

QUANTUM NUMBERS CORP.

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2017

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These condensed interim financial statements for the nine-month period ended September 30, 2017 have not been reviewed by the Company's external auditors.

QUANTUM NUMBERS CORP.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited, in Canadian dollars)

	Notes	September 30, 2017	December 31, 2016
		\$	\$
ASSETS			
Current			
Cash and cash equivalents		1,209,556	987,978
Taxes receivable		30,445	26,439
Prepaid expenses and other		10,722	11,229
		<u>1,250,723</u>	<u>1,025,646</u>
Non-current			
Deposit		2,650	950
Intellectual Property	4	607,125	446,112
		<u>609,775</u>	<u>447,062</u>
Total assets		<u><u>1,860,498</u></u>	<u><u>1,472,708</u></u>
LIABILITIES			
Current			
Trade and other payables		<u>128,770</u>	<u>106,198</u>
Total liabilities		<u>128,770</u>	<u>106,198</u>
SHAREHOLDERS' EQUITY			
Share Capital	5	5,646,871	4,608,618
Options reserve	6	223,954	93,219
Deficit		<u>(4,139,097)</u>	<u>(3,335,327)</u>
Total shareholders' equity		<u>1,731,728</u>	<u>1,366,510</u>
Total liabilities and shareholders' equity		<u><u>1,860,498</u></u>	<u><u>1,472,708</u></u>

Going concern (Note 1)

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

On the behalf of the Board,

(s) Jean-Charles Phaneuf
 President and CEO

(s) Pierre Miron
 CFO

QUANTUM NUMBERS CORP.
CONDENSED INTERIM STATEMENTS OF NET LOSS AND COMPREHENSIVE LOSS
(Unaudited, in Canadian dollars)

	Three-months ended September 30		Nine months ended September 30	
	2017	2016	2017	2016
	\$	\$	\$	\$
EXPENSES				
Salaries	161,699	-	304,464	-
Share-based payments	108,739	-	174,599	-
Consulting fees	40,409	-	140,500	-
Travel expenses	17,831	-	91,404	-
Professional fees	29,074	7,204	71,494	27,140
Filing and listing fees	10,144	3,434	27,089	11,939
Rent	6,848	-	13,398	-
Office expenses	2,089	207	7,284	207
Insurance	3,443	-	6,885	-
Telecommunication	1,007	-	2,952	-
Bank charges	207	86	478	203
Taxes and permits	(34)	86	86	86
Transaction fees	-	21,130	-	21,130
OPERATING LOSS	<u>381,456</u>	<u>32,147</u>	<u>840,633</u>	<u>60,705</u>
Interest income	<u>1,439</u>	<u>-</u>	<u>3,102</u>	<u>-</u>
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	<u>(380,017)</u>	<u>(32,147)</u>	<u>(837,531)</u>	<u>(60,705)</u>
LOSS PER SHARE				
Basic and diluted loss per share	<u>(0.007)</u>	<u>(0.003)</u>	<u>(0.016)</u>	<u>(0.005)</u>
Weighted average number of common shares outstanding	<u>53,650,838</u>	<u>12,834,479</u>	<u>50,762,986</u>	<u>11,875,682</u>

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

QUANTUM NUMBERS CORP.**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (Unaudited, in Canadian dollars)**

For the nine-month period ended September 30, 2017

	Notes	Issued capital		Options Reserve	Deficit	Total equity
		Shares	Amount			
			\$	\$	\$	\$
Balance as at January 1, 2017		43,369,338	4,608,618	93,219	(3,335,327)	1,366,510
Exercise of warrants	7	10,050,000	1,005,000	-	-	1,005,000
Exercise of finder warrants	7	31,500	3,707	(557)	-	3,150
Exercise of options	6	200,000	29,546	(9,546)	-	20,000
Expiry of options	6			(33,761)	33,761	-
Share-based payments	6	-	-	174,599	-	174,599
Transactions with owners		53,650,838	5,646,871	223,954	(3,301,566)	2,569,259
Net loss and comprehensive loss for the period		-	-	-	(837,531)	(837,531)
Balance as at September 30, 2017		<u>53,650,838</u>	<u>5,646,871</u>	<u>223,954</u>	<u>(4,139,097)</u>	<u>1,731,728</u>

	Notes	Issued capital		Options Reserve	Deficit	Total equity
		Shares	Amount			
			\$	\$	\$	\$
Balance as at January 1, 2016		11,388,338	3,104,748	86,000	(3,059,088)	131,660
Units issued for private placement		2,255,000	112,750	-	-	112,750
Share issue costs		-	(5,414)	-	-	(5,414)
Transactions with owners		13,643,338	3,212,084	86,000	(3,059,088)	238,996
Net loss and comprehensive loss for the period		-	-	-	(60,705)	(60,705)
Balance as at September 30, 2016		<u>13,643,338</u>	<u>3,212,084</u>	<u>86,000</u>	<u>(3,119,793)</u>	<u>178,291</u>

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

QUANTUM NUMBERS CORP.

CONDENSED INTERIM STATEMENT OF CASH FLOWS (Unaudited, in Canadian dollars)

	Three-months ended September 30		Nine months ended September 30	
	2017	2016	2017	2016
	\$	\$	\$	\$
Operating Activities				
Net loss	(380,017)	(32,147)	(837,531)	(60,705)
Adjustments for:				
Taxes receivable	(11,317)	(1,031)	(4,006)	(2,543)
Prepaid expenses	4,743	1,300	507	(1,300)
Other receivables	-	-	-	(2,537)
Trade and other payables	34,053	(17,171)	22,572	(22,790)
Share-based payments	108,739	-	174,599	-
Cash flows used by operating activities	<u>(243,799)</u>	<u>(49,049)</u>	<u>(643,859)</u>	<u>(89,875)</u>
Investing Activity				
Deposit	-	-	(1,700)	-
Addition to intellectual property	(30,921)	-	(161,013)	-
Addition to exploration and evaluation assets	-	1	-	(2,537)
Cash flows from (used by) investing activity	<u>(30,921)</u>	<u>1</u>	<u>(162,713)</u>	<u>(2,537)</u>
Financing Activity				
Exercise of warrants	10,000	112,750	1,005,000	112,750
Exercise of finder warrants	-	-	3,150	-
Exercise of options	-	-	20,000	-
Share issue costs	-	(5,414)	-	(5,414)
Advance to a related party	-	-	-	11,717
Cash flows from financing activities	<u>10,000</u>	<u>107,336</u>	<u>1,028,150</u>	<u>119,053</u>
Net change	(264,720)	58,288	221,578	26,641
Cash, beginning of period	<u>1,474,276</u>	<u>5,533</u>	<u>987,978</u>	<u>37,180</u>
Cash, end of period	<u><u>1,209,556</u></u>	<u><u>63,821</u></u>	<u><u>1,209,556</u></u>	<u><u>63,821</u></u>

QUANTUM NUMBERS CORP.

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

Notes to Condensed Interim Financial Statements (Unaudited, in Canadian dollars)

For the nine-month period ended September 30, 2017

1. INCORPORATION, NATURE OF OPERATIONS AND GOING CONCERN

Quantum Numbers Corp. (the “Company” or “Active Growth”) was incorporated under the *Business Corporations Act* of Ontario on July 19, 2007.

The head office, principal address and records office of the Company are located at 3755 E Blvd Matte, suite 201, Brossard, Québec, J4Y 2P4. The Company is in the business of an advanced developer of a new generation of cryptographic solutions.

The business of technology involves a high degree of risk and there can be no assurance that projects under research and development will proceed through to achieve commercialization. Risks related to the value of the Company's intangible assets, completing proof of concept studies, protecting intellectual property rights, the ability of the Company to raise alternative financing, and risks inherent to new technologies, such as risk of obsolescence, slow adoption and competing technological advances. Changes in future conditions could require material impairment of investments.

The accompanying unaudited condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, these financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. The Company recorded a net loss and comprehensive loss of \$837,531 for the nine-month period ended September 30, 2017, and has an accumulated deficit of \$4,139,097 as at September 30, 2017. These circumstances may cast significant doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

The Company's ability to continue as a going concern is dependent upon its ability to raise funds primarily through the issuance of shares or obtain profitable operations. The outcome of these matters cannot be predicted at this time. If the Company is unable to obtain additional financing, management may be required to curtail certain discretionary expenses. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

The Company's financial year ends on December 31.

QUANTUM NUMBERS CORP.

Notes to Condensed Interim Financial Statements (Unaudited, in Canadian dollars)

For the nine-month period ended September 30, 2017

2. BASIS OF PREPARATION AND ADOPTION OF IFRS

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. The unaudited condensed interim financial statements should be read in conjunction with the Company’s audited annual financial statements for the year ended December 31, 2016, which have been prepared in accordance with IFRS as issued by the IASB.

The interim condensed financial statements must be read in conjunction with the most recent annual financial statements and the accompanying notes as at December 31, 2016 and for the period then ended.

The condensed interim financial statements for the reporting period ended September 30, 2017 (including comparatives) were approved and authorized for issue by the Board of Directors on November 28, 2017.

3. SIGNIFICANT ACCOUNTING POLICES

The accounting policies are presented in the audited financial statements for the year ended December 31, 2016 and have not been modified since that time.

4. INTANGIBLE ASSETS

The carrying amount can be analyzed as follows:

	Balance as at December 31 2016	Additions	Balance as at September 30 2017
	\$	\$	\$
Gross carrying amount	446,112	-	446,112
Additions	-	161,013	161,013
	<u>446,112</u>	<u>161,013</u>	<u>607,125</u>
Accumulated depreciation	-	-	-
Depreciation	<u>-</u>	<u>-</u>	<u>-</u>
Carrying amount	<u>446,112</u>	<u>161,013</u>	<u>607,125</u>

5. SHARE CAPITAL

During the period, the Company issued 10,050,000 common shares at a price of \$0.10 per share for the exercise of warrants.

During the period, the Company issued 31,500 common shares at a price of \$0.10 per share for the exercise of finder warrants.

During the period, the Company issued 200,000 common shares at a price of \$0.10 per share for the exercise of options.

QUANTUM NUMBERS CORP.**Notes to Condensed Interim Financial Statements** (Unaudited, in Canadian dollars)

For the nine-month period ended September 30, 2017

6. STOCK OPTIONS

The Company's share options are as follows for the reporting periods:

	September 30, 2017		December 31, 2016	
	Number of options	Weighted average exercise price \$	Number of options	Weighted average exercise price \$
Balance outstanding, beginning of period	1,430,000	0.10	320,000	0.31
Granted	3,000,000	0.25	1,250,000	0.10
Expired	(1,000,000)	0.15	(90,000)	0.80
Cancelled	-	-	(50,000)	0.125
Exercised	(200,000)	0.10	-	-
Balance outstanding, end of period	3,230,000	0.23	1,430,000	0.10

The weighted average remaining contractual life for options outstanding at September 30, 2017 is 7.23 (2016 – 3.0) years.

The weighted average fair value of the granted options of \$174,599 (2016 - \$nil) was determined using the Black-Scholes option pricing model and based on the following weighed average assumptions:

	2017	2016
Average share price at date of grant	\$0.15	N/A
Dividends yield	-	N/A
Expected weighted volatility	125%	N/A
Risk-free interest rate	1.39%	N/A
Expected average life	10 years	N/A
Average exercise price at date of grant	\$0.25	N/A

Outstanding and exercisable options are as follows:

Expiry Date	Exercise Price \$	Number of shares		Remaining life (years)
		Outstanding	Exercisable	
September 30, 2019	0.125	180,000	180,000	2.0
November 22, 2021	0.10	1,050,000	1,050,000	4.15
January 26, 2027	0.30	2,000,000	-	9.32
		3,230,000	1,430,000	

QUANTUM NUMBERS CORP.**Notes to Condensed Interim Financial Statements (Unaudited, in Canadian dollars)**

For the nine-month period ended September 30, 2017

7. SHARE PURCHASE WARRANTS

The changes in warrants during the period ended September 30, 2017 are as follows:

	2017		2016	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		\$		\$
Balance outstanding, beginning of period	30,061,000	0.10	5,000,000	0.10
Exercised	<u>(10,050,000)</u>	0.10	-	-
Balance outstanding, end of period	<u>20,011,000</u>	0.10	<u>5,000,000</u>	0.10

The changes in finder warrants during the period ended September 30, 2017 are as follows:

	September 30, 2017		December 31, 2016	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		\$		\$
Balance outstanding, beginning of period	879,500	0.10	-	0.10
Granted	-		879,500	0.10
Exercised	<u>(31,500)</u>	0.10	-	-
Balance outstanding, end of period	<u>848,000</u>	0.10	<u>879,500</u>	0.10

Outstanding warrants are as follows:

Expiry date	Exercise price	2017	2016
		Number	Number
	\$		
February 23, 2017	0.10	-	4,840,000
November 23, 2017	0.10	19,256,000	23,845,500
February 3, 2018	0.10	<u>755,000</u>	<u>2,255,000</u>
		<u>20,011,000</u>	<u>30,940,500</u>

Outstanding finder warrants are as follows:

Expiry date	Exercise price	2017	2016
		Number	Number
	\$		
November 23, 2017	0.10	<u>848,000</u>	<u>879,500</u>
		<u>848,000</u>	<u>879,500</u>

QUANTUM NUMBERS CORP.

Notes to Condensed Interim Financial Statements (Unaudited, in Canadian dollars)

For the nine-month period ended September 30, 2017

8. RELATED PARTY TRANSACTIONS

The Company's related parties include insiders, companies under common control and joint key management, as described below.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

8.1 Transactions with key management

The key management of the Company are the members of senior management and the Board. The remuneration for the period of key management include the following expenses:

	2017	2016
	\$	\$
Consulting fees	22,350	-
Salaries	304,370	-
Professional fees	37,434	-
	<u>364,154</u>	<u>-</u>

As at September 30, 2017, and 2016, trade and other payables include an amount payable to key management, respectively of \$23,159 and \$nil.

An amount respectively of \$7,450 and \$15,709 (2016 - \$nil and \$nil) is due to a director for unpaid consulting fees and professional fees and is included in accounts payable and accrued liabilities.

9. POST-REPORTING DATE EVENTS

On November 14, 2017, the TSX Venture Exchange has conditionally accepted the extension of the expiry date of 19,256,000 warrants from November 23, 2017 to March 31, 2018.

On November 10, 2017, the Company sold the Saguenay Property in counterpart of \$2,500 in cash, a 1.5% NSR of which 1% is redeemable for \$1.5 million and the issuance of 500,000 common shares of St-Georges Platinum & Base Metals Ltd.