ANNUAL INFORMATION FORM
FOR THE YEAR ENDED
FEBRUARY 28, 2015

June 23, 2015

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GLOSSARY

The following terms used in this annual information form have the meanings ascribed to them below:

"**1940 Act**" has the meaning given thereto under the heading "*Risk Factors – General Business Risk of the Corporation*".

"**Acquisition Agreements**" means collectively the CSS Agreement, Roseland Purchase Agreement, Rockland Purchase Agreement, the LTACH Purchase Agreement and the MME Acquisition Agreement.

"**Affiliate**" has the meaning ascribed to it in the Interpretation Policy.

"**AIF**" means this annual information form.

"**ASC**" means ambulatory surgery center.

"**Associate**" has the meaning given thereto in the Interpretation Policy.

"**August 2014 Warrants**" has the meaning given thereto under the heading "*Description of Capital Structure – Warrants".*

"**August Private Placement**" has the meaning given thereto under the heading "*General Developments of the Business – Three Year History - 2014*".

"**Board**" means the board of directors of the Corporation.

"**Board of Managers**" means the Board of Managers of CSS.

"**Center for Special Surgery of Essex County**" means the reopened RASC following the completion of the Roseland Acquisition.

"**Change of Business**" means a "Change of Business" within the meaning of the COB Policy.

"**COB Policy**" means Exchange Policy 5.2 – *Changes of Business and Reverse Takeovers*.

"**Columbus Hospital LTACH**" has the meaning given thereto under the heading "*General Development of the Business – Three Year History – 2015*".

"**Common Shares**" means common shares of the Corporation.

"**company**" unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.

"**Contingent License Bonus**" has the meaning given thereto under the heading "*Description of the Material Contracts - Rockland Purchase Agreement*".

"**Corporation**" means Quantum International Income Corp. and, where applicable, its direct and indirect subsidiaries.

"**CRTC**" means the Canadian Radio-television and Telecommunications Commission.

"**CSS**" means Centers for Special Surgery, LLC.

"**CSS Agreement**" has the meaning given thereto under the heading "*Description of the Business – Strategic Partnerships – Partnership with DGAT and Establishment of CSS Agreement*".

"**CSS-Essex**" means Center for Special Surgery of Essex County, LLC, a wholly-owned operating subsidiary of CSS.

"**DA Acquisition**" has the meaning given thereto under the heading "*General Development of the Business – Three Year History – 2015".*

"**Debt Advance**" has the meaning given thereto under the heading "*Description of the Business – Strategic Partnerships – Operating Structure of CSS*".

"**DGAT**" means DGAT Partners LLC, an entity controlled by principals of NYCSA.

"**Discounted Market Price**" has the meaning given thereto in the Interpretation Policy.

"**Exchange**" means the TSX Venture Exchange.

"**External Manager**" means Quantum International Asset Management Corp.

"**Forward-Looking Statements**" has the meaning given thereto under the heading "*Cautionary Note Regarding Forward-Looking Information*".

"**Greuner Medical**" has the meaning given thereto under the heading "*General Development of the Business – Three Year History – 2015*".

"**Health Reform Law**" means the PPACA as amended by the Healthcare and Education Affordability Reconciliation Act of 2010.

"**Initial Distribution**" has the meaning given thereto under the heading "*Description of the Business – Strategic Partnerships – Operating Structure of CSS*".

"**Insider**" has the meaning given thereto under the Interpretation Policy.

"**Interpretation Policy**" means the Exchange Policy 1.1 – *Interpretation*.

"**June 2015 Offering**" has the meaning given thereto under the heading "*General Development of the Business – Three Year History – 2015".*

"**Kin**" has the meaning given thereto under the heading "*General Development of the Business – Three Year History – 2015".*

"**License**" has the meaning given thereto under the heading "*General Description of the Business – Significant Acquisitions – Roseland Acquisition*".

"**License Upgrade**" has the meaning given thereto under the heading "*Description of the Material Contracts - Rockland Purchase Agreement*".

"**LTACH Acquisition**" has the meaning given thereto under the heading "*General Development of the Business – Three Year History – 2015*".

"**LTACH Closing Conditions**" has the meaning given thereto under the heading "*Description of the Material Contracts – LTACH Purchase Agreement".*

"**LTACH Consultant**" has the meaning given thereto under the heading "*Description of the Material Contracts – LTACH Purchase Agreement".*

"**LTACH Consulting Agreement**" has the meaning given thereto under the heading "*Description of the Material Contracts - LTACH Purchase Agreement".*

"**LTACH Interest**" has the meaning given thereto under the heading "*General Development of the Business – Three Year History – 2015*."

"**LTACH Note**" has the meaning given thereto under the heading "*Description of the Material Contracts – LTACH Purchase Agreement".*

"**LTACH Purchase Agreement**" has the meaning given thereto under the heading "*General Development of the Business – Three Year History – 2015*".

"**LTACH Seller**" has the meaning given thereto under the heading "*General Development of the Business – Three Year History – 2015*".

"**Management Agreement**" means the management agreement dated August 28, 2014 between the Corporation and the External Manager.

"**March Private Placement**" has the meaning given thereto under the heading "*General Development of the Business – Three Year History – 2014*".

"**Members**" has the meaning given thereto under the heading "*Description of the Business – Strategic Partnerships – Partnership with DGAT and Establishment of CSS Agreement*".

"**Membership Interest**" has the meaning given thereto under the heading " *Description of the Business – Strategic Partnerships – Partnership with DGAT and Establishment of CSS Agreement*".

"**MME**" means Multiple Media Entertainment Inc.

"**MME Interest**" means securities held by the Corporation in MME that carry a voting interest in MME equivalent to two-thirds of the issued and outstanding voting securities.

"**MME Acquisition**" means the acquisition by the Corporation of the MME Interest pursuant to the MME Acquisition Agreement.

"**MME Acquisition Agreement**" means the investment agreement dated August 7, 2014 between the Corporation, MME and entities controlled by Michael Taylor and Drew Craig.

"**NEX**" means the NEX Board of the Exchange.

"**NJ DOH**" means the New Jersey Department of Health.

"**NY DOH**" means the New York State Department of Health.

"**NYCSA**" means Greuner Medical PC, doing business as NYC Surgical Associates.

"**OBCA**" means the *Business Corporations Act* (Ontario).

"**Option Plan**" has the meaning given thereto under the heading "*Description of Capital Structure – Stock Option Plan".*

"**Order**" has the meaning given thereto under the heading "*Description of the Material Contracts – LTACH Purchase Agreement".*

"**person**" means an individual, a firm, a corporation, a syndicate, a partnership, trust, an association, an unincorporated organization, a joint venture, an investment club, a government or an agency or political subdivision thereof and every other form of legal or business entity of whatsoever nature or kind.

"**PPACA**" means the Patient Protection and Affordable Care Act of the United States.

"**Premises**" has the meaning given thereto under the heading "*General Developments of the Business – Significant Acquisitions – Roseland Acquisition*".

"**Proposed Acquisitions**" means, collectively, the Rockland Acquisition and the LTACH Acquisition.

"**Provmark**" has the meaning given thereto under the heading "*General Development of the Business – Three Year History – 2015*".

"**QAM**" has the meaning given thereto under the heading "*General Development of the Business – Three Year History – 2015*".

"**Quantum US**" means Quantum CSS Holdings Corp.

"**RASC**" means the Roseland Ambulatory Surgery Center.

"**Reactivation**" has the meaning given thereto in the Interpretation Policy.

"**Reactivation Policy**" means Exchange Policy 2.6 – *Reactivation of NEX Companies*.

"**Recent Acquisitions**" means, collectively, the Roseland Acquisition and the MME Acquisition.

"**Rockland Acquisition**" has the meaning given thereto under the heading "*General Development of the Business – Three Year History – 2015".*

"**Rockland ASC**" means the ASC located in Rockland County, New York.

"**Rockland Buyer**" means Quantum Holdings Management, LLC.

"**Rockland Nominee Agreement**" has the meaning given thereto under the heading "*Description of the Material Contracts – Rockland Purchase Agreement".*

"**Rockland Purchase Agreement**" means the definitive agreement dated January 7, 2015 entered into by the Rockland Buyer with the Rockland Vendor.

"**Rockland Vendor**" means Rockland Ambulatory Surgery Center, LLC, the holding entity for a single operating room ambulatory surgery centre in Rockland County, New York.

"**Roseland Acquisition**" means acquisition by CSS of the Roseland Assets.

"**Roseland Assets**" has the meaning given thereto under the heading "*General Development of the Business – Significant Acquisitions – Roseland Acquisition*".

"**Roseland Lease**" means the lease agreement dated August 18, 2005 and lease modification agreement dated May 21, 2007 between Roseland Vendor and PBE Companies, LLC as successor in interest to 556 Eagle Rock Avenue, LLC.

"**Roseland Purchase Agreement**" means the amended and restated asset purchase agreement dated August 14, 2014 entered into by CSS-Essex with Roseland Vendor.

"**Roseland Vendor**" means Roseland Ambulatory Surgery Center, LLC.

"**Second Tier Distribution**" has the meaning given thereto under the heading "*Description of the Business – Strategic Partnerships – Operating Structure of CSS – Distribution to Members*".

"**Shareholders**" means holders of Common Shares.

"**Tax Act**" means the *Income Tax Act* (Canada), including the regulations promulgated thereunder, as same may be amended from time to time.

"**Tax Distribution Rate**" has the meaning given thereto under the heading "*Description of the Business – Strategic Partnerships – Operating Structure of CSS – Distribution to Members*".

"**Third Distribution Level**" has the meaning given thereto under the heading "*Description of the Business – Strategic Partnerships – Operating Structure of CSS – Distribution to Members*".

"**Value Security Escrow Agreement**" means an agreement entered into concurrent with the closing of the Reactivation between the Corporation and certain Insiders of the Corporation.

DATE OF INFORMATION

The information in this AIF is presented as of June 23, 2015, unless otherwise indicated.

CAUTIONARY NOTE REGARDING FORWARD–LOOKING INFORMATION

Certain statements contained in this AIF constitute forward-looking statements and forward-looking information (collectively, "**Forward-Looking Statements**") and the Corporation cautions investors about important factors that could cause the Corporation's actual results to differ materially from those expressed, implied or projected in any Forward-Looking Statements included in this AIF. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "will likely result", "are expected to", "expects", "will continue", "is anticipated", "anticipates", "may", "could", "believes", "estimates", "intends", "plans", "forecast", "projection" and "outlook") are not historical facts and may be Forward-Looking Statements that involve projections, estimates, assumptions, known and unknown risks and uncertainties which could cause actual results or outcomes to differ materially from those expressed in such Forward-Looking Statements or otherwise be materially inaccurate. No assurance can be given that these expectations or assumptions will prove to be correct and such Forward-Looking Statements included in this AIF should not be unduly relied upon. These Forward-Looking Statements speak only as of management's beliefs and expectations as of the date of this AIF and will be updated as required by applicable securities laws. In addition, this AIF may contain Forward-Looking Statements drawn from or attributed to third party sources. Accordingly, any such statements are qualified in their entirety by reference to the information discussed throughout this AIF.

In particular, this AIF contains Forward-Looking Statements regarding anticipated future financial, structural, growth and operating performance of the Corporation, including as it pertains to the Recent Acquisitions and Proposed Acquisitions described in this AIF and the deployment of capital into new acquisitions. These Forward-Looking Statements reflect the current beliefs of management with respect to, among other things, the performance and results of the Corporation and completion of future acquisitions. Actual results may differ materially due to a number of risks and uncertainties faced by the Corporation, including, but not limited to: general economic and business conditions; global financial conditions; material changes in rulings of the Internal Revenue Service of the United States or the Canada Revenue Agency; any case law or the interpretation of such rulings by such entities; the failure of the Corporation to identify future acquisition targets or complete future acquisitions; third parties honouring their contractual obligations with the Corporation and its subsidiaries; relationships with operating and/or joint venture partners; inaccuracy, incompleteness or omissions in any of the financial and other information upon which management bases its analysis of potential acquisitions; the failure to realize the anticipated benefits of the development of the Corporation's Recent Acquisitions and Proposed Acquisitions; rapid growth of the Corporation;

inability to successfully integrate acquired businesses; factors relating to the healthcare industry in the United States, including reliance on third-party payors for revenue; licensing, certification and accreditation risk; healthcare regulatory requirements; dependence on physician relationships and the ability to attract new physicians to perform procedures at facilities in which the Corporation has an interest; litigation, professional liability claims; insurance coverage limitations and uninsured risks; a reduction in the number of surgical procedures because of physician treatment methodologies and government or commercial health insurance controls; the impact of the Budget Control Act of 2011 (as amended by the Taxpayer Relief Act) which instituted an automatic 2% reduction on each claim submitted to Medicare beginning April 1, 2013; changes in the reimbursement rates or the methods or timing of payment from third party payors, including commercial payors and the Medicare and Medicaid programs, changes arising from and related to the Medicare prospective payment systems for long term acute care hospitals, including potential changes in the Medicare payment rules; the failure of the facilities or the Corporation to meet applicable licensure and certification requirements; the further consolidation and cost containment efforts of managed care organizations and other third party payors; dependence on key personnel at the Corporation and operations level; competition from other healthcare providers; factors relating to the media content generation and distribution industry, including changes in federal, provincial and foreign content laws and regulations; competition for, among other things, capital, equipment and skilled personnel; the inability to generate sufficient cash flow from operations to meet future obligations; the inability to obtain required debt and/or equity financing for future acquisitions on suitable terms; competition for acquisition targets; seasonality and fluctuations in results; and limited diversification of the Corporation's business industries, structures and operations.

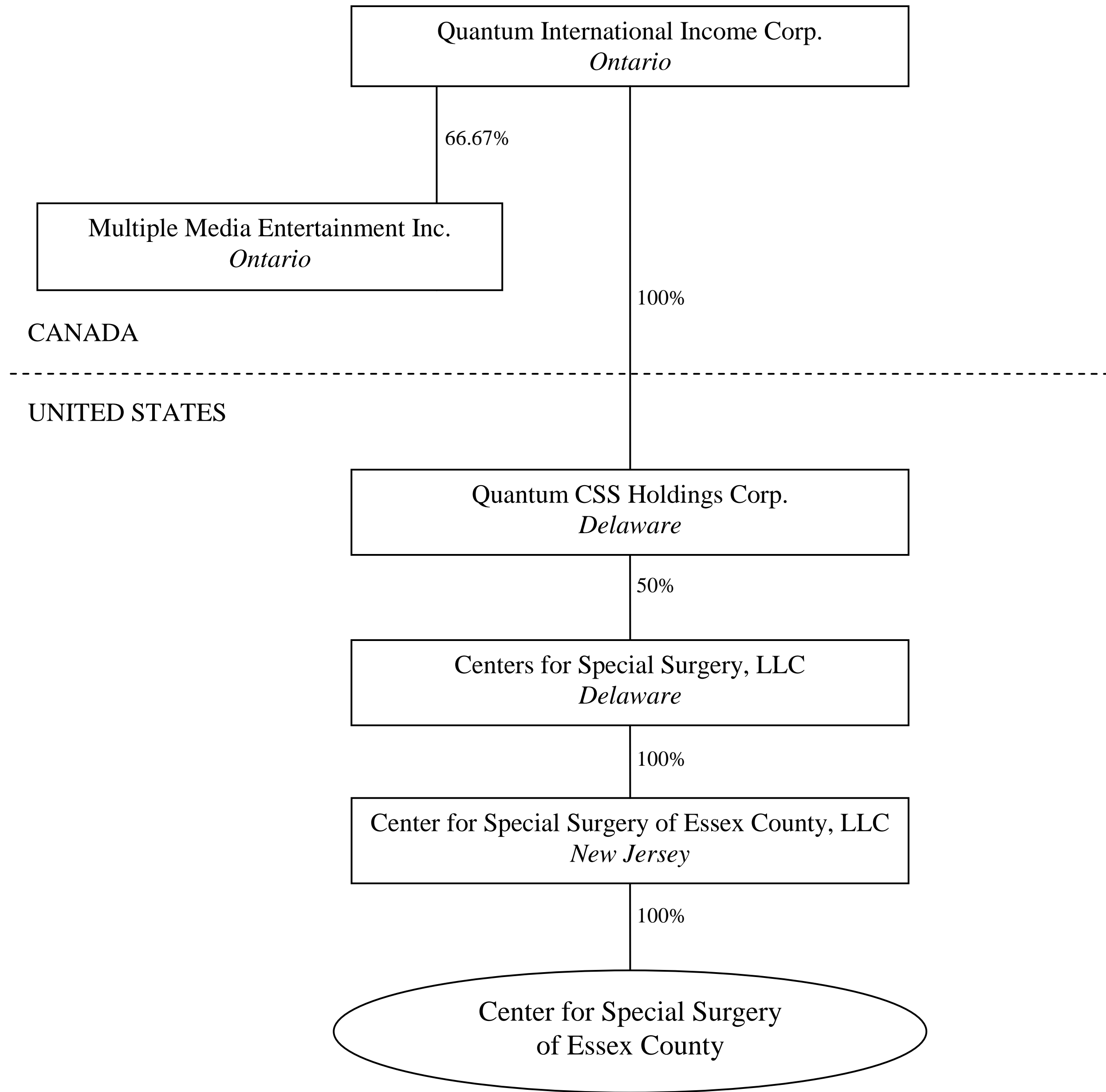
The Corporation cautions that the list and description of Forward-Looking Statements, risks, assumptions and uncertainties set out above is not exhaustive. All Forward-Looking Statements contained in this AIF are qualified by these cautionary statements.

CORPORATE STRUCTURE

The Corporation was amalgamated under the OBCA on August 15, 1995 under the name "Warp 10 Technologies Inc." pursuant to an amalgamation agreement with Grand Empire Explorations Ltd. The Corporation changed its name to BrandEra.com Inc. on January 12, 2000, BrandEra Inc. on April 23, 2001, National Construction Inc. on May 7, 2002, and to E.G. Capital Inc. on March 16, 2005. The Common Shares were listed for trading on the Exchange on October 2, 2000 under the symbol "YBD". The trading of the Common Shares was transferred to the NEX on March 16, 2005. On March 14, 2014, the Corporation changed its name to "Quantum International Income Corp." The trading of the Common Shares was transferred back to the Exchange on September 24, 2014.

The head office of the Corporation is located at 79 Wellington Street West, Suite 1630, P.O. Box 138, Toronto, Ontario M5K 1H1. The registered office of the Corporation is located at 3400 One First Canadian Place, P.O. Box 130, Toronto, Ontario M5X 1A4.

The following diagram illustrates the corporate structure and provides the name, the percentage of voting securities owned, directly or indirectly, by the Corporation and the jurisdiction of incorporation, continuance or formation of the Corporation's subsidiaries. For simplification purposes, this table omits certain wholly-owned subsidiaries that are not material.


Quantum International Income Corp.
Ontario
66.67%
Multiple Media Entertainment Inc.
Ontario
100%
CANADA
UNITED STATES
Quantum CSS Holdings Corp.
Delaware
50%
Centers for Special Surgery, LLC
Delaware
100%
Center for Special Surgery of Essex County, LLC
New Jersey
100%
Center for Special Surgery
of Essex County

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

2015

In June 2015, the Corporation entered into an agreement with Mackie Research Capital Corporation, on behalf of a syndicate of underwriters, for the sale on a bought deal basis of 47,620,000 subscription receipts of the Corporation at a price of $0.42 per subscription receipt for aggregate gross proceeds of $20,000,400 (the "**June 2015 Offering**"). The June 2015 Offering is expected to close on or about July 21, 2015.

Also in June 2015, Quantum LTACH Holdings, LLC, Columbus LTACH, LLC ("**Columbus Hospital LTACH**"), Columbus LTACH Management, LLC (the "**LTACH Seller**") and Richard Lipsky entered into a membership interest purchase agreement (the "**LTACH Purchase Agreement**") pursuant to which the Corporation will indirectly acquire all of the LTACH Seller's membership interest (the "**LTACH Interest**") in Columbus Hospital LTACH (the "**LTACH Acquisition**") for aggregate gross proceeds of US$29,000,000. Additional amounts are payable upon the closing of the LTACH Acquisition in connection with the retention by the Corporation of a consultant to assist it in the operation of the facility going forward. See "*Description of the Material Contracts – LTACH Purchase Agreement – LTACH Consulting Agreement."* The LTACH Acquisition is subject to several conditions precedent and is expected to close in August 2015.

In May 2015, the Corporation incorporated Provmark LLC ("**Provmark**"), a wholly-owned subsidiary and a U.S. healthcare marketing and distribution company. Mr. David Perry, as President, and Mr. Joe Giamichael, as Chief Executive Officer, will head Provmark's efforts, which will focus on the marketing, distribution and delivery of healthcare products and service solutions to primary care physicians across the United States.

Also in May 2015, Quantum Anesthesia Management, LLC ("**QAM**"), a wholly-owned subsidiary of the Corporation, entered into a definitive agreement to acquire a 100% interest in DA Management Corp. ("**DA**"), an anesthesia services company, for aggregate consideration of 9,000,000 Common Shares (the "**DA Shares**") of the Corporation (the "**DA Acquisition**"). The completion of the DA Acquisition is subject to, among other things, DA entering into a definitive agreement to provide management services to a New Jersey professional corporation which will hold contracts to administer anesthesia services at all current and future CSS and Greuner Medical of NJ PC ("**Greuner Medical**") facilities in the New York and New Jersey area. It is expected that such management contract will provide for an initial monthly fee of US$200,000 to be paid by the professional corporation to DA, which fee will be subject to adjustment as the volume of anesthesia services provided by the professional corporation increases or decreases. The Corporation received the conditional approval of the Exchange to the issue of the DA Shares on June 23, 2015. It is expected that the DA Acquisition will be completed, and the DA Shares will be issued to the vendors of the interest in DA, shortly after the date of this AIF.

Also in May 2015, the Corporation borrowed, on an unsecured basis, US$1,000,000 from Sprott Bridging Income Fund, which amount was used to make a refundable deposit in connection with the potential acquisition of a healthcare facility in the southeastern Unites States. Such loan is to be repaid on the earlier of: (i) demand; and (ii) July 6, 2015, bearing interest at a rate of 36% after such date. An interest amount of C$30,000 was prepaid by the Corporation. The amount of the deposit becomes non-refundable on June 30, 2015. The Corporation is still considering this potential acquisition and there can be no assurance that the Corporation will ever enter into a definitive agreement with respect to this opportunity or that any type of transaction will be consummated.

In April 2015, the Corporation engaged Kin Communications Inc. ("**Kin**") to provide investor relations services to the Corporation on an ongoing basis. Kin is a full-service investor relations firm and has experience acting for emerging growth companies. Kin will be paid a fee of C$10,000 per month for an initial term of 12 months and will be granted options to purchase an aggregate of 400,000 Common Shares, exercisable at C$0.35 per Common Share at any time prior to April 9, 2020.

In February 2015, at the annual meeting of Shareholders of the Corporation, the Shareholders approved: (i) the ratification of certain corporate matters of the Corporation; (ii) the implementation of the new stock option incentive plan; and (iii) the appointment of auditors.

In January 2015, the Rockland Buyer entered into a definitive agreement to indirectly acquire a 90% interest in the Rockland ASC for US$4,000,000 payable in cash (the "**Rockland Acquisition**"). Concurrent with the execution of such agreement, the individual members of the Rockland Buyer entered into a nominee agreement with CSS, whereby each individual member of CSS will become approved as a licensed operator by the NY DOH, and will be required, pursuant to such nominee agreement, to conduct themselves in accordance with the instructions of CSS, including with respect to the distribution of funds. The Corporation will fund 100% of the purchase price to the Rockland Buyer through its existing CSS capitalization mechanism and CSS operating agreement. An application has been made to the NY DOH to, among other things, establish the Rockland Buyer as an operator of the Rockland ASC and to have each individual member of CSS become approved as a licensed operator. Completion of the transaction is subject to the approval of the NY DOH. The remaining 10% interest will be held by the facility's current owner and operator, double board certified surgeon Dr. Michael Fiorillo, who will continue to maintain his surgical practice at the Rockland ASC alongside independently contracted surgeons of CSS that are expected to commence performing surgeries at the facility upon the completion of the acquisition. See "*Description of the Material Contracts – Rockland Purchase Agreement.*"

2014

In December 2014, the Corporation announced that CSS-Essex, had obtained all New Jersey state regulatory approvals and accreditations necessary from the American Association of Accreditation for Ambulatory Surgical Facilities, and that surgical procedures had subsequently commenced, bringing the Corporation's and CSS's first ambulatory surgery center into operation.

In September 2014, the Corporation successfully completed the establishment of its strategic partnership with DGAT through the establishment of CSS, which is jointly controlled by the Corporation and DGAT. CSS, through its operating subsidiary, CSS-Essex, successfully completed the Roseland Acquisition and acquired, for consideration of US$3,300,000, certain assets comprising the former RASC, one of the largest ambulatory surgery centers in New Jersey. The RASC has been subsequently reopened under the name Center for Special Surgery of Essex County.

Also in September 2014, the Corporation completed the MME Acquisition and acquired a controlling interest in Multiple Media Entertainment Inc. ("**MME**"), a full service independent media content creation and distribution company located in Toronto, Ontario. The Corporation subscribed for securities of MME that carry a voting interest in MME equivalent to two-thirds of the issued and outstanding voting securities. The consideration paid by the Corporation was C$500,000.

In August 2014, the Corporation closed (in two tranches) a brokered private placement of 18,440,128 subscription receipts for aggregate gross proceeds equal to C$6,454,044.80 (the "**August Private Placement**"). The proceeds of the August Private Placement were used to complete the Roseland Acquisition and the MME Acquisition noted above and for general working capital purposes. Concurrent with the completion of the Roseland Acquisition and MME Acquisition, such subscription receipts converted automatically, for no additional consideration into an equivalent number of Common Shares.

Concurrently with the completion of the Roseland Acquisition and the MME Acquisition noted above, the Corporation completed a "Reactivation" within the meaning of the Reactivation Policy and a "Change of Business" within the meaning of the COB Policy. The Common Shares concurrently graduated from a listing on the NEX to a listing on Tier 2 of the Exchange.

In March 2014, the Corporation effected its name change from "E.G. Capital Inc." to "Quantum International Income Corp." and the consolidation of the Common Shares on a 1 for 10 basis. Following the completion of the name change and consolidation, also in March 2014, the Corporation completed a non-brokered private placement of 21,200,000 units and 2,000,000 subscription receipts of the Corporation for aggregate gross proceeds, in cash and non-cash consideration, equal to C$1,160,000 (the "**March Private Placement**"). Each unit was issued at a price of

$0.05 per unit and was comprised of one Common Share of the Corporation and one Common Share purchase warrant entitling the holder to purchase one Common Share at a price of C$0.10 per Common Share for a period of 12 months after the issue date. The proceeds of the March Private Placement were used to source and evaluate potential transactions that could constitute a "Reactivation" under the Reactivation Policy, including the transactions that subsequently became the Roseland Acquisition and the MME Acquisition, and for general working capital purposes.

2013

In November 2013, at the annual and special meeting of shareholders of the Corporation, the Shareholders approved: (i) the ratification of certain corporate matters of the Corporation; (ii) the change of name of the Corporation to Quantum International Income Corp.; (iii) the consolidation of the Common Shares of the Corporation on 1 for 10 basis; (iv) the Management Agreement granting Quantum International Asset Management Corp. the exclusive authority to manage the undertaking, business and affairs of the Corporation; (v) the March Private Placement; (vi) the fixing of the number of directors at five; (vii) the setting of the number of directors between the minimum and maximum numbers stated in the articles; (viii) adopting an amendment to the bylaws of the Corporation to include mandatory procedures for nominations of persons for election to the Board, including an advance notice requirement for nominations by Shareholders in certain circumstances; (ix) the implementation of the new stock option incentive plan; and (x) the appointment of auditors.

In June, 2013, the Corporation entered into a reorganization and investment agreement with Grant White. Pursuant to this agreement, the Corporation agreed to use its best efforts to complete: (i) the consolidation of the Common Shares on a 1 for 10 basis; (ii) a non-brokered private placement; (iii) the appointment of Grant White as Chief Executive Officer; (iv) the appointment of new directors; and (v) a change of name to Quantum International Income Corp.

Prior to June 2013 and following the sale of certain assets in February 2005, the Corporation did not engage in any active business other than to preserve and/or convert into cash any assets remaining with the Corporation and to pursue potential transactions that could constitute a "Reactivation" under the Reactivation Policy, or other value-enhancing opportunities.

Significant Acquisitions

The following description of certain material provisions of the Roseland Acquisition and MME Acquisition is a summary only, and is qualified in its entirety by reference to the full text of each referenced agreement. Copies of the Roseland Purchase Agreement and the MME Acquisition Agreement are available on SEDAR at www.sedar.com.

Roseland Acquisition

Roseland Vendor and CSS-Essex entered into the Roseland Purchase Agreement on May 30, 2014, as amended and restated on August 14, 2014, pursuant to which CSS-Essex acquired the assets comprising the former RASC from Roseland Vendor. The consideration paid by CSS-Essex was US$3,300,000, paid in accordance with the terms of the Roseland Purchase Agreement.

CSS-Essex acquired, pursuant to the Roseland Purchase Agreement the following assets comprising the former RASC (the "**Roseland Assets**"):

- all of Roseland Vendor's right, title and interest in all inventories, equipment, furniture, medical supplies, fixtures, and other assets physically located at 556 Eagle Rock Avenue, Roseland, New Jersey 07068 (the "**Premises**");
- all books, records and manuals relating to the operating practices of Roseland Vendor with respect to the RASC located at the Premises;

- all of Roseland Vendor's right, title and interest in and to license #70785 (the "**License**"), issued by the NJ DOH, permitting Roseland Vendor to conduct business in the State of New Jersey at the RASC and on the Premises as an ambulatory surgery facility;

- all architectural, HVAC, mechanical drawings, and any other drawings and plans pertaining to the Premises that are required to be maintained as a condition of the License; and

- all of Roseland Vendor's right, title and interest in and to the Roseland Lease.

The Roseland Acquisition was ultimately completed by CSS-Essex, and the RASC subsequently became the Center for Special Surgery of Essex County. The sole member of CSS-Essex is CSS, the entity through which the Corporation operates its joint venture with DGAT. CSS was established on August 5, 2014 pursuant to the CSS Agreement between Quantum US and DGAT, an entity affiliated with NYCSA. Pursuant to the CSS Agreement, Quantum US and DGAT are the sole members of CSS. The CSS Agreement, among other things, sets out the mechanism for distributions of cash flow from the operations of CSS-Essex to these Members, as set out under the heading "*Description of the Business – Strategic Partnerships*" below.

MME Acquisition

On August 28, 2014 the Corporation completed the MME Acquisition, and thereby acquired the MME Interest, being a controlling interest in MME. MME and the Corporation entered into the MME Acquisition Agreement on August 7, 2014, pursuant to which the Corporation subscribed for and acquired the MME Interest for consideration paid by the Corporation of $500,000.

The MME Interest represents ownership by the Corporation of 66.67% of the voting interest in MME and functional control of the company. Following the closing of the MME Acquisition, the existing shareholders of MME, Michael Taylor and Drew Craig, each retained an indirect 16.66% interest in MME.

The business acquisition report in respect of the MME Acquisition dated June 23, 2015 and filed on June 23, 2015 is incorporated by reference into this AIF.

DESCRIPTION OF THE BUSINESS

General

Quantum is a healthcare company focused on delivering national integrated health solutions in the United States. The Corporation seeks to back management teams with strong operational track records and deep healthcare experience. The Corporation intends for acquired businesses or assets to fit synergistically within a strategic framework, have a proven operating history, opportunities for standalone growth and, potentially in some cases, national expansion. Potential acquisition targets will be in various related areas of the United States healthcare industry in different geographic regions to allow for diversification.

Acquisition Strategy

The Corporation follows the following general guidelines in seeking and evaluating potential acquisitions:

1. Target businesses should be operating business enterprises eligible for acquisition or strategic controlling investment.

2. Target businesses should have the following characteristics:

   - a corporate and capital structure that allows the Corporation to acquire the entirety of or, at a minimum, a controlling stake in such enterprise;

- a demonstrated history of growing sustainable cash flow or, at a minimum, strong prospects for positive cash flow in the first year following acquisition;
- operations in a sector or industry that the Corporation believes has good growth potential;
- the potential to be immediately accretive to distributable cash flow;
- a capable and experienced management team;
- operations that do not include direct participation in resource extraction or resource exploration; and
- the potential for inorganic growth through accretive acquisitions in the same sector.

3. The Corporation does not purchase or sell commodities, purchase the securities of any mutual fund, purchase mortgages or sell mortgages or purchase or sell derivatives.

4. Liquidity is a consideration but not a requirement, and each acquisition is evaluated in terms of potential exit strategies and achievement of liquidity on a time horizon considered appropriate by management.

5. All acquisitions are made in full compliance with all applicable laws in relevant jurisdictions, and in accordance with and governed by the rules and policies in effect in a particular industry or sector's regulatory environment.

6. Un-invested funds, from time to time, are placed into high-quality money market investments including government, municipal and corporate debt instruments as appropriate.

7. The Corporation may seek an active role in situations where involvement of the Corporation is expected to make a significant difference to success and resulting appreciation of the target business. The Corporation may seek opportunities which the Corporation can potentially add value by its involvement, not only financially but also by the contribution of guidance and additional management expertise.

Current Portfolio

CSS-Essex

The Center for Special Surgery of Essex County, wholly-owned by CSS-Essex, operates out of the former RASC facility in Roseland, New Jersey. With five fully-licensed operating rooms, the ASC is among the largest in the state. As part of the license transfer and in conjunction with bringing the facility back online under CSS Management, CSS-Essex has undergone and unconditionally passed the NJ DOH Facility Inspection as well as the American Association for Accreditation of Ambulatory Surgical Facilities accreditation. CSS-Essex began surgical procedures on December 3, 2014.

MME

MME acquires and provides programming to media outlets, filmmakers, program producers and suppliers. MME tailors its distribution strategy for every project that it takes on and controls the distribution rights to a film and television library that includes more than 200 titles.

MME acquires films and television series for distribution in Canada, the United States and abroad. MME acquires exclusive, long-term rights to film and television content across all media platforms. MME provides a full range of services relating to the sales, marketing, licensing and distribution of feature films, television and special interest content across all media.

As a result of recent changes by the CRTC, the Corporation's investment in MME is under review. See "*Risk Factors – Risks related to the Media Content Industry.*"

Strategic Partnerships

Partnership with DGAT and Establishment of CSS Agreement

Quantum US and DGAT, an entity controlled by principals of NYCSA (collectively, the "**Members**") are party to an LLC operating agreement whereby Quantum US and DGAT formed CSS to pursue healthcare-related opportunities, including the development of ambulatory surgery centers in a geographic area determined by the Members (the "**CSS Agreement**").

Quantum US and DGAT hold all economic, voting, or other interests in CSS as set out in the CSS Agreement ("**Membership Interests**"), with the CSS Agreement also providing for the transfer of, or granting of, Membership Interests to other parties from time to time.

The management and control of CSS is vested in the Board of Managers, which makes all decisions and takes all actions for CSS, except in matters for which approval of the Members is required by the CSS Agreement or as otherwise required by applicable law. Each Member has delegated to the Board of Managers, the Member's rights and powers to manage and control the business and affairs of CSS. Except as otherwise provided in the CSS Agreement, no Member in its capacity as such has any part in the management or control of CSS, nor does any Member have the authority or right to act on behalf of CSS in connection with any matter.

The Board of Managers consists of four members, two of whom are appointed by Quantum US and two of whom are appointed by DGAT. Each Member has the right to remove (with or without cause) any of the appointed members of the Board of Managers, and appoint a replacement member of the Board of Managers in the event of a vacancy of that member. The current Board of Managers consists of Grant White, Manu Sekhri, David Greuner and Adam Tonis.

Operating Structure of CSS

Capitalization and Funding

The Members have capitalized CSS with equity input of US$50,000. The Corporation through Quantum US also provided debt funding to CSS in an amount equal to US$4,300,000 (the "**Debt Advance**"), which debt capital CSS used to capitalize CSS-Essex and which CSS-Essex used to complete the Roseland Acquisition and fund initial working capital requirements. The Corporation expects that the Debt Advance will be repaid in its entirety prior to any distributions being made pursuant to (ii) and (iii) under the heading "*Distributions to Members*" below.

The Board of Managers may request, subject to the necessary approval described above, that the Members make additional contributions of cash to CSS, provided that (i) prior to requesting any additional capital contributions, the Board of Managers has made good faith efforts to obtain arm's-length debt financing on commercially reasonable terms, and that (ii) any additional capital contributions shall be requested from all Members, on a pro rata basis, based on each such Member's relative Membership Interests. If a Member does not make an additional capital contribution within the time established by the CSS Agreement and in accordance with the terms and conditions set out in the CSS Agreement, the CSS Agreement contains provisions for the Members to remedy such a funding shortfall.

Distributions to Members

Funds may be distributed to the Members of CSS in the following manner:

(i) first, for so long as the Debt Advance or any future promissory note payable to Quantum US is outstanding, an amount (the "**Initial Distribution**") to each Member in each fiscal year equal to: (A) 50% of the aggregate amount of principal paid during such fiscal year pursuant to the Debt Advance or any future promissory note payable to Quantum US, multiplied by (B) the excess, if any, of (1) the amount of taxable income (as computed for federal income tax purposes) of the CSS for that quarter of the fiscal year over (2) the cumulative excess of taxable loss over taxable income (as computed for

federal income tax purposes) of CSS allocated to such Member, multiplied by (C) the highest marginal federal income tax rate plus the highest corporate state income tax rate applicable to jurisdictions in which CSS is doing business (in each case for individuals and taking into account the deductibility of state income taxes for federal income tax purposes) (the "**Tax Distribution Rate**") provided, however, that to the extent that the full amount of the Initial Distribution is not distributed in a fiscal year, any amount not distributed in a prior fiscal year shall be distributed in the following fiscal year along with any other Initial Distribution that is due in such following fiscal year;

(ii) second, each fiscal year, if distributable funds are less than or equal to the sum of: (A) the amount arrived at when: (x) 4 is multiplied by all amounts advanced by the Corporation to CSS through Quantum US under any promissory note or capital contribution (including the Debt Advance); is divided by (y) 1 minus the Tax Distribution Rate; and (B) the aggregate amount of the Initial Distributions made to Members attributable to such fiscal year (the "**Third Distribution Level**"), then, following any Initial Distributions, such funds shall be distributed as follows ("**Second Tier Distributions**"):

(A) fifty percent (50%) to Quantum US;

(B) fifty percent (50%) to DGAT;

(iii) third, each fiscal year, if distributable funds exceed the Third Distribution Level then, following any Initial Distributions and following Second Tier Distributions in an aggregate amount up to the Third Distribution Level, minus any Initial Distributions, the remaining amount shall be distributed in the following proportions:

(A) twenty percent (20%) to Quantum US; and

(B) eighty percent (80%) to DGAT.

Proceeds received by CSS from the sale of any of its assets, including but not limited to the sale of any ownership interest in a subsidiary of CSS or any interest held by CSS plus proceeds received by CSS in liquidation or dissolution of any subsidiary of CSS or any entity in which CSS held an ownership interest shall be distributed amongst the Members in the following manner and at such times as determined by the Board of Managers:

(i) fifty percent (50%) to Quantum US; and

(ii) fifty percent (50%) to DGAT.

Notwithstanding anything to the contrary above, in the event that a governmental authority determines that DGAT has received a distribution in excess of its proportion of the total ownership interests in CSS or in excess of its proportion of the total amount of capital investment in CSS, DGAT must repay such excess immediately and the Members must adjust the DGAT percentage interest to conform to such governmental authority's determination of DGAT's proportion of its total ownership interests in CSS or total amount of capital investment, and the excess repaid by DGAT is distributed in accordance with the terms of the CSS Agreement incorporating such adjusted percentage interests.

Transfer of Membership Interests

There are certain events which are set out in the CSS Agreement which provide Quantum US with the option to purchase the Membership Interest of another Member upon the occurrence of certain events. The procedure for the exercise of the option by Quantum US to purchase a Member's Membership Interest and the events which give rise to such an option are more fully set out in the CSS Agreement.

Term and Termination

CSS shall continue in existence unless and until the CSS Agreement is terminated and CSS is liquidated in accordance with the provisions of the CSS Agreement. CSS shall be dissolved solely upon the occurrence of any one of the following events:

(i) the approval of both Members to dissolve;

(ii) the entry of a decree of judicial dissolution pursuant to the Delaware *Limited Liability Company Act*; or

(iii) the occurrence of an event that makes it unlawful for all or substantially all of the business of CSS to be continued.

Employees

As at February 28, 2015, the Corporation employed three people, in addition to the Chief Executive Officer and the President, who are governed through the Management Agreement, as more fully described below. None of the Corporation's employees are represented by a labour union or subject to a collective bargaining agreement.

DESCRIPTION OF THE MATERIAL CONTRACTS

Management Agreement

The Corporation's management services are provided by an external third party, Quantum International Asset Management Corp. (the "**External Manager**") through a management agreement dated August 28, 2014 (the "**Management Agreement**"). The External Manager is controlled by Grant White, Chief Executive Officer and Chair of the Board and Manu Sekhri, President and a director of the Corporation. Pursuant to the Management Agreement, and subject to various terms and conditions thereof, the External Manager provides the following asset management services to the Corporation:

(a) managing the business of the Corporation, including making all decisions regarding the business of the Corporation that are advisable or consistent with accomplishing the business of the Corporation, with all rights, power and authority conferred by the Management Agreement;

(b) transacting the business of the Corporation and dealing with and in the assets of the Corporation for the use and benefit of the Corporation, including the power and authority to cause the Corporation to enter into contracts;

(c) providing the services of two appropriately qualified individuals acceptable to the Board to serve as directors of the Corporation, which nominees may have a material relationship with the Corporation and may not be "independent" within the meaning of National Instrument 52-110 – *Audit Committees*;

(d) providing the services of two appropriately qualified individuals to serve as President and Chief Executive Officer, as well as providing recommendations for certain appropriately qualified individuals to serve as the remaining officers of the Corporation, if any;

(e) managing, directing, advising and otherwise carrying out any of the Corporation's capital raising and financing activities;

(f) advising the Corporation with respect to all capital investments that are required or recommended to be implemented with respect to any of the assets of the Corporation;

(g) investing, where deemed appropriate by the External Manager in the performance of its obligations under the Management Agreement, the undeployed cash of the Corporation in short term interest bearing or discount debt obligations issued or guaranteed by the Government of Canada or a province of Canada or a Canadian chartered bank;

(h) operating the head office of the Corporation;

(i) borrowing money (on a secured or unsecured basis) on behalf of the Corporation, including pursuant to a loan facility, the issue of debt securities or by purchasing securities on margin, subject to and in accordance with the investment policy and credit policy, if any, of the Corporation;

(j) authorizing payment on behalf of the Corporation of expenses incurred on behalf of the Corporation and the negotiation of contracts with third party providers of services (including, without limitation, custodians, registrars and transfer agents, legal counsel, auditors, insurance agents and printers);

(k) preparing or overseeing the preparation of annual budgets for presentation to the Board for approval and monitoring the Corporation's financial performance;

(l) providing or causing to be provided any records, financial or legal documentation or any other documentation reasonably required by the Chief Financial Officer of the Corporation in the performance of the internal accounting, auditing and legal obligations of the chief financial officer;

(m) advising the Board on strategic matters relating to the assets, development opportunities, potential acquisitions, dispositions and opportunities to enhance the value of the Common Shares;

(n) identifying, structuring and negotiating acquisition, disposition, financing and other transactions and managing due diligence in connection therewith;

(o) conducting day-to-day relations on behalf of the Corporation with third parties, including the management teams for each asset, suppliers, joint venturers, lenders, brokers, consultants, advisors, accountants, lawyers, insurers and appraisers;

(p) managing the investor relations activities of the Corporation;

(q) managing the Corporation's regulatory compliance, including ensuring all required filings are made; and

(r) annually or as otherwise reasonably requested by the Board, making reports to the Board and/or the security holders of the Corporation of the performance of the External Manager of the services provided and to be provided to the Corporation pursuant to the Management Agreement.

Under the Management Agreement, the External Manager is entitled to the following fees for its asset management services:

- base annual management fee calculated and payable on a monthly basis, equal to the greater of $33,333.33 and 0.1666% of the market capitalization of the Corporation, which market capitalization shall be determined using a 90-day volume-weighted average market price, calculated on the final day of the month in question;

- annual incentive fee calculated and payable on a monthly basis, equal to 20% of the amount, if any, by which the total distributions made by the Corporation to Shareholders in the year in question exceeds 8% of the level of Total Equity Capital Raised (as such concept is defined in the Management Agreement), averaged across the year in question;

- M&A advisory fee equal to:

    - in the case of an acquisition: (i) 2.0% of the aggregate consideration payable, where the aggregated consideration payable is less than $50 million; (ii) 1.5% of the aggregate consideration payable, where the aggregated consideration payable is equal to or greater than $50 million and less than $100 million; and (iii) 1.0% of the aggregate consideration payable, where the aggregated consideration payable is equal to or greater than $100 million; and

- in the case of a disposition of an asset provided that the total proceeds from such disposition exceed the aggregate consideration paid for such asset: (i) 0.75% of the aggregate consideration received by the Corporation in the event the Corporation retains a third party financial advisor or investment dealer; and (ii) 1.50% of the aggregate consideration received by the Corporation in the event the Corporation does not retain a third party financial advisor or investment dealer.

In addition, under the Management Agreement, the Corporation is obligated to reimburse the External Manager for all reasonable and necessary actual out-of-pocket costs and expenses paid by the External Manager in connection with the performance of the services described in the Management Agreement, as well as certain specified expenses ancillary to the operations of the External Manager, including travel on behalf of the Corporation and office space and services.

The Management Agreement is for a term of seven years and is renewable for further five year terms, unless and until the Management Agreement terminates in accordance with the provisions thereof. Subject only to the termination provisions in the Management Agreement, the External Manager will automatically be rehired at the expiration of each term. The External Manager has the right, at any time, upon 180 days' written notice, to terminate the Management Agreement for any reason. The Management Agreement may also be terminated in other circumstances, such as in the event of default or insolvency of the External Manager within the meaning of the Management Agreement.

Except in certain circumstances, in the event that the Management Agreement is terminated, the External Manager is entitled to all accrued and unpaid management, incentive and M&A advisory fees, plus a termination fee designed to compensate the External Manager for the approximate quantum of fees it would otherwise have been paid during the three years following termination, provided that if the Management Agreement is terminated within two years of the completion of the reactivation, such three year compensatory period shall be extended to five years.

LTACH Purchase Agreement

On June 12, 2015, Quantum LTACH Holdings, LLC, Columbus Hospital LTACH, the LTACH Seller and Richard Lipsky executed the LTACH Purchase Agreement pursuant to which Quantum will indirectly acquire all of the LTACH Seller's membership interest in Columbus Hospital LTACH.

Purchase Price

The total consideration for the LTACH Acquisition is US$29,000,000. The consideration will be paid in cash in accordance with the terms set forth in the LTACH Acquisition Agreement. At the time of the LTACH Acquisition, Columbus Hospital LTACH will have approximately US$4,000,000 of debt to Flushing Bank, which will be assumed on the closing of the LTACH Acquisition. Additional amounts payable by the Corporation concurrent with, and possibly subsequent to, the closing of the LTACH Acquisition are set out below under the heading "*LTACH Consulting Agreement*".

Closing Conditions

The LTACH Acquisition is subject to customary closing conditions. The following is a summary of the significant closing conditions contained in the LTACH Purchase Agreement (the "**LTACH Closing Conditions**"):

(a) the Corporation shall have completed to its sole satisfaction, due diligence pertaining to Columbus Hospital LTACH and the LTACH Acquisition;

(b) the parties must have received such governmental authorizations and other authorizations and consents as are necessary or desirable to allow the parties to consummate the LTACH Acquisition, including, without limitation, approval of the NJ DOH for the change of ownership of Columbus Hospital LTACH, the approval of the LTACH Acquisition by the Exchange and any contractually required consents of third parties;

(c) all encumbrances on the assets of Columbus Hospital LTACH (except for the LTACH Debt and certain permitted encumbrances), must have been released;

(d) the collectable accounts receivable of Columbus Hospital LTACH must be equal to or greater than US$3,000,000;

(e) Columbus Hospital LTACH shall be released as a guarantor under a certain bank loan made to an affiliate of Columbus Hospital LTACH;

(f) there must not have been any material adverse effect on Columbus Hospital LTACH or its business;

(g) there shall be no order restraining, enjoining or otherwise preventing or delaying the LTACH Acquisition and no proceedings or investigations shall be threatened or pending against any of the parties which seeks to enjoin or prevent the consummation of the LTACH Acquisition or which seek material damages in connection with the LTACH Acquisition;

(h) no claim has been asserted or threatened by any third party that such party (a) is the holder or the beneficial owner of, or has the right to acquire or to obtain beneficial ownership of, any membership interest of, or any other voting, equity or other interest in, Columbus Hospital LTACH or (b) is entitled to all or any portion of the purchase price for the LTACH Acquisition;

(i) neither the consummation nor the performance of the LTACH Acquisition will, directly or indirectly, contravene or conflict with or result in a violation of, or cause the Corporation to suffer any adverse consequence under (a) any applicable law or any decree, injunction, judgment, order, ruling, assessment or writ (collectively, an "**Order**") of any court, regulatory body or other tribunal; or (b) any law or Order that has been published, introduced or otherwise proposed by or before any of the foregoing entities; and

(j) the parties must have satisfied their respective closing deliverables as set forth in the LTACH Purchase Agreement and execute all documents necessary to consummate the LTACH Acquisition.

Termination

Pursuant to the terms thereof, the LTACH Purchase Agreement may be terminated based on the following:

(a) the Corporation may terminate the LTACH Purchase Agreement if the LTACH Seller materially breaches the LTACH Purchase Agreement and such breach cannot be cured or is not cured within fifteen days following written notice of such breach;

(b) the LTACH Seller may terminate the LTACH Purchase Agreement if the Corporation materially breaches the LTACH Purchase Agreement and such breach cannot be cured or is not cured within fifteen days following written notice of such breach;

(c) the Corporation may terminate the LTACH Purchase Agreement if the satisfaction of any of the LTACH Closing Conditions becomes impossible (other than through the failure of the Corporation to comply with its obligations under the LTACH Purchase Agreement);

(d) the LTACH Seller may terminate the LTACH Purchase Agreement if the satisfaction of certain of the LTACH Closing Conditions becomes impossible (other than through the failure of LTACH Seller or Columbus Hospital LTACH to comply with their obligations under the LTACH Purchase Agreement);

(e) either the Corporation or the LTACH Seller may terminate the LTACH Purchase Agreement if any governmental entity or court of competent jurisdiction issues an unappealable order, judgment or other ruling permanently restraining, enjoining or otherwise preventing the consummation of the LTACH Acquisition;

(f) either the Corporation or the LTACH Seller may terminate the LTACH Purchase Agreement if LTACH Closing has not occurred on or before October 31, 2015 or such later date as the Corporation and LTACH Seller may agree upon in writing, unless the terminating party or its affiliate is in material breach of the LTACH Purchase Agreement; or

(g) the parties may terminate the LTACH Purchase Agreement at any time by their mutual written agreement.

In the event of a breach of the LTACH Purchase Agreement by the Corporation and a termination by the LTACH Seller in accordance with the terms of the LTACH Purchase Agreement at any time on or after June 30, 2015 but before the closing of the LTACH Acquisition, the Corporation shall pay to LTACH Seller an aggregate fee equal to two percent of the purchase price of the LTACH Acquisition (i.e., the sum of US$580,000.00) within five business days of the termination. Any portion of such fee not paid when due shall accrue interest at the rate equal to 10 percent per annum or if lower, the highest rate allowed by law.

LTACH Consulting Agreement

In order to provide for optimal operations during the initial year of ownership of the facilities of Columbus Hospital LTACH by the Corporation, the Corporation has entered into a one-year consulting agreement with an entity (the "**LTACH Consultant**") which will provide to Columbus Hospital LTACH consultants with extensive experience in long term acute care hospital operations (the "**LTACH Consulting Agreement**"). Pursuant to such agreement, the Corporation will pay such entity a monthly fee of US$25,833.

Following the expiration of LTACH Consulting Agreement and pursuant thereto, the Corporation has agreed to acquire the consulting entity for a purchase price equal to (i) a convertible promissory note with a face value of US$6,400,000 (the "**LTACH Note**"), which note will be convertible into a 16% membership interest in Columbus Hospital LTACH at the option of either the holder or the Corporation, and (ii) a cash payment that is dependent on the EBITDA of Columbus Hospital LTACH during the term of the LTACH Consulting Agreement. The maximum cash payment amount shall be US$22,200,000, which amount would be payable if Columbus Hospital LTACH produces EBITDA of US$15,000,000 or greater for such one year period. Lesser cash payment amounts will be payable on a *pro rata* basis for a lower EBITDA result. The LTACH Note and an amount equal to US$5,400,000 will be issued and paid, as the case may be, to the LTACH Consultant concurrent with the commencement of the LTACH Consulting Agreement, which will commence concurrent with the closing of the LTACH Acquisition.

Rockland Purchase Agreement

On January 7, 2015, the Rockland Buyer entered into a definitive agreement to indirectly acquire a 90% interest in the Rockland ASC for US$4,000,000 payable in cash. Concurrent with the execution of such agreement, the individual members of the Rockland Buyer entered into a nominee agreement with CSS, whereby each individual member of CSS will become approved as a licensed operator by the NY DOH, and will be required, pursuant to such nominee agreement, to conduct themselves in accordance with the instructions of CSS, including with respect to the distribution of funds. The Corporation will fund 100% of the purchase price to the Rockland Buyer through its existing CSS capitalization mechanism and CSS operating agreement. An application has been made to the NY DOH to, among other things, establish the Rockland Buyer as an operator of the Rockland ASC and to have each individual member of CSS become approved as a licensed operator. Completion of the transaction is subject to the approval of the NY DOH. The remaining 10% interest will be held by the facility's current owner and operator, double board certified surgeon Dr. Michael Fiorillo, who will continue to maintain his surgical practice at the Rockland ASC alongside independently contracted surgeons of CSS that are expected to commence performing surgeries at the facility upon the completion of the acquisition.

Purchase Price

The total guaranteed consideration for the Rockland Acquisition is US$4,000,000. The Rockland purchase price will be paid in cash in accordance with the terms set forth in the Rockland Purchase Agreement. In the event that the Rockland ASC secures the right to construct one or more additional operating rooms (a "**License Upgrade**"), the Rockland Vendor is also entitled to, and the Rockland Buyer shall pay to the Rockland Vendor, a one-time payment

of US$600,000 (the "**Contingent License Bonus**"). If the License Upgrade occurs prior to or on the date of closing of the Rockland Acquisition, the Contingent License Bonus shall be payable along with the purchase price of the Rockland Acquisition in accordance with the terms set forth in the Rockland Purchase Agreement. If the License Upgrade occurs after the date of closing of the Rockland Acquisition, but prior to the License Upgrade Expiry Date (as defined in the Rockland Purchase Agreement), within 30 days of the date on which the License Upgrade is approved in writing by the NY DOH, the Rockland Buyer shall pay the Contingent License Bonus to the Rockland Vendor in cash by wire transfer of immediately available United States funds. If the License Upgrade does not occur on or prior to the License Upgrade Expiry Date, no Contingent License Bonus shall be payable and the Rockland Vendor shall have no right to any additional payments in respect of the License Upgrade.

Representations and Warranties

The Rockland Purchase Agreement includes representations and warranties made by the Rockland Buyer, the Rockland Vendor and Dr. Fiorillo related to the business and affairs of the Rockland ASC, which are customary in a transaction of this nature.

Covenants

The parties to the Rockland Purchase Agreement have made customary covenants relating to the closing of the Rockland Acquisition and related matters thereto. In particular, the Rockland Vendor has agreed that, until the closing of the Rockland Acquisition, the Rockland Vendor's business will be conducted in the normal and ordinary course, consistent with past practice, except for the transactions contemplated in the Rockland Purchase Agreement. The Rockland Vendor has also agreed not to take any action which would constitute a breach of any of its representations or warranties under the Rockland Purchase Agreement.

Closing Conditions

The obligations of the Rockland Buyer and the Rockland Vendor to consummate the transactions contemplated by the Rockland Purchase Agreement shall be subject to the satisfaction of, or waiver by, the Rockland Buyer and the Rockland Vendor, on or prior to the closing date, of conditions enumerated in the Rockland Purchase Agreement. The following is a summary of the significant closing conditions in the Rockland Purchase Agreement:

(a) all actions by or in respect of, or filings with or notices to, any governmental entity necessary, proper or advisable to effect the transactions contemplated by the Rockland Purchase Agreement shall have been taken or made;

(b) neither the Rockland Buyer nor Rockland Vendor shall: (i) be in receivership or dissolution; (ii) have made any assignment for the benefit of creditors; (iii) have admitted in writing its inability to pay its debts as they mature; (iv) have been adjudicated bankrupt; or (v) have filed a petition in voluntary bankruptcy, a petition or answer seeking reorganization or an arrangement with creditors under the federal bankruptcy law or any other similar law of the United States or any state, nor shall any such petition have been filed against the Rockland Buyer or Rockland Vendor, respectively;

(c) no event, condition or circumstance shall have occurred or existed or would reasonably be expected to occur or exist, that, individually or in the aggregate, would have or result in a material adverse effect with respect to the Rockland Buyer or Rockland ASC;

(d) the Rockland Buyer shall have received all necessary third party authorizations including, but not limited to, the approval in writing of the NY DOH for the transactions contemplated by the Rockland Purchase Agreement;

(e) the existing operating agreement shall have been terminated by the Rockland Vendor;

(f) the Rockland Vendor shall have agreed, in form and substance to the Rockland Buyer, to operate his surgical practice at the Rockland ASC for a period of not less than seven years following the closing date (the "**Employment Period**");

(g) the Rockland Vendor must have agreed, in form and substance to the Rockland Buyer, that, in the event that, following the end of the Employment Period, the Rockland Vendor determines to cease to operate his surgical practice at the Rockland ASC, the Rockland Vendor will not compete with operations at the Rockland ASC for a period of one year thereafter and the Rockland Vendor shall be required to sell the remaining membership interest in Rockland ASC, over which sale the Rockland Buyer shall have a right of first refusal; and

(h) Rockland ASC shall have obtained, on terms satisfactory to the Rockland Buyer in its sole discretion, effective upon closing, a life and disability insurance policy over the Rockland Vendor, in minimum coverage amount equal to the Rockland Purchase Price.

Pursuant to the terms of the Rockland Purchase Agreement, the closing of the Rockland Acquisition shall take place on the date which is three business days after receipt in writing of the final approval of the NY DOH. The Corporation expects that the Rockland Acquisition will close within the 12 month period following the execution of the Rockland Purchase Agreement.

Indemnification by the Rockland Vendor

The Rockland Vendor has agreed to indemnify and hold harmless the Rockland Buyer from, against and with respect to any and all claims, liabilities, damages, costs and expenses arising as a result of: (a) any inaccuracy of any representation or warranty made by the Rockland Vendor or Dr. Fiorillo in the Rockland Purchase Agreement; and (b) any breach of any covenant, term, condition or obligation of the Rockland Vendor or Dr. Fiorillo in the Rockland Purchase Agreement provided that the aggregate amount of all claims is greater than US$80,000. The aggregate amount of indemnification obligations of the Rockland Vendor shall not exceed US$4,000,000; provided, however, such amount shall not include attorney's fees, costs and expenses incurred by the Rockland Buyer.

Indemnification by the Rockland Buyer

The Rockland Buyer has agreed to indemnify and hold harmless the Rockland Vendor from, against and with respect to any and all losses arising out of or as a result of: (a) any inaccuracy of any representation or warranty made by the Rockland Buyer in the Rockland Purchase Agreement; (b) any breach by the Rockland Buyer of any covenant, term, condition or obligation of the Rockland Buyer in the Rockland Purchase Agreement; and (c) ownership and operation of the Rockland ASC following the closing date of the Rockland Acquisition provided that either the loss is a result of the knowing and intentional misrepresentations or the aggregate amount of all claims exceeds US$50,000.

Rockland Nominee Agreement

In order to give effect to the Rockland Acquisition, CSS entered into a nominee agreement with Grant White, Manu Sekhri, Adam Tonis and David Greuner on January 7, 2015 (the "**Rockland Nominee Agreement**"). Pursuant to such agreement, the parties thereto have applied to become licensed by the NY DOH, and will be required to conduct themselves in accordance with the instructions of CSS, including with respect to the distribution of funds. The parties to the Rockland Nominee Agreement have made customary covenants relating to the closing of the Rockland Acquisition, including covenants with respect to voting and consents; encumbrances, distributions and claims; disposition of the interest in the Rockland Buyer; and operation of the Rockland ASC. The parties to the Rockland Nominee Agreement have also granted CSS the exclusive right to designate any person to purchase and acquire the interests held by the other parties in the Rockland Buyer, subject to such designee being approved by the NY DOH.

Roseland Purchase Agreement

Roseland Vendor and CSS-Essex entered into the Roseland Purchase Agreement on May 30, 2014, as amended and restated on August 14, 2014, pursuant to which CSS-Essex purchased the Roseland Assets from the Roseland Vendor in accordance with the provisions of the Roseland Purchase Agreement. The total consideration for the Roseland Acquisition was US$3,300,000.

Closing Conditions

The Roseland Acquisition was subject to customary closing conditions. The following is a summary of certain significant closing conditions in the Roseland Purchase Agreement:

(a) receipt by the parties of a letter from the NJ DOH approving the transfer of the License, in good standing, from the Roseland Vendor to CSS-Essex, even if the NJ DOH indicates that the actual transfer of the License is subject to the satisfactory completion of one or more conditions, provided that such conditions do not impose any additional material financial obligation on CSS-Essex;

(b) receipt by the parties of the written consent of the landlord with respect to the assignment of the Roseland Lease; and

(c) receipt of the approval of the Exchange of the Roseland Purchase Agreement and the transactions contemplated thereby on terms satisfactory to CSS-Essex.

Indemnification by the Roseland Vendor

The Roseland Vendor has agreed to indemnify and hold harmless CSS-Essex from, against and with respect to any and all claims, liabilities, damages, costs and expenses arising as a result of: (a) any and all claims, demands, liabilities, causes of action, damages, losses, costs and expenses (including without limitation reasonable attorneys' fees and expenses) suffered by, imposed upon or paid by CSS-Essex in respect of, as a result of, connected with, or arising out of, under or pursuant to certain circumstances specified in the Roseland Purchase Agreement; (b) any and all taxes and Governmental Charges (as defined therein) that are imposed upon or assessed against CSS-Essex or its affiliates or the assets of the Roseland Vendor with respect to taxes related to the RASC and the operation thereof and of the business for periods prior to the closing of the Roseland Acquisition and for any breach of any representation, warranty or covenant of the Roseland Vendor.

Indemnification by CSS-Essex

CSS-Essex has agreed to indemnify and hold harmless the Roseland Vendor from, against and with respect to any and all losses arising out of or as a result of: (a) any and all claims, demands, liabilities, causes of action, damages, losses, costs and expenses (including without limitation reasonable attorneys' fees and expenses) suffered by, imposed upon or paid by CSS-Essex in respect of, as a result of, connected with, or arising out of, under or pursuant to certain circumstances specified in the Roseland Purchase Agreement; (b) any and all taxes and Governmental Charges (as defined therein) for taxes related to the former RASC and the operation thereof for any periods after the closing of the Roseland Acquisition and for any taxes or ACF (as defined therein) assessments related to any periods after the closing of the Roseland Acquisition.

MME Acquisition Agreement

MME and the Corporation entered into the MME Acquisition Agreement on August 7, 2014, pursuant to which the Corporation subscribed for and acquired the MME Interest for consideration paid by the Corporation of $500,000. The MME Acquisition was subject to several conditions precedent. The following is a summary of certain significant closing conditions in the MME Acquisition Agreement:

(a) receipt of the approval of the Exchange of the MME Acquisition Agreement and the transactions contemplated thereby on terms satisfactory to the Corporation;

(b) absence of a material change to MME or its business and no material litigation;

(c) the entry into by MME of an employment agreement with Michael Taylor on terms satisfactory to Mr. Taylor, MME and the Corporation;

(d) the entry into by Mr. Taylor, Mr. Craig and the Corporation of a unanimous shareholders agreement on terms satisfactory to such parties; and

(e) the adoption by MME of an incentive policy governing the payment by MME of incentive distributions to participants, initially expected to be Mr. Taylor, on terms satisfactory to such parties.

Indemnification by the Shareholders

The corporations of Mr. Taylor and Mr. Craig have agreed to indemnify and hold harmless, on a *pro rata basis,* the Corporation against any Adverse Consequence (as defined in the MME Acquisition Agreement) that the Corporation may suffer, sustain or become subject to as a result of, or arising from or in connection with: (a) any breach by the corporations of Mr. Taylor or Mr. Craig of any representation or warranty contained in the MME Acquisition Agreement; and (b) all reasonable costs and expenses incurred by the Corporation in connection with any action, suit, proceeding, demand, assessment or judgment directly resulting from any breach by the corporations of Mr. Taylor or Mr. Craig of any representation or warranty contained in the MME Acquisition Agreement.

Indemnification by the Corporation

The Corporation has agreed to indemnify and hold harmless the corporations of Mr. Taylor or Mr. Craig against any Adverse Consequence (as defined in the MME Acquisition Agreement) that the corporations of Mr. Taylor or Mr. Craig may suffer, sustain or become subject to as a result of, or arising from or in connection with: (a) any breach by the Corporation of any representation or warranty contained in the MME Acquisition Agreement; and (b) all reasonable costs and expenses incurred by the corporations of Mr. Taylor and Mr. Craig in connection with any action, suit, proceeding, demand, assessment or judgment directly resulting from any breach by the Corporation of any representation or warranty contained in the MME Acquisition Agreement.

CSS Agreement

See discussion under the heading "*Description of the Business – Strategic Partnerships*".

DESCRIPTION OF CAPITAL STRUCTURE

The Corporation is authorized to issue an unlimited number of Common Shares of which 67,100,233 Common Shares are issued and outstanding as at the date of this AIF.

Common Shares

The holders of Common Shares are entitled to receive notice of and attend at any meeting of the Shareholders and are entitled to one vote for each Common Share held (except at meetings where only the holder of another class of shares are entitled to vote). The holders of the Common Shares are entitled to receive dividends, if, as and when declared by the Board and subject to the prior satisfaction of all preferential rights to dividends attaching to all shares of other classes of the Corporation ranking in priority to the Common Shares in respect of dividends.

Warrants

On August 11, 2014 the Corporation issued an aggregate of 1,033,994 broker warrants ("**August 2014 Warrants**") in connection with the August Private Placement. Each August 2014 Warrant entitles the holder thereof to purchase one Common Share at a price of C$0.35 per Common Share at any time prior to August 11, 2016.

As of the date of this AIF there are 1,033,994 August 2014 Warrants issued and outstanding.

Stock Option Plan

On November 21, 2013, the Corporation adopted "rolling" stock option plan (the "**Option Plan**") which authorizes the Corporation to grant options to acquire up to 10% of its issued and outstanding Common Shares, from time to time. The Option Plan was re-approved by the Shareholders at the annual general meeting held on February 19, 2015. Specifically, the Option Plan reserves, for issue pursuant to stock options, a maximum number of Common Shares equal to 10% of the outstanding Common Shares from time to time, with no mandatory vesting provisions. The number of Common Shares reserved for issue to any one person in any 12-month period under the Option Plan may not exceed 5% of the outstanding Common Shares at the time of grant without disinterested shareholder approval (as defined in Exchange Policy 4.4 – *Incentive Stock Options*).

The aggregate number of Common Shares reserved for issue to any "Other Participant" (as defined in the Option Plan) in any 12-month period under the Option Plan may not exceed 2% of the outstanding Common Shares at the time of grant. The aggregate number of Common Shares reserved for issue to any Employee (as defined in Exchange Policy 4.4 – *Incentive Stock Options*) conducting Investor Relations Activities (as defined in Exchange Policy 4.4 – *Incentive Stock Options*) in any 12-month period under the Option Plan may not exceed 2% of the outstanding Common Shares at the time of grant.

The number of Common Shares issued to any one person within a 12-month period on the exercise of stock options may not exceed 5% of the outstanding Common Shares at the time of exercise without disinterested shareholder approval.

The exercise price per Common Share for a stock option may not be less than the Discounted Market Price (as defined in Exchange Policy 4.4 – *Incentive Stock Options*). Further, stock options may have a term not exceeding ten years and are non-assignable and non-transferable.

The Option Plan contains provisions for adjustment in the number of Common Shares or other property issuable on exercise of stock options in the event of stock dividend, consolidation, subdivision, reclassification or other relevant change in the Corporation's corporate structure, or any other relevant change in the Corporation's capitalization, as well as provisions regarding withholding taxes, legending of share certificates and other requirements which are stipulated by the laws or regulations of any governmental authority, in particular the United States Securities Act of 1933, in connection with any option or Common Share.

Directors, officers, employees, and consultants/service providers to the Corporation are eligible to participate in the Option Plan, and awards of stock options may be made from time to time to participants at varying levels which are generally consistent with the individual's level of responsibility within the Corporation. Options are priced by the Board pursuant to the terms of the Option Plan. The term, vesting provisions and other provisions of the options are subject to the terms of the Option Plan and to the discretion of the Board.

DIVIDENDS

There are no restrictions in the constating documents of the Corporation, and it is not currently expected that there will exist such restrictions elsewhere, which could prevent the Corporation from paying dividends. However, the Corporation has not paid any dividends on the Common Shares at any time in the three most recently completed financial years of the Corporation.

The Corporation initially intended to pay early dividends from the profits generated from CSS-Essex operations, but has not declared a dividend and does not anticipate doing so in the foreseeable future. Any future determination as to the payment of dividends will be at the discretion of Board and will depend on a number of factors, including the future growth opportunities available, the availability of profit, operating results, the financial position of the Corporation, future capital requirements and general business and other factors considered relevant by the Board. No assurances in relation to the payment of dividends can be given.

Dividends paid pursuant to this policy, if any, may be discontinued at any time. The Board will determine if and when dividends should be declared and paid in the future based upon the Corporation's financial position at the relevant time. See *"Risk Factors"*.

MARKET PRICE AND TRADING VOLUME DATA

The Common Shares are listed on the Exchange under dual currency listing. The Common Shares trade in Canadian dollars under the symbol QIC and in US dollars under the symbol QIC.U. The closing market prices of the Common Shares on June 22, 2015, the date immediately preceding the date of this AIF were C$0.43 and US$0.38, respectively. The following table sets forth the high and low closing trading price of the Common Shares on the Exchange in Canadian dollars for the periods noted:

Period	High ($)	Low ($)	Volume[(1)]
March 2014	0.15	0.005	402,500[(2)]
April 2014	0.155	0.115	6,053
May 2014	0.17	0.17	1,077
June 2014[(4)]	0.33	0.17	3,626[(3)]
July 2014[(4)]	N/A	N/A	0[(3)]
August 2014[(4)]	N/A	N/A	0[(3)]
September 2014[(4)]	N/A	N/A	0[(3)]
October 2014[(4),(5)]	0.30	0.25	371,203[(3)(4)]
November 2014[(5)]	0.30	0.25	1,146,132
December 2014[(5)]	0.34	0.30	916,072
January 2015[(5)]	0.36	0.20	497,916
February 2015[(5)]	0.295	0.225	1,603,304

(1) All trading data for periods prior to September 24, 2014 took place on the NEX.

(2) On March 14, 2014, the Common Shares were consolidated on a 10 to 1 basis.

(3) Trading of the Common Shares on the Exchange was halted on June 27, 2014.

(4) Between June 27, 2014 and October 20, 2014, no trading in Common Shares took place in Canadian dollars. Common Shares recommenced trading in Canadian dollars on October 20, 2014 under the symbol "QIC".

(5) Reflects Canadian dollar, "QIC" trading only.

The following table sets forth the high and low closing trading price of the Common Shares on the Exchange in U.S. dollars for the periods noted:

Period	High (US$)	Low (US$)	Volume[(2)]
September 2014[(1)]	US$0.40	US$0.30	102,872
October 2014	US$0.35	US$0.13	184,507
November 2014	US$0.21	US$0.20	282,506
December 2014	US$0.28	US$0.28	10,003
January 2015	US$0.28	US$0.225	13,025
February 2015	US$0.225	US$0.21	11,515

(1) Trading in Common Shares commenced in US dollars only on September 24, 2014. Prior to September 24, 2014, no trading in Common Shares in US dollars under the symbol "QIC.U" occurred.

(2) Reflects US dollar, "QIC.U" trading only.

PRIOR SALES

The following table summarizes details of the issuance of securities that are outstanding and not listed or quoted on a marketplace by the Corporation during the most recently completed financial year.

Date of Issuance / Grant	Type of Security Issued / Granted	Price Per Security (C$)	Number of Securities Issued / Granted	Reason for Issuance
December 10, 2014	Options	C$0.35(2)	500,000	Employee Compensation
August 11, 2014	Warrants	C$0.35(3)	1,033,994	Broker / Finder Commission(1)
March 14, 2014	Warrants	C$0.10(4)	18,577,500	March Private Placement

(1) Issued as compensation to the agent in respect of the brokered component and to certain finders in respect of the non-brokered component of the August Private Placement.
(2) Represents exercise price of options issued pursuant to the Option Plan. Such options vest over the course of a two-year period, with 1/3 vesting on the grant date, 1/3 vesting 12 months after the grant date and 1/3 vesting 24 months after the grant date.
(3) Represents the exercise price of warrants issued pursuant to the August Private Placement, which may be exercised at any time prior to August 11, 2016.
(4) Represents the exercise price of warrants issued pursuant to the March Private Placement, which expired in March 2015.

ESCROWED SECURITIES

The following table sets out the number and percentage of Common Shares subject to escrow pursuant to Value Security Escrow Agreements following completion of the Reactivation.

Name and Municipality of Residence of Securityholder	Designation of Class	Number of Securities Held in Escrow(5)	Percentage of Class
CQA Capital Corp.(1) *Toronto, Ontario*	Common Shares	1,500,000	2.2%(4)
Ascendant Group Holdings Inc.(2) *Toronto, Ontario*	Common Shares	1,500,000	2.2%
Thanda Resources Inc.(3) *Toronto, Ontario*	Common Shares	1,500,000	2.2%

(1) CQA Capital Corp. is controlled by Grant White.

(2) Ascendant Group Holdings Inc is controlled by Manu Sekhri.

(3) Thanda Resources Inc. is controlled by Sheila Ogilvie-Harris.

(4) Calculated on an undiluted basis based on 67,100,233 Common Shares issued and outstanding as of the date hereof.

(5) Equity Financial Trust is the depository for the escrowed securities which are subject to a three-year escrow and are being released in the following manner: 10% as of the date of Exchange Bulletin, 15% as of 6 months following the Exchange Bulletin, 15% as of 12 months following the Exchange Bulletin, 15% as of 18 months following the Exchange Bulletin, 15% as of 24 months following the Exchange Bulletin, 15% as of 30 months following the Exchange Bulletin, and 15% as of 36 months following the Exchange Bulletin.

DIRECTORS AND OFFICERS

The table below sets out the name, province and country of residence, occupation and security holdings, and principal occupation during the preceding five years of each director and senior officer of the Corporation as of the date hereof. Douglas Stuve has served as a director of the Corporation since July 2005. Each of the other directors listed below has served as a director of the Corporation since November 2013. Each of the directors listed below are expected to serve until the next annual meeting of holders of Common Shares at which directors are to be elected.

Name and Municipality of Residence	Office	Number and Percentage of Shares Owned or Over Which such Person Exercises Control or Direction	Principal Occupation for Previous Five Years
Douglas M. Stuve[(2) (4)] Calgary, Alberta	Director	Nil	Partner, Burstall Winger Zammit LLP (1998-Present) Director, First Mountain Exploration Inc. (2014-Present)
Grant White[(2)] Toronto, Ontario	Chief Executive Officer, Director	1,666,667[(3)] (3.9%)	President, Finao Advisory Corp. (2011-Present) CEO, Focus Gold Corp. (2010-2012) Managing Director, Pope & Company (2009-2010)
Manu K. Sekhri Toronto, Ontario	President, Director, Secretary	1,666,666 [(3)] (3.9%)	President & CEO, Ascendant Securities Inc. (2010-2014) Managing Director, Pope & Company (2009-2010)
Geoffrey Boothe[(4)] Toronto, Ontario	Director	Nil	President, Dominion Regalia Limited. (1987-Present)
Sheila Ogilvie-Harris[(2) (4)] Toronto, Ontario	Director	1,666,667 [(3)] (3.9%)	President, Enterprise Management Services (1980 – 2013) CEO, Thanda Resources Inc. (2009-Present)
Roy L. Booth, CA, CPA Toronto, Ontario	Chief Financial Officer	Nil	Director of Corporate Finance, FTI Consulting Inc. (2009-2010) CFO, The Wish Group (2010-2012) President, Perpetual Clarity Inc. (2012-Present)

(1) The information as to residence, principal occupation and share ownership is not within the knowledge of management of the Corporation and has been furnished by the respective directors.

(2) Member of the Audit Committee.

(3) 1,500,000 Common Shares are subject to a Value Security Escrow Agreement. See discussion under the heading "*Escrowed Securities*".

(4) Member of the Compensation, Corporate Governance and Nominating Committee.

Each of the directors of the Corporation who have primary employment outside of the Corporation will devote only such time as is required to the affairs of the Corporation, and will continue to be engaged in their principal occupations as disclosed above.

As a group, as of the date of this AIF, the directors and officers of the Corporation exercise control or direction over 5,000,000 Common Shares on an undiluted basis, which represents approximately 7.45% of the issued and outstanding Common Shares. Each of the foregoing securities is subject to Value Security Escrow Agreements. See discussion under the heading *"Escrowed Securities"*.

Each of Grant White, Manu Sekhri and Roy L. Booth provide full time services to the Corporation. The services of Grant White and Manu Sekhri are provided through the External Manager. See discussion under the heading *"Description of the Material Contracts – Management Agreement"*. Roy L. Booth provides his services via an employment agreement. The principal occupations of Douglas Stuve, Geoffrey Boothe and Sheila Ogilvie-Harris are as officers or partners, as the case may be, of entities other than the Corporation. The principal occupations of these directors are as disclosed in the table above.

Corporate Cease Trade Orders or Bankruptcies

During the past 10 years, none of the directors, officers, Insiders, promoters or a security holder that holds a sufficient number of securities of the Corporation has been a director, officer, Insider or promoter of any other reporting issuer that, while such person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the company access to any statutory exemption under applicable securities legislation or

become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was the subject of or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold the assets of that person.

Penalties or Sanctions

No director, officer, Insider, promoter or a security holder that holds a sufficient number of securities of the Corporation has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by any securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would be likely to be considered important to a reasonable investor making an investment decision about this transaction.

Personal Bankruptcies

No director, officer, Insider or promoter of the Corporation, or a shareholder holding sufficient securities of the Corporation to affect materially the control of the Corporation, or a personal holding company of any such persons, has, within the 10 years preceding the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver-manager or trustee appointed to hold the assets of the individual.

Conflicts of Interest

There may be potential conflicts of interest to which some of the directors, officers and insiders of the Corporation will be subject in connection with the operations of the Corporation. Some of the directors, officers, and insiders may become engaged in businesses which may be in competition with the Corporation. To the knowledge of the Corporation, no such conflicts of interest exist as of the date of this AIF. However, situations may arise where some or all of the directors, officers, promoters and Insiders will be in direct competition with the Corporation. Conflicts, if any, will be subject to the procedures and remedies as provided under the applicable corporate law.

AUDIT COMMITTEE

Overview

The Audit Committee comprised of Grant White, Douglas Stuve and Sheila Ogilvie-Harris. Mr. Stuve and Ms. Ogilvie-Harris are considered to be independent of the Corporation. All of the members of the Audit Committee are considered to be financially literate for the purposes of National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators. Douglas, Stuve and Sheila Ogilvie-Harris are considered to be independent of the Corporation. The Corporation expects the Board to establish additional committees in the near term, but none have been established yet.

Audit Committee Charter

The Corporation has adopted a charter of the Audit Committee, which is attached as Schedule "A" to this AIF.

Members

Grant White. Mr. White has 18 years of investment banking experience in both Canada and the U.S. He is the former Head of Investment Banking at Blackmont Capital where he helped grow the firm into a top five independent underwriter in Canada. He has also held positions at Westwind Partners.

Douglas Stuve. Mr. Stuve has been a partner with Burstall Winger Zammit LLP since 1998 practicing primarily in the areas of corporate finance and securities law, as well as general corporate commercial law. He is currently a director of Athabasca Minerals Inc., Border Petroleum Corp., Pediapharm Inc., Kairos Capital Corporation and Pivot Technologies, Inc. He has also served as a director on a number of public companies listed on the Exchange

and the Toronto Stock Exchange, including, Patfind Inc., Deepwell Energy Services Trust, Tesoro Energy Corp., Kelso Energy Inc., Colonia Energy Corp., Regal Energy Inc., Cascadia International Resources Inc., International Technologies Corporation, Sabrich Capital Corporation, Yangarra Resources Ltd., Amalfi Capital Corporation, Lime Hill Capital Corporation and New Sage Energy Corp. He holds a Bachelor of Arts degree (with distinction) from the University of Alberta and a Bachelor of Laws degree from Queen's University.

Sheila Ogilvie-Harris. Ms.Ogilvie-Harris is the Co-Founder, Chief Executive Officer and Director of Thanda Resources Inc. Previously, she was President of Enterprise Management Services.

Audit Committee Oversight

Since the commencement of the Corporation's most recently-completed fiscal year, the Audit Committee has not made any recommendations to nominate or compensate an external auditor which were not adopted by the Board.

Pre-Approval Policies and Procedures

The Audit Committee Charter contains policies and procedures for the engagement of non-audit services.

Audit Fees

Fees incurred by Mazars Harel Drouin LLP, auditors of the Corporation, for audit and non-audit services in the last two fiscal years for audit fees are outlined in the following table.

Services	Fees Paid in Year ended February 28, 2015	Fees Paid in Year ended February 28, 2014
Audit Fees(1)	$126,765	$22,775
Audit-Related Fees(2)	$10,200	$nil
Tax Fees(3)	$25,475	$2,000
All Other Fees(4)	$nil	$nil
Total	**$162,440**	**$24,775**

(1) "Audit Fees" (billed or accrued) include fees necessary to perform the annual audit and quarterly reviews of the Corporation's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(2) "Audit-Related Fees" (billed or accrued) include services that are traditionally performed by an auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) "Tax Fees" (billed or accrued) include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees" This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings on technical advice from tax authorities.

(4) "All Other Fees" include all other non-audit services.

RISK FACTORS

The following are certain factors relating to the business of the Corporation, which factors investors should carefully consider when making an investment decision concerning the Common Shares. The following information is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this AIF. These risks and uncertainties are not the only ones facing the Corporation. Additional risks and uncertainties not presently known to the Corporation or that the Corporation currently deems immaterial, may also impair the operations of the Corporation. If any such risks actually occur, the financial condition, liquidity and results of operations of the Corporation could be materially adversely affected and the ability of the Corporation to implement its growth plans could be adversely affected.

Risks Relating to the Recent Acquisitions and Proposed Acquisitions

Recent Acquisitions and Proposed Acquisitions Generally

While the Corporation has conducted substantial due diligence in connection with the Recent Acquisitions, and is conducting substantial due diligence in connection with the Proposed Acquisitions, there are risks inherent in any acquisition. Specifically, there could be unknown or undisclosed risks or liabilities of the former RASC, the Rockland ASC, the LTACH Interest or the MME Interest for which the Corporation is not sufficiently indemnified pursuant to the provisions of the applicable Acquisition Agreements. Any such unknown or undisclosed risks or liabilities could materially and adversely affect the Corporation's financial performance and results of operations. The Corporation currently anticipates that the Recent Acquisitions and the Proposed Acquisitions will be accretive; however, this expectation is based on preliminary estimates which may materially change. The Corporation could encounter additional transaction and integration related costs or other factors such as the failure to realize all of the benefits anticipated in the Recent Acquisitions and the Proposed Acquisitions. All of these factors could cause a delay the anticipated accretive effect of the Recent Acquisitions and the Proposed Acquisitions, and could cause a decrease in the market price of the Common Shares.

Failure to Realize Potential Benefits of Acquisitions

The Recent Acquisitions have been, and the Proposed Acquisitions are being, undertaken with a view to further the Corporation's acquisition and development strategy and to realize certain perceived potential benefits, including growth and diversification of the Corporation's revenue base and overall capital appreciation. Achieving the potential benefits of these acquisitions will depend in part on a number of factors, including the ability of the Corporation, its joint venture partners and operating subsidiaries to achieve full operational capacity and take advantage of potential synergies in a timely and efficient manner. There can be no assurance that the anticipated benefits of the Recent Acquisitions, the Proposed Acquisitions or any other potential acquisitions or developments will be realized by the Corporation, its joint venture partners or operating subsidiaries.

Inability to Successfully Integrate Acquisitions

A key element of the Corporation's strategy is to successfully integrate acquired or newly developed businesses in order to sustain and enhance profitability, particularly businesses acquired through CSS, where the opportunity for operational synergies with the Corporation's joint venture partner DGAT are most acute. However, there can be no assurance that the Corporation will be able to profitably integrate and manage the Recent Acquisitions and the Proposed Acquisitions, particularly the LTACH Acquisition and the Rockland Acquisition. Successful integration can depend upon a number of factors, including the ability to retain and motivate certain key management and staff, retaining and leveraging patient, third party service provider and external supplier relationships and implementing standardized procedures and best practices. In the event that any of the Recent Acquisitions and the Proposed Acquisitions cannot be successfully integrated into the Corporation's operations or performs below expectations, the business could be materially and adversely affected.

Key Personnel

The success of the Corporation, particularly with respect to the Recent Acquisitions and the Proposed Acquisitions, depends on the skills, experience and effort of its management and senior management of its business segments, as well as the attraction and retention of existing and new key medical personnel. The loss of one or more members of management or senior management of a business segment or, particularly with respect to a Recent Acquisition and the Proposed Acquisitions, a key medical personnel member, could significantly weaken the performance of the particular Recent Acquisition or the Proposed Acquisition, the affected business segment generally, and the Corporation as a whole.

Rapid Growth

Upon the completion of all of the Proposed Acquisitions, the Corporation will increase the number of U.S. healthcare facilities in its portfolio. The LTACH Acquisition is larger than CSS-Essex and therefore has a

substantial impact on the portfolio growth compared to the Roseland Acquisition, the Rockland Acquisition or the MME Acquisition. The Corporation also anticipates that it may locate, pursue and possibly complete other potential acquisitions or developments not yet known prior to or concurrently with the completion of the Proposed Acquisitions, thereby resulting in additional growth to the Corporation on the same timescale. This may lead to rapid growth of the Corporation over the subsequent 12 months. Rapid growth can put a strain on managerial, operational, financial, human and other resources. Risks related to rapid growth include administrative and operational challenges such as the assimilation of financial reporting systems, technology and other systems of acquired companies, increased pressure on senior management and increased demand on systems and internal controls. Though these risks are largely borne directly by the applicable operating subsidiary, joint venture partner or affiliate of the Corporation instead of the Corporation directly, the ability of the Corporation to manage its operations and expansion effectively depends on the continued development and implementation of plans, systems and controls that meet its operational, financial and management needs. If the Corporation is unable to develop or implement these plans, systems or controls or otherwise manage its operations and growth effectively, the Corporation may be unable to achieve sustained profitability, and the business could be harmed.

Market Price Volatility

The market price of the Common Shares may be volatile. This volatility may affect the ability of holders of Common Shares to sell at an advantageous price. Market price fluctuations in the Common Shares may be due to the Corporation's operating results failing to meet expectations of securities analysts or investors in any period, downward revision in securities analysts' estimates, adverse changes in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the Corporation or its competitors, along with a variety of additional factors. These broad market fluctuations may adversely affect the market prices of the Common Shares.

General Business Risks of the Corporation

Economic and Political Conditions

Changes in economic conditions, including, without limitation, recessionary or inflationary trends, commodity prices, equity market levels or strength, consumer credit availability, interest rates, consumers' disposable income and spending levels, job security and unemployment, and overall consumer confidence could have a material adverse effect on the Corporation's business, financial condition, results of operations or cash flows. In addition, economic and business conditions in the markets in which the Corporation competes may be affected by disruptions in the financial markets caused by political or other events and such affects may adversely impact the Corporation's business, financial condition, results of operations or cash flows.

Competition

The Corporation faces competition for acquisition candidates which may increase acquisition prices and reduce the number of acquisitions that will be completed by the Corporation. Some of the Corporation's competitors are substantially larger and have access to greater financial resources. Competitors may have also have a lower cost of funds and access to funding sources that are not available to the Corporation. If the Corporation is not able to compete effectively in this regard, its future growth may be negatively impacted.

Future Acquisitions

As part of the growth strategy of the Corporation, it may pursue acquisitions of other related healthcare facilities and services. These acquisitions may involve significant cash expenditures, debt incurrence, additional operating losses and expenses and compliance risks that could have a material adverse effect on the financial condition and results of operations of the Corporation.

The Corporation may not be able to successfully integrate acquired businesses into its operations, and therefore it may not be able to realize the intended benefits from an acquisition. If it fails to successfully integrate acquisitions, the financial condition and results of operations of the Corporation may be materially adversely affected. The

Proposed Acquisitions could result in difficulties integrating acquired operations, technologies and personnel into the business of the Corporation. Such difficulties may divert significant financial, operational and managerial resources from existing operations and make it more difficult to achieve the operating and strategic objectives of the Corporation. The Corporation may fail to retain employees or patients acquired through acquisitions, which may negatively impact the integration efforts. Acquisitions could also have a negative impact on the results of operations of the Corporation if it is subsequently determined that goodwill or other acquired intangible assets are impaired, thus resulting in an impairment charge in a future period.

In addition, acquisitions involve risks that the acquired businesses will not perform in accordance with expectations; that the Corporation may become liable for unforeseen financial or business liabilities of the acquired businesses, including liabilities for failure to comply with healthcare regulations; that the expected synergies associated with acquisitions will not be achieved; and that business judgments concerning the value, strengths and weaknesses of businesses acquired will prove incorrect, which could have a material adverse effect on our financial condition and results of operations.

Unknown Liabilities

By acquiring businesses and assets, the Corporation may have assumed unknown liabilities for which it may not be indemnified by the seller. The discovery of any material liabilities could have a material adverse effect on the business, financial condition, results of operations or cash flows of the Corporation and its subsidiaries.

Cash Flow from Subsidiaries

The Corporation is entirely dependent on the operations of its subsidiaries to generate income and support its ability to implement its business plan, acquire additional businesses or assets, pay dividends on the Common Shares, if any, and to pay operating expenses. The Corporation's ability to generate income is affected by the profitability, fluctuations in working capital, margin sustainability and capital expenditures of its subsidiaries. Although the Corporation intends for its subsidiaries to distribute some amount of their cash available for distribution, there can be no assurance regarding the amounts of income and cash flow to be generated by them and the amounts to be paid to the Corporation. Such amounts may fluctuate over time and from time to time. The failure of any subsidiary to make its anticipated distributions could adversely impact the Corporation's financial condition and cash flows and, consequently, the ability to declare and pay dividends, if any, in respect of the Common Shares.

Control over the Distribution of Revenues

The limited liability company agreements for CSS and its subsidiary, CSS-Essex, provide for the distribution of net revenues from operations, less amounts used for expenses, working capital and certain other fees payable in connection with operations. However, the Corporation does not have exclusive control in some instances over the amount of net revenues distributed from the operating entities. If the Corporation is unable to cause sufficient revenues to be distributed from these entities, it could be materially adversely affected. The Corporation may not be able to resolve favorably any dispute regarding revenue distribution or other matters in respect of these entities. Further, the failure to resolve such a dispute could result in the dissolution of these entities.

Lack of Diversification

As of the date of this AIF, the Corporation controls just two portfolio businesses: one within its U.S. healthcare segment and one within its communications and entertainment segment. Although the Corporation expects to complete additional acquisitions in these and other segments in the near term, there is no assurance that these initial businesses will generate sufficient earnings to pay distributions and dividends to Shareholders. The Corporation does not have any specific limits on holdings in businesses in any one industry and the Corporation has not adopted any fixed guidelines for diversification. As a result, the Corporation's portfolio may be subject to more rapid changes in value than would be the case if the Corporation was more broadly diversified by industry and geography.

Regulation and Change in Law

The Corporation and its subsidiaries are subject to a variety of laws and regulations and may become subject to additional laws, regulations and guidelines in the future, particularly as a result of future acquisitions. The financial and managerial resources necessary to ensure such compliance could escalate significantly in the future which could have a material adverse effect on the Corporation's business, financial condition, results of operations and cash flows. It is not possible for the Corporation to predict the cost or impact of such laws and regulations on its future operations.

Legal, tax and regulatory changes may occur that can adversely affect the Corporation and/or the Shareholders. There can be no assurance that income tax, securities and other laws will not be changed in a manner which adversely affects the Corporation and/or the Shareholders.

Liquidity

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations when they come due. The Corporation's principal source of funds is cash generated from its subsidiaries. It is expected that funds from these sources will provide it with sufficient liquidity and capital resources to meet its current and future financial obligations at existing business levels. Despite such expectations, the Corporation may require additional equity or debt financing to meet its financial and operational requirements. There can, however, be no assurance that this financing will be available when required or available on commercially favourable terms or on terms that are otherwise satisfactory to the Corporation, in which event the financial condition, results of operation or cash flow of the Corporation may be materially adversely affected and the amount of cash available for dividends to the Shareholders, if any, may be reduced.

Availability of Financing

The Corporation will require additional capital to implement its business plan and objectives. There can be no assurance that debt or equity financing will be available or sufficient to meet the requirements of the Corporation to implement its objectives or, if debt or equity financing is available, that it will be on terms acceptable to the Corporation.

Legal Proceedings

The Corporation and its subsidiaries may, from time to time, be subject to legal proceedings (including claims and litigation) and any losses flowing therefrom may not be covered by liability insurance. Such proceedings could result in significant losses and have a material adverse effect on the Corporation's business, financial condition, results of operations or cash flows.

United States Investment Company Act of 1940

While the Corporation believes that through its subsidiaries and affiliates it is actively engaged in operating businesses and does not meet the definition of an investment company for purposes of the United States Investment Company Act of 1940 (the "**1940 Act**"), depending on the composition and valuation of the Corporation's assets and the sources of its income from time to time, the Corporation could fall within the technical definition of the term "investment company" in the 1940 Act. Moreover, the determination of whether a company like the Corporation is an investment company involves complex analysis of regulations and facts, and the Corporation has not sought and does not anticipate seeking confirmation from the SEC that it agrees with the Corporation's analysis. If the SEC were to disagree with the Corporation's analysis or the Corporation otherwise were to determine that it is an investment company as defined in the 1940 Act, the Corporation may, among other steps, prudently acquire or sell assets or businesses in order to avoid remaining an "investment company" as defined under the 1940 Act. Such acquisitions or sales could be on terms other than those on which it would otherwise acquire or sell such assets or the timing of such transactions could be disadvantageous to the Corporation. If the Corporation were unable to avoid being an investment company and were therefore required to register as such under the 1940 Act, the Corporation would become subject to substantial regulation with respect to its capital structure (including its ability to use

leverage), management, operations, transactions with affiliated persons, portfolio composition (including restrictions with respect to diversification), and other matters.

Potential Conflicts of Interest

Certain of the directors and officers of the Corporation are also directors and officers of other entities, or are otherwise engaged, and will continue to be engaged, in activities that may put them in conflict with the business strategy of the Corporation. Consequently, there exists the possibility for such directors and officers to be in a position of conflict. Conflicts, if any, will be subject to the procedures and remedies available under the OBCA.

Tax Consequences

There may be an enactment, promulgation or public announcement of a change or proposed change in tax law or applicable case law or written and published interpretative guidance or policy of the Canada Revenue Agency or United States Internal Revenue Service or provincial or state equivalents that could result in a material impairment of, or materially adversely affect, the operations or financial or tax position of the Corporation or its subsidiaries, or both.

Tax filings and filing positions made or taken or to be made or taken by the Corporation and its subsidiaries, including those related to income and expenses as well as those arising out of acquisition or disposition transactions, involve interpretations of the Tax Act and/or United States tax statutes which, if interpreted differently or challenged by taxing authorities, could result in tax liabilities to the Corporation and its subsidiaries. Further, the acquisition and disposition of businesses and assets by the Corporation often involve various structuring events to complete the transactions in a tax efficient manner and, consequently, involve interpretations of the Tax Act and/or United States tax statutes which, if interpreted differently or challenged by taxing authorities, could result in tax liabilities to the Corporation or its subsidiaries, or both.

Risks Related to the Ownership of Quantum Securities

No Certainty of Dividends

The Corporation initially intended to pay early dividends from the profits generated from CSS-Essex operations, but has not declared a dividend and does not anticipate doing so in the foreseeable future. Any future determination as to the payment of dividends will be at the discretion of the board of directors of the Corporation and will depend on a number of factors, including the future growth opportunities available, the availability of profit, operating results, the financial position of the Corporation, future capital requirements and general business and other factors considered relevant by the directors of the Corporation. No assurances in relation to the payment of dividends can be given

The dividend policy does not obligate the Corporation to pay dividends on the Common Shares. The funds available for the payment of dividends (if any) will be dependent upon, among other things, income and cash flow generated by the Corporation through its subsidiaries, financial requirements for the Corporation's operations and the execution of its business plan and growth strategy and the satisfaction of solvency tests imposed by the OBCA for the declaration and payment of dividends.

Return Not Certain

There is no guarantee that an investment in securities of the Corporation will earn any positive return in the short or long term. An investment in Common Shares may be more volatile and risky than some other forms of investment. All prospective investors should consider an investment in the Corporation within the overall context of their investment policies and objectives.

No Assurance of Active or Liquid Market

No assurance can be given that an active or liquid trading market for the Common Shares will be sustained. If an active or liquid market for the Common Shares fails to be sustained, the prices at which such Common Shares trade may be adversely affected. Whether or not the Common Shares trade at lower prices depends on many factors, including the liquidity of such securities, the markets for similar securities, general economic conditions, and the Corporation's financial condition, historic financial performance and future prospects.

Public Markets and Share Prices

The market price of the Common Shares could be subject to significant fluctuations in response to variations in Quantum's operating results or other factors. In addition, fluctuations in the Exchange or such other stock market on which securities of the Corporation may trade may adversely affect the market price of the Common Shares regardless of the operating performance of the Corporation. Securities markets have also experienced significant price and volume fluctuations from time to time. In some instances, these fluctuations have been unrelated or disproportionate to the operating performance of issuers. Market fluctuations may adversely impact the market price of the Common Shares. There can be no assurance of the price at which the Common Shares will trade.

Additional Issuances and Dilution

The Corporation may issue and sell additional securities of the Corporation, including additional Common Shares and other securities of the Corporation to finance its operations or future acquisitions. The Corporation cannot predict the size of future issuances of securities of the Corporation or the effect, if any, that future issuances and sales of such securities will have on the market price of any securities of the Corporation. Sales or issuances of substantial amounts of securities of the Corporation, or the perception that such sales could occur, may adversely affect prevailing market prices for securities of the Corporation. With any additional sale or issuance of securities of the Corporation, holders may suffer dilution with respect to voting power and may experience dilution in the Corporation's earnings per share.

Investment Risk

The Corporation routinely evaluates and considers a wide array of potential transactions, including joint ventures, business combinations, acquisitions and dispositions of businesses, service or product offerings or acquisitions and other asset transactions. At any given time, the Corporation may be engaged in discussions or negotiations with respect to one or more of these types of transactions. Any of these transactions could be material to the Corporation's financial condition, results of operations or cash flow. The process of integrating any acquired business may create unforeseen operating difficulties and expenditures and is itself risky. The areas where the Corporation, from time to time, faces cost, risk and/or difficulty, which may be material in scope and degree, include:

(a) a diversion of an excessive amount of the attention of the External Manager to manage issues in any one or more operating subsidiaries;

(b) a shift of focus of the External Manager, or that of a subsidiary's management, away from core operating and business strategies and priorities, to the matters of, and issues related to, integration, administration or unforeseen business or operating issues;

(c) declining employee morale and retention issues resulting from changes in compensation, management, reporting relationships, future prospects or the direction or culture of the business;

(d) the need to integrate each subsidiary's accounting, management, information, human resource and other administrative systems to permit effective management, and the resulting lack of control if such integration is delayed or not implemented;

(e) having to deal with acquired entities which often lack sufficient or effective business and financial controls, procedures, policies and operational oversight thereby increasing the risk of liabilities arising from

activities of the acquired business (and its personnel) for matters both before and/or after the acquisition, including violations of laws, rules and regulations, commercial disputes, tax liabilities and other known and unknown liabilities. Implementation of appropriate business and financial controls is generally paid out of operating cash flows, which may reduce cash flow available for the Corporation's other business operations, new business opportunities or the Corporation's Shareholders;

(f) being able to garner the time, effort and commitment (buy-in) from existing personnel of an acquired business, which is required in order to effectively implement controls, procedures and policies appropriate for that acquired business which, prior to the acquisition, had lacked such controls, procedures and policies; and

(g) the risk of liabilities and contingencies arising which are not discovered prior to consummation of an acquisition, including the Recent Acquisitions and the Proposed Acquisitions, and in respect of which the Corporation may not be indemnified for some or all of such liabilities and contingencies.

Fluctuations in Operating Performance

The Corporation's working capital requirements and cash flows are likely to be subject to quarterly and yearly fluctuations, depending on a number of factors. Factors which could result in cash flow fluctuations include:

(a) the level of sales and number of procedures and the related margins on those sales and procedures;

(b) the collection of receivables;

(c) the timing and size of purchases of inventory and related components; and

(d) the timing of payment on payables and accrued liabilities.

If the Corporation is unable to effectively manage fluctuations in cash flow, its business, operating results and financial condition may be materially adversely affected.

Illiquidity of Investments

The Corporation's investment in businesses and assets in which it may invest are, and likely will be, unlisted and otherwise illiquid and difficult to value. The valuation of these businesses, securities and assets is subject to a significant amount of subjectivity and discretion. There is no guarantee that fair value will be realized by the Corporation on the sale of such businesses, securities and assets. Further, such illiquidity will limit the ability of the Corporation to vary its portfolio promptly in response to changing economic or investment conditions.

Speculative Nature of Investment

Due to the relatively small size of the Recent Acquisitions and the Proposed Acquisitions, as well as businesses anticipated to be acquired by the Corporation in the short term, these businesses generally entail a greater degree of risk to their continuing operations than do larger businesses and so should be considered speculative. There is no assurance that Quantum's subsidiaries will be able to maintain or improve their respective position in the markets in which they currently participate or expand into new geographical markets.

Loss of Key Members of Management Team

The success of the Corporation depends to a significant degree upon the continued contributions of its senior officers and other key employees and managers at other entities and facilities in which the Corporation has or may acquire an interest, and its ability to retain and motivate these individuals. Many of these individuals also have significant equity ownership in the Corporation. Other than in respect of David Greuner, a member of CSS, the Corporation does not maintain any life insurance policies for any of its employees. The loss of the services of any of these individuals could disrupt significant aspects of the business of the Corporation, could prevent the Corporation from successfully executing its business strategy and could have a material adverse affect on its results of operations.

Uninsured and Underinsured Losses and Insurance Costs

The Corporation will use its discretion in determining amounts, coverage and limits and deductibility provisions of insurance for acquired businesses, with a view to maintaining adequate insurance coverage on its assets at a commercially reasonable cost and on suitable terms. This may result in insurance coverage that, in the event of a substantial loss, would not be sufficient to pay the full current market value or current replacement cost of its assets. A substantial loss without adequate insurance coverage could have a material adverse effect on the Corporation's business, financial condition, liquidity or results of operation.

Competition from Competitors Supplying Similar Products and Services

Many of the Corporation's competitors and potential future competitors have economic resources greater than those of the Corporation. Some competitors may become larger or more effective in the marketplace and pose an additional competitive threat to the Corporation's potential future subsidiaries. A competitor may reduce the price of its products or services in an attempt to gain increased sales, and the corresponding pricing pressure placed on the Corporation's subsidiaries may result in reduced profit margins or cash flow. A loss of business may occur if the Corporation's subsidiaries do not meet competitive prices that fall below its profitability targets. There can be no assurance that other businesses in the industries of the Corporation's subsidiaries will not be attracted to enter this market that could have greater financial, technological, manufacturing or marketing resources than the Corporation's subsidiaries.

Contractual Risks

The Corporation or its potential future subsidiaries may from time to time provide indemnifications, in the normal course of business, that are often standard contractual terms to counterparties in certain transactions, such as purchase and sale agreements or service contracts. The terms of these indemnifications will vary based upon the contract and no assurance can be given that a liability arising pursuant to such contractual provisions may not have a material adverse effect on the business, financial condition, results of operations or cash flow of the Corporation or one of such subsidiaries.

Customer Relationships

There is a risk that one or more material customers of the Corporation or a potential future subsidiary may, without notice or penalty, terminate their relationship with such subsidiaries at any time. In addition, even if customers should decide to continue their relationship with such subsidiary, there can be no guarantee that customers will purchase the same amount as in the past, or that purchases will be on similar terms. A loss of customers, a substantial decrease in order volumes from customers, a loss of a significant customer or a change in the terms of the relationship with a significant customer could have an adverse impact on the Corporation's financial performance. Further, from time to time, one or more of such subsidiaries may generate a material portion of its revenue from one customer or a consolidated or affiliated group of companies.

Brand Reputation

Damage to the reputation of the Corporation's subsidiaries' brands could result from events out of its control and have a negative impact on its subsidiaries' performance.

Labour Supply

The success of any the Corporation subsidiary is dependent in large part upon their ability to attract and retain key management personnel and employees. The local and regional markets within which the Corporation expects its subsidiaries to operate are currently competitive as to labour supply. There is no guarantee that such subsidiaries will be able to attract, train and retain the qualified personnel needed for their businesses. In addition, there is no certainty that labour expenses will not increase as a result of shortage in the supply of skilled personnel. A failure to attract or retain qualified personnel, and/or increased labour costs, could have a material adverse effect on one or more of such subsidiaries. Further, there is no guarantee that the employees of potential future subsidiary will not be

certified by a union in the future. A disruption of operations as a result of a labour dispute could also have a material adverse effect on the business, financial condition or results of operations of the particular subsidiary of the Corporation in question.

Risks Related to the External Manager

Dependence on Management Services

The Corporation relies on the External Manager with respect to the management of its assets and businesses as well as sourcing future acquisitions. Although the Management Agreement provides that, subject to the termination provisions in such agreement, the External Manager will automatically be rehired at the expiration of the agreement's initial term, the External Manager has the right, at any time, but upon 180 days' notice, to terminate the Management Agreement for any reason. The Management Agreement may also be terminated in other circumstances, such as in the event of default or insolvency of the External Manager within the meaning of the Management Agreement. Accordingly, there can be no assurance that the External Manager will continue to provide the services described. If the External Manager should cease for whatever reason to act as asset manager, it may have a material adverse effect on the business, financial condition, results of operations or cash flow of the Corporation.

The Management Agreement does not obligate the External Manager to provide the services of any particular person to the Corporation to serve in the enumerated capacities, including the current senior management team. However, the Corporation has no reason to believe the services of the Corporation's current senior management team will not continue to be provided by the External Manager.

No Exclusivity of External Manager

Though the Corporation is the only entity to which the External Manager provides any asset management services, such services are not required under the Management Agreement to be exclusive to the Corporation. The External Manager and its directors and officers may engage in the promotion, management or investment management of one or more other investment portfolios with similar investment objectives to those of the Corporation, which may give rise to a conflict of interest for the External Manager. There is a risk that the External Manager might allocate investment opportunities to other entities, and thus might divert attractive investment opportunities away from the Corporation. In addition, the directors and executive officers of the External Manager serve or may serve as officers, directors or principals of entities that operate in the same or a related line of business as the Corporation. These multiple responsibilities might create conflicts of interest for the Corporation's management team if they are presented with opportunities that might benefit the Corporation and investors or shareholders.

Incentive Fees

Pursuant to the Management Agreement, the Corporation pays management, incentive and M&A advisory fees to the External Manager. The incentive fee is payable based upon the issuer's Total Equity Capital Raised (as such concept is defined in the Management Agreement). The M&A advisory fee is based upon the value of certain acquisitions or dispositions completed by the External Manager. This fee structure may encourage the External Manager to take excessive risk in order to maximize these criteria. Other key criteria related to determining appropriate investments and investment strategies, including the preservation of capital, might be under-weighted if the External Manager focuses exclusively or disproportionately on maximizing its income. Such a practice could result in higher investment losses and have a materially adverse impact on the Corporation's revenues, financial condition and operating results.

Risks Related to the Healthcare Industry

General Business Risks in the ASC Industry

The Corporation is subject to general business risks inherent in the ASC industry, including changing surgeon and patient preferences, the inability to collect a profitable level of fees, increases in labour costs and other operating

costs, possible future changes in labour relations, competition from or the oversupply of other similar surgical facilities, changes in neighbourhood or location conditions and general economic conditions, health related risks, disease outbreaks and control risks, the imposition of increased taxes or new taxes, capital expenditure requirements, changes in interest rates, and changes in the availability and cost of long-term financing. Any one of, or a combination of, these factors may adversely affect business, results of operations and financial condition.

Surgeons and Key Personnel

The Corporation's success is dependent, in part, on an ability to attract and retain quality surgeons. There can be no assurance that the Corporation will continue to attract high quality surgeons, facility staff and technical staff to Center for Special Surgery of Essex County and any subsequently acquired facilities. In addition, there will be no assurances that surgeons who commence working at the Center for Special Surgery of Essex County will continue to practice there at their current levels, if at all. An inability to attract and retain surgeons may adversely affect the business, results of operations and financial condition of the Corporation.

The Corporation is also depending on the efforts and abilities of management, as well as the ability to attract additional qualified personnel to manage operations and future growth. Although the Corporation will enter into employment agreements with certain key employees, it cannot be certain that any of these employees will not voluntarily terminate employment. There will be no maintenance of any key employee life insurance policies or any management personnel or surgeon, but there may be maintenance in the future. The loss of a member of management, other key employee, or surgeons using the Center for Special Surgery of Essex County may have an adverse effect on the business, operating results and financial condition of the Corporation.

Invalid License

CSS-Essex depends on the License to operate in good standing in accordance with the regulations of the NJ DOH. There is a risk that the License may become invalid which may prevent the Center for Special Surgery of Essex County from operating as contemplated.

Business Diversification

As of the date of this AIF, the only business of the Corporation in the healthcare segment is the ownership and operation of the Center for Special Surgery of Essex County. Therefore, the Corporation is substantially dependent on the success of the Center for Special Surgery of Essex County for revenues. Investors will not have the benefit of further diversification of operations or risk until such time, if ever, that the Corporation acquires or develops additional ASCs, or undertakes related business opportunities.

In addition, Center for Special Surgery of Essex County is located in New Jersey. This concentration may be particularly susceptible to downturns in the local and regional economy, or changes in local or state regulation.

Revenue Model and Payor Mix

The fees earned by the Center for Special Surgery of Essex County vary depending on the surgical procedure or related service performed and who is paying for the services. Revenues are generated, and separately invoiced, on a per-procedure basis. Generally, there will be at least two fees for most surgical procedures performed at the Center for Special Surgery of Essex County — a facility fee and a professional fee. The facility fee will be paid directly to CSS-Essex for the use of its infrastructure, surgical equipment, nursing staff, non-surgical professional services and other support services. Professional fees earned through procedures performed at CSS-Essex will be paid directly to the physician(s) performing the procedure and will not be included in the revenue or expenses of the ASC. Overall revenue depends upon patient occupancy levels and surgical procedure volumes, case mix and the payment rates of the respective payors.

Revenues at the Center for Special Surgery of Essex County will be recorded at the time of the patient encounter and billing for the procedure will be made on the same date. The CSS-Essex expects to receive payments for the surgical procedures and related services it provides from public and private health insurance plans, workers' compensation

and directly from patients. The majority of patient service revenues generated by the Center for Special Surgery of Essex County will be based on payments received from private insurance plans, including managed care plans and self-insured employer plans. A significant portion of the U.S. population is covered by some form of managed care plan, including health maintenance organizations and preferred provider organizations, generally obtained through the workplace. Managed care plans provide comprehensive health services to their members and frequently offer financial incentives for patients to use healthcare providers who are associated with the plan. Managed care plans and other private insurers typically negotiate discounted fee structures for surgical procedures with healthcare providers in an effort to control healthcare costs. The Center for Special Surgery of Essex County is expected to be well positioned to compete for surgical procedures and related services in this environment.

The Health Reform Law represents significant change across the healthcare industry. The Health Reform Law expands coverage of uninsured individuals through a combination of public program expansion and private sector health insurance reforms. For example, the Health Reform Law expands eligibility under existing Medicaid programs in states that have not opted out of the expansion, imposes financial penalties on individuals who fail to carry insurance coverage, creates affordability credits for those not enrolled in an employer-sponsored health plan, required establishment of, or participation in, a health insurance exchange for each state and allowed states to create federally funded, non-Medicaid plans for low-income residents not eligible for Medicaid. The Health Reform Law also establishes a number of private health insurance market reforms, including a ban on lifetime limits and pre-existing condition exclusions, new benefit mandates, and increased dependent coverage. Health insurance market reforms that expand insurance coverage may result in a shift in the healthcare market towards an increased volume for certain procedures at ASCs generally. However, certain of the provisions of the Health Reform Law are not currently effective, and the provisions may be amended, repealed or delayed or their impact could be offset by reductions in reimbursement under the Medicare program. It is unclear what the resulting impact of the Health Reform Law will be on the number of uninsured individuals or what the payment terms will be for individuals covered by the Medicaid expansion or who purchase coverage through health insurance exchanges. Further, the employer mandate, which requires firms with 50 or more full-time employees to offer health insurance or pay fines, was delayed until January 1, 2015 and will not be fully implemented until January 1, 2016. The federal online insurance marketplace experienced significant technical issues that negatively impacted the ability of individuals to purchase health insurance. These technical issues or additional implementation issues could lead to delays in individuals obtaining health insurance and a reduction in the number of individuals choosing to purchase health insurance rather than paying the individual mandate tax penalties.

Because of the many variables involved, including the law's complexity, lack of implementing definitive regulations or interpretive guidance, gradual or partially delayed implementation, amendments, repeal, or further implementation delays, the Corporation is not able to predict the net effect of certain reductions in government spending, the expected increases in revenues from increased procedure volumes, and numerous other provisions in the law that may affect the ASC. The Corporation is further unable to foresee how individuals and employers will respond to the choices afforded them by the Health Reform Law. Thus, the Corporation cannot predict the full impact of the Health Reform Law on its future operations or financial condition at this time.

Prohibition on Certain Self-Referrals and Physician Ownership of Healthcare Facilities

The Stark Law and similar state statutes are subject to different interpretations. Violations of any of these self-referral laws may result in substantial civil or criminal penalties, including large civil monetary penalties and potential exclusion from participation in the Medicare and Medicaid programs. Exclusion of the Center for Special Surgery of Essex County from these programs could result in significant loss of revenues and could have a material adverse effect on the Corporation. There can be no assurances that further judicial or agency interpretations of existing laws or further legislative restrictions on physician ownership or investment in healthcare entities will not be issued that could have a material adverse effect on the Center for Special Surgery of Essex County or any ASCs acquired by the Corporation in the future.

Relationships with the Physicians

The Corporation's success is partially dependent upon the admissions and referral practices of the physicians in the communities its facilities serve, and the ability of the Corporation to maintain good relations with these physicians. Physicians referring patients to the facilities of the Corporation will generally not be employees of the Corporation

and, in many of the local areas that the Corporation serves, most physicians have admitting privileges at facilities and are free to refer their patients to other providers. If the Corporation is unable to successfully cultivate and maintain strong relationships with these physicians, patient flow at the facilities of the Corporation may decrease, and the net operating revenues of the Corporation may decline.

Increases to Operating Costs Due to Shortages of Healthcare Professionals or Union Activity

The facilities of the Corporation are highly dependent on nurses. The market for qualified healthcare professionals is highly competitive. The Corporation may experience difficulties in attracting and retaining qualified healthcare personnel. The Corporation can provide no assurance that it will be able to attract and retain qualified healthcare professionals in the future. Additionally, the cost of attracting and retaining qualified healthcare personnel may be higher than anticipated by the Corporation, and as a result, our profitability could decline.

In addition, U.S. healthcare providers are continuing to see an increase in the amount of union activity. Though the Corporation cannot predict the degree to which it will be affected by future union activity, there are continuing legislative proposals that could result in increased union activity. The Corporation could experience an increase in labor and other costs from such union activity.

Competition from Healthcare Providers

The Corporation competes with other ASCs and hospitals for patients, physicians, nurses and technical staff. Some competitors will have long-standing and well-established relationships with physicians and third-party payors in the community. Some competitors will also be significantly larger, may have access to greater marketing, financial and other resources and may be better known in the general community. The competition among ASCs and hospitals for physicians and patients has intensified in recent years. The Center for Special Surgery of Essex County will face competition from other ASCs and from hospitals that perform similar outpatient services, both inside and outside of the primary service area of the Center for Special Surgery of Essex County. Further, some traditional hospitals will have recently begun forming joint ventures with surgeons, whereby the hospital manages and the hospital and surgeons jointly own the ASC. Patients may travel to other facilities for a variety of reasons. These reasons include physician referrals or the need for services the Center for Special Surgery of Essex County does not offer. Patients and physicians seeking services from these other facilities may subsequently shift preferences to those facilities and away from the Center for Special Surgery of Essex County.

Some competing facilities offer a broader array of outpatient surgery services than those available at the Center for Special Surgery of Essex County. In addition, some of the direct competitors will be owned by non-profit or governmental entities, which may be supported by endowments and charitable contributions, or by public or governmental support. These competitors may make capital expenditures without paying sales tax, may hold the property without paying property taxes and may pay for the equipment out of earnings not burdened by income taxes. This competitive advantage may affect the ability of the Center for Special Surgery of Essex County to compete effectively with these non-profit or governmental entities.

There are several large, publicly traded companies, divisions or subsidiaries of large publicly held companies, and several private companies that develop and acquire multi-specialty ASCs, and these companies may compete with the Corporation in the acquisition of additional ASCs. Further, many surgeon groups develop ASCs without a corporate partner, using consultants who typically perform these services for a fee and who may take a small equity interest in the operations of an ASC. The Corporation can give no assurances that it can compete effectively in these areas.

If the Corporation is unable to compete effectively to recruit new physicians, attract patients, enter into arrangements with managed care payors or acquire new ASCs, implementation of growth strategies successfully may be impaired. This may have an adverse effect on the business, results of operations and financial condition.

Competition for Future Acquisitions

Competitors of the Corporation may acquire or seek to acquire many of the hospitals and clinics that would be suitable acquisition candidates for the Corporation. This increased competition could hamper the ability of the Corporation to acquire companies, or such increased competition may cause us to pay a higher price than it would otherwise pay in a less competitive environment. Increased competition from both strategic and financial buyers could limit the ability of the Corporation to grow by acquisitions or make its cost of acquisitions higher and therefore decrease profitability.

Dependence on Third-Party Payors

The Corporation will depend on private and third-party sources of payment for the services provided to patients in its ASCs. The amount Center for Special Surgery of Essex County receives for its services may be adversely affected by market and cost factors as well as other factors over which the Corporation has no control, including future changes to the Medicare and Medicaid payment systems and the cost containment and utilization decisions of third-party payors. Although the Health Reform Law expands coverage of preventive care and the number of individuals with healthcare coverage, the law also provides for reductions to Medicare and Medicaid program spending. It is impossible to predict how the various components of the Health Reform Law, some of which are not currently in effect, will affect the Corporation's business and the businesses of its physician partners. Several states are also considering healthcare reform measures. This focus on healthcare reform at the federal and state levels may increase the likelihood of significant changes affecting government healthcare programs in the future.

Future Cost Containment

Initiatives undertaken by major insurers and managed care companies to contain healthcare costs affect the profitability of our facilities, including those proposed to be acquired. These payors attempt to control healthcare costs by contracting with hospitals and other healthcare providers to obtain services on a discounted basis. The Corporation believes that this trend may continue and may limit reimbursements for healthcare services. If insurers or managed care companies from whom the Corporation expects to receive substantial payments reduces the amounts they pay for services, the profit margins may decline, or the Corporation may lose patients if it chooses not to renew our contracts with these insurers at lower rates.

Additional Surgery Centers

The Corporation's growth strategy includes increasing its revenues and earnings by acquiring existing ASCs. Efforts to execute such acquisition strategy may be affected by the Corporation's ability to identify suitable acquisition opportunities and negotiate and close transactions in a timely manner and on favorable terms. There can be no assurance that the Corporation will be successful in acquiring additional ASCs or that the ASCs acquired will achieve satisfactory operating results.

Physician Partners

The Corporation's business may be adversely affected by changes to the medical practices of its physician partners or if the Corporation fails to maintain good relationships with the physician partners who use the ASCs. The business will depend on, among other things, the efforts and success of the physician partners who perform procedures at the ASCs and the strength of the ASC's relationship with these physicians. The medical practices of the Corporation's physician partners may be negatively impacted by general economic conditions, changes in payment rates or systems by payors, actions taken by referring physicians, other providers and payors, and other factors impacting their practices. Adverse economic conditions, including high unemployment rates, could cause patients of physician partners and the Corporation's ASCs to cancel or delay procedures. Physician partners may perform procedures at other facilities. From time to time, the Corporation may have future disputes with physicians who use or own interests in the business. Revenues and profitability may be adversely affected if a key physician or group of physicians stopped using or reduced use of the ASC as a result of changes in the physician practice, changes in payment rates or systems, or a disagreement. In addition, if the physicians who use the ASC do not

provide quality medical care or do not follow required professional guidelines at an ASC or there is damage to the reputation of a physician or group of physicians who use an ASC, the business and reputation may be damaged.

Business Growth and Integration

If the Corporation is unable to manage business growth and integrate acquired businesses, operating results will be adversely affected. To accommodate past and anticipated future growth, the Corporation will need to continue to implement and improve management, operational and financial information systems and to expand, train, manage and motivate the workforce. The Corporation can give no assurances that personnel, systems, procedures or controls will be adequate to support operations in the future or that the costs and management attention related to the expansion of operations and the integration of acquired businesses will not adversely affect results of operations.

Legal Actions

Physicians, hospitals and other healthcare providers have become subject to an increasing number of legal actions alleging malpractice, product liability or related legal theories. Many of these actions involve large claims and significant defense costs for which the Corporation may not have insurance coverage. The Corporation may also be subject to lawsuits under federal and state whistleblower statutes designed to combat fraud and abuse in the healthcare industry. These whistleblower lawsuits are not covered by insurance and can involve significant monetary damages and award bounties to private plaintiffs who successfully bring the suits.

Other Factors Beyond Control

The business may be negatively impacted by weather and other factors beyond its control. Results of operations of ASCs may be adversely impacted by adverse weather conditions, including hurricanes, or other factors beyond control that cause disruption of patient scheduling, displacement of patients, employees and physician partners, and force certain ASCs to close temporarily. In certain geographic areas, there may be a large concentration of ASCs simultaneously affected by adverse weather conditions or events. Future financial and operating results may be adversely affected by weather and other factors that disrupt the operations of Center for Special Surgery of Essex County.

Risks Related to the Media Content Industry

CRTC and Canadian Content Rules

MME's television broadcasting operations are impacted by federal government regulation, including the Broadcasting Act (Canada). The CRTC administers the Broadcasting Act and, among other things, grants, amends and renews broadcasting licenses to MME's customers, and approves certain changes in corporate ownership and control of broadcast licensees. The CRTC may also adopt and implement regulations and policies, and renders decisions thereunder. Certain decisions of the CRTC can also be varied, rescinded or referred back to the CRTC by Canada's Governor-in-Council either of its own volition or upon petition in writing by third parties filed within 90 days of a CRTC decision. The Government of Canada also has the power under the Broadcasting Act to issue directions of general application on broad policy matters with respect to the objectives of the broadcasting and regulatory policy in the Broadcasting Act, and to issue directions to the CRTC requiring it to report on matters within the CRTC's jurisdiction under the Broadcasting Act. Legislative changes, a direction by the Governor in Council to the CRTC, or the adoption of new regulations or policies or any decision by the CRTC, could have a material adverse effect on MME's business, financial condition or operating results.

The CRTC requires Canadian television programming services to draw certain proportions of their programming from Canadian content and, in many cases, to spend a portion of their revenues on Canadian programming. Often, a portion of the production budgets of Canadian programs is financed by Canadian government agencies and incentive programs, such as the Canadian Media Fund, Telefilm Canada and federal and provincial tax credits. There can be no assurance that such financing will continue to be available at current levels, or at all. Reductions or other changes in the policies of Canada or its provinces in connection with their incentive programs could increase the cost of

acquiring Canadian content required to be broadcasted and have a material adverse effect on MME's business, financial condition or operating results.

The CRTC recently reduced quotas for the amount of Canadian programs local TV stations and specialty channels must air, with the exception of sports and mandatory services. Quotas for the overall amount of Canadian programs that local TV stations must broadcast during the day will be reduced from 55% to zero. The CRTC will focus instead on evening prime time, when viewership is stronger. The requirement that 50 per cent of programming between 6 p.m. and 11 p.m. must be Canadian content will remain in place. Changes to the quotas could reduce the demand for MME’s Canadian content programming, but could increase the demand for MME’s foreign content programming. The changes could also increase the demand for MME’s primetime scripted programs that are currently in development.

As a result of the CRTC "pick-and-pay" ruling, by the end of 2016, cable and satellite television channel providers will have to offer a basic package capped at $25 and give customers the ability to add individual channels or small bundles on top of that. Analysts expect customers will take advantage of the new options and create personally tailored television packages to watch in addition to online programming services, which may result in a material reduction in Canadian programming choices and may lead to the closing of a number of channels. As a result, MME could have fewer programming channels to sell its content to, which could have a material adverse effect on MME's business, financial condition or operating results.

The CRTC has removed genre protection that restricts specialty channels to broadcasting certain types of programs. These changes may result in new foreign owned specialty channels entering the Canadian market and competing with existing channels. This may reduce the number of Canadian cable networks that MME currently sells its programming to, which could have a material adverse effect on MME's business, financial condition or operating results.

LEGAL PROCEEDINGS AND REGULATOR ACTIONS

There are no legal proceedings to which the Corporation is a party or of which any of its property is the subject matter, and no such proceedings are known to the Corporation to be contemplated.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed herein, the Corporation is not aware of any material interest, direct or indirect, of any director, officer or shareholder of the Corporation that beneficially owns, or controls, or directs, directly or indirectly, more than 10% of the voting securities of the Corporation or any Associate or Affiliate of such persons, in any transaction within the three most recently completed financial years that has materially affected, or is reasonably expected to materially affect the Corporation.

MATERIAL CONTRACTS

The following are the material contracts that have been entered into by the Corporation that remain active and in force, other than contracts entered into in the ordinary course of business:

(i) the Roseland Purchase Agreement;

(ii) the LTACH Purchase Agreement;

(iii) the LTACH Consulting Agreement;

(iv) the Rockland Purchase Agreement;

(v) the Rockland Nominee Agreement;

(v) the MME Acquisition Agreement;

(vi) the CSS Agreement; and

(vii) the Management Agreement.

Each of the foregoing material contracts may be found on SEDAR at www.sedar.com.

INTEREST OF EXPERTS

Mazars Harel Drouin LLP, Chartered Professional Accountants, is the auditor of the Corporation and is independent of the Corporation within the meaning of the Code of Ethics of the Ordre des compatables professionnels agréés du Québec.

ADDITIONAL INFORMATION

Additional information relating to Corporation, including directors' and officers' remuneration of the Corporation and indebtedness, principal holders of the Common Shares and Common Shares authorized for issuance under equity compensation plans, where applicable, will be contained in the information circular for the annual meeting of shareholders involved in the election of directors. Additional financial information is provided in the financial statements and management discussion & analysis for the most recently completed financial year of the Corporation. Each of the foregoing is available on SEDAR at www.sedar.com.

SCHEDULE "A"

CHARTER OF THE AUDIT COMMITTEE

ADOPTION

The Board of Directors (the "Board") of Quantum International Income Corp. (the "Company") adopted this Charter by resolution dated December 9, 2014.

OVERALL ROLE AND RESPONSIBILITY

The Audit Committee shall:

1.1 Assist the Board of Directors in its oversight role with respect to:

(a) the quality and integrity of financial information;

(b) the independent auditor's performance, qualifications and independence;

(c) the performance of the Corporation's internal audit function, if applicable; and

(d) the Corporation's compliance with legal and regulatory requirements; and

1.2 Prepare such reports of the Audit Committee required to be included in the information/proxy circular of the Corporation in accordance with applicable laws or the rules of applicable securities regulatory authorities.

MEMBERSHIP AND MEETINGS

The Audit Committee shall consist of three (3) or more Directors appointed by the Board of Directors, the majority of whom shall not be officers nor employees of the Corporation or any of the Corporation's affiliates. Each of the members of the Audit Committee shall satisfy the applicable independence and experience requirements of the laws governing the Corporation, and applicable securities regulatory authorities.

The Board of Directors shall designate one (1) member of the Audit Committee as the Committee Chair. Each member of the Audit Committee shall be financially literate as such qualification is interpreted by the Board of Directors in its business judgment. The Board of Directors shall determine whether and how many members of the Audit Committee qualify as a financial expert as defined by applicable law.

STRUCTURE AND OPERATIONS

The affirmative vote of a majority of the members of the Audit Committee participating in any meeting of the Audit Committee is necessary for the adoption of any resolution.

The Audit Committee shall meet as often as it determines, but not less frequently than quarterly. The Committee shall report to the Board of Directors on its activities after each of its meetings at which time minutes of the prior Committee meeting shall be tabled for the Board.

The Audit Committee shall review and assess the adequacy of this Charter periodically and, where necessary, will recommend changes to the Board of Directors for its approval.

The Audit Committee is expected to establish and maintain free and open communication with management and the independent auditor and shall periodically meet separately with each of them.

SPECIFIC DUTIES

Oversight of the Independent Auditor

- Make recommendations to the board for the appointment and replacement of the independent auditor.

- Responsibility for the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent auditor shall report directly to the Audit Committee.

- Authority to pre-approve all audit services and permitted non-audit services (including the fees, terms and conditions for the performance of such services) to be performed by the independent auditor.

- Evaluate the qualifications, performance and independence of the independent auditor, including: (i) reviewing and evaluating the lead partner on the independent auditor's engagement with the Corporation, and (ii) considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence.

- Obtain from the independent auditor and review the independent auditor's report regarding the management internal control report of the Corporation to be included in the Corporation's annual information/proxy circular, as required by applicable law.

- Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law (currently at least every five years).

Financial Reporting

- Review and discuss with management and the independent auditor:

  - prior to the annual audit the scope, planning and staffing of the annual audit,

  - the annual audited financial statements,

  - the Corporation's annual and quarterly disclosures made in management's discussion and analysis,

  - approve any reports for inclusion in the Corporation's Annual Report, if any, as required by applicable legislation,

  - the Corporation's quarterly financial statements, including the results of the independent auditor's review of the quarterly financial statements and any matters required to be communicated by the independent auditor under applicable review standards,

  - significant financial reporting issues and judgments made in connection with the preparation of the Corporation's financial statements,

  - any significant changes in the Corporation's selection or application of accounting principles,

  - any major issues as to the adequacy of the Corporation's internal controls and any special steps adopted in light of material control deficiencies, and

  - other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.

- Discuss with the independent auditor matters relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information and any significant disagreements with management.

AUDIT COMMITTEE'S ROLE

The Audit Committee has the oversight role set out in this Charter. Management, the Board of Directors, the independent auditor and the internal auditor all play important roles in respect of compliance and the preparation and presentation of financial information. Management is responsible for compliance and the preparation of financial statements and periodic reports. Management is responsible for ensuring the Corporation's financial statements and disclosures are complete, accurate, in accordance with generally accepted accounting principles and applicable laws. The Board of Directors in its oversight role is responsible for ensuring that management fulfills its responsibilities. The independent auditor, following the completion of its annual audit, opines on the presentation, in all material respects, of the financial position and results of operations of the Corporation in accordance with Canadian generally accepted accounting principles.

FUNDING FOR THE INDEPENDENT AUDITOR AND RETENTION OF OTHER INDEPENDENT ADVISORS

The Corporation shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to the independent auditor for the purpose of issuing an audit report and to any advisors retained by the Audit Committee. The Audit Committee shall also have the authority to retain such other independent advisors as it may from time to time deem necessary or advisable for its purposes and the payment of compensation therefor shall also be funded by the Corporation.

APPROVAL OF AUDIT AND REMITTED NON-AUDIT SERVICES PROVIDED BY EXTERNAL AUDITORS

Over the course of any year there will be two levels of approvals that will be provided. The first is the existing annual Audit Committee approval of the audit engagement and identifiable permitted non-audit services for the coming year. The second is in-year Audit Committee pre-approvals of proposed audit and permitted non-audit services as they arise.

Any proposed audit and permitted non-audit services to be provided by the External Auditor to the Corporation or its subsidiaries must receive prior approval from the Audit Committee, in accordance with this protocol. The CFO shall act as the primary contact to receive and assess any proposed engagements from the External Auditor.

Following receipt and initial review for eligibility by the primary contacts, a proposal would then be forwarded to the Audit Committee for review and confirmation that a proposed engagement is permitted.

In the majority of such instances, proposals may be received and considered by the Chair of the Audit Committee (or such other member of the Audit Committee who may be delegated authority to approve audit and permitted non-audit services), for approval of the proposal on behalf of the Audit Committee. The Audit Committee Chair will then inform the Audit Committee of any approvals granted at the next scheduled meeting.