



MARQUEST MUTUAL FUNDS INC.

UNAUDITED INTERIM FINANCIAL STATEMENTS

Period ended June 30, 2022

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MARQUEST MUTUAL FUNDS INC. - EXPLORER SERIES FUND

UNAUDITED INTERIM FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION (CDN \$)

As at

	June 30, 2022 (\$)	December 31, 2021 (\$)
Assets		
Current Assets		
Investments at fair value	6,907,982	10,656,602
Cash	1,921,926	2,625,425
Receivable for investments sold	44,814	-
Refundable taxes receivable (Note 5)	785,065	980,732
Total Assets	9,659,787	14,262,759
Liabilities		
Current Liabilities		
Management fees payable	1,074	2,339
Other payables and accrued expenses	85,633	115,539
Total Liabilities	86,707	117,878
Net Assets Attributable to Holders of Redeemable Shares (Note 3)	9,573,080	14,144,881
Net Assets Attributable to Holders of Redeemable Shares per Series		
Series A-Rollover	7,811,772	12,278,120
Series A-Regular	1,097	4,310
Series F	1,760,211	1,862,451
Net Assets Attributable to Holders of Redeemable Shares per Share (Note 3)		
Series A-Rollover	0.74	1.02
Series A-Regular	0.82	1.15
Series F	0.76	1.05

Approved on behalf of the Board of Directors of Marquest Mutual Funds Inc.

"Ellen Sun"

Ellen Sun
Director

"Andrew A. McKay"

Andrew A. McKay
Director

The accompanying notes form an integral part of the financial statements

MARQUEST MUTUAL FUNDS INC. - EXPLORER SERIES FUND

UNAUDITED INTERIM FINANCIAL STATEMENTS

STATEMENTS OF COMPREHENSIVE INCOME (CDN \$)

For the periods ended June 30,

	2022 (\$)	2021 (\$)
Income		
Interest for distribution purposes	2	556
Securities lending income (Note 7)	390	-
Net realized gain (loss) on sale of investments	819,415	5,826,988
Net change in unrealized appreciation (depreciation) on investments	(4,216,477)	(865,815)
Total Income (Loss)	(3,396,670)	4,961,729
Expenses (Note 4)		
Management fees	121,954	160,925
Operating fees	68,680	96,680
Transaction costs (Note 6)	43,746	70,862
Legal fees	23,046	24,669
Audit fees	21,643	24,272
Independent Review Committee fees	6,343	6,741
Custodian fees	13,126	9,459
Unitholder reporting costs	3,185	3,939
Interest charges	-	3
Total Expenses	301,723	397,550
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations	(3,698,393)	4,564,179
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series		
Series A-Rollover	(3,151,856)	4,247,148
Series A-Regular	(885)	7,051
Series F	(545,652)	309,980
 Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share		
Series A-Rollover	(0.28)	0.37
Series A-Regular	(0.30)	0.28
Series F	(0.29)	0.30

The accompanying notes form an integral part of the financial statements

MARQUEST MUTUAL FUNDS INC. - EXPLORER SERIES FUND

UNAUDITED INTERIM FINANCIAL STATEMENTS

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES (CDN \$)

For the periods ended June 30,

	2022 (\$)	2021 (\$)	2022 (\$)	2021 (\$)
	Series A-Rollover		Series A-Regular	
Net Assets Attributable to Holders of Redeemable Shares, Beginning of Period	12,278,120	10,990,868	4,310	14,302
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations	(3,151,856)	4,247,148	(885)	7,051
Redeemable Share Transactions (Note 3)				
Issuance of shares	6,312,162	8,881,183	-	42,980
Redemption of shares	(7,626,654)	(9,999,213)	(2,328)	(36,694)
Net increase (decrease) from redeemable share transactions	(1,314,492)	(1,118,030)	(2,328)	6,286
Net Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares	(4,466,348)	3,129,118	(3,213)	13,337
Net Assets Attributable to Holders of Redeemable Shares, End of Period	7,811,772	14,119,986	1,097	27,639

	2022 (\$)	2021 (\$)	2022 (\$)	2021 (\$)
	Series F		Total	
Net Assets Attributable to Holders of Redeemable Shares, Beginning of Period	1,862,451	948,043	14,144,881	11,953,213
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations	(545,652)	309,980	(3,698,393)	4,564,179
Redeemable Share Transactions (Note 3)				
Issuance of shares	1,807,782	2,198,281	8,119,944	11,122,444
Redemption of shares	(1,364,370)	(1,796,664)	(8,993,352)	(11,832,571)
Net increase (decrease) from redeemable share transactions	443,412	401,617	(873,408)	(710,127)
Net Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares	(102,240)	711,597	(4,571,801)	3,854,052
Net Assets Attributable to Holders of Redeemable Shares, End of Period	1,760,211	1,659,640	9,573,080	15,807,265

The accompanying notes form an integral part of the financial statements

MARQUEST MUTUAL FUNDS INC. - EXPLORER SERIES FUND

UNAUDITED INTERIM FINANCIAL STATEMENTS

STATEMENTS OF CASH FLOW (CDN \$)

For the periods ended June 30,

	2022 (\$)	2021 (\$)
Cash Flows from Operating Activities		
Increase (Decrease) in net assets attributable to holders of redeemable shares from operations	(3,698,393)	4,564,179
Adjustments for:		
Net realized loss (gain) on sale of investments	(819,415)	(5,826,988)
Net change in unrealized depreciation (appreciation) on investments	4,216,477	865,815
Purchases of investments*	(1,612,977)	(1,289,997)
Proceeds from sale and maturity of investments	5,648,896	10,592,108
Refundable taxes receivable	195,667	-
Prepaid fees	-	16,376
Management fees payable	(1,265)	(465)
Other payables and accrued expenses	(29,906)	(7,381)
Net Cash from Operating Activities	3,899,084	8,913,647
Cash Flows used in Financing Activities		
Issuance of shares*	4,390,769	4,299,033
Redemption of shares	(8,993,352)	(11,895,518)
Net Cash used in Financing Activities	(4,602,583)	(7,596,485)
Increase in Cash during the Period	(703,499)	1,317,162
Foreign exchange gain (loss) on cash	-	-
Cash at Beginning of Period	2,625,425	1,395,614
Cash at End of Period**	1,921,926	2,712,776
Supplementary disclosures on cash flow from operating activities:		
Interest received	2	556
Interest paid	-	(3)

*Excludes in-kind transactions of \$3,729,175 and \$6,823,411 for the Periods ended June 30, 2022 and 2021.

**Includes cash amounts of \$4,000,974 and \$3,409,413 received from mergers during the periods ended June 30, 2022 and 2021.

The accompanying notes form an integral part of the financial statements

MARQUEST MUTUAL FUNDS INC. - EXPLORER SERIES FUND

UNAUDITED INTERIM FINANCIAL STATEMENTS

SCHEDULE OF INVESTMENT PORTFOLIO (CDN \$)

As at June 30 2022

	Number of Shares, Units or Warrants	Expiry Date	Exercise Price \$	Average Cost \$	Fair Value \$
CANADIAN EQUITIES (72.16%)					
Precious Metals (50.38%)					
Battery Mineral Resources Corp.	786,323			259,486	149,401
Beauce Gold Fields Inc., Private Placements	498,702			39,896	34,909
Beauce Gold Fields Inc., Warrants	1,093,750	25-11-2022	0.21	41,016	1
Beauce Gold Fields Inc., Warrants	285,715	25-3-2023	0.50	-	-
Benton Resources Inc.	503,780			101,174	60,454
Benton Resources Inc., Warrants	1,250,000	11-12-2022	0.30	2	79
Black Tusk Resources Inc.	7,041,667			277,979	105,625
Black Tusk Resources Inc., Warrants	3,750,000	9-11-2023	0.10	4	4
Blue Star Gold Corp.	271,429			171,000	168,286
Brascan Gold Inc.	389,505			116,852	21,423
Brascan Gold Inc., Warrants	225,000	2-11-2024	0.40	-	29
Brixton Metals Corp.	538,953			97,787	72,759
Brixton Metals Corp., Warrants	555,556	7-12-2024	0.26	-	7,944
Cassiar Gold Corp., Warrants	142,856	30-10-2022	0.90	-	399
CopAur Minerals Inc., Private Placements	100,000			100,000	50,440
CopAur Minerals Inc., Warrants	59,091	11-9-2023	1.25	-	142
CopAur Minerals Inc., Warrants	50,000	3-2-2024	1.30	-	1,040
Cross River Ventures Corp.	717,352			123,909	26,901
Cross River Ventures Corp., Warrants	675,676	23-12-2023	0.46	-	1
Emergent Metals Corp.	599,602			163,650	143,904
Emergent Metals Corp., Warrants	250,000	16-7-2023	1.00	-	98
Emgold Mining Corp., Warrants	150,000	18-9-2022	1.60	2	-
Engold Mines Ltd., Warrants	233,333	14-8-2022	1.00	2	-
Equity Metals Corp., Warrants	1,388,889	9-12-2023	0.25	1	1,896
Exploits Discovery Corp., Warrants	612,245	15-3-2023	0.67	1	1
Falcon Gold Corp.	300,000			27,000	24,000
Falcon Gold Corp., Warrants	500,000	9-10-2023	0.25	1	392
G.E.T.T. Gold Inc.	11,370,000			284,250	227,400
Genius Metals Inc.	1,166,667			110,833	105,000
Genius Metals Inc., Warrants	833,333	27-2-2023	0.40	1	1
Gitennes Exploration Inc.	1,336,364			49,572	26,727
Gitennes Exploration Inc., Warrants	675,000	23-12-2022	0.15	1	1
Gold Mountain Mining Corp.	66,450			55,154	23,922
Gold Mountain Mining Corp., Warrants	108,225	18-6-2023	3.15	-	-
Golden Goliath Resources Ltd., Warrants	1,304,348	17-3-2023	0.20	1	1
Goldflare Exploration Inc.	853,846			52,362	42,692
Goldplay Mining Inc.	764,706			68,824	53,529
Goldplay Mining Inc., Warrants	382,353	24-11-2022	0.20	-	-
Goldseek Resources Inc.	78,159			14,069	3,908
Goldseek Resources Inc., Warrants	270,270	12-11-2022	0.60	-	-
Goldstar Minerals Inc.	792,111			43,566	39,606
Granada Gold Mine Inc.	6,710,143			335,507	234,855
Granada Gold Mine Inc., Warrants	2,500,000	28-6-2023	0.20	2	167
Great Atlantic Resource Corp., Warrants	263,158	11-3-2023	0.75	-	-
Independence Gold Corp.	250,000			16,250	16,250
Jourdan Resources Inc.	2,000,000			110,000	140,000
Jourdan Resources Inc., Warrants	4,000,000	7-7-2023	0.07	4	38,280
Manning Ventures Inc.	2,125,000			138,126	148,750
Manning Ventures Inc., Warrants	1,562,500	22-10-2024	0.24	1	3,760
Metalex Ventures Ltd.	6,764,706			236,765	439,706
Metals Creek Resources Corp.	935,000			93,500	121,550
Musk Metals Corp.	2,252,499			123,887	90,100
Musk Metals Corp., Warrants	1,250,000	28-7-2023	0.14	1	246
Newfoundland Discovery Corp.	287,142			116,606	48,814
Nippon Dragon Resources Inc., Warrants	6,000,000	23-12-2022	0.075	6	6
Northstar Gold Corp.	951,613			149,880	95,161
Northstar Gold Corp., Warrants	1,225,806	9-8-2023	0.42	1	321
Orford Mining Corp.	555,556			100,000	55,556
Orford Mining Corp., Warrants	277,778	22-12-2023	0.26	-	758
Opawica Explorations Inc.	1,169,212			292,303	146,152
Opawica Explorations Inc., Warrants	700,000	4-6-2023	0.60	1	93
Opus One Gold Corp.	1,432,000			112,182	42,960
Pelangio Exploration Inc.	2,187,500			175,000	76,563
Pelangio Exploration Inc., Warrants	1,093,750	9-12-2022	0.20	1	1
Pershimex Resources Corp.	968,143			51,845	29,044

MARQUEST MUTUAL FUNDS INC. - EXPLORER SERIES FUND

UNAUDITED INTERIM FINANCIAL STATEMENTS

SCHEDULE OF INVESTMENT PORTFOLIO (CDN \$)

As at June 30 2022

	Number of Shares, Units or Warrants	Expiry Date	Exercise Price \$	Average Cost \$	Fair Value \$
Prospector Metals Corp., Warrants	454,545	1-4-2023	1.20	1	1,095
Quadro Resources Ltd.	585,295			46,824	17,559
Quadro Resources Ltd., Warrants	1,617,648	29-12-2022	0.20	2	2
Renforth Resources Inc.	1,848,485			141,287	83,182
Renforth Resources Inc., Warrants	3,181,818	30-6-2022	0.075	63,636	3
Sage Gold Inc.	2,272,727			-	-
Seahawk Gold Corp.	720,750			197,306	223,433
Sitka Gold Corp.	524,277			58,855	65,535
Sitka Gold Corp., Warrants	925,926	3-3-2023	0.18	1	12,699
Sokoman Minerals Corp.	243,478			93,729	57,217
Sphinx Resources Ltd.	2,252,769			76,485	22,528
St James Gold Corp.	232,167			97,510	97,510
St James Gold Corp., Warrants	208,333	30-6-2024	3.90	-	122
St James Gold Corp., Warrants	73,834	26-8-2024	4.18	-	38
Starr Peak Mining Ltd.	825,538			1,556,479	949,368
Starr Peak Mining, Warrants	104,167	2-12-2022	4.50	-	-
Starr Peak Mining, Warrants	105,195	22-1-2023	5.00	-	-
Sterling Metals Corp., Warrants	236,842	31-3-2023	0.78	-	523
TDG Gold Corp.	181,466			90,733	34,479
TDG Gold Corp., Warrants	100,000	22-12-2023	0.75	-	156
Tomagold Corp., Warrants	2,500,000	23-12-2022	0.15	3	3
Trifecta Gold Ltd.	1			-	-
Tudor Gold Corp.	61,031			104,363	79,340
Warrior Gold Inc.	950,000			47,500	42,750
Warrior Gold Inc., Warrants	625,000	3-3-2023	0.15	1	1
Ximen Mining Corp., Warrants	500,000	31-7-2022	0.75	1	1
Xmet Inc.	2,000,000			10,000	2
X-Terra Resources Inc.	516,129			25,806	12,903
X-Terra Resources Inc., Warrants	2,258,064	21-12-2022	0.20	3	2
				6,860,788	4,822,459

*These securities are subject to temporary trading restrictions.
See accompanying notes.

CANADIAN EQUITIES (CONT'D) (72.16%)

Base Metals (Cont.) (13.39%)

Base Metals (13.39%)

ALX Resources Corp., Warrants	1,190,476	10-8-2023	0.14	2	236
Argex Titanium Inc.	10,000,000			-	-
Braveheart Resources Inc., Warrants	2,608,696	6-4-2023	0.14	3	4,234
Canada Silver Cobalt Works Inc.	1,724,336			284,515	206,920
Canada Silver Cobalt Works Inc., Warrants	1,330,532	25-11-2022	0.80	1	1
Canada Silver Cobalt Works Inc., Warrants	638,298	7-4-2023	0.58	1	1
Canada Silver Cobalt Works Inc., Warrants	1,267,209	29-6-2023	0.60	1	1
CAT Strategic Metals Corp., Warrants	3,055,556	26-2-2026	0.16	3	2,774
Class 1 Nickel & Technologies Ltd.	1,659,891			409,301	340,278
Class 1 Nickel & Technologies Ltd., Warrants	468,750	12-11-2023	1.05	-	212
Class 1 Nickel & Technologies Ltd., Warrants	1,153,800	4-6-2024	0.85	1	3,152
Gsp Resource Corp., Warrants	312,500	16-11-2022	0.50	-	-
Happy Creek Minerals Ltd.	500,000			22,500	22,500
Happy Creek Minerals Ltd., Warrants	5,000,000	19-11-2023	0.12	5	6,175
Metallis Resources Inc., Warrants	666,666	16-10-2023	0.68	-	822
NorZinc Ltd.	1,250,000			75,000	37,500
Power Metals Corp.	1,000,000			200,000	175,000
Power Metals Corp., Warrants	1,000,000	20-1-2025	0.40	-	15,405
QC Copper and Gold Inc.	245,239			40,370	39,238
Rockridge Resources Ltd., Warrants	714,286	5-3-2024	0.22	1	741
Saville Resources Inc.	7,615,000			352,750	114,225
Silver Spruce Resources Inc.	3,624,334			163,096	90,608
Silver Spruce Resources Inc., Warrants	4,166,668	21-12-2022	0.075	4	4
Sirios Resources Inc.	1,583,333			95,000	95,000
The Magpie Mines Inc.	3,771,428			850,000	-
Zincx Resources Corp.	799,000			135,830	91,885
ZincX Resources Corp., Warrants	875,000	9-4-2023	0.40	1	114
Zonte Metals Inc.	251,036			56,986	35,145
				2,685,371	1,282,172

Lithium (4.10%)

Cypress Development Corp.	40,000			80,000	42,800
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MARQUEST MUTUAL FUNDS INC. - EXPLORER SERIES FUND

UNAUDITED INTERIM FINANCIAL STATEMENTS

SCHEDULE OF INVESTMENT PORTFOLIO (CDN \$)

As at June 30 2022

	Number of Shares, Units or Warrants	Expiry Date	Exercise Price \$	Average Cost \$	Fair Value \$
Cypress Development Corp., Warrants	75,000	4-2-2024	2.65	-	3,042
Lomiko Metals Inc.	3,231,863			237,444	161,593
Lomiko Metals Inc., Warrants	4,500,000	23-12-2022	0.10	5	576
Lomiko Metals Inc., Warrants	1,875,000	19-1-2027	0.11	-	14,259
St-Georges Eco-Mining Corp.	456,927			116,596	91,385
St-Georges Eco-Mining Corp., Warrants	1,083,333	11-3-2024	0.75	2	1
Stria Lithium Inc.	300,000			22,500	54,000
Vision Lithium Inc.	286,364			34,364	24,341
Vision Lithium Inc., Warrants	2,034,091	20-4-2023	0.30	2	132
				490,913	392,130
Rare Earths (3.82%)					
Appia Rare Earth & Uranium Co.	191,825			88,483	65,221
Appia Rare Earth & Uranium Co., Warrants	500,000	19/5/2023	0.75	1	2,862
Commerce Resources Corp.	637,211			140,187	124,256
Defense Metals Corp.	500,000			151,398	115,000
Imperial Mining Group Ltd.	150,455			24,303	10,532
Search Minerals Inc.	390,922			70,366	44,956
Search Minerals Inc., Warrants	555,556	22-12-2023	0.25	-	2,564
				474,738	365,391
Uranium (0.47%)					
CanAlaska Uranium Ltd., Warrants	806,819	16-5-2024	0.60	-	14,158
CanAlaska Uranium Ltd., Warrants	78,125	18-7-2024	0.60	-	472
Purepoint Uranium Group Inc., Warrants	10,000,000	17-12-2022	0.08	700,000	31,200
				700,000	45,830
TOTAL CANADIAN EQUITIES				11,211,810	6,907,982
Total cost and fair value of investments (72.16%)				11,211,810	6,907,982
Less: Transaction costs included in average cost (Note 6)				(2,683)	-
Total investments				11,209,127	6,907,982
Other Assets Less Liabilities (27.84%)				2,665,098	2,665,098
Net assets attributable to holders of redeemable units				13,874,225	9,573,080

*These securities are subject to temporary trading restrictions.

PORTFOLIO CONCENTRATION (CDN \$)

Portfolio by Category	% of Net Assets Attributable to Holders of Redeemable Units	
	June 30, 2022	December 31, 2021
Precious Metals	50.38%	51.81%
Base Metals	13.39%	18.56%
Lithium	4.10%	0.00%
Rare Earths	3.82%	0.00%
Uranium	0.47%	4.98%
Other Assets Less Liabilities	27.84%	24.65%
Total	100.00%	100.00%

See accompanying notes.

MARQUEST MUTUAL FUNDS INC. - FLEX DIVIDEND AND INCOME GROWTH™ SERIES FUND

UNAUDITED INTERIM FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION (CDN \$)

As at

	June 30, 2022 (\$)	December 31, 2021 (\$)
Assets		
Current Assets		
Investments at fair value	2,014,701	2,413,953
Cash	21,957	296,613
Accrued dividend receivable	10,100	11,376
Receivable for investments sold	87,469	-
Refundable taxes receivable (Note 5)	792,861	792,861
Total Assets	2,927,088	3,514,803
Liabilities		
Current Liabilities		
Management fees payable	312	536
Other payables and accrued expenses	33,694	58,176
Total Liabilities	34,006	58,712
Net Assets Attributable to Holders of Redeemable Shares (Note 3)	2,893,082	3,456,091
Net Assets Attributable to Holders of Redeemable Shares per Series		
Series A-Regular	2,059,794	2,299,596
Series F	833,288	1,156,495
Net Assets Attributable to Holders of Redeemable Shares per Share		
Series A-Regular	11.93	12.71
Series F	12.09	12.81

Approved on behalf of the Board of Directors of Marquest Mutual Funds Inc.

"Ellen Sun"

Ellen Sun
Director

"Andrew A. McKay"

Andrew A. McKay
Director

The accompanying notes form an integral part of the financial statements

MARQUEST MUTUAL FUNDS INC. - FLEX DIVIDEND AND INCOME GROWTH™ SERIES FUND

UNAUDITED INTERIM FINANCIAL STATEMENTS

STATEMENTS OF COMPREHENSIVE INCOME (CDN \$)

For the periods ended June 30,

	2022 (\$)	2021 (\$)
Income (Loss)		
Dividends	48,239	55,908
Interest for distribution purposes	(16)	1
Securities lending income (Note 7)	116	329
Foreign exchange gain (loss) on cash	353	(303)
Net realized gain (loss) on sale of investments	9,537	(81,426)
Net change in unrealized appreciation (depreciation) on investments	(168,764)	481,583
Total Income (Loss)	(110,535)	456,092
Expenses (Note 4)		
Management fees	30,989	36,565
Operating fees	22,416	42,054
Transaction costs (Note 6)	218	149
Legal fees	4,642	6,976
Audit fees	14,376	13,518
Independent Review Committee fees	2,330	1,509
Custodian fees	5,881	4,241
Unitholder reporting costs	1,553	2,513
Total Expenses	82,405	107,525
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations	(192,940)	348,567
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series		
Series A-Regular	(135,732)	219,238
Series F	(57,208)	129,329
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share		
Series A-Regular	(0.77)	1.03
Series F	(0.68)	1.13

The accompanying notes form an integral part of the financial statements

MARQUEST MUTUAL FUNDS INC. - FLEX DIVIDEND AND INCOME GROWTH™ SERIES FUND

UNAUDITED INTERIM FINANCIAL STATEMENTS

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES (CDN \$)

For the periods ended June 30,

	<u>2022 (\$)</u>	<u>2021 (\$)</u>	<u>2022 (\$)</u>	<u>2021 (\$)</u>
	Series A-Regular		Series F	
Net Assets Attributable to Holders of Redeemable Shares, Beginning of Period	2,299,596	2,472,916	1,156,495	1,481,534
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations	(135,732)	219,238	(57,208)	129,329
Redeemable Share Transactions (Note 3)				
Issuance of shares	45,698	-	115,233	-
Redemption of shares	(149,768)	(50,916)	(381,232)	(236,528)
Net increase (decrease) from redeemable share transactions	(104,070)	(50,916)	(265,999)	(236,528)
Net Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares	(239,802)	168,322	(323,207)	(107,199)
Net Assets Attributable to Holders of Redeemable Shares, End of Period	2,059,794	2,641,238	833,288	1,374,335
	<u>2022 (\$)</u>	<u>2021 (\$)</u>		
	Total			
Net Assets Attributable to Holders of Redeemable Shares, Beginning of Period	3,456,091	3,954,450		
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations	(192,940)	348,567		
Redeemable Share Transactions (Note 3)				
Issuance of shares	160,931	-		
Redemption of shares	(531,000)	(287,444)		
Net increase (decrease) from redeemable share transactions	(370,069)	(287,444)		
Net Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares	(563,009)	61,123		
Net Assets Attributable to Holders of Redeemable Shares, End of Period	2,893,082	4,015,573		

The accompanying notes form an integral part of the financial statements

MARQUEST MUTUAL FUNDS INC. - FLEX DIVIDEND AND INCOME GROWTH™ SERIES FUND

UNAUDITED INTERIM FINANCIAL STATEMENTS

STATEMENTS OF CASH FLOW (CDN \$)

For the periods ended June 30,

	2022 (\$)	2021 (\$)
Cash Flows from in Operating Activities		
Increase (Decrease) in net assets attributable to holders of redeemable shares from operations	(192,940)	348,567
Adjustments for:		
Foreign exchange loss (gain) on cash	(353)	303
Net realized loss (gain) on sale of investments	(9,537)	81,426
Net change in unrealized depreciation (appreciation) on investments	168,764	(481,583)
Proceeds from sale and maturity of investments	152,556	90,330
Accrued dividend receivable	1,276	392
Prepaid fees	-	16,375
Management fees payable	(224)	(192)
Other payables and accrued expenses	(24,482)	(13,541)
Net Cash from Operating Activities	95,060	42,077
Cash Flows used in Financing Activities		
Issuance of shares	160,931	-
Redemption of shares	(531,000)	(315,734)
Net Cash used in Financing Activities	(370,069)	(315,734)
Increase (Decrease) in Cash during the Period	(275,009)	(273,657)
Foreign exchange gain (loss) on cash	353	(303)
Cash at Beginning of Period	296,613	569,499
Cash at End of Period	21,957	295,539
Supplemental disclosures on cash flows:		
Dividends received	49,515	56,300
Interest received (paid)	(16)	1

The accompanying notes form an integral part of the financial statements

MARQUEST MUTUAL FUNDS INC. - FLEX DIVIDEND AND INCOME GROWTH™ SERIES FUND

UNAUDITED INTERIM FINANCIAL STATEMENTS

SCHEDULE OF INVESTMENT PORTFOLIO (CDN \$)

As at June 30 2022

	Number of Shares	Average Cost \$	Fair Value \$
CANADIAN EQUITIES (65.00%)			
Real Estate (9.55%)			
American Hotel Income Properties REIT LP	29,631	192,104	94,523
Colliers International Group Inc.	561	60,967	79,118
Crombie Real Estate Investment Trust	6,367	88,948	102,700
		<u>342,019</u>	<u>276,341</u>
Energy (15.74%)			
Enbridge Inc.	2,660	150,363	144,598
Parkland Fuel Corp.	4,024	147,546	140,679
Pembina Pipeline Corp.	3,740	163,213	170,170
		<u>461,122</u>	<u>455,447</u>
Financials (18.89%)			
Alaris Equity Partners Income	8,072	97,331	133,511
Bank of Montreal	800	103,542	99,024
Bank of Nova Scotia	1,557	117,383	118,612
Brookfield Renewable Corp.	1,498	36,227	68,683
The Toronto-Dominion Bank	1,500	127,137	126,615
		<u>481,620</u>	<u>546,445</u>
Consumer Discretionary (2.88%)			
Park Lawn Corp.	2,446	47,331	83,262
		<u>47,331</u>	<u>83,262</u>
Utilities (7.87%)			
AltaGas Ltd.	4,082	72,984	110,867
Canadian Utilities Ltd.	3,044	95,044	116,859
		<u>168,028</u>	<u>227,726</u>
Industrials (3.05%)			
Thomson Reuters Corp.	658	56,590	88,297
		<u>56,590</u>	<u>88,297</u>
Funds (3.37%)			
Brookfield Global Infrastructure Securities Income Fund	15,846	89,203	97,611
		<u>89,203</u>	<u>97,611</u>
Communication Services (3.65%)			
BCE Inc.	1,667	91,607	105,471
		<u>91,607</u>	<u>105,471</u>
TOTAL CANADIAN EQUITIES		<u>1,737,520</u>	<u>1,880,600</u>
UNITED STATES EQUITIES (4.64%)			
Utilities (4.64%)			
Brookfield Renewable Partners LP	2,998	67,416	134,101
		<u>67,416</u>	<u>134,101</u>
TOTAL UNITED STATES EQUITIES		<u>67,416</u>	<u>134,101</u>
Total cost and fair value of investments (69.64%)		1,804,936	2,014,701
Less: Transaction costs included in average cost (Note 6)		(1,540)	-
Total investments		<u>1,803,396</u>	<u>2,014,701</u>
Other Assets Less Liabilities (30.36%)		878,381	878,381
Net assets attributable to holders of redeemable shares		<u>2,681,777</u>	<u>2,893,082</u>

See accompanying notes.

MARQUEST MUTUAL FUNDS INC. - FLEX DIVIDEND AND INCOME GROWTH™ SERIES FUND

UNAUDITED INTERIM FINANCIAL STATEMENTS

PORTFOLIO CONCENTRATION (CDN \$)

Portfolio by Category	% of Net Assets Attributable to Holders of Redeemable Units	
	June 30, 2022	December 31, 2021
Financials	18.89%	21.65%
Energy	15.74%	12.00%
Utilities	12.51%	10.39%
Real Estate	9.55%	9.72%
Communication Services	3.65%	3.17%
Mutual Funds	3.37%	3.04%
Industrials	3.05%	2.88%
Consumer Discretionary	2.88%	7.00%
Other Assets Less Liabilities	30.36%	30.15%
Total	100.00%	100.00%

See accompanying notes.

Marquest Mutual Funds Inc.

Notes to Unaudited Interim Financial Statements (expressed in Canadian dollars)

For the period ended June 30, 2022

1. THE FUNDS

Marquest Mutual Funds Inc. (the "Corporation") is an open-ended mutual fund corporation incorporated by articles of incorporation under the laws of Ontario on September 24, 2004. In addition to ten common shares issued upon incorporation, the Corporation has two Classes of mutual fund shares – Explorer Series Fund and Flex Dividend and Income Growth™ Series Fund (the Funds). The Funds are referred to individually as a "Fund" and collectively as the "Funds". The Funds' registered office is located at 161 Bay Street, Suite 4010, Toronto, Ontario, M5J 2S1. The Funds invest in Canadian and U.S. securities, Canadian and U.S. fixed income securities, Canadian short-term debt securities and derivatives. Most of the Funds' equity investments are listed and traded on stock exchange markets in Canada and the U.S., although the Funds may also invest in private equity securities.

The investment objective of the Explorer Series Fund is to provide long-term growth by investing primarily in equity securities of Canadian mineral exploration and mining companies. The investment objective of the Flex Dividend and Income Growth™ Series Fund is to provide long-term capital appreciation by investing primarily in large-cap, and secondarily in small- and mid-cap, high yield securities. It is expected that 75% of the Fund's portfolio will be invested in a combination of dividend paying and income bearing investments.

Marquest Asset Management Inc. is the manager (the "Manager") of the Funds. The Funds' investment activities and administration are managed by the Manager. The Funds' custodian is RBC Investor and Treasury Services.

The Funds' commencement dates of operations are as follows:

Name of Fund	Series A-Rollover	Series A-Regular	Series F	Series I
Explorer Series Fund	15-Jan-05	27-Nov-07	27-Nov-07	-
Flex Dividend and Income Growth™ Series Fund	-	19-May-09	13-Nov-09	28-Oct-08

The interim Statements of Financial Position are as at June 30, 2022 and December 31, 2021. The interim Statements of Comprehensive Income (Loss), Changes in Net Assets Attributable to Holders of Redeemable Shares, and Cash Flows are for the six-month periods ended June 30, 2022 and 2021. Throughout this document, references to the period or periods refer to the reporting periods described here.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Presentation

These interim financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") and in accordance with International Accounting Standards 34, Interim Financial Reporting ("IAS 34") as published by the International Accounting Standards Board ("IASB") and as required by Canadian securities legislation and the Canadian Accounting Standards Board.

These financial statements were authorized for issue by the Board of Directors of Marquest Mutual Funds Inc. on August 26, 2022.

These financial statements present the financial information of each of the Classes as separate reporting entities. If a Class cannot satisfy its obligations, the other Classes may be required to satisfy them using assets attributable to those Classes. The Manager believes that the risk of such cross class liability is remote.

(b) Significant Accounting Judgments, Estimates and Assumptions

The preparation of these financial statements requires the Manager to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting periods. Actual outcomes could differ from these estimates. Significant estimates include the valuation of investments and derivatives, and significant judgments include the determination of functional currency, classification and measurement of investments and classification of the Fund as an investment entity. The impacts of such estimates may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates

The Funds hold financial instruments that are not quoted in active markets, including derivatives. Fair values may be determined using reputable pricing vendors (for derivatives) or indicated prices from market makers/brokers. Broker quotes as obtained from pricing sources may be indicative and not executable or binding. Securities not listed upon a recognized public stock exchange, or securities for which a last sale or closing price is unavailable or securities for which market quotations are, in the Manager's opinion, inaccurate, unreliable or not reflective of all available material information, are valued at their estimated fair value, determined by using appropriate and accepted industry valuation techniques including valuation models. The estimated fair value of a security determined using valuation models requires the use of inputs and assumptions based on observable market data including volatility and other applicable rates or prices. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty) and volatility. Changes in assumption about these factors could affect the reported fair value of financial instruments and the level where the instruments are disclosed in the fair value hierarchy. To assess the significance, the Funds perform sensitivity analysis of these estimates to the fair value of the Funds' holdings (see Note 10).

Classification and measurement of investments

The Manager has assessed the business models of the Funds and has determined that the Funds' portfolio of financial assets and financial liabilities is managed and performance is evaluated on a fair value basis in accordance with the Funds' risk management and investment strategies; therefore, classification and measurement of investments is Fair value through profit and loss (FVTPL).

Marquest Mutual Funds Inc.

Notes to Unaudited Interim Financial Statements (expressed in Canadian dollars)

For the period ended June 30, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Investments in Associates, Joint Ventures, Subsidiaries, and Structured Entities

Consolidated financial statements are required to be prepared where an entity has control over the entity or entities in which it invests, in accordance with IFRS 10, Consolidated Financial Statements ("IFRS 10"). As the Funds satisfy the criteria to meet the definition of an "investment entity" under IFRS 10, any investments in subsidiaries, other than those that provide services to the Funds, are accounted for and measured at FVTPL. The Funds have also designated any investments in associates, joint ventures, and structured entities, structured as mutual or exchange traded funds, at FVTPL.

Unconsolidated Structured Entities

Flex Dividend and Income Growth™ Series Fund invested in mortgage-related or other asset-backed securities. These securities include commercial mortgage-backed securities, asset-backed securities, collateralized debt obligations and other securities that directly or indirectly represent a participation in, or are securitized by and payable from, mortgage loans on real property. Mortgage-related securities are created from pools of residential or commercial mortgage loans while asset-backed securities are created from many types of assets, including auto loans, credit card receivables, home equity loans and student loans. The Funds account for these investments at fair value. The fair value of such securities, as disclosed in the Schedule of Investment Portfolio, represents the maximum exposure to losses at that date.

(d) Functional and Presentation Currency

These financial statements are presented in Canadian dollars (CAD), which is the Funds' functional currency. The Funds' subscriptions and redemptions are denominated in Canadian dollars (CAD).

Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the prevailing rate of exchange on each valuation date. Purchases and sales of investments, income and expenses are translated at the rate of exchange prevailing on the respective dates of such transactions. The effects of exchange rate fluctuations on investments and foreign currency transactions are included in the "Foreign exchange gain (loss)" in the Statements of Comprehensive Income.

(e) Basis of Measurement

These financial statements have been prepared on a historical cost basis, except for investments, which are measured at fair value in the Statements of Financial Position.

(f) Financial Instruments

Recognition and derecognition

All financial instruments are recognized at fair value upon initial recognition when a fund becomes a party to the contractual requirements of the financial instruments. A financial asset is derecognized when the right to receive cash flows from the asset has expired if the Funds have substantially transferred all risk and rewards of ownership. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired.

Classification and measurement

In classifying and measuring financial instruments held by the Funds, the manager is required to assess the Funds' business model, the manner in which all financial assets and financial liabilities are managed and performance evaluated as a group on a fair value basis and the contractual cash flow characteristics of these financial instruments. The Funds' portfolio of financial assets is managed and evaluated on a fair value basis. Consequently, the funds classify and measure all investments and derivatives at Fair value through profit and loss (FVTPL).

All other assets and liabilities are subsequently measured at amortized cost in accordance with IFRS 9. Financial Instruments (IFRS 9).

The Funds classify each financial instrument into one of the three fair value hierarchy. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are:

Level 1 - for unadjusted quoted prices in active markets for identical assets or liabilities

Level 2 - for inputs, other than quoted prices included in Level 1, that are observable for the assets or liabilities, either directly (i.e. derived from prices); or indirectly (i.e. derived from prices); and

Level 3 - for inputs that are based on unobservable market data.

If inputs of different levels are used to measure an asset or liability's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement. The Funds policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

All fair value measurements are recurring. For financial instruments whose fair values approximate their carrying values, given their short term nature, the carrying values of financial instruments measured at amortized costs approximate their fair values. Fair values as classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3.

The models used to determine fair value measurements included in the financial statements of the Funds including Level 3 measurements, if any, are validated and periodically reviewed by experienced personnel of the Manager, independent of the party that created them. The Manager considers and reviews the appropriateness of the valuation models, the valuation results, as well as any adjustments to the prices or estimates used by these models. At each financial reporting date, the Manager reviews and approves all Level 3 fair value measurements.

The breakdown into the three-level hierarchy is provided in Note 10.

Marquest Mutual Funds Inc.

Notes to Unaudited Interim Financial Statements (expressed in Canadian dollars)

For the period ended June 30, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Financial Instruments (continued)

Fair Value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) are based on quoted market prices at the close of trading on the reporting date. The Funds use the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. Fixed income securities are valued at the bid price on the reporting date. Investments in underlying funds are valued at the net asset value per share of each underlying fund reported by the underlying funds manager as of the close of regular trading on the Toronto Stock Exchange. Unlisted warrants are valued using the Black-Scholes option valuation model. The model factors in the time value of money and the volatility inputs significant to such valuation. For purposes of determining Transactional Net Asset Value, as defined in Note 11, unlisted warrants are valued at their intrinsic value.

The fair value of financial assets and liabilities that are not traded in an active market, including over-the-counter derivatives, is determined using valuation techniques. The Funds use a variety of methods and make assumptions that are based on market conditions existing at each reporting date. Valuation techniques include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other models commonly used by market participants, which make the maximum use of observable inputs. Refer to Note 10 for further information about the Fund's fair value measurements.

(g) Redeemable Participating Shares

Redeemable participating shares are redeemable at the shareholder's option and are classified as financial liabilities. They are measured at the redeemable amount.

The value at which shares are issued or redeemed is the net asset value per share. Net asset value per share for each series is calculated at the end of each day on which the Funds' Manager is open for business ("valuation day") by dividing the net asset value ("Transactional NAV") of each series by its outstanding shares. The net asset value of each series is computed by calculating the value of the series' proportionate share of the Fund's assets less the series' proportionate share of the Fund's common liabilities and less series-specific liabilities. Expenses directly attributable to a series are charged to that series, while common Fund expenses are allocated to each series in a reasonable manner as determined by the Manager. Other income and realized and unrealized gains and losses are allocated to each series of the Fund based on that series' pro rata share of total net asset value of that Fund. Amounts received on the issuance of shares and amounts paid on the redemption of shares are included on the Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares. Distributions on redeemable shares are presented as an expense within the Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares.

(h) Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share

Increase (decrease) in net assets attributable to holders of redeemable shares from operations per share is based on the increase (decrease) in net assets attributable to holders of redeemable shares from operations attributable to each series of the Fund divided by the weighted average number of shares of that series outstanding during the year.

(i) Income Recognition

Dividend Income

Dividend income is recognized in the Statements of Comprehensive Income on the date on which the right to receive payment is established. For quoted equity securities, this is usually the ex-dividend date. For unquoted equity securities, this is usually the date on which the shareholders approve the payment of a dividend gross of withheld tax.

Interest for distribution purposes

Interest for distribution purposes as disclosed in the Statements of Comprehensive Income on debt securities at FVTPL is recognized on an accrual basis and represents the coupon interest received by the Funds accounted for on an accrual basis. The Funds do not amortize premiums paid or discounts received on the purchase of fixed income securities, except for zero coupon bonds, which are amortized on a straight-line basis.

Distribution income

Distributions from income trusts, mutual funds and REITs are recognized on the ex-distribution date and are recorded as income, capital gains or a return of capital, based on the best information available to the Manager. Distribution income is recorded as Dividends in the Statement of Comprehensive Income.

Realized and unrealized gains and losses

Realized gains and losses on sale of investments, and unrealized appreciation and depreciation on investments, are calculated on an average cost basis.

(j) Distributions to Shareholders

Distributions are recorded by the Funds on the business day immediately following the record date.

(k) Transaction Costs

Transaction costs are expensed and are included in "Transaction costs" in the Statements of Comprehensive Income. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commissions paid to agents, advisors, brokers, and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties.

Marquest Mutual Funds Inc.

Notes to Unaudited Interim Financial Statements (expressed in Canadian dollars)

For the period ended June 30, 2022

3. REDEEMABLE PARTICIPATING SHARES

The Funds are authorized to issue an unlimited number of shares as follows:

Name of Fund	Series available
Explorer Series Fund	A-Rollover, A-Regular, F
Flex Dividend and Income Growth™ Series Fund	A-Regular, F

Series A-Rollover is used by the Fund Company when there is a rollover of Limited Partnership units. Dealers cannot directly purchase this series. There is no initial sales charge.

Series A-Regular have an initial sales charge of up to 5% which may be charged by the broker or dealer, no fees or commission is charged by the Fund.

Series F is used by the Fund Company when there is a rollover of Limited Partnership units. There is an initial sales charge of up to 2%, which may be charged by the broker or dealer, no fees, or commission is charged by the Fund.

During the periods ended June 30, 2022 and 2021, the following shares were issued (including transfers from other series) and redeemed (including transfers to other series):

June 30, 2022	Outstanding beginning of period	Shares issued*	Shares redeemed*	Outstanding end of period
Explorer Series Fund				
Series A-Rollover	12,037,868	7,715,638	(9,126,490)	10,627,016
Series A-Regular	3,740	-	(2,408)	1,332
Series F	1,776,100	2,116,772	(1,577,398)	2,315,474
Flex Dividend and Income Growth™ Series Fund				
Series A-Regular	180,979	3,682	(11,985)	172,676
Series F	90,288	9,123	(30,502)	68,909
Series I	-	-	-	-
June 30, 2021				
Explorer Series Fund				
Series A-Rollover	12,332,219	7,074,385	(8,047,237)	11,359,367
Series A-Regular	14,687	31,411	(26,455)	19,643
Series F	1,049,179	1,751,882	(1,488,932)	1,312,129
Flex Dividend and Income Growth™ Series Fund				
Series A-Regular	215,454	-	(4,299)	211,155
Series F	129,501	-	(19,885)	109,616
Series I	-	-	-	-

* In the Explorer Series Fund 19,229 Series A-Rollover shares were transferred to Series F for the period ended June 30, 2022 (2021: 12,527)

4. EXPENSES AND RELATED PARTY TRANSACTIONS

The following summarizes the annual management fee for the Funds. 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.

	Series A/Rollover and Regular	Series F	Series I
Explorer Series Fund	2.0%	1.0%	n/a
Flex Dividend and Income Growth™ Series Fund	2.0%	1.0%	Negotiated

The Funds are dependent on the Manager for administration and management of all matters relating to their operations.

The Funds bear all of their own expenses relating to their operation and the carrying on of their businesses. These items include legal and audit fees, interest, and administrative costs relating to the issue and redemption of shares as well as the cost of financial and other reports and compliance with all applicable laws, regulations and policies. Commissions paid on security transactions are shown as "Transaction costs" in the Statements of Comprehensive Income.

The Manager has, at its discretion, the ability to absorb certain expenses associated with the Funds. No fees were absorbed during the period ended June 30, 2022 and 2021.

Included in each of the Funds' expenses in the Statements of Comprehensive Income is the corresponding component of sales tax. The Harmonized Sales Tax (HST) combines the GST rate of 5% with the Provincial Sales Tax of certain provinces. Each Fund's HST rate is calculated using the proportionate investment holding by the unitholder's provincial residency as at September 30 of the prior year. HST rates are determined for expenses attributable to a Fund's individual class/series, where applicable.

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

In accordance with National Instrument 81-107, *Independent Review Committee for Investment Funds*, the Fund Manager has established an IRC for all of the Funds. The mandate of the IRC is to consider and provide recommendations to the Manager on conflicts of interest, which the Manager is subject to when managing the Funds. The IRC reports annually to unitholders of the Funds on its activities, and the annual report is available on or after December 31 in each year. The Manager charges compensation paid to the IRC members and the costs of the ongoing administration of the IRC to the Funds. These amounts are recorded in the Statements of Comprehensive Income.

Marquest Mutual Funds Inc.

Notes to Unaudited Interim Financial Statements (expressed in Canadian dollars)

For the period ended June 30, 2022

5. TAXATION AND DISTRIBUTIONS

(a) Taxation of Open-End Mutual Fund Corporations

Under the *Income Tax Act* (Canada), the Corporation qualifies as a mutual fund corporation and computes its net income (loss) and net capital gains (losses) for income tax purposes as a single entity. A mutual fund corporation is subject to a special 38 1/3% tax on taxable dividends received from corporations resident in Canada and to tax at normal corporate rates on other income and net taxable realized capital gains for the year. The special 38 1/3% tax is refundable on payments of taxable dividends to shareholders at the rate of \$1 for each \$2.61 of such dividend paid. All the tax on net taxable realized capital gains is refundable when the gains are distributed to shareholders as capital gains dividends or through redemption of shares at the request of shareholders.

While the Corporation is taxed as a single legal entity, the individual mutual fund share series recognize, for accounting purposes, the impact of current and future taxes based on the net income (loss) and increase (decrease) in net assets from realized and unrealized gains (losses), respectively, of each series. The mutual fund share series offsets the future tax liability for refundable taxes payable with the refund expected upon payment of capital gains or ordinary dividends or upon redemption of shares. As a result, the future tax liability for refundable taxes payable is eliminated. The mutual fund share series with negative taxable income does not recognize a tax asset for unused tax losses as future utilization is not probable and a full valuation allowance has been recorded. Further, unused tax losses of one mutual fund share series may be used to offset taxable income of another series. Therefore, where a mutual fund share series has positive net taxable income, the current tax liability has been offset with the utilization of unused tax losses from other series to the extent possible. Any residual taxable income would be refundable upon payment of capital gains or ordinary dividends by the Corporation.

(b) Losses Carried Forward

Certain Funds have accumulated net realized capital and non-capital losses. Non-capital losses may be carried forward to reduce future taxable income for up to twenty years. Capital losses are available to be carried forward indefinitely and applied against future capital gains. There are no capital losses carry-forwards as of December 31, 2021 (2020 – nil) and non-capital losses carry-forwards as of December 31, 2021 (2020 – nil).

(c) Withholding Taxes

Flex Dividend and Income Growth™ Series Fund holds foreign securities which may be subject to withholding tax, which are the taxes imposed by certain foreign countries for the investment income received from these securities. Withholding taxes are accrued based on the accrual of the related foreign investment income and are included in "Withholding taxes" on the Statements of Comprehensive Income and "Accrued liabilities" on the Statements of Financial Position.

6. BROKERAGE COMMISSIONS ON SECURITIES TRANSACTIONS

Certain Funds have incurred brokerage commissions, a portion of which may have been received by the Funds' investment advisers in the form of investment or research services. For the period ended June 30, 2022, the total soft dollar benefits received for the Explorer Series Fund and Flex Dividend and Income Growth™ Series Fund were \$0 and \$0 respectively (2021 – \$0 and \$0 respectively).

No soft dollar services were included in the transaction costs on the Statements of Comprehensive Income.

7. SECURITIES LENDING TRANSACTIONS

The Funds have entered into a securities lending program with their custodian, RBC Investor and Treasury Services. The aggregate fair value of all securities loaned by a Fund cannot exceed 50% of the assets of the Fund. The Funds receive collateral of at least 102% of the value of the securities on loan. Collateral may comprise cash and/or securities.

The aggregate fair value of securities loaned and collateral held under securities lending transactions at June 30, 2022 and December 31, 2021:

June 30, 2022	Securities on loan	Collateral amount	Collateral as percentage of securities loaned
	\$	\$	%
Explorer Series Fund	536	564	105%
Flex Dividend and Income Growth™ Series Fund	253,678	266,363	105%
December 31, 2021	Securities on loan	Collateral amount	Collateral as percentage of securities loaned
	\$	\$	%
Explorer Series Fund	3,700	3,886	105%
Flex Dividend and Income Growth™ Series Fund	212,903	223,548	105%

Securities lending income reported in the Statements of Comprehensive Income is net of a securities lending charge that the Fund's custodian, RBC Investor Services Trust, is entitled to receive.

Marquest Mutual Funds Inc.

Notes to Unaudited Interim Financial Statements (expressed in Canadian dollars)

For the period ended June 30, 2022

7. SECURITIES LENDING TRANSACTIONS (continued)

June 30, 2022	Gross securities lending income \$	Securities lending charge \$ %	Net securities lending income \$	Withholding taxes \$	Net income received \$
Explorer Series Fund	599	209 35	390	-	390
Flex Dividend and Income Growth™ Series Fund	180	63 35	117	1	116
December 31, 2021	Gross securities lending income \$	Securities lending charge \$ %	Net securities lending income \$	Withholding taxes \$	Net income received \$
Explorer Series Fund	29	10 35	19	-	19
Flex Dividend and Income Growth™ Series Fund	827	290 35	537	3	534

8. FUND MERGERS

The acquisition method of accounting was adopted for the merger of mutual funds whereby the continuing fund is the acquiring fund and the terminated fund is the acquired fund. This identification was based on aspects of the continuing fund such as investment objectives and portfolio composition.

Effective as of the close of business, as set out below, the continuing funds acquired the portfolio assets of the corresponding terminated funds in exchange for shares in the continuing fund. The value of the shares of the continuing fund issued in connection with these mergers was equal to the fair value of the investments transferred from the respective terminated fund.

Terminating fund	Merger date	Continuing fund	Series	Net assets acquired \$	Shares issued	Exchange 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

As a result of the mergers, in accordance with the *Income Tax Act* (Canada), all unrealized losses and certain elected unrealized gains of the terminating funds' portfolios were realized on the merger date. The financial statements of the continuing funds do not include the operating results of the terminated funds prior to the merger date.

9. CAPITAL MANAGEMENT DISCLOSURES

Shares issued and outstanding represent the capital of the Funds. The Funds have no restrictions or specific capital requirements and are authorized to issue an unlimited number of redeemable, transferable shares of each Series available. Restrictions and specific requirements on capital for each fund Series are only applicable for minimum subscriptions. The Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares and note 3 outline the relevant changes in each of the Fund's shares for the year. In accordance with the Funds' investment objectives, portfolio management of the Funds' capital will encompass appropriate investing of subscriptions and the maintenance of sufficient liquidity levels for capital redemptions.

Marquest Mutual Funds Inc.

Notes to Unaudited Interim Financial Statements (expressed in Canadian dollars)

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10. FINANCIAL INSTRUMENTS

(a) Fair Value

Financial instruments of the Funds include investments at fair value. There are no significant differences between the carrying values of these financial instruments and their fair values due to their short term nature. Investments are carried at their fair values as described below.

- I. Securities listed upon a recognized public stock exchange are valued at their close price on the valuation date. In circumstances where the close price is not within the bid-ask spread, management will determine the point within the bid-ask spread that is most representative of fair value.
- II. Securities not listed upon a recognized public stock exchange, or securities for which a close price, last sale or bid price are unavailable or securities for which market quotations are, in the Manager's opinion, inaccurate, unreliable or not reflective of all available material information, are valued at their estimated fair value, determined by using appropriate and accepted industry valuation techniques including valuation models. The estimated fair value of a security determined using valuation models requires the use of inputs and assumptions based on observable market data including volatility and other applicable rates or prices. In limited circumstances, the estimated fair value of a security may be determined using valuation techniques that are not supported by observable market data.
- III. Securities that are restricted or limited by law (including by investment letter, escrow provisions or other representation, undertaking or agreement) will be subject to temporary trading restrictions and cannot be sold until the applicable holding period expires. The fair value of those securities for the duration of the holding period shall be the reported market value of the same class of shares of that security which is not subject to a restriction based on reported quotations in common use less an appropriate discount.

The following tables present the Funds' financial instruments measured at fair value classified by the fair value hierarchy set out in IFRS 13, *Fair Value Measurements* as of June 30, 2022 and December 31, 2021:

	Level 1	Level 2	Level 3	Total
June 30, 2022	\$	\$	\$	\$
Explorer Series Fund	4,842,477	1,869,620	195,885	6,907,982
Flex Dividend and Income Growth™ Series Fund	2,014,701	-	-	2,014,701

	Level 1	Level 2	Level 3	Total
December 31, 2021	\$	\$	\$	\$
Explorer Series Fund	9,546,469	322,538	787,595	10,656,602
Flex Dividend and Income Growth™ Series Fund	2,413,953	-	-	2,413,953

During the period ended June 30, 2022, \$1,120,060 (December 31, 2021 – \$0) was transferred between Level 1 and Level 2 for the Explorer Series Fund and \$0 (December 31, 2021 –\$22,528) was transferred between Level 1 and Level 3 for the Explorer Series Fund

Realized and unrealized gains and losses related to Level 3 securities are included in the Statements of Comprehensive Income under "Net realized gain (loss) on the sale of investments including foreign exchange gain (loss)" and "Change in unrealized appreciation (depreciation) on investments" respectively. Transfers in and out of Level 3 are due to the changes in the observability of market data, such as a recent new transaction or due to the passage of time, respectively. The following tables summarizes the changes in Level 3 securities for the six-month period ended June 30, 2022 and twelve-month period ended December 31, 2021:

Explorer Series Fund	June 30, 2022 \$	December 31, 2021 \$
Beginning of period	787,595	1,467,475
Purchases	13	133,551
Sales	(-)	(507,150)
Transfers into Level 3	-	22,528
Transfers out of Level 3	(45)	-
Net realized gain (loss) on sale of investments	(128,008)	22,864
Net change in unrealized appreciation (depreciation) in value	(463,670)	(351,673)
End of period	195,885	787,595

Marquest Mutual Funds Inc.

Notes to Unaudited Interim Financial Statements (expressed in Canadian dollars)

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10. FINANCIAL INSTRUMENTS (continued)

(a) Fair Value (continued)

Certain Funds hold Level 3 securities in which there is uncertainty in estimating the fair value stemming from current financial issues and lack of market quotations. Level 3 requires significant unobservable data in its determination of fair value. The Explorer Series Fund holds halted equity investments classified as Level 3.

The fair value of the level 3 securities during the year are calculated using a key number of valuation techniques and unobservable inputs, which may include financial analysis of the company's financial statements, financial disclosures, non-listed transaction prices, analysis of underlying commodity or sector prices and overall prevailing market and economic conditions.

Below is a summary of the valuation techniques and significant unobservable inputs used in the fair value measurement of level 3 financial instruments. The significant unobservable inputs used in the valuation of Level 3 Financial instruments can vary considerably over time depending on company specific factors and economic or market conditions. Below illustrates the potential impact on the Fund if the significant unobservable inputs used in the valuation techniques had increased or decreased by 10%. Securities where the reasonable possible shift in the significant unobservable inputs did not result in a material impact on the Fund are indicated below as n/a.

Explorer Series Fund				
Security	Valuation technique	Significant unobservable input	Carrying Value as at June 30, 2022 \$	Change in Valuation \$
Equities	Market Information		22,530	n/a
Warrants	Black-Sholes Model	Liquidity Discount and Historical Volatility	173,355	26,670
			195,885	

Explorer Series Fund				
Security	Valuation technique	Significant unobservable input	Carrying Value as at December 31, 2021 \$	Change in Valuation \$
Equities	Market Information		22,528	n/a
Warrants	Black-Sholes Model	Liquidity Discount and Historical Volatility	765,067	58,379
			787,595	

Marquest Mutual Funds Inc.

Notes to Unaudited Interim Financial Statements (expressed in Canadian dollars)

For the period ended June 30, 2022

10. FINANCIAL INSTRUMENTS (continued)

(b) Unconsolidated structured entities

Information on the carrying amount and the size of the investments in structured entities are shown in the following tables:

	Carrying Amount	Carrying amount as a % of the underlying fund's Net Assets
June 30, 2022		
American Hotel Income Properties REIT LP	94,523	3.27
Colliers International Group Inc.	79,118	2.73
Crombie Real Estate Investment Trust	102,700	3.55
Brookfield Renewable Partners LP	134,101	4.64
Brookfield Global Infrastructure Securities Income Fund	97,611	3.37
	508,053	

	Carrying Amount	Carrying amount as a % of the underlying fund's Net Assets
December 31, 2021		
American Hotel Income Properties REIT LP	111,709	3.23
Colliers International Group Inc.	105,681	3.06
Crombie Real Estate Investment Trust	118,554	3.43
Brookfield Renewable Partners LP	135,839	3.93
Brookfield Global Infrastructure Securities Income Fund	104,901	3.04
	576,684	

(c) Risk Management and Disclosures

The COVID-19 global pandemic is likely to have an ongoing effect on the financial markets where the Fund operates. The Fund management performs routine risk assessment procedures and robust controls over its accounts, balances, and transactions. As a result of the uncertain implications of COVID-19 factors used for the sensitivity analysis in the relevant risk sections below, where applicable, were adjusted to reflect a more volatile risk variable than usual as at June 30, 2022.

The Funds' investment activities expose them to a variety of financial risks. The Schedule of Investment Portfolios presents the securities held by the Funds as at June 30, 2022, and groups the securities by asset type, geographic region and/or market segment. Significant risks that are relevant to the Funds are discussed below. The sensitivity analyses shown in the notes below may differ from actual trading, and the differences could be material.

The Manager seeks to minimize potential adverse effects of these risks on the Funds' performance by employing professional, experienced portfolio advisers, daily monitoring of the Funds' positions and market events, by diversifying the investment portfolios within the constraints of the investment objectives. To assist in managing risks, the Manager also uses internal guidelines that identify the target exposure for each type of risk, maintains a governance structure that oversees the Funds' investment activities and monitors compliance with the Funds' stated investment strategies and securities regulations.

Marquest Mutual Funds Inc.

Notes to Unaudited Interim Financial Statements (expressed in Canadian dollars)

For the period ended June 30, 2022

10. FINANCIAL INSTRUMENTS (continued)

(i) Market Risk

Foreign exchange risk

Foreign exchange risk is the risk that the value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Funds invest in securities and other investments that are denominated in currencies other than the Canadian dollar. Accordingly, the value of the Funds' assets may be affected favourably or unfavourably by fluctuations in currency rates, and therefore the Funds will necessarily be subject to foreign exchange risks.

The primary purpose of the Funds' foreign currency economic hedging activities is to protect against the volatility associated with investments and other assets and liabilities denominated in foreign currencies in the normal course of business.

The tables below indicate the foreign currencies to which the Funds have significant exposure as at June 30, 2022 and December 31, 2021. The table also illustrates the potential impact to the Funds' net asset value, as a result of a 5% change in these currencies relative to the Canadian dollar, the functional currency, with all other variables held constant.

June 30, 2022	Currency	Fair value \$	% of Net assets attributable to holders of redeemable units %	Potential impact on net assets \$
Explorer Series Fund	United States dollars	35	-	2
Flex Dividend and Income Growth™ Series Fund	United States dollars	15,600	0.7	780

December 31, 2021	Currency	Fair value \$	% of Net assets attributable to holders of redeemable units %	Potential impact on net assets \$
Explorer Series Fund	United States dollars	34	-	2
Flex Dividend and Income Growth™ Series Fund	United States dollars	16,175	0.5	809

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Funds are not exposed to interest rate risk.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign exchange risk). The investments of the Funds are subject to normal market fluctuations and the risks inherent in investment in financial markets. The maximum risk resulting from financial instruments held by the Funds is equivalent to the fair value of the financial instruments. The Manager moderates this risk through a careful selection of securities within specified limits, and the Funds' market price risk is managed through diversification of the investment portfolio.

The Fund is indirectly exposed to price risk of the underlying funds/securities.

The most significant exposure to other price risk arises from the Funds' investments in equity securities. As of June 30, 2022 and December 31, 2021, had the prices of the securities raised or lowered by 10%, with all other variables held constant, net assets attributable to holders of redeemable shares would have increased or decreased respectively as follows:

June 30, 2022	Fair value of Investments in equity securities \$	% of net assets attributable to holders of redeemable shares %	Potential impact on net assets attributable to holders of redeemable shares \$
Explorer Series Fund	6,907,982	72.16	690,798
Flex Dividend and Income Growth™ Series Fund	2,014,701	69.6	201,470
December 31, 2021	Fair value of investments in equity securities \$	% of net assets attributable to holders of redeemable shares %	Potential impact on net assets attributable to holders of redeemable shares \$
Explorer Series Fund	10,656,602	75.3	1,065,660
Flex Dividend and Income Growth™ Series Fund	2,413,953	69.9	241,395

Marquest Mutual Funds Inc.

Notes to Unaudited Interim Financial Statements (expressed in Canadian dollars)

For the period ended June 30, 2022

10. FINANCIAL INSTRUMENTS (continued)

(ii) Liquidity Risk

Liquidity risk is defined as the risk that the Funds will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Funds may invest in securities, which are not actively traded on a stock exchange. The fair values of these securities may not be indicative of what the Funds could realize on the immediate sale as it may take a significant amount of time to liquidate positions without causing a significant negative impact on the fair value. There can be no assurance that an active trading market for these securities will exist at all times, or that the prices at which these securities trade accurately reflect their values. Additionally for net asset value purposes, in accordance with securities regulation, the Funds must maintain at least 85% of their assets in liquid investments (i.e. investments that are traded in an active market including management fees payable, other payable and accrued expenses and payable on redemption of redeemable shares. These financial liabilities are all current and are due within 30 days. Redeemable shares are redeemable on demand at the shareholder's option. However, management does not expect that all of the shares will be redeemed immediately as holders of these instruments typically retain them for a longer period.

Liquidity risk is managed by investing the majority of the Fund's assets in investments that are traded in an active market and can be readily disposed of. On a weekly basis, quantitative monitoring measures are used to screen the Fund's portfolio for securities that may be considered for potential reclassification as illiquid. In addition, the Fund aims to retain sufficient cash to maintain liquidity. Accordingly, the Fund's liquidity risk is considered minimal.

(iii) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Funds. The Funds' exposure to credit risk includes cash, investments, dividends receivable and receivables for investment securities sold. The Funds reduce their credit risk associated with cash by maintaining their primary bank accounts at large international financial institutions. All transactions in listed securities are settled for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation. The Funds do not have a significant exposure to credit risk.

(iv) Concentration Risk

Portfolio concentration risk is the risk of loss in the total value of the portfolio investments of the Fund due to an over-concentration of investments in a particular instrument, sector or country. A summary of the portfolio's concentration risk by industry sector as at June 30, 2022 and December 31, 2021 is shown in Fund's Schedule of Investment Portfolio.

11. IFRS NET ASSETS VERSUS TRANSACTIONAL NET ASSET VALUE

The Funds' accounting policies for measuring the fair value of their investments and derivatives are identical to those used in measuring their net asset value for transactions with unitholder in accordance with Part 14 of National Instrument 81-106 Investment Funds for Continuous Disclosure ("NI 81-106"), except when the Funds hold unlisted warrants, as described above. A comparison of the net assets per unit in accordance to IFRS ("IFRS Net Assets") and the net asset value calculated in accordance with NI 81-106 ("Transactional Net Asset Value") is presented in the tables below. Flex Dividend and Income Growth Series™ Fund does not hold warrants, therefore there is no difference between Transactional Net Asset Value and IFRS Net Assets.

Explorer Series Fund	June 30, 2022		
	Series A/Rollover	Series A/Regular	Series F
Transactional Net Asset Value	\$ 7,670,313	\$ 1,077	\$ 1,728,337
IFRS Net Assets	\$ 7,811,772	\$ 1,097	\$ 1,760,211
Transactional Net Asset Value per Share	\$ 0.72	\$ 0.81	\$ 0.75
IFRS Net Assets per Share	\$ 0.74	\$ 0.82	\$ 0.76

Explorer Series Fund	December 31, 2021		
	Series A/Rollover	Series A/Regular	Series F
Transactional Net Asset Value	\$ 11,720,579	\$ 4,114	\$ 1,777,881
IFRS Net Assets	\$ 12,278,120	\$ 4,310	\$ 1,862,451
Transactional Net Asset Value per Share	\$ 0.97	\$ 1.10	\$ 1.00
IFRS Net Assets per Share	\$ 1.02	\$ 1.15	\$ 1.05

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