

NOTE TO READER

In accordance with National Instrument 51-102 *Continuous Disclosure Obligations*, Part 4, Subsection 4.3(3)(a) released by the Canadian Securities Administrators, Questor Technology Inc. discloses that the Company's independent auditor has not reviewed the unaudited condensed consolidated financial statements for the three and nine month periods ended September 30, 2015 and 2014.

QUESTOR TECHNOLOGY INC.
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

*Stated in Canadian dollars
Unaudited*

As at	Notes	September 30 2015	December 31 2014
ASSETS			
Current assets			
Cash and cash equivalents	3	\$4,482,379	\$5,640,570
Trade and other receivables	4	2,901,330	3,044,999
Inventories	5	1,893,141	2,210,542
Prepaid expenses and deposits		48,787	119,667
Current tax assets		0	49,198
Total current assets		9,325,637	11,064,976
Non-current assets			
Property and equipment	6, 12	3,903,967	3,408,250
Intangible assets	7	2,228,626	1,266,420
Goodwill	2	687,398	687,398
Total non-current assets		6,819,991	5,362,068
Total assets		\$16,145,628	\$16,427,044
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables, accrued liabilities, provisions		\$313,185	\$1,162,885
Deferred revenue and deposits		100,105	-
Current portion of lease inducement		52,002	52,002
Current tax liabilities		145,684	417,647
Total current liabilities		610,976	1,632,534
Non-current liabilities			
Deferred tax liabilities		178,430	161,487
Lease inducement		30,334	69,335
Total non-current liabilities		208,764	230,822
Total liabilities		819,740	1,863,356
Capital and reserves			
Issued capital	8	6,027,675	5,934,704
Reserves		1,042,976	875,288
Retained earnings		8,228,794	7,741,147
Cumulative translation adjustment		26,443	12,549
Total equity		15,325,888	14,563,688
Total liabilities and equity		\$16,145,628	\$16,427,044

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

QUESTOR TECHNOLOGY INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Stated in Canadian dollars
Unaudited

	Notes	For the three months ended September 30		For the nine months ended September 30	
		2015	2014	2015	2014
Revenue	9, 12	\$ 1,682,607	\$ 3,127,213	\$ 5,785,255	\$10,845,301
Cost of sales		1,177,755	1,508,350	3,432,111	5,238,745
Gross profit		504,852	1,618,863	2,353,144	5,606,556
Administration expenses		367,852	629,418	1,832,088	1,722,298
Net foreign exchange (gains) losses		252,232	(259,127)	(221,042)	(368,234)
Depreciation of property and equipment		3,579	14,052	26,353	39,989
Amortization of intangible assets	7	905	905	2,715	2,542
Other (income) loss		(54,703)	(23,054)	(95,271)	(36,932)
Profit before tax		(65,013)	1,256,669	808,301	4,246,893
Income tax expense		25,017	388,813	320,654	1,182,964
Profit for the period		(\$ 90,030)	\$ 867,856	\$ 487,647	\$ 3,063,929
Other comprehensive (loss) income, net of income tax					
Exchange differences on translating foreign operations		(65,284)	(14,413)	13,894	(7,828)
Total comprehensive income (loss)		(\$ 155,314)	\$ 853,443	\$501,541	\$ 3,056,101
Earnings per share	11				
Basic		(\$0.003)	\$0.034	\$0.019	\$0.121
Diluted		(\$0.003)	\$0.033	\$0.019	\$0.117

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements

QUESTOR TECHNOLOGY INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Stated in Canadian dollars
Unaudited

	Issued Capital	Reserves	Retained Earnings	Cumulative Translation Adjustment	Total Equity
Balance at January 1, 2015	\$ 5,934,704	\$875,288	\$7,741,147	\$ 12,549	\$ 14,563,688
Profit for the period	-	-	487,647	-	487,647
Recognition of share-based payments	-	203,784	-	-	203,784
Issue of ordinary shares under employee share option plan	92,971	(36,096)	-	-	56,875
Translation of foreign operations	-	-	-	13,894	13,894
Balance at September 30, 2015	\$6,027,675	\$1,042,976	\$8,228,794	\$ 26,443	\$ 15,325,888
Balance at January 1, 2014	\$ 5,636,119	\$ 703,156	\$ 4,826,280	\$ -	\$ 11,165,555
Profit for the period	-	-	3,063,929	-	3,063,929
Recognition of share-based payments	-	191,145	-	-	191,145
Issue of ordinary shares under employee share option plan	288,986	(112,886)	-	-	176,100
Translation of foreign operations	-	-	-	(7,828)	(7,828)
Balance at September 30, 2014	\$ 5,925,105	\$ 781,415	\$ 7,890,209	\$ (7,828)	\$ 14,588,901

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements

QUESTOR TECHNOLOGY INC. CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

*Stated in Canadian dollars
Unaudited*

For the nine months ended September 30	Notes	2015	2014
Cash flows used in operating activities			
Profit for the period		\$ 501,541	\$ 3,063,929
Adjustments for:			
Income tax expense		320,654	1,182,964
Depreciation of property and equipment	6	375,685	233,814
Amortization of intangible assets	7	2,715	2,542
Net unrealized foreign exchange losses (gains)		68,473	328,054
Expense recognized in respect of equity-settled share-based payments	8	203,784	191,145
		1,472,852	5,002,448
Movements in non-cash working capital	13	(619,763)	(4,480,698)
Cash generated from operations		853,089	521,750
Income taxes paid		(1,114,450)	(816,994)
Net cash (used in) generated from operating activities		(261,361)	(295,244)
Cash flows used in investing activities			
Payments for property and equipment	6	(55,000)	(181,778)
Payments for intangible assets	7	(964,923)	(498,658)
Acquisition of a business		-	(1,000,710)
Net cash used in investing activities		(1,019,923)	(1,681,146)
Cash flows from financing activities			
Proceeds from issue of ordinary shares under employee share option plan		56,875	176,100
Net cash generated from financing activities		56,875	176,100
Net decrease in cash		(1,224,409)	(1,800,290)
Cash and cash equivalents at beginning of the period		5,640,570	7,323,303
Effects of translation of foreign currencies		66,218	(7,828)
Cash and cash equivalents at end of the period		\$ 4,482,379	\$ 5,515,185

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements

QUESTOR TECHNOLOGY INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015

Stated in Canadian dollars except share data or where otherwise specified
Unaudited

1. DESCRIPTION OF BUSINESS

Questor Technology Inc. ("Questor" or the "Company") is incorporated in Canada under the Business Corporations Act (*Alberta*) and its common shares are traded on the TSX Venture Exchange under the symbol "QST". The Company's recently acquired subsidiary – ClearPower Systems Inc. ("ClearPower") - was incorporated in the United States ("U.S.") under the laws of the State of Delaware and Questor Solutions & Technology, Inc. (QST), a subsidiary incorporated in the State of Delaware on November 14, 2014, are consolidated in these financial statements in Canadian dollars (see Note 2). The address of the Company's corporate and registered office is 1121, 940 – 6th Avenue S.W., Calgary, Alberta, Canada, T2P 3T1. The Company also has a field office in Grande Prairie, Alberta. ClearPower has operations in the states of Florida and Nevada.

Questor is an international environmental oilfield services provider focused on clean air technologies with activities in Canada, the United States, Europe and Asia. The principal business activities are designing and manufacturing high combustion efficiency waste gas incinerators for sale or for use on a rental basis and providing combustion-related oilfield services. With the acquisition of ClearPower, the Company also operates in the area of generating power from waste heat. Questor is also developing technology that will utilize waste heat to vaporize water produced in production, drilling and completion operations.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These unaudited condensed consolidated financial statements are based on International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), and have been prepared by management in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34"). The accounting policies and methods of computation used in preparing these unaudited condensed consolidated financial statements are consistent with those used in the preparation of the Company's audited 2014 annual consolidated financial statements.

These unaudited condensed consolidated financial statements do not include all disclosures normally provided in annual financial statements and should be read in conjunction with the Company's audited consolidated financial statements as at and for the year ended December 31, 2014.

These financial statements were authorized for issue by the Board of Directors on November 27, 2015.

Basis of preparation

Basis of measurement

These condensed consolidated financial statements have been prepared on the historical cost basis.

Functional and presentation currency

These financial statements are presented in Canadian dollars which is the Company's functional currency. The functional currency of the Company's subsidiaries, ClearPower and QST is the United States dollar and their accounts have been translated into the Company's functional currency following the guidelines of IFRS.

Accounting estimates and judgments

In the application of the Company's accounting policies, which are described in note 3 to Questor's audited financial statements for the year ended December 31, 2014, the Company is required to make judgements, estimates and assumptions that affect the carrying amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses for the periods presented. The critical judgements in applying accounting policy and other key sources of estimation uncertainty that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities are described in note 2 to the Company's audited consolidated financial statements for the year ended December 31, 2014.

Principles of consolidation

The condensed consolidated financial statements include the accounts of Questor and its subsidiaries – ClearPower Systems, Inc. and Questor Solutions and Technology, Inc. over which Questor has control. Generally control is achieved where Questor has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. These financial statements are prepared including the activities of ClearPower and QST from the dates of their acquisition or incorporation to the end of Questor's reporting period, using consistent accounting policies. All intercompany accounts and transactions have been eliminated upon consolidation.

Goodwill

Goodwill arising in a business combination is recognized as an asset and initially measured at cost, being the excess of the consideration transferred in the business combination over Questor's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities recognized.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortized but is reviewed for impairment at least annually.

3. CASH AND CASH EQUIVALENTS

Certain cash balances are held in foreign currencies of which the Canadian dollar equivalent is as follows:

As at	September 30 2015	December 31 2014
United States dollars	\$ 321,963	\$ 790,491
Euros	10,916	11,521
Other non-Canadian currencies	169	65
	333,048	802,077
Canadian dollars	4,149,331	4,838,493
	\$ 4,482,379	\$ 5,640,570

4. TRADE AND OTHER RECEIVABLES

As at	September 30 2015	December 31 2014
Trade receivables	\$ 2,911,408	\$ 3,039,228
Other receivables	4,922	20,771
	2,916,330	3,059,999
Allowance for doubtful accounts	(15,000)	(15,000)
	\$ 2,901,330	\$ 3,044,999

5. INVENTORIES

As at	September 30, 2015	December 31, 2014
Materials and supplies	\$ 221,495	\$ 112,593
Work in progress	1,671,646	2,097,949
Finished goods	-	-
	\$ 1,893,141	\$ 2,210,542

Inventory costs included in cost of sales:

For the	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
Expensed inventories	\$516,021	\$ 667,919	\$ 1,433,468	\$3,616,218

6. PROPERTY AND EQUIPMENT

	Rental incinerators	Detachable trailers for rental incinerators	Vehicles and trailers	Waste heat to power generation units	Tools and equipment	Leasehold improvements	Office furniture and equipment	Computer hardware and software	Total
Cost									
Balance at January 1, 2014	\$ 1,560,330	\$ 291,009	\$ 192,707	\$ -	\$ 55,294	\$ 176,867	\$ 48,242	\$ 57,197	\$ 2,381,646
Business combination	-	-	-	159,268	-	-	-	-	159,268
Additions	47,477	-	124,061	-	9,718	-	11,248	24,826	217,330
Transfers	2,118,079	(4,000)	4,000	-	-	-	-	-	2,118,079
Balance at December 31, 2014	3,725,886	287,009	320,768	159,268	65,012	176,867	59,490	82,023	4,876,323
Additions	-	11,460	43,540	-	-	-	-	-	55,000
Transfers	816,402	-	-	-	-	-	-	-	816,402
Balance at September 30, 2015	\$ 4,542,288	\$ 298,469	\$ 364,308	\$ 159,268	\$ 65,012	\$ 176,867	\$ 59,490	\$ 82,023	\$ 5,747,725
Accumulated depreciation									
Balance at January 1, 2014	\$ 620,283	\$ 230,975	\$ 101,939	\$ -	\$ 33,495	\$ 78,592	\$ 23,760	\$ 36,536	\$ 1,125,580
Transfers	-	-	-	-	-	-	-	-	-
Depreciation charges included in:									
Cost of sales	210,227	34,567	47,762	-	5,090	-	-	-	297,646
Depreciation expense	-	-	-	-	-	29,472	5,380	9,995	44,847
Balance at December 31, 2014	830,510	265,542	149,701	-	38,585	108,064	29,140	46,531	1,468,073
Depreciation charges included in:									
Cost of sales	292,261	5,722	40,270	-	3,710	-	-	-	341,963
Depreciation expense	-	-	-	-	-	22,104	4,261	7,357	33,722
Transfers	-	-	-	-	-	-	-	-	-
Balance at September 30, 2015	\$ 1,122,771	\$ 271,264	\$ 189,971	\$ -	\$ 42,295	\$ 130,168	\$ 33,401	\$ 53,888	\$ 1,843,758
Carrying amounts									
At December 31, 2014	\$ 2,895,376	\$ 21,467	\$ 171,067	\$ 159,268	\$ 26,427	\$ 68,803	\$ 30,350	\$ 35,492	\$ 3,408,250
At September 30, 2015	\$ 3,419,517	\$ 27,205	\$ 174,337	\$ 159,268	\$ 22,717	\$ 46,699	\$ 26,089	\$ 28,135	\$ 3,903,967

7. INTANGIBLE ASSETS

	Development Costs	Patents	Drawings/IP	Total
Balance at January 1, 2014	\$ 277,796	\$ 15,225	\$ 18,810	\$ 311,831
Business combination	-	-	154,044	154,044
Additions	-	-	1,089,908	1,089,908
Balance at December 31, 2014	277,796	15,225	1,262,762	1,555,783
Additions	-	-	964,923	964,923
Balance at September 30, 2015	\$ 277,796	\$ 15,225	\$ 2,227,685	\$ 2,520,706
Accumulated Amortization				
Balance at January 1, 2014	\$ 277,796	\$ 8,120	\$ -	\$ 285,916
Amortization expense	-	1,218	2,229	3,447
Balance at December 31, 2014	277,796	9,338	2,229	289,363
Amortization expense	-	914	1,803	2,717
Balance at September 30, 2015	\$ 277,796	\$ 10,252	\$ 4,032	\$ 292,080
Carrying Amounts				
At December 31, 2014	\$ -	\$ 5,887	\$ 1,260,533	\$ 1,266,420
At September 30, 2015	\$ -	\$ 4,973	\$ 2,223,653	\$ 2,228,626

As a result of the acquisition of ClearPower, the Company acquired engineering design and drawings for the prototype unit, and has continued to expend development funds in the nine months ended September 30, 2015 for additional engineering design and drawings. Once the unit reaches commercial stage, amortization of the costs will commence.

8. ISSUED CAPITAL

Authorized

The Company is authorized to issue an unlimited number of common shares without nominal or par value.

Shares issued and outstanding

	Number of shares	Share capital
Shares issued and outstanding, January 1, 2015	25,839,870	\$ 5,934,704
Issue of ordinary shares under employee share option plan	125,000	56,875
Contributed surplus on options exercised	-	36,096
Shares issued and outstanding September 30, 2015	25,964,870	\$6,027,675

Share options granted under the Company's employee share option plan

No options were granted under the Company's employee share option plan during the three and nine month periods ended September 30, 2015.

Share based payments for the three and nine month periods ended September 30, 2015 were \$46,381 (2014 - \$97,775) and \$203,784 (2014 - \$191,145). Of this amount, \$1,086 (2014 - \$1,397) and \$4,613 (2014 - \$4,920) were included in cost of sales and the balance in administration expenses.

9. REVENUE

The following is an analysis of Questor's revenue:

For the	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
Sale of goods	\$ 777,510	\$ 1,856,737	\$ 2,751,034	\$ 8,622,713
Incinerator rental income	663,894	986,598	2,183,883	1,657,289
Incinerator and combustion services	241,203	283,878	850,338	565,299
	\$ 1,682,607	\$ 3,127,213	\$ 5,785,255	\$ 10,845,301

The following is an analysis of the Company's Other income:

For the	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
Interest income	4,618	\$ 22,304	29,936	\$ 32,851
Other	50,085	750	65,335	4,080
	\$ 54,703	\$ 23,054	\$ 95,271	\$ 36,932

10. INFORMATION ABOUT MAJOR CUSTOMERS

Revenue from the top ten customers represented 95 percent of the Company's revenue for the three months ended September 30, 2015 (2014 – 94 percent) and 79 percent of revenue in the nine months ended September 30, 2015 (2014 – 89 percent). Revenue from the largest customer represented 30 percent of the Company's revenue in the three months ended September 30, 2015 (2014 – 49 percent) and 23 percent of revenue for the nine months ended September 30, 2015 (2014 – 31 percent). Five customers each represented 10 percent or more of Questor's revenues in the three-month period ended September 30, 2015 (2014 – two customers) and two customers each represented 10 percent or more of the Company's revenues in the nine month period ended September 30, 2015 (2014 – three customers).

Five customers represented 84 percent of the Company's total net trade and other receivables three months ended September 30, 2015 (December 31, 2014 – four customers represented 75 percent).

11. EARNINGS PER SHARE

For the	Three months September 30		Nine months ended September 30	
	2015	2014	2015	2014
Profit for the period attributable to ordinary equity holders	(\$ 90,030)	\$ 867,856	\$ 487,647	\$ 3,063,929
Weighted average number of ordinary shares for the purposes of basic earnings per share	25,964,870	25,714,761	25,908,551	25,492,507
Shares deemed to be issued for no consideration in respect of employee options	399,497	783,459	423,809	792,174
Weighted average number of ordinary shares for the purposes of diluted earnings per share	26,364,367	26,498,220	26,332,360	26,284,681
Basic earnings per share	(\$0.003)	\$0.034	\$0.019	\$0.121
Diluted earnings per share	(\$0.003)	\$0.033	\$0.019	\$0.0117

The following potential ordinary shares are anti-dilutive and are therefore excluded from the weighted average number of ordinary shares for the purposes of diluted earnings per share for the three and nine month periods ended September 30, 2015:

As at September 30	2015	2014	Exercise price
	Number to be exercised	Number to be exercised	
Option series			
Granted on April 15, 2014	348,000	-	\$ 2.48
Granted on June 9, 2014	40,000	40,000	\$ 3.99

12. SEGMENTED INFORMATION

The Company reports its financial results as one reportable segment.

The following table provides information regarding revenue on a geographic basis as determined by the location of the customer or third party.

Revenue

For the	Three months September 30		Nine months ended September 30	
	2015	2014	2015	2014
Canada	\$ 868,410	\$ 2,222,217	\$ 3,040,078	\$ 5,876,901
United States	811,737	860,705	2,742,717	4,488,881
Other	2,460	44,291	2,460	479,519
	\$ 1,682,607	\$ 3,127,213	\$ 5,785,255	\$ 10,845,301

The following table provides information regarding the location of the Company's non-current assets on a geographic basis as determined by the location of the assets, customer or third party.

Property and equipment

As at	September 30 2015	December 31 2014
Canada	\$ 2,186,595	\$ 1,778,156
United States	1,717,372	1,630,094
	\$ 3,903,967	\$ 3,408,250

All other of the Company's non-current assets are located in Canada.

13. MOVEMENTS IN NON-CASH WORKING CAPITAL

For the nine months ended September 30	2015	2014
Trade and other receivables	\$ 143,669	\$ (2,354,441)
Inventories	(499,001)	(1,593,639)
Prepaid expenses and deposits	70,880	(129,437)
Trade payables, accrued liabilities and provisions	(445,613)	(247,751)
Net current tax excluding income tax	49,198	135,927
Deferred revenue and deposits	100,105	(252,356)
Lease inducement	(39,001)	(39,001)
	\$ (619,763)	\$ (4,480,698)

14. COMMITMENTS

The Company's commitments are described in Note 24 to its audited consolidated financial statements as at and for the year ended December 31, 2014. Management has not entered into any new commitments during the nine month period ended September 30, 2015.

15. RELATED PARTY TRANSACTIONS

In the normal course of business, Questor may transact with related parties. These transactions are recorded at their exchange amounts which approximate fair value.

For the	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
Consulting services fees paid to a corporation controlled by a key management personnel member ⁽¹⁾	\$ -	\$ -	\$ -	\$ 14,535
	\$ -	\$ -	\$ -	\$ 14,535

(1) Before GST/HST

16. SEASONALITY AND CYCLICALITY OF OPERATIONS

There are a number of factors contributing to quarterly variations that may not be reflective of the Company's future performance. A significant portion of the Company's operations are carried on in western Canada where activity levels in the oilfield services industry are subject to a degree of seasonality due to volatility in the weather and temperatures. Oilfield services demand is driven by customer capital spending and drilling programs which are affected by crude oil and natural gas commodity prices, changes in legislation and seasonal behaviours. Other factors causing variation include the Company's mix of products and services delivered, and the currency in which the sales are transacted.