

**MARQUEST MUTUAL FUNDS INC.
EXPLORER SERIES FUND**

**INTERIM MANAGEMENT
REPORT OF FUND PERFORMANCE**

Period ended June 30, 2022

MARQUEST MUTUAL FUNDS INC. - EXPLORER SERIES FUND

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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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This interim management report of fund performance (“MRFP”) contains financial highlights but does not contain the complete interim financial statements of the Marquest Mutual Funds Inc. Explorer Series Fund (the “Fund”). You can get a copy of the interim financial statements at your request, and at no cost, from Marquest Asset Management Inc. (the “Manager”) by calling 1-877-777-1541, by writing to us at 40th Floor, 161 Bay Street, Toronto, Ontario, M5J 2S1 or by visiting our website at www.marquest.ca or SEDAR at www.sedar.com.

Securityholders may also contact us using one of these methods to request a copy of the Fund’s proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Management Discussion of Fund Performance

Results of Operation¹

For the six months ended June 30, 2022 the Fund’s Series A-Rollover shares lost 25.9%. By comparison, the return for the S&P/TSX Metals & Mining Index declined 11.9% and the S&P/TSX Composite Index was down 11.1% (not inclusive of dividends). The Fund’s return is after the deduction of fees and expenses, while the benchmarks and broad based index returns do not include any investing costs. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of any other series, which may vary because of differences in management fees and expenses.

The portfolio’s negative return was a result of general market weakness, which began in April/May of this year as equity markets became very concerned about rising inflation to levels not witnessed in 40 years (US CPI Index rose 9.1% year-over-year ending June 30, 2022, while Canada’s consumer price index rose to 8.1% for the same time period). These high levels of inflation led to market concerns as to how central banks would be able to slow down the rate of inflation and to what measures they would have to take in terms of interest rate policy to get inflation under control. As market participants saw the probability increase that central banks would drive the global economy towards a recession, markets sold off towards the end of the six month period.

The gold and silver sectors were relatively weak during the period as the gold price essentially traded in a sideways pattern and the S&P/TSX Gold Index declined 10.8% during the period. With approximately 57% of the Fund invested precious metals, this detracted from performance. Copper prices also dropped significantly in the period (approximately 15.6%) and, as a result, copper and other base metal stocks also performed poorly given concerns around global economic growth. On a price-only basis, the S&P/TSX Copper Index lost 20.6% and this fact impacted performance. As of June 30, 2022, the sector weightings of the portfolio were 57.1% precious metals, 12.2% base metals, 4.1% rare earths, 4.0% lithium and 22.6% short term securities.

As of June 30, 2022, the Fund’s total NAV was \$9,399,727, a decrease of 30.38% since the prior year end (December 2021: \$13,502,574). The change is primarily due to net change in unrealized depreciation of \$4,389,830, net realized gain on sale of investments of \$819,415, and net redemptions of \$873,408.

During the period, subscriptions and redemptions were as follows: Series A Rollover \$6,312,162 and \$7,626,654 respectively (June 2021: \$8,881,183 and \$9,999,213); Series A Regular \$0 and \$2,328 respectively (June 2021: \$42,980 and \$36,694) and Series F \$1,807,782 and \$1,364,370 respectively (June 2021: \$2,198,281 and \$1,796,664).

Subscriptions and redemptions of Series A rollover shares and Series F shares are attributable to the rollover of Marquest Mining Québec 2021-I Super Flow-Through Limited Partnership and Marquest Mining 2021-I Super Flow-Through Limited Partnership. For more details, please see the “Related Party Transactions” section of the MRFP.

¹ All references to net assets or net asset value in this section refer to Transactional NAV as defined in the Financial Highlights section, which may differ from Net Assets reported under International Financial Reporting Standards (“IFRS”)

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Recent Developments

The minutes of the Fed's July policy meeting affirmed that there are more interest rate hikes to come, however they could now be less aggressive on hikes given early signs of underlying inflationary pressures are cooling. Some FOMC members believe rates may need to stay at a sufficiently restrictive level for some time to restore price stability. Ultimately, tighter monetary policy, recession fears, and geopolitical risks such as the war in the Ukraine, will likely mean that growth data will be on the lighter side for the remainder of the year.

Inventories of copper and other base metals for withdrawal from LME warehouses remains light and the spread between spot copper and three-month contracts on the LME are in slight backwardation, a dynamic that signals tight supply. So, while demand for commodities has fallen on growth concerns, the supply/demand for metals commodities still remains somewhat tight due demand that still is outpacing the modest inventories available. The Manager believes that the recovery of the supply side of the equation will remain a challenge for several years due to the lack of investment in the mining industry over the past ten years. In addition, mining companies have been high grading their mine production in recent years and thereby reducing their capacity to increase production to meet any recovery in demand.

In the past several years, there has been a significant consolidation in the mining exploration sector that has resulted in the acquisition of high quality exploration assets by experienced management teams, which greatly improves the prospects of success of the mining sector.

Related Party Transactions

The Manager of the Fund is responsible for managing all of the Fund's activities, including investment advisory and portfolio management services under a Management Agreement. The Management Agreement is automatically renewed annually for one year terms, unless terminated by either party on at least 60 days prior notice. The Management Agreement may be terminated by either party if the other party is in material default of the performance of any of its duties under the Management Agreement and such default has not been remedied, or if the other party goes into liquidation, bankruptcy or ceases to hold appropriate regulatory approvals. The Manager may also be removed by an extraordinary resolution of unitholders. Management fees are paid by the Fund as set out under "Management Fees" below.

During the period, \$121,954 (2021 - \$160,925) in management fees (including HST) was paid to the Manager.

The table below summarizes the rollover transactions into the Fund for the period ended June 30, 2022.

Terminating fund	Merger date	Continuing fund	Series	Net assets	Shares	Exchange
				acquired \$	issued	ratio %
Marquest Mining Québec 2021-I Super Flow-Through LP - Class A	5/13/2022	Explorer Series Fund	A-Rollover	5,638,726	6,892,465	47.79
Marquest Mining Québec 2021-I Super Flow-Through LP - Class F	5/13/2022	Explorer Series Fund	F	1,240,022	1,467,829	48.11
Marquest Mining 2021-I Super Flow-Through LP - Class A	5/13/2022	Explorer Series Fund	A-Rollover	673,436	823,171	56.81
Marquest Mining 2021-I Super Flow-Through LP - Class F	5/13/2022	Explorer Series Fund	F	102,079	120,832	56.46

From time to time, the Manager may earn fees and commissions on securities transactions in which the Fund participates. For the period ended June 30, 2022, \$9,150 (2021 – \$0) was received by the Manager in related fees and commissions under the standing instructions given by the Independent Review Committee ("IRC").

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Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years and the most recent interim period. The information is derived from the Fund's unaudited interim and audited annual financial statements.

Marquest Mutual Funds Inc. - Explorer Series Fund (Series A-Rollover)**							
Net Assets per Share (\$) ⁽¹⁾							
	2022*	2021	2020	2019	2018	2017	2016
Net assets, beginning of the year ⁽²⁾	1.02	0.89	0.40	0.43	0.59	0.49	0.31
Increase (decrease) from operations:							
Total revenue	-	-	-	-	-	-	-
Total expenses (excluding distributions)	(0.02)	(0.06)	(0.04)	(0.03)	(0.03)	(0.03)	(0.03)
Realized gains (losses) for the year	0.07	0.37	0.23	(0.02)	(0.10)	0.08	(0.13)
Unrealized gains (losses) for the year	(0.33)	(0.18)	0.26	0.01	(0.02)	0.04	0.27
Total increase (decrease) from operations ⁽²⁾	(0.28)	0.13	0.45	(0.04)	(0.15)	0.09	0.11
Distributions:							
From net investment income (excluding dividends)	-	-	-	-	-	-	-
From dividends	-	-	-	-	-	-	-
From capital gains	-	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-	-
Total annual distributions ⁽³⁾	-	-	-	-	-	-	-
Net assets at December 31st of year shown	0.74	1.02	0.89	0.40	0.43	0.59	0.49

Notes:

⁽¹⁾ This information is derived from the Fund's audited annual and unaudited interim financial statements. The net assets attributable to holders of redeemable units per unit presented in the financial statements may differ from the net asset value calculated for fund pricing purposes. An explanation of these differences can be found in the notes to financial statements, if applicable.

⁽²⁾ Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.

⁽³⁾ Distributions were paid in cash or re-invested in additional units of the Fund, or both.

*The financial information is for the six-month period ending June 30, 2022.

**Series A-Rollover shares were first issued on January 15, 2005.

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Financial Highlights (continued)

Marquest Mutual Funds Inc. - Explorer Series Fund (Series A-Regular)**							
Net Assets per Share (\$) ⁽¹⁾							
	2022*	2021	2020	2019	2018	2017	2016
Net assets, beginning of the year ⁽²⁾	1.15	0.97	0.43	0.47	0.64	0.53	0.35
Increase (decrease) from operations:							
Total revenue	-	-	-	-	-	-	-
Total expenses (excluding distributions)	(0.03)	(0.07)	(0.04)	(0.03)	(0.03)	(0.03)	(0.04)
Realized gains (losses) for the year	0.12	0.64	-	(0.01)	(0.12)	0.11	(0.09)
Unrealized gains (losses) for the year	(0.39)	(0.35)	0.38	0.02	(0.03)	0.02	0.34
Total increase (decrease) from operations ⁽²⁾	(0.30)	0.22	0.34	(0.02)	(0.18)	0.10	0.21
Distributions:							
From net investment income (excluding dividends)	-	-	-	-	-	-	-
From dividends	-	-	-	-	-	-	-
From capital gains	-	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-	-
Total annual distributions ⁽³⁾	-	-	-	-	-	-	-
Net assets at December 31st of year shown	0.82	1.15	0.97	0.43	0.47	0.64	0.53

Notes:

⁽¹⁾ This information is derived from the Fund's audited annual and unaudited interim financial statements. The net assets attributable to holders of redeemable units per unit presented in the financial statements may differ from the net asset value calculated for fund pricing purposes. An explanation of these differences can be found in the notes to financial statements, if applicable.

⁽²⁾ Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.

⁽³⁾ Distributions were paid in cash or re-invested in additional units of the Fund, or both.

*The financial information is for the six-month period ending June 30, 2022.

**Series A-Regular shares were first issued on November 27, 2007

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Financial Highlights (continued)

Marquest Mutual Funds Inc. - Explorer Series Fund (Series F)**							
Net Assets per Share (\$) ⁽¹⁾							
	2022*	2021	2020	2019	2018	2017	2016
Net assets, beginning of the year ⁽²⁾	1.05	0.90	0.40	0.43	0.58	0.47	0.31
Increase (decrease) from operations:							
Total revenue	-	-	-	-	-	-	-
Total expenses (excluding distributions)	(0.02)	(0.05)	(0.03)	(0.02)	(0.02)	(0.02)	(0.02)
Realized gains (losses) for the year	0.05	0.20	0.16	(0.08)	(0.10)	0.09	(0.05)
Unrealized gains (losses) for the year	(0.32)	(0.18)	0.39	(0.03)	(0.03)	0.07	0.25
Total increase (decrease) from operations ⁽²⁾	(0.29)	(0.03)	0.52	(0.13)	(0.15)	0.14	0.18
Distributions:							
From net investment income (excluding dividends)	-	-	-	-	-	-	-
From dividends	-	-	-	-	-	-	-
From capital gains	-	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-	-
Total annual distributions ⁽³⁾	-	-	-	-	-	-	-
Net assets at December 31st of year shown	0.76	1.05	0.90	0.40	0.43	0.58	0.47

Notes:

⁽¹⁾ This information is derived from the Fund's audited annual and unaudited interim financial statements. The net assets attributable to holders of redeemable units per unit presented in the financial statements may differ from the net asset value calculated for fund pricing purposes. An explanation of these differences can be found in the notes to financial statements, if applicable.

⁽²⁾ Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.

⁽³⁾ Distributions were paid in cash or re-invested in additional units of the Fund, or both.

*The financial information is for the six-month period ending June 30, 2022.

**Series F units were first issued on November 27, 2007.

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Financial Highlights (continued)

Ratios and Supplemental Data							
Series A-Rollover**							
	2022*	2021	2020	2019	2018	2017	2016
Total net asset value (000's) ⁽¹⁾	\$ 7,812	\$ 11,721	\$ 10,778	\$ 6,958	\$ 9,353	\$ 15,656	\$ 9,837
Number of shares outstanding ⁽¹⁾	10,627,016	12,037,868	12,332,219	17,274,341	21,657,036	26,586,916	20,222,379
Management expense ratio ⁽²⁾	4.59%	4.50%	6.03%	5.94%	4.14%	3.74%	4.40%
Management expense ratio before waivers or absorption ⁽⁵⁾	4.59%	4.50%	6.03%	5.94%	4.14%	3.74%	4.40%
Trading expense ratio ⁽³⁾	0.75%	0.98%	0.02%	1.22%	1.06%	1.58%	2.86%
Portfolio turnover rate ⁽⁴⁾	66.67%	205.16%	186.66%	237.54%	243.96%	271.56%	393.41%
Net asset value per share ⁽¹⁾	\$ 0.74	\$ 0.97	\$ 0.87	\$ 0.40	\$ 0.43	\$ 0.59	\$ 0.49
Series A-Regular***							
	2022*	2021	2020	2019	2018	2017	2016
Total net asset value (000's) ⁽¹⁾	\$ 1	\$ 4	\$ 14	\$ 6	\$ 8	\$ 12	\$ 8
Number of shares outstanding ⁽¹⁾	1,332	3,740	14,687	14,098	18,269	18,846	15,586
Management expense ratio ⁽²⁾	4.57%	4.45%	6.45%	5.97%	4.22%	3.78%	5.07%
Management expense ratio before waivers or absorption ⁽⁵⁾	4.57%	4.45%	6.45%	5.97%	4.22%	3.78%	5.07%
Trading expense ratio ⁽³⁾	0.75%	0.98%	0.02%	1.22%	1.06%	1.58%	2.86%
Portfolio turnover rate ⁽⁴⁾	66.67%	205.16%	186.66%	237.54%	243.96%	271.56%	393.41%
Net asset value per share ⁽¹⁾	\$ 0.82	\$ 1.10	\$ 0.95	\$ 0.43	\$ 0.47	\$ 0.64	\$ 0.53
Series F****							
	2022*	2021	2020	2019	2018	2017	2016
Total net asset value (000's) ⁽¹⁾	\$ 1,760	\$ 1,778	\$ 930	\$ 72	\$ 783	\$ 1,485	\$ 8
Number of shares outstanding ⁽¹⁾	2,315,474	1,776,100	1,049,179	180,810	1,837,483	2,554,848	16,099
Management expense ratio ⁽²⁾	3.49%	3.34%	3.86%	4.32%	3.07%	2.89%	3.11%
Management expense ratio before waivers or absorption ⁽⁵⁾	3.49%	3.34%	3.86%	4.32%	3.07%	2.89%	3.11%
Trading expense ratio ⁽³⁾	0.75%	0.98%	0.02%	1.22%	1.06%	1.58%	2.86%
Portfolio turnover rate ⁽⁴⁾	66.67%	205.16%	186.66%	237.54%	243.96%	271.56%	393.41%
Net asset value per share ⁽¹⁾	\$ 0.76	\$ 1.00	\$ 0.89	\$ 0.40	\$ 0.43	\$ 0.58	\$ 0.47

Notes:

(1) The information is provided as at December 31st of the year shown.

(2) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

(3) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.

(4) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

(5) Waivers and absorption of certain expenses associated with the Fund are at the Manager's discretion and may be terminated at any time.

*The financial information is for the six-month period ending June 30, 2022.

**Series A-Rollover units were first issued on January 15, 2005.

***Series A-Regular units were first issued on November 27, 2007.

****Series F units were first issued on November 27, 2007.

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Management and Performance Fees

The Management fees for each applicable series are calculated daily and are based on the Fund's ending total NAV per series; cumulative daily totals are then paid on a weekly basis. The Manager uses these management fees to pay sales and trailing commissions to registered dealers on the distribution of the Fund shares, as well as for the general investment management expenses.

	Maximum Annual Management Fee Rate (%)	As a percentage of Management fees	
		Sales & Trailer Commissions (%)	Investment Advisory and Portfolio Management Services (%)
Series A /Rollover Shares	2.00%	18.38%	81.62%
Series A/Regular Shares	2.00%	9.55%	90.45%
Series F Shares	1.00%	0.00%	100.00%

There are no performance fees or incentive fees paid by the Fund.

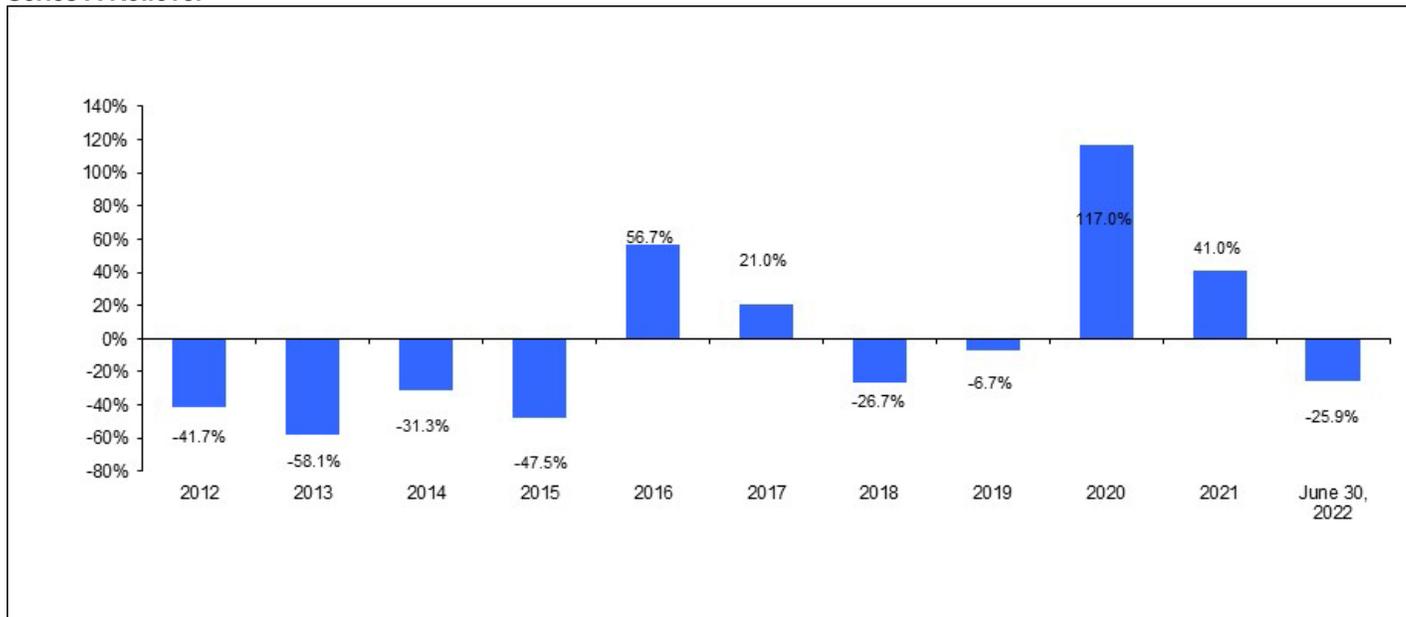
Past Performance

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund. The performance information does not take into account sales, redemptions, distributions or other optional charges that would have reduced returns or performance. How the Fund has performed in the past does not necessarily indicate how it will perform in the future. Performance differences between series of units are mainly attributable to management fees charged to each series.

Year-by-Year Returns

The following bar charts show the Fund's annual Series A Rollover, Series A Regular and Series F shares performance for each of the periods shown and illustrates how the Fund's performance has changed from year to year. In percentage terms, the bar chart shows how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year or period.

Series A Rollover

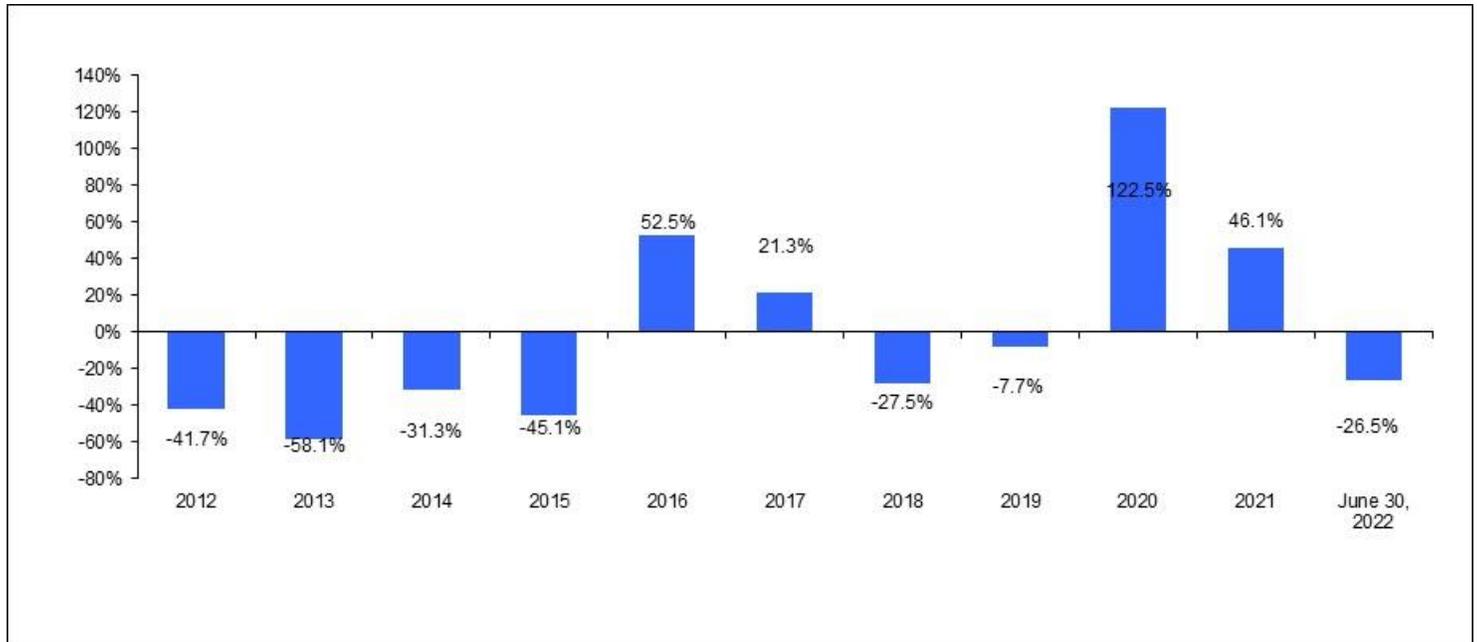


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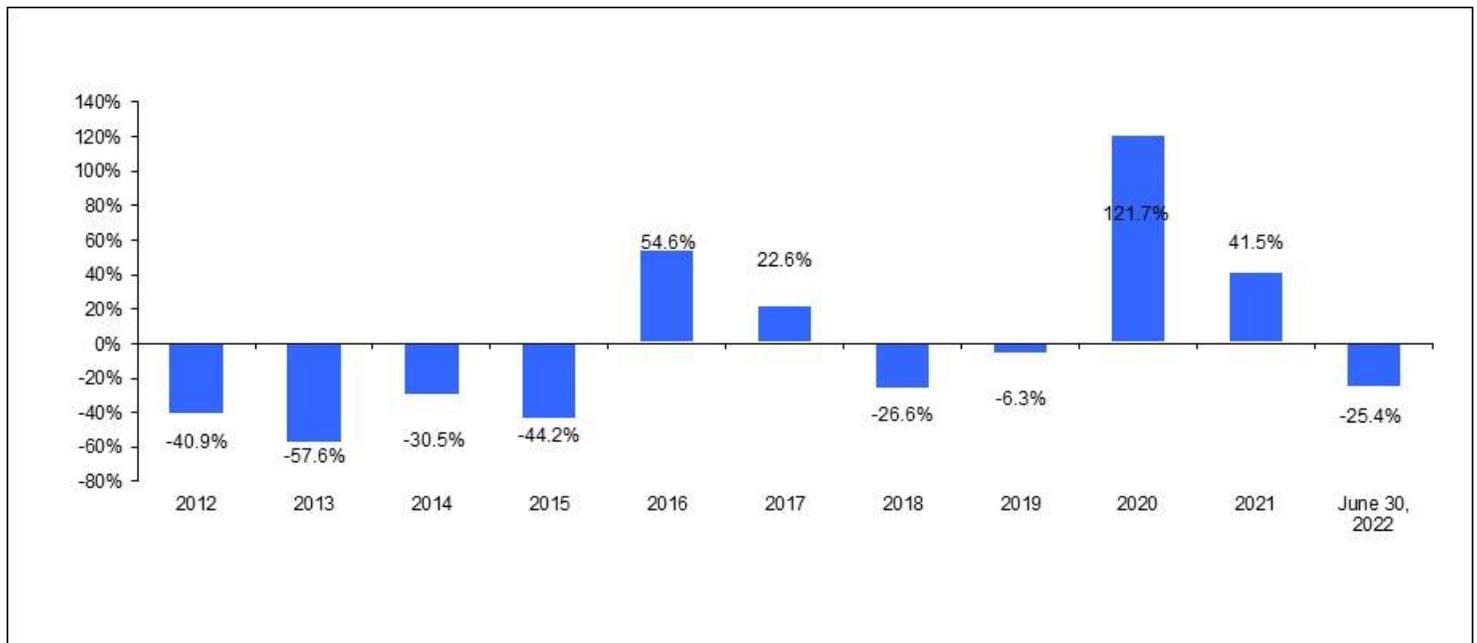
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Past Performance (continued)

Series A Regular



Series F



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Summary of Investment portfolio as at June 30, 2022

Total Net Asset Value: \$ 9,573,080

Portfolio Allocation

	% of Fund's Net Asset Value
Precious Metals	50.38%
Base Metals	13.39%
Lithium	4.10%
Rare Earths	3.82%
Uranium	0.47%
Cash	20.08%
Net Other Assets (Liabilities)	7.76%
	<hr/> 100.00%

Top 25 Holdings

	% of Fund's Net Asset Value
1 Cash	20.08%
2 Starr Peak Mining Ltd.	9.92%
3 Metalex Ventures Ltd.	4.59%
4 Class 1 Nickel & Technologies Ltd.	3.59%
5 Granada Gold Mine Inc.	2.45%
6 G.E.T.T. Gold Inc.	2.38%
7 Seahawk Gold Corp.	2.33%
8 Canada Silver Cobalt Works Inc.	2.16%
9 Power Metals Corp.	1.99%
10 Jourdan Resources Inc.	1.86%
11 Lomiko Metals Inc.	1.84%
12 Blue Star Gold Corp.	1.76%
13 Manning Ventures Inc.	1.59%
14 Battery Mineral Resources Corp.	1.56%
15 Opawica Explorations Inc.	1.53%
16 Emergent Metals Corp.	1.50%
17 Commerce Resources Corp.	1.30%
18 Metals Creek Resources Corp.	1.29%
19 Defense Metals Corp.	1.20%
20 Saville Resources Inc.	1.19%
21 Black Tusk Resources Inc.	1.10%
22 Genius Metals Inc.	1.10%
23 St James Gold Corp.	1.02%
24 Northstar Gold Corp.	0.99%
25 Sirios Resources Inc.	0.99%
	<hr/> 71.31%

The investments and percentages shown may change from time to time due to the ongoing portfolio transactions of the Fund. The weightings of the positions are calculated based on the total net asset value of the Fund as at June 30, 2022. The Fund does not hold short positions. To obtain a copy of the most recent annual report, semi-annual report, quarterly report or simplified prospectus of the Fund, please contact a member of our client services team or visit our website at www.marquest.ca or SEDAR at www.sedar.com.

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