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 March 31, 2015 (which includes the activities of its subsidiaries), and December 31, 2014 and for the three months ended March 31, 2015 compared to the three months ended March 31, 2014.

This MD&A dated May 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 months ended March 31, 2015 and with the audited consolidated 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 months ended March 31, 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-month period ended March 31, 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 consolidated financial statements, Management Information Circular and Proxy Statement, material change reports and news releases issued by Questor, 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 management'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 Questor'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. The Company is focused on clean air technologies with activities in Canada, the United States, Europe and Asia. Questor designs and manufactures high combustion efficiency 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, 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. - incorporated November 14, 2014. All results discussed are on the consolidated basis in this MD&A.

Financial Highlights Summary – First Quarter 2015

(Stated in Canadian dollars except shares outstanding)

For the three months ended March 31	**2015**	2014	Increase (decrease)
Revenue	**2,369,086**	3,215,437	(846,351)
Gross profit(1)	**1,199,540**	1,442,541	(243,001)
ADJUSTED EBITDA(1)	**924,158**	1,171,598	(247,440)
Profit for the period(2)	**513,733**	800,100	(286,367)
Cost of sales as a percent of revenue(1)	**49.4%**	55.1%	(5.7%)
Cash generated from operations before movements in non-cash working capital(1)	**867,099**	1,255,065	(387,966)
Earnings per share – Basic	**0.020**	0.032	(0.012)
Earnings per share – Diluted	**0.019**	0.031	(0.012)

As at	**March 31, 2015**	December 31, 2014	Increase (decrease)
Total assets	**16,643,741**	16,427,044	216,697
Non-current liabilities	**209,732**	230,822	(21,090)
Shares outstanding(2)			
Basic	**25,839,870**	25,579,034	260,836
Diluted	**26,545,910**	26,355,613	190,297

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

Financial Highlights Summary - Quarterly
(Stated in thousands of Canadian dollars)

	2015	2014				2013		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenue	**2,369**	1,570	3,127	4,503	3,215	2,602	2,990	2,263
Gross profit(1)	**1,200**	720	1,619	2,545	1,442	1,322	1,337	1,177
Adjusted EBITDA(1)	**924**	273	1,362	1,967	1,154	964	1,036	798
Profit for the period	**492**	(129)	853	1,403	800	675	818	634
Earnings per share – Basic	**0.02**	0.00	0.03	0.06	0.03	0.02	0.03	0.03
– Diluted	**0.02**	0.00	0.03	0.06	0.03	0.02	0.03	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. A significant portion of the Company's operations are carried on in western Canada 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 financial information and the related discussion of consolidated financial results are for the three months ended March 31, 2015 and 2014.

Profit and total comprehensive income
(Stated in Canadian dollars)

For the three months ended March 31	**2015**	2014	Increase (decrease)
Profit and total comprehensive income	**513,733**	800,100	(286,367)
Earnings per share - Basic	**0.020**	0.032	0.012
- Diluted	**0.019**	0.031	0.012

Profit and total comprehensive income for the three months ended March 31, 2015 was $513,733 ($0.020 per basic share) compared to $800,100 ($0.032 per basic share) for the same period in the previous year. Lower revenues generated from the sale of incinerators and lower Incinerator and combustion services revenues contributed to 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 miscellaneous revenue, lower cost of sales and higher net foreign exchange gains in the first quarter of 2015 when compared to the same period of the prior year.

Revenue
(Stated in Canadian dollars)

For the three months ended March 31	**2015**	2014	Increase (decrease)
Sale of goods	**1,456,279**	2,766,697	(1,310,418)
Rendering of services			
Incinerator rental income	**743,417**	258,360	485,057
Incinerator and combustion services	**169,390**	190,380	(20,990)
	2,369,086	3,215,437	(846,351)

Revenues from the Sale of goods were lower in the three months ended March 31, 2015 when compared to the same period in the prior year driven mostly by a decrease in the number of units sold, although margins were favorably impacted by the variance in the capacity and configuration of the units sold in the current period. Incinerator rental income was 188 percent higher in the three months ended March 31, 2015 when compared to the same period of the prior year reflecting current customer preferences to rent rather than to own. Incinerator and combustion services revenues were marginally lower in the current period, driven by differences in the number of units requiring commissioning and rental services.

Cost of sales

(Stated in Canadian dollars unless otherwise noted)

For the three months ended March 31	**2015**	2014	Increase (decrease)
Cost of sales	**1,169,546**	1,772,896	(603,350)
Cost of sales as a percent of revenue[1]	**49.4**	55.1	(5.8)

[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/Revenue relationship (margin). These variables 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.

Cost of sales as a percent of revenue for the three months ended March 31, 2015 was 49.4 percent compared to 55.1 percent for the three months ended March 31, 2014. The ratio has historically fallen within a relatively narrow range, with 2015 being at the lower end of the range. 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 March 31	**2015**	2014	Increase (decrease)
Employee costs	**254,223**	226,142	28,081
Share-based payments	**95,319**	15,280	80,039
Consultants and contractors	**68,796**	40,639	28,157
Marketing/business development	**21,051**	13,419	7,632
Office costs	**55,182**	64,921	(9,739)
Corporate/regulatory compliance	**87,785**	103,301	(15,516)
Research and development	**219,193**	21,099	198,094
Other	**6,727**	2,355	4,372
Administration expenses	**808,276**	487,156	321,120

The main drivers for increased Administration expenses, when comparing the three months ended March 31, 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 Company's water vaporization technology. Share-based payments 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. Consultants and contractors expense increased due to staffing backfill requirements which were partially offset by reductions in Employee costs. Driving the overall increase in Employee costs was an increased staff count when comparing the first quarter of 2015 to the same period of the prior year. Office costs were lower in the current three month period due to spending at a maintenance level on computer related costs. Corporate/regulatory compliance costs were lower in the three months ended March 31, 2015 when compared to the same period of the prior year due to reduced spending on legal fees which were incurred in the prior year in relation to the acquisition of ClearPower Systems, Inc.

Net foreign exchange gains (losses)
(Stated in Canadian dollars)

For the three months ended March 31	**2015**	2014	Increase (decrease)
Realized	**221,942**	228,289	(6,347)
Unrealized	**78,810**	(85,136)	163,946
Net foreign exchange gains (losses)	**300,752**	143,153	157,599

Net foreign exchange gains were recorded in both three month periods ended March 31, 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 March 31	**2015**	2014	Increase (decrease)
Depreciation included in cost of sales	**103,853**	53,631	50,222
Depreciation included in expenses	**11,457**	11,965	(508)
Depreciation of property and equipment	**115,310**	65,596	49,714

Depreciation of property and equipment recorded for the three month period ended March 31, 2015 was higher than that recorded in the corresponding period of 2014 due to the impact of the almost doubling of the rental fleet during the third and fourth quarters of 2014 to meet customer demand. In addition, the Company acquired new service units in the second quarter of 2014 which impact resulted in higher depreciation charges in the current three month period ended March 31, 2015 compared to the same three month period of the prior year.

Amortization of intangible assets
(Stated in Canadian dollars)

For the three months ended March 31	**2015**	2014	Increase (decrease)
Amortization of intangible assets	**904**	305	599

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 March 31	**2015**	2014	Increase (decrease)
Current income tax	**226,529**	296,441	(69,912)
Deferred income tax	**(8,090)**	(9,223)	1,133
Income tax expense	**218,439**	287,218	(68,779)

An income tax expense of $218,439 for first three months of 2015 is reflective of a profit before tax of $710,421 as compared to income tax of $287,218 on a profit before tax of $1,088,968 for the corresponding quarter in 2014.

The level of income tax expense relative to the profit before tax in each of the three months ended March 31, 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.

OUTLOOK

Low commodity prices continue to create turmoil in the market place. Questor's customers continue to look for 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. The solutions that Questor provides enable its customers to reduce costs, comply with regulations and improve the profitability of their operations. In the current economic environment, the option to rent equipment is attractive to both clients and the Company. Rental revenue has grown this year and management will continue to look for opportunities to increase the contribution of rental revenue to cash flow. Questor is well positioned, with a strong balance sheet, no debt and cash in the bank, to take advantage of opportunities that may arise in this market. Since Questor's inception the Company has experienced several business cycles and management understands how to bring the business through a downturn.

A key area of focus for 2015 is to continue to expand the Company's presence in the United States, Canada and Europe as well as to provide economically compelling, diversified solutions for oil and gas explorers and producers as well as a range of other industries. The downturn in the market has created an opportunity to attract new talent and the Company has recently added resources to its sales and marketing team who will focus on increasing incinerator sales and rentals in the U.S. and Canada.

The demand for Questor's technology in the U.S. is expected to strengthen in 2015 as strict environmental regulation comes into force. 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). Recognition of Questor's unique ability to address air quality issues and meet the new standards through application of the Company's incineration technology has led to significantly more inquiries and requests for proposal for units of all capacities from both a sale and rental basis. 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.

Many other countries are considering regulations to reduce or eliminate flaring and are seeking solutions for which Questor's technology is suitable. 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, therefore venting or inefficient combustion increases the greenhouse gases emitted

Recognition of the Company's expertise in the combustion of methane, VOC's, hydrogen sulphide (H_2S), associated gas (gas produced with oil) and low heat content gases has also led to discussions with prospective customers for onshore and offshore projects in Europe, Mexico, the Middle East and China. While progress is being made, it has been Questor's experience that timelines towards commercial conclusion for international transactions can be protracted, making detailed predictions of revenue and earnings a challenging proposition for the Company.

Management continues to grow the rental incinerator fleet and the Company is experiencing growing interest in its equipment both in the U.S. and Canada. Questor is anticipating that 90 percent of its rental incinerator fleet capacity will be working over the next quarter with utilization rates continuing at high levels throughout 2015 with both existing and new clients.

To assist with sales efforts management continues to focus on the development of strategic relationships with key organizations in various regions. The U.S. continues to be a focal point for Questor and, in particular, in Colorado and neighbouring states where Questor's technology is expected to assist industry to conduct its operations in compliance with new regulations requiring enclosed combustion resulting in "closed loop flow backs".

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. The integration of waste heat from Questor's incineration process with the power generation capability is expected to present a valued solution for current and future customers. Management continues to evaluate the waste heat market to which this technology can be directly applied (with or without incineration as the heat source) and believes the market to be substantial resulting in revenue generation from this business segment beginning in the second half of 2015. The Company has opened a facility in Florida to assemble units once commercial capability is achieved. The acquisition of ClearPower is one key part of Questor's diversification strategy in order to bolster sales that can be independent of oil prices. Questor will be the recipient of contributions from Sustainability Development Technology Canada ("SDTC") commencing in 2015 and will utilize those funds to develop power generation from the waste heat in its incinerators.

ClearPower is expected also to serve waste heat markets outside of the oil and gas industry as well as retrofitting existing facilities. Its combined heat and power ("CHP") organic rankine cycle ("ORC") unit can be retrofitted on existing exhaust stacks such as those from compressors and engines where exhaust heat is produced as well as being capable of replacing aerial coolers prevalent in the oil and gas industry. Questor views this market as large and continues to ensure that ClearPower has the necessary resources to complete the required tasks to commercialize.

Diversification of technology continues with Questor's development of waste water vaporization. In 2004 management had worked with a major U.S. oil producer to supply a vaporization solution for a facility in Thailand. The unit is still in operation and the solution is under consideration for some marginal wells in that country. Prior to the decline of commodity prices in 2014, Questor evaluated this technology for waste water flow backs from hydraulically fracturing operations. These typically utilize large flow rates of water and the cost of transportation and disposal of this waste stream has significantly increased completion costs. Questor's solution is to use the waste heat from the clean combustion of flow back hydrocarbons to vaporize contaminated water resulting in a significantly reduced waste stream and therefore lowered costs.

With the decline of drilling and completion activity, Questor shifted its focus to offering this solution to production operations. The volumes and flow rates are much lower; however, the opportunities are significant. In Western Canada, there are over 125,000 inactive wells. Each province has developed programs to combat the rising count of these wells so that the responsibility does not rest with the province for such wells that become orphaned due to economics.

For example, in November 2014 Alberta introduced its Inactive Well Compliance Program aimed at the 37,000 non-compliant inactive wells of a total 80,000 inactive wells in the province. As oil prices dropped to $50 per barrel, wells continued to be shut in due to marginal and/or negative economics. This led to larger numbers of inactive wells and a decrease in provincial revenue from royalties. Water vaporization is expected to convert economically poor and shut-in wells into profitable producers. An average shut in well with break-even economics that employs water vaporization is expected to reduce operating costs by 60% as well as generate additional annual revenue.

The technology also has potential application in areas where there is limited and seasonal access to well-sites to transport produced water away. By reducing the volume of this water through vaporization by up to 90%, the wells are expected to be operated year round and at a much reduced cost.

Discussions have already taken place with large oil and gas producers to demonstrate the technology at strategic locations in Canada and the U.S. with the expectation that it will reach to commercial status in the third quarter of 2015. Management views this as a critical forward strategy for industry to maintain productivity in a sustainable manner and one of the keys for the Company to diversify its offerings and produce revenue growth regardless of the new well activity or commodity price.

In the U.S., Questor has strengthened its position by completing EPA testing of two of the more commonly utilized incinerators. These units will be marketed for their performance in waste gas combustion for tank vapours and dehydrator emissions, two areas where the EPA has requirements for better performance. Management expects water vaporization and waste heat to power from incineration will be in high demand for explorers and producers looking to reduce costs and maintain their social license to operate.

Companies in Colorado and neighbouring states are renting incinerators on a longer term basis in 2015 to meet the increasingly strict rules that continue to be implemented by various state and federal regulators. Oil producers expose themselves to large fines and shut in production should they fail to comply with new rules.

Industry is always looking for ways to reduce operating costs and effective water management is certainly one of the highest costs that the oil and gas sector faces. The current practice of deep well injection of the entire volume of waste water permanently disposes the water and its impurities. Questor's solution will not only be a turning point in terms of lowering costs but it will return up to 90% of the waste stream to the ecosystem as water vapor, a positive impact on the environment. Additionally, there has been much community concern over seismic activity in areas where significant water disposal is occurring.

Questor continues to work towards the commercialization of CHP and water vaporization in 2015 as a means of offering attractive business solutions to industry while contributing to Questor's growth. Management will ensure the intellectual property is protected to provide for movement into this wide open market in as an extensive manner as possible. Sales and Marketing personnel have been added to the Questor team in order to present our existing combustion solutions as well as our new technology offerings to a much wider audience. Understanding our clients' changing needs, new regulatory rules and technology diversification are critical to Questor's strategy and direction for aggressive growth.

FINANCIAL POSITION

The following table outlines the changes in excess of $50,000 in the statement of financial position of Questor from December 31, 2014 to March 31, 2015.

Statement of financial position item	Increase (decrease)	Explanation
Cash and cash equivalents	191,165	Cash generated from operations more than offset the Company's investment in research and development, capital additions and payment of taxes during the three months ended March 31, 2015.
Trade and other receivables	(537,582)	The decrease is due to the timing of revenue generating activities and collection of amounts due in first quarter 2015 compared to last quarter 2014.
Inventories	82,345	The increase is driven by the composition and stages of construction relative to those units in inventory at December 31, 2014 as well as changes caused by the sale or transfer of incinerators to the rental fleet in the three months ended March 31, 2015.
Property and equipment	(66,467)	The decrease is due to the impact of the acquisition of property and equipment offset by depreciation charged in the three months ended March 31, 2015.
Intangible assets	622,875	The increase is the result of the Company's spending on the development of waste heat to power technology offset by amortization of the patent and drawings.
Trade payables, accrued liabilities and provisions	(87,485)	The decrease relates to the composition and timing of business activities, particularly incinerator construction, reflected at the end of the respective periods.
Current tax liabilities	(326,385)	The decrease is due to final tax remittances for 2014 paid in the first quarter 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 $672,623 in the three months ended March 31, 2015 is comprised of payments to acquire a forklift for the Grande Prairie location ($55,000) offset by credits received in the current period relating to adjustments to assets acquired in a prior period. In addition, the Company invested $623,780 in the development of the ClearPower waste heat to power technology.

The invested capital of $97,634 in the three months ended March 31, 2014 is comprised of payments to acquire a new service vehicle ($38,096), new tools for the Grande Prairie location ($1,220) and to move a Company trailer to and from the establishment where engineered drawings were developed for future fabrication of additional trailers ($7,460) and payments in the period for engineering work to refine the design of the prototype waste heat to power generator to achieve commercialization ($50,858). In addition the Company invested $1,000,710 to acquire 100% of the outstanding shares of ClearPower.

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 were 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)

For the three months ended March 31	**2015**	2014	Increase (decrease)
Cash and cash equivalents at the beginning of period	**5,640,570**	7,323,303	(1,682,732)
Cash provided by (used in):			
Operating activities	**863,788**	(220,356)	1,084,144
Investing activities	**(672,623)**	(1,098,344)	425,721
Financing activities	**-**	16,750	(16,750)
Effect of translation of foreign currency items	**-**	1,673	25,479
Cash and cash equivalents at end of the period	**5,831,735**	6,023,026	(191,290)

Operating Activities

Net cash provided by operating activities in the three months ended March 31, 2015 was $863,788 compared to cash used of $220,356 in the corresponding period of 2014. The $1,084,144 increase is due primarily to the different profile of revenue vs receipts incurred by the Company in the two periods, wherein collections of receivables in the three months ended March 31, 2015 occurred at an increased pace when compared to the three months ended March 31, 2014.

Working Capital
(Stated in Canadian dollars unless otherwise noted)

As at	**March 31 2015**	December 31 2014	Increase (decrease)
Current assets	**10,725,265**	11,064,976	(339,711)
Current liabilities	**1,259,065**	1,632,534	(373,469)
Working capital	**9,466,200**	9,432,442	33,758
Current ratio	**8.5**	6.8	-

Investing Activities

Cash used in investing activities in the three months ended March 31, 2015 was $672,623 compared to $1,098,344 in the same period of 2014. The investing activities comprised expenditures as described in the Invested Capital section of this MD&A.

Financing Activities

Financing activities in the three months ended March 31, 2014 were restricted to the receipt of cash on the exercise of options by employees in the period. There were no exercises of options in the three months ended March 31, 2015.

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 March 31, 2015, the Company had cash and cash equivalents of $5,831,735 compared to $5,640,570 at December 31, 2014. The foreign currency composition of the cash balances is described in note 4 to the unaudited condensed consolidated financial statements as at and for the three months ended March 31, 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 these 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 2.5 and the Company's working capital ratio must be greater than 1.25. At the end of each fiscal year, Questor's 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 contractual obligations and commitments to which the Company is subject are described in note 14 to the Company's unaudited condensed financial statements as at and for the three months ended March 31, 2015 and in note 24 to the Company's audited consolidated financial statements for the year ended December 31, 2014.

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 10 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 March 31, 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 March 31, 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.

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 16 to the Company's unaudited condensed consolidated financial statements as at and for the three months ended March 31, 2015.

OFF-BALANCE-SHEET ARRANGEMENTS

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

SHARE CAPITAL

The following table indicates the common shares and share options issued and outstanding at December 31, 2014, March 31, 2015 and May 26, 2015.

As at	**May 26 2015**	**March 31 2015**	December 31 2014
Shares issued and outstanding	**25,964,870**	**25,839,370**	25,839,370
Share options outstanding	**1,055,500**	**1,180,500**	1,180,500
Share options exercisable	**414,500**	**155,000**	155,000

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

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

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 is 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)

For the three months ended March 31	**2015**	2014
Gross profit	**1,199,540**	1,442,541
Add:		
Other income	**30,766**	2,700
Deduct:		
Administration expenses	**808,276**	487,156
Net foreign exchange (gains) losses	**(300,752)**	(143,153)
Depreciation of property and equipment	**11,457**	11,965
Amortization of intangible assets	**904**	305
Income tax expense	**218,439**	287,218
Exchange differences on translating foreign operations	**(21,751)**	1,650
Profit and total comprehensive income (IFRS financial measure)	**513,733**	800,100

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 March 31	**2015**	2014
ADJUSTED EBITDA	**924,158**	1,171,579
Deduct:		
Depreciation of property and equipment (including amount in cost of sales)	**115,310**	65,595
Amortization of intangible assets	**904**	305
Share-based payments	**97,523**	16,711
Income tax expense	**218,439**	287,218
Exchange differences on translating foreign operations	**(21,751)**	1,650
Profit and total comprehensive income (IFRS financial measure)	**513,733**	800,100

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) losses.

Cost of Sales as a Percent of Revenue
(Stated in Canadian dollars unless otherwise noted)

For the	**2015**	2014
Cost of sales (IFRS financial measure)	**1,169,546**	1,772,896
Revenue (IFRS financial measure)	**2,369,086**	3,215,437
Cost of sales as a percent of revenue	**49.4%**	55.1%

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 three months ended March 31	**2015**	2014
Cash generated from operations before movements in non-cash working capital	**867,099**	1,255,065
Movements in non-cash working capital	**569,122**	(891,550)
Income taxes paid	**(572,433)**	(583,871)
Net cash generated from (used in) operating activities (IFRS financial measure)	**863,788**	(220,356)

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.