

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 six month periods ended June 30, 2015 and 2014.

QUESTOR TECHNOLOGY INC.
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

*Stated in Canadian dollars
Unaudited*

As at	Notes	June 30 2015	December 31 2014
ASSETS			
Current assets			
Cash and cash equivalents	3	\$4,930,669	\$5,640,570
Trade and other receivables	4	2,701,922	3,044,999
Inventories	5	1,703,602	2,210,542
Prepaid expenses and deposits		64,788	119,667
Current tax assets		10,053	49,198
Total current assets		9,411,034	11,064,976
Non-current assets			
Property and equipment	6, 12	4,035,782	3,408,250
Intangible assets	7	2,372,739	1,266,420
Goodwill	2	687,398	687,398
Total non-current assets		7,095,919	5,362,068
Total assets		\$16,506,953	\$16,427,044
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables, accrued liabilities, provisions		\$767,311	\$1,162,885
Deferred revenue and deposits		31,054	-
Current portion of lease inducement		52,002	52,002
Current tax liabilities		-	417,647
Total current liabilities		850,367	1,632,534
Non-current liabilities			
Deferred tax liabilities		178,430	161,487
Lease inducement		43,334	69,335
Total non-current liabilities		221,764	230,822
Total liabilities		1,072,131	1,863,356
Capital and reserves			
Issued capital	8	6,027,675	5,934,704
Reserves		996,595	875,288
Retained earnings		8,318,825	7,741,147
Cumulative translation adjustment		91,727	12,549
Total equity		15,434,822	14,563,688
Total liabilities and equity		\$16,506,953	\$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 June 30		For the six months ended June 30	
		2015	2014	2015	2014
Revenue	9, 12	\$ 1,733,562	\$ 4,502,651	\$ 4,102,648	\$ 7,718,088
Cost of sales		(1,084,809)	(1,957,499)	(2,254,356)	(3,730,395)
Gross profit		648,753	2,545,152	1,848,292	3,987,693
Administration expenses		(655,959)	(605,724)	(1,464,235)	(1,092,880)
Net foreign exchange gains (losses)		172,522	(34,047)	473,274	109,107
Depreciation of property and equipment		(11,318)	(13,973)	(22,775)	(25,937)
Amortization of intangible assets	7	(905)	(1,332)	(1,809)	(1,637)
Other income		9,801	11,179	40,567	13,878
Profit before tax		162,894	1,901,255	873,314	2,990,224
Income tax expense		(77,198)	(506,932)	(295,636)	(794,151)
Profit for the period		\$ 85,696	\$ 1,394,323	\$ 577,678	\$ 2,196,073
Other comprehensive (loss) income, net of income tax					
Exchange differences on translating foreign operations		57,427	8,235	79,178	6,585
Total comprehensive income		\$ 143,123	\$ 1,402,558	\$656,856	\$ 2,202,658
Earnings per share	11				
Basic		\$0.003	\$0.055	\$0.022	\$0.087
Diluted		\$0.003	\$0.053	\$0.022	\$0.083

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	-	-	577,678	-	577,678
Recognition of share-based payments	-	157,403	-	-	157,403
Issue of ordinary shares under employee share option plan	92,971	(36,096)	-	-	56,875
Translation of foreign operations	-	-	-	79,178	79,178
Balance at June 30, 2015	\$6,027,675	\$996,595	\$8,318,825	\$ 91,727	\$ 15,434,822

	Issued Capital	Reserves	Retained Earnings	Cumulative Translation Adjustment	Total Equity
Balance at January 1, 2014	\$ 5,636,119	\$ 703,156	\$ 4,826,280	\$ -	\$ 11,165,555
Profit for the period	-	-	2,196,073	-	2,196,073
Recognition of share-based payments	-	93,371	-	-	93,371
Issue of ordinary shares under employee share option plan	166,824	(65,399)	-	-	101,425
Translation of foreign operations	-	-	-	6,585	6,585
Balance at June 30, 2014	\$ 5,802,943	\$ 731,128	\$ 7,022,353	\$ 6,585	\$ 13,563,009

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 six months ended June 30	Notes	2015	2014
Cash flows used in operating activities			
Profit for the period		\$ 577,678	\$ 2,196,073
Adjustments for:			
Income tax expense		295,636	794,151
Depreciation of property and equipment	6	243,870	129,346
Amortization of intangible assets	7	1,809	1,637
Net unrealized foreign exchange losses (gains)		(283,563)	127,690
Expense recognized in respect of equity-settled share-based payments	8	157,403	93,371
		992,833	3,342,268
Movements in non-cash working capital	13	(101,648)	(3,045,341)
Cash generated from operations		891,185	296,927
Income taxes paid		(657,196)	(746,915)
Net cash (used in) generated from operating activities		233,989	(449,988)
Cash flows used in investing activities			
Payments for property and equipment	6	(55,000)	(82,043)
Payments for intangible assets	7	(1,108,128)	(263,002)
Acquisition of a business		-	(1,000,710)
Net cash used in investing activities		(1,163,128)	(1,345,755)
Cash flows from financing activities			
Proceeds from issue of ordinary shares under employee share option plan		56,875	101,425
Net cash generated from financing activities		56,875	101,425
Net decrease in cash		(872,264)	(1,694,318)
Cash and cash equivalents at beginning of the period		5,640,570	7,323,303
Effects of translation of foreign currencies		162,363	6,585
Cash and cash equivalents at end of the period		\$ 4,930,669	\$ 5,635,570

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 THREE MONTHS ENDED JUNE 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 August 28, 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	June 30 2015	December 31 2014
United States dollars	\$ 1,066,886	\$ 790,491
Euros	10,928	11,521
Other non-Canadian currencies	65	65
	1,077,879	802,077
Canadian dollars	3,852,790	4,838,493
	\$ 4,930,669	\$ 5,640,570

4. TRADE AND OTHER RECEIVABLES

As at	June 30 2015	December 31 2014
Trade receivables	\$ 2,675,894	\$ 3,039,228
Other receivables	41,028	20,771
	2,716,922	3,059,999
Allowance for doubtful accounts	(15,000)	(15,000)
	\$ 2,701,922	\$ 3,044,999

5. INVENTORIES

As at	June 30, 2015	December 31, 2014
Materials and supplies	\$ 292,592	\$ 112,593
Work in progress	1,411,010	2,097,949
Finished goods	-	-
	\$ 1,703,602	\$ 2,210,542

Inventory costs included in cost of sales:

For the	Three months ended June 30		Six months ended June 30	
	2015	2014	2015	2014
Expensed inventories	\$ 220,193	\$ 1,462,418	\$ 804,489	\$ 2,752,083

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 June 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	186,239	2,873	29,448	-	2,535	-	-	-	221,095
Depreciation expense	-	-	-	-	-	14,736	2,912	5,127	22,775
Transfers	-	-	-	-	-	-	-	-	-
Balance at June 30, 2015	\$ 1,016,749	\$ 268,415	\$ 179,149	\$ -	\$ 41,120	\$ 122,800	\$ 32,052	\$ 51,658	\$ 1,711,943
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 June 30, 2015	\$ 3,525,539	\$ 30,054	\$ 185,159	\$ 159,268	\$ 23,892	\$ 54,067	\$ 27,438	\$ 30,365	\$ 4,035,782

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	-	-	1,108,128	1,108,128
Balance at June 30, 2015	\$ 277,796	\$ 15,225	\$ 2,370,890	\$ 2,663,911
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	-	609	1,200	1,809
Balance at June 30, 2015	\$ 277,796	\$ 9,947	\$ 3,429	\$ 291,172
Carrying Amounts				
At December 31, 2014	\$ -	\$ 5,887	\$ 1,260,533	\$ 1,266,420
At June 30, 2015	\$ -	\$ 5,278	\$ 2,367,461	\$ 2,372,739

As a result of the acquisition of ClearPower, the Company acquired engineering design and drawings for the prototype unit, and has continued to expend funds in the six months ended June 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 June 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 period ended June 30, 2015.

Share based payments for the three and six month periods ended June 30, 2015 were \$59,881 (2014 - \$16,711) and \$157,403 (2014 - \$76,660). Of this amount, \$1,323 (2014 - \$1,861) and \$3,527 (2014 - \$3,291) 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 June 30		Six months ended June 30	
	2015	2014	2015	2014
Sale of goods	\$ 517,245	\$ 3,999,279	\$ 1,973,504	\$ 6,765,976
Incinerator rental income	776,572	412,332	1,519,993	670,691
Incinerator and combustion services	439,745	91,040	609,151	281,421
	\$ 1,733,562	\$ 4,502,651	\$ 4,102,648	\$ 7,718,088

10. INFORMATION ABOUT MAJOR CUSTOMERS

Revenue from the top ten customers represented 98 percent of the Company's revenue for the three months ended June 30, 2015 (2014 – 97 percent) and 96 percent of revenue in the six months ended June 30, 2015 (2014 – 92 percent). Revenue from the largest customer represented 27 percent of the Company's revenue in the three months ended June 30, 2015 (2014 – 46 percent) and 30 percent of revenue for the six months ended June 30, 2015 (2014 – 38 percent). Three customers each represented 10 percent or more of Questor's revenues in the three-month period ended June 30, 2015 (2014 – two customers) and two customers each represented 10 percent or more of the Company's revenues in the six month period ended June 30, 2015 (2014 – three customers).

Nine customers represented 91 percent of the Company's total net trade and other receivables three months ended June 30, 2015 (December 31, 2014 – four customers represented 75 percent).

11. EARNINGS PER SHARE

For the	Three months ended June 30		Six months ended June 30	
	2015	2014	2015	2014
Profit for the period attributable to ordinary equity holders	\$ 85,696	\$ 1,394,323	\$ 577,678	\$ 2,196,073
Weighted average number of ordinary shares for the purposes of basic earnings per share	25,919,540	25,475,639	25,879,925	25,379,539
Basic earnings per share	\$0.003	\$0.055	\$0.022	\$0.087



Diluted earnings per share

For the	Three months ended June 30		Six months ended June 30	
	2015	2014	2015	2014
Profit for the period attributable to ordinary equity holders	\$85,696	\$ 1,394,323	\$577,678	\$ 2,196,073
Weighted average number of ordinary shares for the purposes of diluted earnings per share	26,338,494	26,478,434	26,311,729	26,364,696
Diluted earnings per share	\$0.003	\$0.053	\$0.022	\$0.083

The weighted average number of ordinary shares for the purposes of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

For the	Three months ended June 30		Six months ended June 30	
	2015	2014	2015	2014
Weighted average number of ordinary shares for the purposes of basic earnings per share	25,919,540	25,475,639	25,879,925	25,379,539
Shares deemed to be issued for no consideration in respect of employee options	418,954	1,002,795	431,804	985,157
Weighted average number of ordinary shares for the purposes of diluted earnings per share	26,338,494	26,478,434	26,311,729	26,364,696

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 six month periods ended June 30, 2015:

As at June 30	2015		2014	
	Number to be exercised	Number to be exercised	Exercise price	
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 ended June 30		Six months ended June 30	
	2015	2014	2015	2014
Canada	\$ 623,903	\$ 2,288,075	\$ 2,171,668	\$ 4,378,911
United States	1,109,659	1,812,188	1,930,980	2,896,663
Russia	-	382,384	-	411,731
Other	-	20,004	-	30,783
	\$ 1,733,562	\$ 4,502,651	\$ 4,102,648	\$ 7,718,088

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	June 30 2015	December 31 2014
Canada	\$ 1,954,130	\$ 1,778,156
United States	2,081,652	1,630,094
	\$ 4,035,782	\$ 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 six months ended June 30	2015	2014
Trade and other receivables	\$ 494,258	\$ (2,040,599)
Inventories	(309,462)	(676,603)
Prepaid expenses and deposits	54,879	(31,311)
Trade payables, accrued liabilities and provisions	(395,574)	(466,933)
Net current tax excluding income tax	49,198	41,230
Deferred revenue and deposits	31,054	154,876
Lease inducement	(26,001)	(26,001)
	\$ (101,648)	\$ (3,045,341)

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 six month period ended June 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 June 30		Six months ended June 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.

17. SUBSEQUENT EVENTS

The Company was successful in including costs related to its "HeatQuest" project in the period October 1, 2014 through January 15, 2015 in the final Sustainable Development Technology Canada (SDTC) investment, which will increase that agency's maximum contribution from the previously disclosed \$1.98 million to approximately \$2.3 million. On July 2, 2015 \$617,894 was received, representing SDTC's initial contribution net of the required 10% holdback. The "HeatQuest" project was discussed in the Company's March 4, 2015 News Release which is available on SEDAR and on the Company's website.