and cash equivalents of \$3.8 million, \$5.1 million of highly liquid short-term investments, and working capital of \$7.8 million.

SECOND QUARTER 2024 HIGHLIGHTS AND SUBSEQUENT EVENTS

In the quarter, Questor announced a purchase order for \$0.5 million to a large midstream company in Canada, and another for \$1 million to an energy company in Nigeria.

The Company continues construction of its prototype 1,500kw waste heat to power unit. Shop testing of the unit will commence in September of 2024. Negotiations are under way for a partner location for site installation and field testing.

In June, the Company recognized the final payment of the SDTC milestone one totaling \$1,393,246 with reasonable assurance the conditions of receiving the grant have been met, and grant disbursement is expected to be received by the end of 2024.

On February 9, 2024, Questor commenced a Normal-course issuer bid ("NCIB"), allowing Questor to purchase a maximum of 1,400,000 common shares over the 12-month period for cancellation. NCIB is effective until the earliest of (i) February 7, 2025, (ii) the Company purchasing the maximum of 1,400,000 Shares, and (iii) the Company terminating the NCIB. In connection with the current NCIB, Questor entered into an automatic share purchase plan ("ASPP") with its designated broker to enable the purchase of shares during blackout periods during which the Company would not ordinarily be permitted to purchase shares. Purchases under the ASPP during those periods are determined by the designated broker in its sole discretion based on the purchasing parameters set by Questor in accordance with the rules of the TSX Venture Exchange, applicable securities laws and the terms of the ASPP. Outside of the periods noted above, purchases under the current NCIB are completed at Questor's discretion. As of August 14, 2024, under the current NCIB and the instructions in place with the broker, Questor purchased for cancellation of 391,500 shares at a weighted average share price of \$0.55.

During the second quarter of 2024, the Board of Directors approved the issuance of 25,000 stock options, 100,000 performance share units and 105,167 restricted share units, to officers and employees. The share-based awards will be granted in the third quarter.

MARKET OUTLOOK

The global emission regulatory environment is rapidly evolving and continues to develop favorably for the Company's products, as regulators, the courts, investors, and the public are putting pressure on the industry to reduce methane emissions, flaring and venting from their operations. Questor is seeing significant global interest in its technology solutions. Methane has become the emission of focus in the battle to stop the global temperature rise. Methane is a climate "super pollutant" and is considered the low-hanging fruit in climate change mitigation because it's a potent greenhouse gas with **86 times the warming potential** of carbon dioxide over a 20-year period and responsible for 30% of observed global warming to date. It also degrades much more quickly than CO₂, meaning that cuts in methane emissions now, can have a quick and significant effect on reducing global warming. Reducing methane emissions from sources like the fossil fuel industry is seen as one of the cheapest and most effective ways to combat climate change. The combustion efficiency of our thermal oxidizer is ISO 14034 certified to 99.99% combustion efficiency performance, allows our clients to credibly demonstrate their facilities are not emitting methane, and reducing or eliminating volatile organic compounds (VOCs). Utilizing the heat generated from combusting the methane by our organic rankine cycle (ORC), creates a revenue stream that offsets the costs of getting to (net) zero carbon dioxide equivalent emissions. Most major oil and gas producers have made net zero goals. The combination of our clean combustion and waste heat to power technology allows our clients to achieve their net zero goals at potentially zero net cost.

The purchase orders received by Questor in the second quarter, totalling approximately \$1.5 million, are the result of a multi-year strategy of positioning Questor to be an indispensable solution for our clients in honouring their commitment to zero routine flaring by 2030 and cutting global methane emissions by at least 30% from 2020 levels by 2030. To accelerate the adoption of Questor solutions, we have partnered with global representatives for our products and services. In India, Questor has partnered with Hi-Tech, who have been in business since 1989 with 11 locations and a track record introducing technology solutions to the Indian market. Questor is represented by OilSERV, a leading integrated oilfield services company in the Middle East and North Africa region.

In Nigeria, Questor is represented by Ar-Rahman Technical Services Nig. Limited. In the Latin America region, Questor has partnered with Hoerbiger, which has over 120 locations in around 50 countries worldwide and has been in business since 1925. Questor has spent the last two years developing relationships with these partners, educating them on our technology, and supporting them in client meetings and proposals. Over this period, we have submitted proposals worth over \$60 million all of which have the potential to grow our international revenue significantly.

We anticipate new and existing global clients will view Questor as an ideal solution to accelerate the attainment of their net zero pledges, given our suite of products and services eliminate flaring and utilize waste heat to reduce costs.

SECOND QUARTER FINANCIAL OVERVIEW

For the	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
<i>(Stated in CDN \$)</i>				
Revenue	870,360	2,216,578	1,601,978	4,055,353
Cost of sales	828,204	1,408,873	1,347,547	2,505,132
Adjusted EBITDA ⁽¹⁾	(721,640)	205,289	(1,199,225)	433,911
Gross profit	42,156	807,705	254,431	1,550,221
Percent of gross profit to revenue	5	36	16	38

⁽¹⁾ Non-GAAP financial measure. Refer to "Non-GAAP Financial Measures" section at the end of this MD&A.

REVENUE

Revenue for the three and six months ended June 30, 2024 is comprised of:

Equipment Sales

Equipment sales revenue for the three and six months ended June 30, 2024 was \$0.3 million and \$0.4 million compared to \$1.1 million and \$1.9 million for the same periods in 2023⁽¹⁾. The reduction of revenue is primarily attributed to timing differences resulting from shifting projects start dates within the timelines of customer proposals. As at the date of this MD&A, the Company has \$1.5 million of committed equipment sales revenue to be completed for 2024. Requests for both equipment sales and rental proposals remain strong in 2024. The company remains focused on strategic initiatives to drive future growth.

Equipment Rentals

Equipment rental revenue for the three and six months ended June 30, 2024, was \$0.6 million and \$1.2 million compared to \$1.1 million and \$2.2 million for the same periods in 2023⁽¹⁾. The reduction of revenue is due to the shifting of the rental start dates with the existing customers in Colorado and timing difference with the expanding the Company's focus on Permian basin and Marcellus Formation.

GROSS PROFIT

Gross profit as a percent of revenue for the three and six months ended June 30, 2024 was 5% and 16% compared to 36% and 38% in the same periods of 2023. The reduction in gross profit margin is mainly due to the shifting of projects and rental start dates, where the Company continues to incur the fixed costs as well as with \$0.1 million of costs incurred on moving expenses and consolidation of the shop in Colorado, partially offset with strong margins on revenue paired with continued focus on controlling costs.

ADJUSTED EBITDA

Adjusted EBITDA for the three and six months ended June 30, 2024 was negative \$0.7 million and negative \$1.2 million compared to positive \$0.2 million and positive \$0.4 million for the same periods in 2023. The reduction in Adjusted EBITDA is mainly due to the shifting of equipment sales projects and rental start dates, where the Company continues to incur operational and administrative fixed costs.

CORPORATE COSTS

For the	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
<i>(Stated in CDN \$)</i>				
Gross profit	42,156	807,705	254,431	1,550,221
Less corporate costs:				
Administration expenses	919,215	921,249	1,802,366	1,793,477
Research and development expenses	93,174	139,977	173,038	242,788
Stock based compensation	43,690	93,831	82,501	177,534
Depreciation expense	28,450	32,410	56,967	64,073
Amortization of intangible assets	571	35,031	1,229	70,063
Net foreign exchange (gains) losses	(30,860)	104,733	(124,860)	109,932
Other income	(51,991)	(113,106)	(139,426)	(183,371)
Loss before tax	(960,093)	(406,420)	(1,597,384)	(724,275)
Income tax expense (recovery)	6,153	95,357	5,621	(47,630)
Loss for the period	(966,246)	(501,777)	(1,603,005)	(676,645)

Administration Expenses

Administration expenses were consistent for the three and six months ended June 30, 2024 compared to the same periods in 2023.

Research and development expenses

Research and development expenses were consistent for the three and six months ended June 30, 2024 compared to the same periods in 2023.

Share-based payments

Share-based payments for the three and six months ended June 30, 2024 were lower compared to the same periods in 2023 due to the forfeitures with the resignation of the Chief Financial Officer in February 2024 and the departure of VP Global Operations and Customer Experience in June, 2024.

Depreciation

Depreciation is consistent year over year as there have been no significant capital additions in 2024.

Amortization of intangible assets

Amortization of intangible assets decreased for the three and six months ended June 30, 2024 due to the retirement of some old waste heat to power assets in the third quarter of 2023.

⁽¹⁾ Service revenue was realigned, disaggregated, and included within equipment sales and rental revenue lines to accurately reflect the nature of the business activities and provide clearer insight into the drivers of the revenue. Comparative figures for the three and six months ended June 30, 2023 were reclassified to conform to the current periods revenue classification.

Net foreign exchange (gains) losses

Foreign exchange gains and losses for the Company fluctuate primarily based on the change in the US dollar relative to the CDN dollar.

Other income

Other income for the six months ended June 30, 2024 include \$0.2 million interest earned on investments compared to \$0.2 million for the same period in 2023.

Income tax recovery

Income tax expense (recovery) is recognized based on Management’s best estimate of the weighted average annual effective income tax rate expected for the year. The Company recorded \$367,398 of valuation allowance against deferred tax assets recognized during the three months ended June 30, 2024. The Company intends to continue maintaining a full valuation allowance on its deferred tax assets until there is sufficient evidence to support the reversal of all or some portion of this allowances.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity risk is the risk that the Company will encounter difficulties in meeting its financial liability obligations. The Company manages its liquidity risk through cash, short-term investments and debt management, which includes monitoring forecasts of the Company’s cash and cash equivalents on the basis of projected cash flow.

The Company has positive net working capital of \$7.8 million at June 30, 2024 (December 31, 2023 - \$11.8 million).

Cash flow for the (Stated in CDN \$)	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Cash provided by (used in):				
Operating activities	(618,207)	80,620	(902,105)	641,330
Investing activities	493,659	331,320	768,355	(4,069,155)
Financing activities	(258,266)	(155,178)	(459,837)	(311,102)
Net increase (decrease) in cash	(382,814)	256,762	(593,587)	(3,738,927)

Operating Activities

The Company had a cash outflow of \$0.6 million and \$0.9 million from operations for the three and six months ended June 30, 2024, compared to cash inflow of \$0.1 million and \$0.6 million for the same periods in 2023. The cash outflow for the three and six months ended June 30, 2024 compared to the same periods in 2023 is mainly due to the shifting of projects and rental start dates, where the Company continues to incur the fixed costs as well as with \$0.1 million of costs incurred on moving expenses and consolidation of the shop in Colorado, partially offset with strong margins on revenue paired with continued focus on controlling costs.

Investing Activities

During the three and six months ended June 30, 2024, the Company invested \$1.7 million and \$2.4 million in the development of the Company’s waste heat to power research and development project, and redeemed net \$2.2 million and \$3.3 million cash respectively upon the maturity of the part of its highly liquid short-term investments.

Financing Activities

Cash used in financing activities for the three and six months ended June 30, 2024 of \$0.3 million and \$0.5 million comprises of lease payments on office and shop space, NCIB share repurchase, as well as repayments on the interest free Western Diversification loan received during COVID.

SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares. On February 9, 2024, the Company commenced the Normal Course Insurer Bid (“NCIB”) allowing Questor to purchase a maximum of 1,400,000 common shares over the 12-month. As of August 14, 2024, under the current NCIB Questor has purchased for cancellation of 391,500 shares for the weighted average share price of \$0.55 resulting in 27,645,694 common shares outstanding. The Company has share-based payment plans comprising of restricted, performance and deferred share unit plans as well as a stock option plan. The maximum number of equity-based compensation units in aggregate under these plans that may be reserved for issuance shall not exceed 10 percent of the outstanding common shares of the Company.

SUMMARY OF QUARTERLY RESULTS

	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022
For the three and six months ended (CND\$ '000's except amounts per share)								
Revenue	870	732	1,445	1,690	2,217	1,839	1,665	1,674
Gross profit	42	212	738	443	808	743	487	484
Loss for the period	(966)	(637)	(892)	(3,238)	(502)	(175)	(890)	(12)
Per share – basic and diluted	(0.03)	(0.02)	(0.03)	(0.12)	(0.01)	(0.01)	(0.03)	(0.00)

COMMITMENTS AND CONTINGENCIES

The Company has lease commitments for premises and storage facilities as disclosed in note 22 of the 2023 annual financial statements. As at June 30, 2024, the Company has entered into purchase commitments for materials required to build the 1500kw waste to heat prototype unit in the amount of \$0.7 million.

During the six months ending June 30, 2024, the Company continued to pursue its claim against Emissions Rx related to infringement on the Company's intellectual property. In February 2024, the Court requested the parties make additional submissions towards the procedure for resolving the Company's contempt application. In June 2024, the primary individuals comprising Emissions Rx, were found guilty of civil contempt of court. They have filed a civil notice of appeal of the decision in July 2024. A hearing is scheduled for late August 2024 to determine a schedule for the "penalty" phase of the contempt application.

From time to time, the Company is also subject to other legal proceedings, settlements, investigations, claims and actions arising from the normal course of business. While the final outcome of such actions and proceedings cannot be predicted with certainty, the Company believes that the resolution of such matters will not have a material impact on the Company's financial position or results of operations as at June 30, 2024.

FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist of cash and cash equivalents, investments, trade, contract assets and other receivables, trade payables, accrued liabilities and provisions and a repayable government grant. The Company did not hold or issue any derivative financial instruments during the period.

Fair values

The carrying amounts of the current financial assets and current financial liabilities recognized in the Company's consolidated financial statements at the end of each reporting period approximate their fair value due to their short period to maturity except for the repayable government grant. Judgment is required in interpreting market data to develop the estimates of fair value. These estimates are not necessarily indicative of the amounts we could realize in current markets. The fair value of the government grant is determined based on market-based prices and is classified as Level 2 on the fair value hierarchy.

Credit risk

Credit risk arises from the potential that one or more counterparties fail to meet their obligations. A substantial amount of the Company's trade and contract receivables, which relate to the Company's revenues, are with customers in the oil and gas industry, and are subject to normal industry credit risks. The Company mitigates this risk through its credit policies and practices including the use of credit limits and approvals, and by monitoring the financial condition of its customers. Payment terms with customers vary by contract. Standard payment terms are 30 days from the invoice date.

The Company is also exposed to the risk of dependence on a few customers for a significant amount of the Company's revenue. This is to be expected given the complexity involved in engineering solutions for each client's needs, to ensure our products operate safely within parameters. The Company notes that equipment sales revenue generally relates to a small number of customers each year, but these customers change each year. The Company bills and collects equipment revenue throughout the contract, which reduces collection risk. There is a concentration of equipment sales and equipment rental and related service revenue that is associated to the equipment and rental revenue. For the three and six months ended June 30, 2024, there were four customers who comprised 86 percent of revenues, and three customers who comprised 63 percent of total revenue respectively. For the three and six months ended June 30, 2023 – two customers who comprised 75 percent and three customers who comprised 75 percent respectively⁽¹⁾.

Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents, investments, operating cash flows, existing or new credit facilities and new share equity. The Company monitors its liquidity to ensure it has sufficient funds to complete planned capital and other expenditures. The Company mitigates liquidity risk by maintaining adequate banking and credit facilities and monitoring its forecast and actual cash flows. The Company may also adjust its capital spending to maintain liquidity. The Company has positive net working capital as of June 30, 2024 of \$7,837,556 (December 31, 2023 - \$11,844,178).

Foreign currency risk

The Company is exposed to foreign exchange risk associated with foreign operations where assets, liabilities, revenue and costs are denominated in US dollars. The impact of this exposure is recorded as a cumulative translation adjustment in other comprehensive income.

The Company is also exposed to the impact of foreign currency fluctuations in its Canadian operations on sales and purchases of products and services from vendors primarily in the United States which resulted in a foreign exchange gain of \$30,859 and \$124,860 for the three and six months ended June 30, 2024 (for the three and six months ended, 2023 – loss of \$104,733 and 109,932 respectively). The Company mitigates some of the foreign currency risk by keeping a US dollar bank account to receive US payments and fund US dollar expenses in the Canadian entity.

⁽¹⁾ Comparative figures for the three and six months ended June 30, 2023 were reclassified to conform to the current periods revenue presentation. Adjusted EBITDA does not have any standardized meaning as prescribed by IFRS and therefore is considered non-GAAP measure and may not be comparable to similar measures presented by other issuers.

RELATED-PARTY TRANSACTIONS

The Company defines key management personnel as being the Board of Directors, Chief Executive Officer, Chief Financial Officer and VP Global Operations and Engineering. In addition to their salaries, benefits and directors' fees, the Company also provides non-cash benefits including participation in the Company's stock option, restricted performance and deferred share unit plans.

In June 2024, the Company paid the accrued signing bonus of \$0.2 million awarded to the Chief Executive Officer upon her re-appointment in September 2023 (2023 – nil).

ACCOUNTING POLICIES AND NEW ACCOUNTING PRONOUNCEMENTS

The Company's material accounting policies and future accounting pronouncements are included in the Annual Consolidated Financial Statements for the year ended December 31, 2023.

In April 2024, the IASB issued new IFRS 18 - Presentation and Disclosure in Financial Statements ("IFRS 18") replacing IAS 1. The new guidance is expected to improve the usefulness of information presented and disclosed in the financial statements of companies. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027, with early adoption permitted. The Company is currently assessing the impact of this new IFRS accounting standard on its consolidated financial statements.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported assets, liabilities, revenues, expenses and the disclosure of contingencies. Actual results may differ significantly from these estimates. A description of the critical accounting judgements, estimates and assumptions are set out in annual audited consolidated financial statements for the year ended December 31, 2023.

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 MD&A, which are specifically incorporated by reference herein.

NON-GAAP FINANCIAL MEASURES

The Company views Adjusted EBITDA as the key financial measure for the underlying operating performance of the Company and considers it to be useful supplemental measure to our analysts, investors and other users.

Adjusted EBITDA is defined as net income or loss for the period less interest, taxes, depreciation and amortization, foreign exchange losses (gains), non-cash stock-based compensation, and gains and losses that are extraordinary or non-recurring. Adjusted EBITDA is presented because it gives an indication of the results from the Company's principal business activities prior to consideration of how its activities are financed and the impact of foreign exchange, taxation and depreciation and amortization charges. Adjusted EBITDA for the period was calculated as follows:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
<i>(Stated in CDN \$)</i>				
Profit (loss) for the period:	(966,246)	(501,777)	(1,603,005)	(676,645)
Add back (deduct):				
Income taxes (recovery)	6,153	95,357	5,621	(47,630)
Interest income	(97,438)	(132,202)	(203,746)	(247,556)
Depreciation of property and equipment and right-of-use assets ⁽¹⁾	322,490	510,316	658,246	1,048,213
Amortization of intangible assets	571	35,031	1,229	70,063
Net foreign exchange (gains) losses	(30,860)	104,733	(124,860)	109,932
Gain on disposal of property and equipment	-	-	(15,211)	-
Stock based compensation	43,690	93,831	82,501	177,534
Adjusted EBITDA	(721,640)	205,289	(1,199,225)	433,911

⁽¹⁾ Includes depreciation presented as a part of costs of sales

ADVISORIES-FORWARD LOOKING STATEMENTS

In order to provide the Company shareholders and potential investors with information regarding the Company and its subsidiaries, including management's assessment of the Company'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, 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 and customer demand, supply and demand for the Company's products and 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 energy 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 several 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 and globally; 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 and at www.sedarplus.ca.