(formerly Copper One Inc.)

Management's Discussion and Analysis

For the three months ended March 31, 2020

Introduction

This Management's Discussion and Analysis ("MD&A") of financial results and related data of QuestCap Inc. ("QuestCap" or the "Company") is intended to complement and supplement the condensed interim consolidated financial statements for the three months ended March 31, 2020 and 2019 (the "Financial Statements") and should be read in conjunction with the audited annual consolidated financial statements of the Company for the year ended December 31, 2019. The Company's Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. Except as otherwise disclosed, all dollar figures in this report are stated in Canadian dollars. Additional information relevant to the Company can be found on the SEDAR website at www.sedar.com.

The commentary is current to May 28, 2020 unless otherwise indicated. References to the 1st, 2nd, 3rd and 4th quarters of 2020 or Q1-2020, Q2-2020, Q3-2020 and Q4-2020, and the 1st, 2nd, 3rd and 4th quarters of 2019 or Q1-2019, Q2-2019, Q3-2019 and Q4-2019 mean the three months ended March 31, June 30, September 30 and December 31, 2020 and 2019 respectively. The reader should be aware that historical results are not necessarily indicative of future performance. The Company is a reporting issuer in the Provinces of Alberta, British Columbia and Ontario. The Company's common shares commenced trading on the TSX Venture Exchange ("TSXV") on November 16, 2009 under the symbol "CUO.V" and prior to that, traded on the Canadian National Stock Exchange. On March 19, 2019, the common shares of the Company were halted from trading on the TSXV as a result of an announcement of a proposed Change of Business (defined below under Company Outlook and Recent Developments) to an investment issuer. The Company completed the change of business to an investment issuer under the rules of the Canadian Securities Exchange ("CSE") on September 4, 2019. The Company's common shares commenced trading on the CSE under the symbol "QSC" on September 5, 2019 and were delisted from the TSX Venture Exchange effective August 13, 2019. The Company announced the change of its name from "Copper One Inc." to "QuestCap Inc.", following approval by the Company's shareholders on September 25, 2019.

Cautionary Note Regarding Forward-Looking Statements

Except for statements of historical fact relating to QuestCap, certain information contained herein constitutes forward-looking information under Canadian securities legislation. Generally, forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". The information and 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 information and statements. Such statements reflect the Company's current views with respect to certain events, and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company's actual results, performance, or achievements to vary from those described in this MD&A. 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, estimated, or expected. With respect to the forward-looking statements contained herein, although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements, because no assurance can be given that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to: the Company's lack of operating history as an investment company; the volatility of the market price of the common shares of the Company; risks relating to the trading price of the common shares of the Company relative to net asset value; risks relating to available investment opportunities and competition for investments; the volatility of the share prices of investments in public companies; the dependence on management and directors; risks relating to the

COVID-19 pandemic; risks relating to additional funding requirements and the Company's ability to access additional funds; potential conflicts of interest and potential transaction and legal risks, conflict of interests and litigation risks, as more particularly described under the heading "*Risk Factors*" in this MD&A. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements, except in accordance with applicable securities laws.

Description of Business

QuestCap Inc. is a publicly listed investment company on the Canadian Securities Exchange ("CSE") trading under the symbol "QSC". The Company makes use of the experience, expertise and opportunity flow of its management and board of directors (the "Board) to opportunistically make investments that the Company believes will provide superior returns. Such investments may include the acquisition of equity, debt or other securities of publicly traded or private companies or other entities or entering into royalty, profit sharing or other similar type agreements.

The Company's condensed interim consolidated financial statements have been prepared in accordance with IFRS applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying condensed interim consolidated financial statements.

Investment Evaluation Process

In selecting securities for the investment portfolio of the Company, the Company will consider various factors in relation to any particular issuer, including:

- inherent value of its assets;
- proven management, clearly defined management objectives and strong technical and professional support;
- future capital requirements to develop the full potential of its business and the expected ability to raise the necessary capital;
- anticipated rate of return and the level of risk; and
- financial performance, including consistency of positive cash flow.

Composition of Investment Portfolio

The nature and timing of the Company's investments will depend, in part, on available capital at any particular time and the investment opportunities identified and available to the Company.

The Company intends to create a diversified portfolio of investments. The composition of its investment portfolio will vary over time depending on its assessment of a number of factors including the performance of financial markets and credit risk.

Investment Guidelines

The Company's investment strategy guidelines are:

- The Company may invest in securities of both public and private companies or other entities or enter into royalty, profit sharing or other similar type agreements that the Company believes have the potential for superior investment returns.

- The Company will endeavor to maintain a flexible position with respect to the form of investment taken and may employ a wide range of investment instruments, including equity, bridge loans, secured loans, unsecured loans, convertible debentures, warrants, options, royalties, net profit interests and other hybrid instruments.

- The Company will not invest in physical commodities, derivatives, "short" sales or other similar transactions (except that the Company may sell call options to purchase securities owned by the Company as a means of locking in gains or avoiding future losses).

- The Company will not be precluded from investing in any particular industry. The Company's management and the Board have experience and expertise in a wide range of industry sectors and will pursue opportunities in those sectors that the Company believes from time to time offer the best opportunities for the creation of enhanced value for the Company's shareholders. Similarly, there are no restrictions on the size or market capitalization of companies or other entities in which the Company may invest, subject to the provisions hereof.

- The Company has no specific policy with respect to investment diversification. Each investment will be assessed on its own merits and based upon its potential to generate above market gains for the Company.

- Immediate liquidity shall not be a requirement.

- The Company may, from time to time and in appropriate circumstances, seek a more active role regarding investment situations and investee companies where the involvement of the Company is expected to make a significant difference to the success of the Company's investment. In appropriate circumstances, this may involve the Company, either alone or jointly with other shareholders, seeking to influence the governance of public or private issuers by seeking board seats, launching proxy contests or taking other actions to enhance shareholder value, or becoming actively involved in the management or board oversight of investee companies.

- The Company may also make investments in special situations, including event-driven situations such as corporate restructurings, mergers, spin offs, friendly or hostile take- overs, bankruptcies or leveraged buyouts. Such special situations may include, without limitation, investments in one or more public companies, by take-over bid or otherwise, where there is an opportunity to invest to gain control over the strategic direction of such public companies, whether using the shares of the Company as currency or otherwise. Such situations may also involve the Company lending money, directly or indirectly.

- Depending upon market conditions and applicable laws, the Company may seek to sell any or all of its investments when it concludes that those investments no longer offer the potential to generate appropriate gains for the Company, or when other investment opportunities reasonably available to the Company are expected to offer superior returns. This may include the disposition of any or all of the Company's investments in a particular sector or of a particular nature, or any or all of the Company's investments more generally, without prior notice to the Company's shareholders.

- Subject to applicable laws and regulatory requirements, the Company may also from time to time seek to utilize its capital to repurchase shares of the Company.

- The Company may, from time to time, use borrowed funds to purchase or make investments or to fund working capital requirements, or may make investments jointly with third parties.

- Depending upon the Company's assessment of market conditions and investment opportunities, the Company may, from time to time, be fully invested, partially invested or entirely uninvested such that the Company is holding only cash or cash-equivalent balances while the Company actively seeks to redeploy such cash or cash-equivalent balances in suitable investment opportunities. Funds that are not invested or expected to be invested in the near-term, while the Company actively seeks to redeploy such funds in one or more suitable investment opportunities, may, from time to time as appropriate, be placed into high quality money market investments.

- All investments shall be made in compliance with applicable laws in relevant jurisdictions and shall be made in accordance with the rules and policies of any applicable regulatory authorities. From time to time, the board of directors of the Company may authorize such additional or other investments outside of the guidelines described herein as it sees fit for the benefit of the Company and its shareholders.

Company Outlook and Recent Developments

On March 23, 2020, the Company announced that it had closed a non-brokered private placement financing of common shares for gross proceeds of $2,000,000 (the "Offering"). Pursuant to the Offering, QuestCap issued 20,000,000 common shares at a price of $0.10 per common share. The common shares issued in connection with the Offering are subject to a statutory four month hold period, which expires on July 24, 2020. No finder's fees were paid in connection with the Offering.

New CEO and Investment Strategy

On April 29, 2020, the Company appointed Douglas Sommerville as Chief Executive Officer and director, following the resignations of Neil Said and Stan Bharti. Scott Moore was appointed as the Executive Chairman of the Company.

As a veteran leader in the North American medical, pharmaceutical and technology industries, Mr. Sommerville will bring a wealth of experience to the Company and enhance its vision of bringing together industry experts to lead its mission of socially conscious investing.

Mr. Sommerville's former roles include Head of Country for Canada for Teva Canada, a subsidiary of Teva Pharmaceutical Industries Ltd. ("Teva"), the world's leading provider of generic medicines. In this role, Mr. Sommerville was responsible for Teva's third largest global subsidiary, with sales exceeding $1.3 billion. He led all aspects of the company's commercial, distribution, demand planning and customer operations - aligning and coordinating all company functions, production, supply chain, regulatory and global support functions. Mr. Sommerville was also the Chairman of the Canadian Generic Pharmaceutical Association up until his retirement from Teva Canada in 2018.

Prior to his tenure at Teva Canada, Mr. Sommerville was Global Vice President, Infusion Systems with Baxter Healthcare International ("Baxter"), one of the world's largest medical, pharmaceutical and technology companies. In his role, he was responsible for the company's infusion pumping devices and intravenous administration sets worldwide, as well as pain management and ambulatory infusion devices, working with Baxter's product development, regional sales and marketing teams globally.

On March 30, 2020, the Company announced the appointment of Danny Callow to the Company's board of directors. Mr. Callow is a Graduate from the Camborne School of Mines and holds a BEng (Hons.) Mining Engineering Degree. He also holds an MBA from the Henley Management College (UK) and a Non-Executive Directors Post Graduate Diploma (Pearson). Danny has spent more than 28 years in Africa at a senior and executive level in large corporations and has vast experience in complex projects, having delivered more than US$2.5 billion in new infrastructure. Danny has worked intimately with a number of governments across Africa at the most senior levels and has built a deep personal network across the spectrum of African Ministries. He has been instrumental in promoting environmental stewardship and engaging key stakeholders in communities in which he has worked. Danny has also served on numerous corporate boards of African-based resource companies.

On March 30, 2020, the Company announced its new investment strategy. The Company has outlined three new strategic directions for its investment strategy: MedQuest, ClimateQuest, and TechQuest. These divisions will focus on investments in public health, mitigating climate change and innovative technologies, respectively.

MedQuest
The COVID-19 pandemic is threatening societies across the world. This virus has created serious challenges but also new opportunities to bring life-saving technology and therapies to market. MedQuest is pursuing numerous investments in health sciences to help advance and develop products used to detect, treat, and overcome COVID-19. MedQuest is looking to invest in opportunities that will: improve testing around the world, source effective therapies, and develop a lasting cure.

ClimateQuest
Anthropogenic climate change is threatening to drastically alter the environments we inhabit and the way we live. In order to prevent further degradation of our planet, it is imperative that mankind adopt new technologies and systems that limit, eliminate, or remove greenhouse gas emissions. The crisis is understood, and numerous organizations and entrepreneurs have produced powerful innovations but lack the resources to commercialize them. Our experienced team will source, review and identify meaningful investment opportunities in sustainable initiatives that have the potential to produce tangible environmental impacts.

TechQuest
Disruptive innovation changed transportation from horseback to cars, communication from landlines to cellphones, and entertainment from cable to streaming video. TechQuest aims to continue human evolution by sourcing and financing ground-breaking technology, procedures, and platforms. We will work with innovators and developers to fund their passions and help turn them into reality. Partnering with visionaries at the seed-stage has the potential to create exceptional value for TechQuest investors.

Recent Developments

On March 30, the Company announced the signing of a definitive agreement with respect to, and the completion of, an acquisition (the "Acquisition") of all of the issued and outstanding common shares in the capital of Eco Capital Growth Corp., a British Colombia company ("Eco Capital"). In consideration for the Acquisition, QuestCap issued 8,000,000 common shares of the Company at a deemed price of $0.07 per share in exchange for all of the common shares in the capital of Eco Capital, resulting in the former shareholders of Eco Capital owning 12.6% of the Company on an undiluted basis.

Additionally, the Company entered into a 12-month programmatic digital advertising campaign with Native Ads for a total cost of US$700,000, comprised of US$525,000 for digital advertising, paid distribution, and media buying over the campaign period and, US$175,000 for content creation, consulting, managed services and management fees over the course of the campaign period. Native Ads is a full-service ad agency, that owns and operates a proprietary ad exchange with over 80 integrated SSPs (supply-side platforms) resulting in access to 3-7 billion daily North American ad impressions. Neither Native Ads nor any of its directors and officers own any securities of the Company.

Also, Hybrid Financial has been engaged by QuestCap for a period of six-months starting April 1, 2020, which term may be renewed for successive three-month periods thereafter upon the mutual agreement of QuestCap and Hybrid. Hybrid will be paid a monthly fee of $66,667, plus applicable taxes, during the initial six-month term. Hybrid is a sales and distribution company that actively connects issuers to the investment community across North America. Using a data driven approach, Hybrid provides its clients with comprehensive coverage of both American and Canadian markets. Hybrid Financial has offices in Toronto and Montreal.

On April 2, 2020, the Company announced an investment commitment of $1 million in the Sunnybrook Research Institute's COVID-19 research. With these funds, Sunnybrook will establish the Sunnybrook Translational Research Group for Emerging and Respiratory Viruses ("SERV") and QuestCap will receive a 3.5% royalty on any revenues earned by Sunnybrook from the commercialization of any of the research done by SERV. Led by infectious diseases physician and microbiologist Dr. Samira Mubareka, SERV's work will focus on three crucial streams of research: vaccines and therapeutics, virus biology and transmission prevention. For further information see the Company's press release dated April 2, 2020.

QuestCap also announced the appointment of Dr. Lawrence Steinman, Mike McCarthy, Richard Dolan, Jim Rogers, Larry King, Marty Martin and Dr. Joseph Sugerman to the board of advisors.

Dr. Lawrence Steinman is Professor of Neurology, Neurological Sciences and Pediatrics at Stanford University and Chair of the Stanford Program in Immunology from 2001 to 2011.

Mike McCarthy has more than 14 years of experience with the Ontario Ministry of Health and Long-Term Care and 24 years in health policy and delivery. He was appointed Senior Policy Advisor to the Progressive Conservative Minister of Health of Ontario, advising on physician, nursing and primary care, public health, laboratories, OHIP, organ transplant, HIV and blood issues. In 2003, he provided strategic support and counsel to the government of Ontario during the SARS outbreak.

Dr. Joseph Sugerman is a board-certified otolaryngologist who manages a private practice in Los Angeles focused on the management of voice disorders. He is past Clinical Chief at Cedars-Sinai Medical Centre, a Clinical Instructor at the University of Southern California (USC) Keck School of Medicine and the University of California Los Angeles (UCLA) Department of Otolaryngology.

Richard Dolan began his diverse career in the wealth management industry. Following a ten-year record of raising over $3B in assets, Richard was invited to design and deliver a certificate program at Schulich School of Business (Executive Development Centre) York University on the subject of marketing and selling wealth management services. Richard has coached hundreds of financial advisors, wealth managers and family offices with over $7B in assets under management. Since 2006, Richard has toured with US Presidents William Jefferson Clinton, George W. Bush, Barack Obama and Donald J. Trump as well as Secretary of State Hillary Clinton.

Jim Rogers co-founded the Quantum Fund, a global-investment partnership. During the next 10 years, the portfolio gained 4,200%, while the S&P rose less than 50%. After retiring at age 37, Mr. Rogers continued to manage his own portfolio and serve as a professor of finance at the Columbia University Graduate School of Business. Mr. Rogers also presciently saw the formation of the subprime mortgage crisis a year before it erupted. Since retirement, Jim Rogers embarked on a Millennium Adventure passing through 116 countries, and covering more than 245,000 kilometres, which he recounted in his book "Adventure Capitalist: The Ultimate Road Trip".

Larry King has conducted over 40,000 interviews over a 60-year career and is recognized worldwide as one of the best media personalities of our time. He can be seen presently hosting "Larry King Now" on Ora TV, Hulu and RT. Mr. King is best known for his TV interview and phone-in talk show, "Larry King Live" on CNN, which he hosted nightly from 1985 to 2010. Celebrities, politicians, athletes and newsmakers from around the planet have experienced Larry King's unique disarming interview style and come to trust him as

a friend and talented professional. From JFK and Vladimir Putin, to the Dalai Lama and Lady Gaga, anyone having an impact on the world has sat across the desk from Larry King.

Marty Martin's experience includes over 29 years of U.S. Government service including U.S. Special Forces, the National Security Agency, and the CIA, culminating in several years as a member of the CIA's Senior Intelligence Service. From 2004 through 2007 he served as Chief of Station in a strategic country in the Middle East in one of the most senior assignments in the Near East Division. He managed a multi-million-dollar budget, strategic programs, personnel, and families in a high threat environment. His experience includes representing the CIA at the highest levels in foreign countries, the U.S. Executive Branch, the U.S. Congress, and U.S. Military on all intelligence and policy matters concerning the agency's operations

On April 3, 2020, the Company announced that it entered into a binding letter of intent (the "LOI") with Amino Therapeutics, Inc. ("Amino") to acquire 40% of the issued and outstanding shares of Amino. QuestCap cautions that this is still early stage research and development and is not making any express or implied claims that it has the ability to treat the SARS-CoV2 virus at this time. Amino has obtained exclusive rights to leverage their parent company's, Exponential Genomics Inc. ("Xenomics") XenoArray platform to engineer a potential treatment for COVID-19 (the "Treatment") based on peptide protease inhibitors. Being developed to genetically modify multiple microbial strains to produce thousands of peptide-based protease inhibitors in parallel, the XenoArray platform may empower Amino Therapeutics with a unique advantage to potentially design an effective treatment for COVID-19. On April 13, the Company announced the closing of the transaction.

The terms were as follows:

• Amino agreed to sell a 40% equity interest to QuestCap;
• QuestCap agreed to inject $1 million USD of cash on the closing date, $500,000 USD 60 days from the closing date and $500,000 USD 120 days from the closing date;
• QuestCap agreed to issue 15 million common shares on the closing date;
• Amino agreed to issue a warrant entitling QuestCap to purchase an additional 9% equity in Amino for $2 million with an expiry of 24 months from the closing date; and
• Amino's parent company, Exponential Genonmics Inc. ("Exponential") agreed to issue a warrant entitling QuestCap to acquire up to a 9.9% equity in Exponential for $2 million USD for a period of 12 months from the closing date.

Amino is working to create the next generation of novel cell penetrating peptides to spearhead the development of biologic pharmaceuticals focusing on intracellular mechanisms of action. Amino's current leading project is to develop broad spectrum protease inhibitors as a potential therapeutic treatment for patients with COVID-19.

On April 7, 2020, the Company announced that it had entered into a profit sharing agreement with More Than Just Rice, Inc. ("MTJR"), subject to the satisfaction of conditions with a Korean diagnostic testing company, for MTJR to exclusively distribute, market and sell COVID-19 Antibody Tests in North and South America. The test will be marketed/distributed in the United States pursuant to the U.S. Food and Drug Administration (FDA)'s policy on COVID-19 serological tests during the public health emergency period.

The transaction is structured as a profit-sharing agreement between the Company and MTJR. The Company agreed to help finance the purchase of antibody tests for distribution in the Americas, and will receive 40% of any profits earned from the sale of the tests. The Company also agreed to issue 10,000,000 common shares to MTJR as consideration for entering the profit-sharing agreement at an effective price of $0.50 per common share, 5,000,000 of which will be issued immediately on closing and the remaining 5,000,000 common shares to be issued based on the achievement of performance targets. The common shares will be subject to a statutory four month and one day holding period. MTJR is an arms-length, California-based company involved in importing, exporting and distributing various products.

On April 21, 2020, the Company issued a promissory note (the ”Note”) in the amount of USD$7,700,000 to an arm’s length third party lender (the “Lender”).

No interest is payable under the terms of the Note.

As additional consideration for providing the Note, the Company has agreed to pay the Lender an origination fee of US$1,300,000 and to issue to the Lender 6,000,000 common shares as a loan bonus, subject to any applicable regulatory approvals. The origination fee forms part of the principal owing under the Note, consequently USD$9,000,000 is due at maturity.

The Note provides for security over all of the assets of the Company and is due within 60 days from the date of issuance, subject to an extension of 30 days at the option of the Lender, or upon an event of default. The Note was secured as part of the profit sharing agreement with MTJR in order to finance the purchase of 1 million COVID-19 antibody testing kits from South Korean diagnostic testing company PCL Inc. (“PCL”), to be distributed in the North and South American markets.

On May 6, 2020, the Company announced its first commercial sales agreement for antibody tests by MTJR. Under the terms of this agreement, the Company and MJTR will supply 500,000 PCL COVID-19 lgG/lgM Antibody tests to Biocorp Clinical Laboratory, a high complexity laboratory based in California, subject to receipt of FDA emergency use authorization for the antibody tests. The partnership will provide 50,000 tests per week for 10 weeks, with an option to extend. The Company has completed due diligence on PCL’s production capacity and is satisfied they will be able to supply the quality and quantity of tests required.

The PCL COVID-19 lgG/lgM Rapid Gold Antibody Tests are rapid, qualitative, serological assays. The test requires only a few drops of blood and provides results in 10-15 minutes. The PCL COVID-19 lgG/lgM Rapid Gold Antibody Tests have been performed on over 1000 samples in South Korean clinical trials. The tests have been authorized for use in Australia, Europe, Greece, Bhutan, and India.

COVID-19 Antibody Test Disclaimers:

- This test has not been reviewed by the FDA under the Emergency Notification.
- Negative results do not rule out SARS-CoV-2 infection, particularly in those who have been in contact with the virus. Follow-up testing with a molecular diagnostic should be considered to rule out infection in these individuals.
- Results from antibody testing should not be used as the sole basis to diagnose or exclude SARS-CoV-2 infection or to inform infection status.
- Positive results may be due to past or present infection with non-SARS-CoV-2 coronavirus strains, such as coronavirus HKU1, NL63, OC43, or 229E.
- Not for the screening of donated blood.
- In the early stages of infection, low levels of antibody expression can produce negative results.
- This product can only qualitatively detect antibodies in human serum, plasma and whole blood samples, and cannot determine the quantity of specific antibodies in the samples.

On April 9, 2020, the Company announced it is partnering with Sinai Health Foundation to support the development of a diagnostic test for COVID-19. QuestCap cautions this is still early stage research and development and is not making any express or implied claims that it has the ability to test for the SARS-CoV-2 virus at this time.

A team of researchers led by Dr. Anne-Claude Gingras at LTRI has been advancing a COVID-19 serological program. Their aim is to gain a better understanding of SARS-CoV-2 biology and evolution, for the development of an alternative COVID-19 diagnostic test.

Under the agreement, QuestCap has agreed to provide $500,000 in funding to the program, advancing the effort to develop commercial applications related to the research. To date, the Company has provided

$125,000. In exchange, QuestCap will receive royalties generated by any commercial product developed by Sinai Health Foundation related to their research ("Commercial IP").

Sinai Health Foundation also granted QuestCap an option to assume the rights, duties and obligations to develop, produce, market and commercialize any commercial intellectual property developed, for a period of two years. In the event the option is exercised by QuestCap, the parties agree that any relevant intellectual property will be transferred, free and clear of any and all encumbrances, to a new company ("Newco") which will be owned by QuestCap and by Sinai Health Foundation.

Upon the exercise of the option and formation of Newco, QuestCap will assume all costs associated with the commercialization of the Commercial IP and any net profits earned by Newco shall be apportioned pro rata based on the equity interest of each party in Newco.

On April 16, 2020, the Company announced the execution of a share purchase agreement to acquire 49 percent of the issued and outstanding shares of Athletics and Health Solutions Inc. ("A&H"), a recently incorporated private Ontario corporation which has entered into a non-binding letter of intent (the "LOI") on April 14, 2020 with the Division Mayor del Futbol Colombiano ("DIMAYOR"), the organization responsible for operating professional football leagues and tournaments in Colombia, to restart football activities in Colombia.

On April 21, 2020, under the terms of the A&H Agreement, QuestCap issued 6 million common shares to four arm's length vendors of the A&H common shares for a deemed price of $2,820,000 based on the April 15, 2020 closing price of $0.47 on the Canadian Securities Exchange. In addition, A&H has covenanted that it will promote and preserve for QuestCap the goodwill of consultants, suppliers and others having business relations with A&H.

Under the terms of the LOI, A&H is to:

1. provide DIMAYOR with a team of interdisciplinary health professionals at all venues where professional football matches are to be played in Colombia;
2. provide and perform the serology tests weekly on the football players, technical personnel and people who live with them in the team camps;
3. 24 hours before each football game, administer an early diagnostic antigens/antibody test to all personnel required for the games as well as the televised transmission (players, coaching staff, referees, ball boys, law enforcement, maintenance staff, delegates, etc.);
4. create a traceability application for each of the players and the coaching staff to monitor compliance with testing and quarantine measures, using a point-to-point control system, in stadiums and other locations where the Colombian football teams are confined; and
5. together with DIMAYOR and the Colombian Football Federation, create security protocols/procedures as well as formulate a schedule of the football games to be played (along with practices and ancillary events). The scheduling of the football season will take into account the length and location of quarantines for the teams, safe and controlled transportation for the teams and the determination of safe venues/cities to host games.

The following is a snapshot of some of the key elements considered in the Standard for Safe Sport™ Medical Screening, Interpretation and Reporting Protocols which QuestCap expects A&H will deploy in the program:

- In the preparation phase, all people required for day to day operation of the organization would be identified, and their consent to participate obtained. Accommodations and logistics for food and equipment delivery will be arranged.
- Screening will include a baseline assessment of all participants via temperature, medical questionnaire and antibody testing.
- The testing phase will consider the number of tests required, the administrator, and the testing location. The testing phase will use antibody tests supplied by MTJR (see above).

- The success of data collection depends on obtaining high quality, verified information and securing it properly. It will require infrastructure to collect input from many sources while limiting access and permissions.
- Preventing transmission will be accomplished by rapid data analysis to quarantine infected individuals and provide necessary care.

On April 27, 2020, the Company announced the addition of Mike Mancias and General Dr. Paolo Sergio Iglessias to its team of global advisors. As a veteran in the arena of professional basketball, Mr. Mancias acted as Chief Performance Advisor to the NBA's LeBron James for over 14 years, and works frequently with leading NFL, MLB, PGA and NCAA athletes. He is globally known for his Human Performance Blueprint, which many professional athletes and trainers now utilize as part of their personal training programs. As an expert in professional level sport, Mr. Mancias will advise on the Company's newly launched Standard for Safe Sport™, a new project focused on supporting the safe re-opening of professional sports leagues.

General Iglessias acted as Director of a number of Brazilian Army hospitals including Brasilia (2011-14). In 2015, he was appointed Inspector for Health Services for the Army for the Amazon and in 2017, as Vice-Director of Health Services for the Brazilian Army. General Iglessias will advise on the Company's growing operations in Brazil.

Fiscal 2020 Performance Highlights

	Three months ended March 31,	
Operating Results	2020	2019
Unrealized gain/(loss) on investment, net	(162,812)	-
Interest income	14,037	2,949
Net (loss) and comprehensive (loss)	(1,315,513)	(449,602)
Basic and diluted (loss) per share	(0.04)	(0.01)

During the 2019 fiscal year, the Company completed its change of business to an investment issuer. Prior to that, the Company was a junior mining company listed on the TSXV.

The Company has recognized interest income of $14,037 during Q1-2020 from its various loans (Q1-2019 - $2,949). The interest generated in the prior year was a result of interest earned on cash balances held in the Company's tier one bank.

The Company recognized an unrealized loss on its investments in Last Mile Holdings Inc. and Sulliden Mining Capital Inc. ("Sulliden"), as described in Note 6 to the condensed interim consolidated financial statements for the three months ended March 31, 2020.

See the Financial Results section of this report for a discussion of the Company's operating expenses

At March 31, 2020, the Company has two loans and three investments at fair value through profit and loss. On March 23, 2020, the Company acquired all the issued and outstanding common shares of Eco Capital. In consideration, the Company issued 8,000,000 of its common shares, resulting in the former shareholders of Eco Capital owning 12.6% of the Company on an undiluted basis. At the closing date of the transaction, the Company's common shares were trading at a price of $0.07 per common share. As a result, the total consideration paid to acquire the investment in Eco Capital is $560,000.

On January 31, 2020, the Company sold 600,000 shares of its investment in Last Mile Holdings Ltd. (formerly OjO Electric Corp.) to Sulliden for gross proceeds of $300,000, and purchased 3,133,333 common shares and 2,607,272 flow-through common shares of Sulliden (TSX: SMC). Stan Bharti, President and CEO of the Company, is President and CEO of Sulliden and Deborah Battiston is the CFO of both the Company and Sulliden.

On August 5, 2019, the Company entered into a loan agreement with Flora Growth Corp. ("Flora") whereby the Company agreed to lend Flora up to US$500,000 (the "Principal"). Interest was accrued and calculated at a rate of 10% per annum on the Principal that has been drawn down plus any unpaid interest. The Principal and accrued interest was due and payable on demand by the Company. In total, USD$498,409 was loaned to Flora. Deborah Battiston, CFO of the Company, is the CFO of Flora, Stan Bharti, President and CEO of the Company, is the Executive Chairman of Flora, and Fred Leigh, a former director of the Company, is a director of Flora. On February 3, 2020, the Company received $688,469 from Flora Growth Corp. in full repayment of the loan agreement. The amount received consisted of $661,789 in principal and $26,680 in interest accrued to the date of repayment.

Investments at Fair Value Through Profit and Loss, as at March 31, 2020

At March 31, 2020, the Company's investment portfolio consisted of two publicly traded investments and one privately held investment, for a total fair value of $783,290.

Last Mile Holdings Inc. (formerly OjO Electric Corp.)

On July 24, 2019, the Company entered into a convertible promissory note with OjO Electric LLC, a California limited liability company, for US$400,000 ($523,960). On October 16, 2019, the note was converted to 772,071 common shares of Last Mile Holdings Ltd. upon the closing of its equity financing and listing on the TSX Venture Exchange under the symbol "OJO" (currently, "MILE"). The conversion price included all principal, accrued interest and withholding taxes owed to the Company at the time of conversion.

On January 31, 2020, the Company sold 600,000 common shares of its investment in OJO Electric Corp. (currently Last Mile Holdings Ltd.) to Sulliden for gross proceeds of $300,000. The Company currently holds 172,071 shares in escrow. At March 31, 2020, the shares were trading at a market price of $0.13, resulting in an unrealized loss of $(63,666) in Q1-2020.

Sulliden Mining Capital Inc.

On January 31, 2020, the Company purchased 3,133,333 common shares and 2,607,272 flow-through shares of Sulliden, currently held in escrow. Deborah Battiston, CFO of the Company, is the CFO of Sulliden, and Stan Bharti, a director of the Company, is CEO and a director of Sulliden. At March 31, 2020, the shares were trading at a market price of $0.035, resulting in an unrealized loss of $(99,146) in Q1-2020.

Eco Capital Growth Corp.

On March 23, 2020, the Company acquired all the issued and outstanding common shares of Eco Capital. In consideration, the Company issued 8,000,000 of its common shares, resulting in the former shareholders of Eco Capital owning 12.6% of the Company on an undiluted basis. At the closing date of the transaction, the Company's common shares were trading at a price of $0.07 per common share.

Varianz Inc.

On July 29, 2019, The Company purchased 12,666,667 subscription receipts ("Subscription Receipts") of Varianz Corp., ("Varianz") at a price of $0.03 per Subscription Receipt. Each Subscription Receipt entitled the Company to receive one unit of Varianz. Each unit was comprised of one common share of Varianz

and one common share purchase warrant exercisable for a period of 24 months from the date of issue, at a price of $0.06 per warrant.

Varianz entered into a binding letter of intent with Savanna Capital Corp. ("Savanna"), a company listed on the TSX Venture Exchange, to complete a reverse takeover of Savanna ("RTO") such that the common shares and warrants of Varianz would be converted into free trading shares and warrants of such publicly listed entity upon the completion of the RTO. Deborah Battiston, CFO of the Company, is the CFO of Savanna and Fred Leigh, a former director of the Company, is a director of Savanna.

On March 29, 2020, the RTO was cancelled, and the full amount of the Subscription Receipts was returned to the Company.

Selected Quarterly Financial Information

For the three months ended	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
(Expressed in Canadian dollars$)				
Net (loss)	$ (1,315,513)	$ (672,679)	$ (782,269)	$ (813,695)
(Loss) per share - basic and diluted	(0.04)	(0.02)	(0.02)	(0.03)
Total assets	4,722,269	2,300,474	2,596,225	3,353,647

For the three months ended	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
(Expressed in Canadian dollars$)				
Net (loss) income	$ (449,602)	$ (152,441)	$ (295,338)	$ (108,774)
(Loss) income per share - basic and diluted	(0.01)	(0.01)	(0.01)	(0.00)
Total assets	4,142,329	4,581,026	4,805,909	5,013,929

Liquidity and Capital Resources

The Company does not have any operating assets that generate revenues. The Company recorded a net loss of $1,315,513 for the three months ended March 31, 2020 (March 31, 2019 – $449,602).

In management's view, given the nature of the Company's operations, the most relevant financial information relates primarily to current liquidity, solvency and planned expenditures. The Company's financial success will be dependent upon the execution and development of its new investment strategy and business operations. Such execution and development may take years to complete and the amount of resulting income, if any, is difficult to determine.

QuestCap relies upon various sources of funds for its ongoing operating activities. These resources include proceeds from dispositions of investments and interest from investments. In the three months ended March 31, 2020, operating activities provided net cash of $75,406 (three months ended March 31, 2019 – used net cash of $1,232,111).

On March 30, 2020, the Company granted 2,490,000 stock options to certain consultants and a director of the Company pursuant to the Company's stock option plan. 1,990,000 of the stock options vest immediately and may be exercised at a price of $0.16 per option for a period of five years from the date of grant. The remaining 500,000 stock options shall vest in four equal quarterly installments and may also be exercised at a price of $0.16 per option for a period of five years from the date of grant. 1,135,000 of the options were granted to directors and officers of the Company.

Currency Risk

Currency risk is the risk to the Company's earnings that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. As at March 31, 2020, the Company had the following financial assets denominated in foreign currency (expressed in Canadian dollars):

March 31, 2020	United States dollars	
Cash	$	321,024
Trade and other payables		(332,796)
	$	(11,772)

At March 31, 2020, the United States dollar ("USD") was converted to a Canadian dollar ("CAD") at a rate of 1.4187. A 10% increase in the USD-CAD exchange rate would result in an increase in net income of approximately $1,500.

Price and Concentration Risk

Two investments at fair value through profit and loss make up approximately 16% of the Company's assets and one loan receivable makes up approximately 6.5% of the Company's assets. The price of gold and the unknown risks related to COVID-19 could affect the value of these financial instruments. For the three months ended March 31, 2020, a 10% decrease in the value of these concentrated positions would result in a decrease in before-tax income of approximately $20,000.

Capital Management

The Company considers its capital structure to consist of share capital and share purchase options. The Company manages its capital structure and makes adjustments based on the funds available to support its capital management objectives:

a) to allow the Company to respond to changes in economic and/or marketplace conditions by maintaining the Company's ability to purchase new investments;
b) to give shareholders sustained growth in value by increasing shareholders' equity; while
c) taking a conservative approach towards financial leverage and management of financial risks

The management and board of directors of the Company review its capital management approach on an ongoing basis and believe it reflects a reasonable approach given the relative size of the Company's assets. The Company is not subject to externally imposed capital requirements other than those of the Canadian Securities Exchange, where investment entities must have minimum net assets of $2,000,000, at least 50% of which has been allocated to at least 2 specific investments. As at March 31, 2020, the Company may not be complaint with the policies of the CSE. The impact of any violation is not known and is ultimately dependent on the discretion of the CSE.

Working Capital

As at March 31, 2020, the Company had working capital (see Non-GAAP measures) of $3,721,518 (December 31, 2019 – $1,984,478).

Cash Flows

Cash Flows for the three months ended March 31, 2020 and 2019

(Expressed in Canadian dollar $)	For the three months ended March 31,	
	2020	2019
Cash (used in) provided by operating activities	$ 75,406	$ (1,232,111)
Cash provided by financing activities	1,253,000	-
Change in cash and cash equivalents	$ 1,328,406	$ (1,232,111)

Cash of $75,406 was provided by operating activities during the three months ended March 31, 2020 compared to $1,232,111 used by operating activities during the three months ended March 31, 2019. Cash provided by operating activities during the three months ended March 31, 2020 resulted from the purchase and sale of investments, the receipt of loans receivable, return of capital on investments, changes in non-cash working capital items offset by cash operating expenses. Cash used by operating activities in the three months ended March 31, 2019 was mainly the result of changes in non-cash working capital items, including the receipt of sales taxes receivable and cash operating expenses.

The Company generated $1,253,000 in cash from financing activities from the net proceeds of the $2,000,000 private placement financing completed on March 23, 2020. $647,000 in subscription funds were received subsequent to the quarter end, and $100,000 in subscription funds were owing to the Company as of the date of this MD&A.

Financial Results

For the three months ended March 31, 2020 and 2019

	2020	2019
Net investment (loss)		
Unrealized (loss) on investment	(162,812)	-
Total investment (loss)	(162,812)	-
Other revenue		
Interest income	14,037	2,949
Total other revenue	14,037	2,949
Operating expenses		
Management and consulting fees	$ 319,095	$ 128,752
Share-based payments	367,553	-
General office and administration expenses	65,393	22,250
Shareholder communications and filing fees	74,941	21,647
Travel and promotion	185,000	162,131
Accounting and legal	28,138	21,860
Other expenses	125,000	-
Foreign exchange (gain)/loss	1,618	95,911
Total operating expenses	$ 1,166,738	$ 452,551
Net loss and comprehensive loss for the period	$ (1,315,513)	$ (449,602)

The Company recorded a net loss and comprehensive loss of $1,315,513 during the three months ended March 31, 2020 compared to net loss of $449,602 during the same period in the prior year. The Company incurred additional management and consulting fees in connection with development of the Company's new investment strategy and increased general and administration expenses due to increased activity in the current year. The Company also incurred an expense of $125,000 related to the extension of the Troilus royalty agreement which was subsequently terminated. In addition, the Company recorded a foreign exchange loss of $1,618 from the revaluation of working capital items held in US dollars compared to a loss of $95,911 in the same period of the prior year. The Company incurred share-based expenses of $367,553, and an unrealized loss of $162,812 on its publicly traded investments.

The Company earned $14,037 in interest income in the three months ended March 31, 2020, compared to $2,949 in the same period of the prior year. This was a result of increased income from the Company's loans receivable.

The Company underwent a change of business in the 3rd quarter of 2019. The Q1-2019 activities were that of a junior mining company.

Financial Commitments and Contractual Obligations

Management commitments

The Company is party to certain management contracts. These contracts contain clauses requiring additional payments of up to approximately $3,300,000 be made upon the occurrence of certain events such as a change of control. Additional minimum management contract commitments remaining under these contracts approximate $370,000 due within one year.

Legal Proceedings

The Company is from time to time named in various legal proceedings. The Company has not estimated or accrued any amounts related to such proceedings as they are believed to be without merit.

Transactions with Related Parties

See Notes 3, 6, 13 and 15 to the condensed interim consolidated financial statements of the Company for the three months ended March 31, 2020.

During the three months ended March 31, 2020 and 2019, the Company entered into the following transactions in the ordinary course of business with related parties from an accounting perspective that are not subsidiaries of the Company:

	Purchase of goods and services	
	Three months ended March 31,	
	2020	2019
Forbes & Manhattan, Inc.	$ -	$ 30,000
2227929 Ontario Inc.	$ 101,700	$ 30,000

Mr. Stan Bharti is the Executive Chairman of Forbes. The Company is part of the Forbes Group of Companies and continues to receive the benefits of such membership, including access to various professionals, and strategic advice from the Forbes Board of Advisors. An administration fee of $10,000 per month through April 2019 and $25,000 per month from May 2019 was charged by Forbes pursuant to a consulting agreement. On March 14, 2019, Mr. Bharti was appointed President and CEO and director of the Company, and as a result amounts paid to Forbes from April 1, 2019 are included as part of

compensation of key management, directors and officers. As at March 31, 2020, receivables included $125,000 owing from Forbes. These receivables are unsecured, non-interest bearing and due on demand.

As at March 31, 2020, the Company had an amount receivable of $103,500 from Aberdeen International Inc. The receivable is unsecured, non-interest bearing and due on demand. Stan Bharti, a director and officer of the Company, is a director and officer of Aberdeen.

The Company shares office space with other corporations who may have common officers and directors. The costs associated with the use of this space, including the provision of office equipment, supplies, and certain other services are administered by 2227929 Ontario Inc., to whom the Company pays a monthly fee. For the three months ended March 31, 2020, the Company was charged $101,700 for these services (three months ended March 31, 2019: $90,000). In addition, as at March 31, 2020, prepaid expenses included a $69,500 (December 31, 2019: $171,200) advance paid to 2227929 Ontario Inc. Fred Leigh, a former director of the Company, is a director of 2227929 Ontario Inc.

Compensation of Key Management, Directors and Officers

The remuneration of directors and other members of key management personnel during the three months ended March 31, 2020 and 2019 were as follows:

	Three months ended March 31,	
	2020	2019
Short-term benefits	$ 156,504	$ 60,000
Share-based payments	209,635	-

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

During the three months ended March 31, 2020, the Company granted a total of 1,135,000 stock options to key management, directors, and officers of the Company.

Off Balance Sheet Arrangements

To the best of management's knowledge, there are no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company.

Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Fair value

IFRS requires that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the statements of financial position date, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and

involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The Company has determined the carrying values of its financial instruments as follows:

i. The carrying values of cash, amounts receivable, accounts payable and accrual liabilities approximate their fair values due to the short-term nature of these instruments.

ii. Public and private investments and notes and loans receivable are carried at amounts in accordance with the Company's accounting policies as set out in Note 2 of the Company's consolidated financial statements for the year ended December 31, 2019.

The following table sets forth the Company's financial assets and liabilities measured at fair value by level within the fair value hierarchy as at March 31, 2020:

	Level 1	Level 2	Level 3	TOTAL
As at March 31, 2020				
Public investments	$ -	$ 223,290	$ -	$ 223,290
Private investments	-	-	560,000	560,000
Loan receivable	-	316,482	-	316,482
Total	$ -	$ 539,772	$ 560,000	$ 1,099,772

The public investments in Last Mile Holdings Ltd. (formerly OjO Electric Corp.) and Sulliden are classified as Level 2 investments, as the shares are currently held in escrow. The loan receivable is from Newdene Gold Inc. and has a conversion feature. As of March 31, 2020, the fair value of the conversion feature was assessed to be less than the fair value of the loan receivable based on the market price of the underlying security to be received upon conversion.

Within Level 3, the Company includes private company investments that are not quoted on an exchange. The key assumptions used in the valuation of these investments include (but are not limited to) the value at which a recent financing was done by the investee, company-specific information, trends in general market conditions and the share performance of comparable publicly traded companies.

The following table presents the fair value, categorized by key valuation techniques and the unobservable inputs used within Level 3 as at March 31, 2020:

Description	*Fair vaue*	*Valuation technique*	*Significant unobservable input(s)*	*Range of significant unobservable input(s)*
Eco Capital Growth Corp.	$ 560,000	Net asset value	Marketability of shares	0% discount

Eco Capital Growth Corp.

The valuation at March 31, 2020 was based on the fair value of the Company's common shares issued in the transaction. Management has determined that there are no reasonable possible alternative assumptions that would change the fair value significantly as at March 31, 2020. A 10% change in fair value would result in a change of income of approximately $56,000 at March 31, 2020. Had the Company applied a marketability discount of 5%, it would have resulted in a corresponding decrease of approximately $28,000 in income.

Outstanding Share Data

As at the date hereof, there were 90,440,109 common shares of the Company outstanding and 7,363,800 stock options outstanding with a weighted average exercise price of $0.245 per option.

- 1,173,800 at an exercise price of $0.19, expiring October 11, 2021
- 100,000 at an exercise price of $0.05, expiring September 26, 2024
- 1,600,000 at an exercise price of $0.125, expiring October 11, 2024
- 2,490,000 at an exercise price of $0.16, expiring March 30, 2025.
- 500,000 at an exercise price of $0.305, expiring April 2, 2025.
- 1,000,000 at an exercise price of $0.59, expiring April 15, 2025.
- 500,000 at an exercise price of $0.47, expiring April 20, 2025.

Non-GAAP Measures

This MD&A contains the term working capital. The Company believes that, in addition to conventional measures prepared in accordance with GAAP, we and certain investors use this information to evaluate the Company's performance and ability to generate cash, profits and meet financial commitments. These Non-GAAP measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. These non-GAAP measures do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers.

Working Capital

Current assets		March 31, 2020		December 31, 2019
Cash and cash equivalents	$	1,329,382	$	976
Public investments at fair value through profit and loss		223,290		386,036
Private investments at fair value through profit and loss		560,000		380,000
Note and loans receivable		327,148		1,001,930
Amounts receivable		1,060,695		313,695
Prepaid expenses and deposits		1,221,754		217,837
Total current assets		4,722,269		2,300,474
Current liabilities				
Accounts payable and accrued liabilities	$	1,000,751	$	315,996
Total liabilities		1,000,751		315,996
Working capital (current assets less current liabilities)	$	3,721,518	$	1,984,478

Net cash (used in) provided by operating activities

	Three months ended March 31,			
		2020		2019
Cash (used in) operating activities before change in working capital items	$	394,568	$	(449,602)
Cash provided by (used in) change in working capital items		(319,162)		(782,509)
Net cash (used in) provided by operating activities	$	75,406	$	(1,232,111)

New accounting pronouncements

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on January 1, 2020 or later. IAS 1 – Presentation of Financial Statements and IAS 8 – Accounting Policies, have been adopted and did not have any impact on the consolidated financial statements.

Critical Judgments and Estimation Uncertainties

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Such estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes can differ from these estimates. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised, and the revision affects both current and future periods.

Information about critical judgments and estimates in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

- *Fair value of investments not quoted in an active market or private company investments*
  Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values.

- *Fair value of financial derivatives*
  Investments in options and warrants which are not traded on a recognized securities exchange do not have a readily available market value. When there are sufficient and reliable observable market inputs, a valuation technique is used; if no such market inputs are available, the warrants and options are observed at intrinsic value.

- *Fair value/impairment of loans receivable*
  The recoverability of loans receivable is assessed when events occur indicating impairment. Recoverability is based on factors such as failure to pay interest on time and failure to pay the principal. An impairment loss is recognized in the period when it is determined that the carrying amount of the assets will not be recoverable. Convertible debentures and convertible notes issued to publicly traded companies are carried at the higher of the loan receivable value of the fair value of the common shares or units receivable from the conversion assuming the conversion can be done at the Company's option.

- *Share-based payments*
  The Company uses the Black-Scholes option pricing model to fair value options in order to calculate share-based compensation expense. The Black-Scholes model involves six key inputs to determine the fair value of an option: risk-free interest rate, exercise price, market price of the Company's shares at date of issue, expected dividend yield, expected life, and expected volatility. Certain inputs are estimates which involve considerable judgment and are, or could be, affected by factors that are out of the Company's control.

- *Investment entity*
  Management has determined that the Company qualifies for the exemption from consolidation given that the Company has the following typical characteristics of an investment entity:
  a) obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
  b) commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
  c) measures and evaluates the performance of substantially all of its investments on a fair value basis.

Risks and Uncertainties

The Company is exposed to a number of risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. The following outlines certain risk factors specific to the Company. These risk factors could materially affect the Company's future results and could cause actual events to differ materially from those described in forward–looking information relating to the Company.

Novel Coronavirus ("COVID-19")

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

Additional Financing Requirements

The Company may have ongoing requirements for funds to support its growth and may seek to obtain additional funds for these purposes through public or private equity, or debt financing. There are no assurances that additional funding will be available at all, on acceptable terms or at an acceptable level. Any limitations on the Company's ability to access the capital markets for additional funds could have a material adverse effect on its ability grow its investment portfolio.

No Operating History as an Investment Issuer

The Company does not have any record of operating as an investment issuer or undertaking merchant banking operations. The Company will be subject to all the business risks and uncertainties associated with any new business enterprise, including the risk that the Company will not achieve its financial objectives as estimated by management or at all. Furthermore, past successes of management or the Board does not guarantee future success.

Portfolio Exposure and Sensitivity to Political and Macro-Economic Conditions

Given the nature of the Company's current and proposed investment activities, the results of operations and financial condition of the Company will be dependent upon the market value of the securities that will comprise the Company's investment portfolio. Market value can be reflective of the actual or anticipated operating results of companies in the portfolio and/or the general market conditions that affect a particular sector. Various factors affecting a sector could have a negative impact on the Company's portfolio of investments and thereby have an adverse effect on its business. Additionally, the Company may invest in small-cap businesses that may never mature or generate adequate returns or may require a number of

years to do so. This may create an irregular pattern in the Company's investment gains and revenues (if any).

Macro factors such as fluctuations in commodity prices and global political and economic conditions could also negatively affect the Company's portfolio of investments. The Company may be adversely affected by the falling share prices of the securities of investee companies; as such, share prices may directly and negatively affect the estimated value of the Company's portfolio of investments. Moreover, company-specific risks could have an adverse effect on one or more of the investments that may comprise the portfolio at any point in time. Company-specific and industry specific risks that may materially adversely affect the Company's investment portfolio may have a materially adverse impact on operating results. The factors affecting current macro-economic conditions are beyond the control of the Company.

Cash Flow, and Revenue and Liquidity

The Company's revenue and cash flow is generated primarily from financing activities, dividends and/or royalty payments on investments and proceeds from the disposition of investments. The availability of these sources of income and the amounts generated from these sources are dependent upon various factors, many of which are outside of the Company's direct control. The Company's liquidity and operating results may be adversely affected if its access to capital markets is hindered, whether as a result of a downturn in market conditions generally or to matters specific to the Company, or if the value of its investments decline, resulting in losses upon disposition.

Private Issuers and Illiquid Securities

The Company may invest in securities of private issuers, illiquid securities of public issuers and publicly traded securities that have low trading volumes. The value of these investments may be affected by factors such as investor demand, resale restrictions, general market trends and regulatory restrictions. Fluctuation in the market value of such investments may occur for a number of reasons beyond the control of the Company and there is no assurance that an adequate market will exist for investments made by the Company. Many of the investments made by the Company may be relatively illiquid and may decline in price if a significant number of such investments are offered for sale by the Company or other investors.

Trading Price of the Common Shares Relative to Net Asset Value

The Company is neither a mutual fund nor an investment fund and, due to the nature of its business and investment strategy and the composition of its investment portfolio, the market price of the common shares of the Company, at any time, may vary significantly from the Company's net asset value per common share of the Company. This risk is separate and distinct from the risk that the market price of the common shares of the Company may decrease.

Concentration of Investments

Other than as described in the Company's filings under its profile on SEDAR, there are no restrictions on the proportion of the Company's funds and no limit on the amount of funds that may be allocated to any particular investment. The Company may participate in a limited number of investments and, as a result, its financial results may be substantially adversely affected by the unfavourable performance of a single investment. Completion of one or more investments may result in a highly concentrated investment in a particular company, commodity or geographic area, resulting in the performance of the Company depending significantly on the performance of such company, commodity or geographic area.

Available Opportunities and Competition for Investments

The success of the Company's operations will depend upon, among other things: (a) the availability of appropriate investment opportunities; (b) the Company's ability to identify, select, acquire, grow and exit those investments; and (c) the Company's ability to generate funds for future investments. The Company

can expect to encounter competition from other entities having similar investment objectives, including institutional investors and strategic investors. These groups may compete for the same investments as the Company, will have a longer operating history and may be better capitalized, have more personnel and have different return targets. As a result, the Company may not be able to compete successfully for investments. In addition, competition for investments may lead to the price of such investments increasing, which may further limit the Company's ability to generate desired returns. There can be no assurance that there will be a sufficient number of suitable investment opportunities available to invest in or that such investments can be made within a reasonable period of time. There can also be no assurance that the Company will be able to identify suitable investment opportunities, acquire them at a reasonable cost or achieve an appropriate rate of return. Identifying attractive opportunities is difficult, highly competitive and involves a high degree of uncertainty. Potential returns from investments will be diminished to the extent that the Company is unable to find and make a sufficient number of investments. These competitors may limit the Company's opportunities to acquire interests in investments that are attractive to the Company.

The Company may be required to invest otherwise than in accordance with its investment policy and strategy in order to meet its investment objectives. If the Company is required to invest other than in accordance with its investment policy and strategy, its ability to achieve its desired rates of return on its investments may be adversely affected.

Share Prices of Investments

Investments in securities of public companies are subject to volatility in the share prices of such companies. There can be no assurance that an active trading market for any of the subject shares comprising the Company's investment portfolio is sustainable. The trading prices of such subject shares could be subject to wide fluctuations in response to various factors beyond the Company's control, including, but not limited to, quarterly variations in the subject companies' results of operations, changes in earnings, results of exploration and development activities, estimates by analysts, conditions in the resource industry and general market or economic conditions. In recent years, equity markets have experienced extreme price and volume fluctuations. These fluctuations have had a substantial effect on market prices, often unrelated to the operating performance of the specific companies. Such market fluctuations could adversely affect the market price of the Company's investments.

Dependence on Management and Directors

The Company is dependent upon the efforts, skill and business contacts of key members of management and the Board for, among other things, the information and deal flow they generate during the normal course of their activities and the synergies that exist amongst their various fields of expertise and knowledge. Accordingly, the Company's success may depend upon the continued service of these individuals to the Company. The loss of the services of any of these individuals could have a material adverse effect on the Company's revenues, net income and cash flows and could harm its ability to maintain or grow assets and raise funds.

From time to time, the Company will also need to identify and retain additional skilled management to efficiently operate its business. Recruiting and retaining qualified personnel is critical to the Company's success and there can be no assurance of its ability to attract and retain such personnel. If the Company is not successful in attracting and training qualified personnel, the Company's ability to execute its business model and growth strategy could be affected, which could have a material and adverse impact on its profitability, results of operations and financial condition.

No Guaranteed Return

There is no guarantee that an investment in the securities of the Company will earn any positive return in the short-term or long-term. The task of identifying investment opportunities, monitoring such investments and realizing a significant return is difficult. Many organizations operated by persons of competence and

integrity have been unable to make, manage and realize a return on such investments successfully. The past performance of management of the Company provides no assurance of its future success.

Potential Conflicts of Interest

Certain of the directors and officers of the Company are or may, from time to time, be involved in other financial investments and professional activities that may on occasion cause a conflict of interest with their duties to the Company. These include serving as directors, officers, advisors or agents of other public and private companies, including companies involved in similar businesses to the Company or companies in which the Company may invest, managing of investment funds, purchases and sales of securities and investment and management counselling for other clients. Such conflicts of the Company's directors and officers may result in a material and adverse effect on the Company's results of operations and financial condition.

Certain of the Company's directors and officers serve or may agree to serve as directors or officers of other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting such participation.

Due Diligence

The due diligence process undertaken by the Company in connection with investments may not reveal all facts that may be relevant in connection with an investment. Before making investments, the Company will conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence, the Company may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence and making an assessment regarding an investment, the Company will rely on resources available, including information provided by the target of the investment and, in some circumstances, third-party investigations. The due diligence investigation that is carried out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful.

Non-controlling Interests

The Company's investments include equity securities of companies that it does not control. Such instruments and securities may be acquired through trading activities or through purchases of securities from the issuer. These investments are subject to the risk that the company in which the investment is made may make business, financial or management decisions with which the Company does not agree or that the majority stakeholders or the management of the investee Company may take risks or otherwise act in a manner that does not serve the Company's interests. If any of the foregoing was to occur, the values of the Company's investments could decrease and its financial condition, results of operations and cash flow could suffer as a result.

Litigation

The Company has entered into legally binding agreements with various third parties on a consulting and partnership basis. The interpretation of the rights and obligations that arise from such agreements is open to interpretation and the Company may disagree with the position taken by the various other parties resulting in a dispute that could potentially initiate litigation and cause the Company to incur legal costs in the future. Given the speculative and unpredictable nature of litigation, the outcome of any such disputes could have a material adverse effect on the Company.

Additional Information

Additional information about the Company is available for viewing on SEDAR at www.sedar.com and at www.thecse.com.