



MARQUEST MUTUAL FUNDS INC.
EXPLORER SERIES FUND

ANNUAL MANAGEMENT
REPORT OF FUND PERFORMANCE
Year ended December 31, 2016

MARQUEST MUTUAL FUNDS INC. - EXPLORER SERIES FUND

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE | For the Year Ended December 31, 2016

A NOTE ON FORWARD-LOOKING STATEMENTS

This report contains forward looking statements. These statements primarily relate to assessments of future economic and market conditions. Such information has been included to assist readers with assessing recent developments in the Fund's operating climate and possible future developments that may affect Fund performance. All forward looking statements are based on management's current beliefs and assumptions which are subject to numerous risks and uncertainties. Statements with respect to future economic and market conditions are based on management's beliefs and assumptions with respect to a range of factors, including market conditions generally and within the sectors in which the Fund's investments operate. While management considers such beliefs and assumptions to be reasonable based on information currently available to it, no assurance can be given that such beliefs and assumptions will prove to be correct. As a result, these forward looking statements would typically include words such as "anticipates, believes, intended or estimated". Events or circumstances may cause actual results to differ materially from those expressed or implied by such forward looking statements as a result of numerous known and unknown risks and uncertainties, including, but not limited to, those associated with economic and market conditions, political stability and other risks identified in the Fund's prospectus. Most of these factors are beyond the control of the Fund and its Manager. Neither the Fund nor its Manager assumes any obligation to update any of the forward looking statements made in this report.

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Summary of Investment portfolio

The tables below provide information about the investment portfolio of the Fund, including a breakdown of the Fund's portfolio into subgroups and the Top 25 positions held by the Fund as a percentage of NAV.

Total Net Asset Value: \$ 9,853,304

Portfolio Allocation

	% of Fund's Net Asset Value
Base Metals	53.58%
Energy	17.49%
Precious Metals	15.34%
Net Other Assets (Liabilities)	8.57%
Cash	5.02%
	<hr/> 100.00%

Top 25 Holdings

	% of Fund's Net Asset Value
1 Power Metals Corp.	7.69%
2 Appia Energy Corp.	6.65%
3 Cash	5.02%
4 Darnley Bay Resources Ltd.	4.91%
5 Harte Gold Corp.	4.74%
6 Commerce Resources Corp.	4.29%
7 Globex Mining Enterprises Inc.	3.82%
8 Rogue Resources Inc.	3.24%
9 NexGen Energy Ltd.	3.16%
10 Saint Jean Carbon Inc.	3.11%
11 Capstone Mining Corp.	2.67%
12 Copper Fox Metals Inc.	2.67%
13 HudBay Minerals Inc.	2.46%
14 Wallbridge Mining Company Ltd.	2.44%
15 First Quantum Minerals Ltd.	2.40%
16 Vale SA	2.34%
17 Tantalum Resources Corp.	2.33%
18 Teck Resources Ltd.	2.32%
19 Freeport-McMoRan Inc.	2.06%
20 Focus Graphite Inc.	1.93%
21 Balmoral Resources Ltd.	1.87%
22 Shore Gold Inc. (Restricted)	1.83%
23 Garibaldi Resources Corp.	1.77%
24 Trigon Metals Inc.	1.71%
25 HPQ-Silicon Resources Inc.	1.41%
	<hr/> 78.84%

This summary of investment portfolio may change due to the ongoing portfolio transactions of the Fund and a quarterly update is available at www.marquest.ca. The weightings of the positions are calculated based on total NAV of the portfolio as at December 31, 2016. The Fund does not hold short positions. The prospectus and other information of Marquest Mutual Fund Inc. - Explorer Series Fund are available on the internet www.sedar.com.

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