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, 2017 and 2016.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Stated in Canadian dollars

	Notes	***Unaudited*** **September 30 2017**	*Audited* December 31 2016
ASSETS			
Current assets			
Cash	3	**$3,115,724**	$6,733,897
Trade and other receivables		**5,598,568**	1,055,393
Inventories		**476,425**	689,083
Prepaid expenses and deposits	4	**1,394,280**	541,530
Current tax assets		**14,751**	155,736
Total current assets		**10,599,748**	9,175,639
Non-current assets			
Property and equipment	5, 15	**8,908,469**	4,593,863
Intangible assets	6	**1,812,719**	1,793,410
Deferred tax assets		**-**	96,236
Goodwill		**687,398**	687,398
Total non-current assets		**11,408,586**	7,170,907
Total assets		**$22,008,334**	$16,346,546
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables, accrued liabilities and provisions		**$2,768,029**	$1,029,201
Deferred revenue and deposits		**290,336**	534,034
Current portion of lease inducement		**10,200**	17,336
Current tax liabilities		**794,461**	**-**
Total current liabilities		**3,863,026**	1,580,571
Non-current liabilities			
Deferred tax liabilities		**142,750**	**-**
Lease inducement	17	**244,733**	**-**
Total non-current liabilities		**387,483**	-
Total liabilities		**4,250,509**	1,580,571
Capital and reserves			
Issued capital	7	**6,262,931**	6,256,990
Reserves		**1,312,177**	1,163,705
Retained earnings		**10,078,859**	7,278,233
Cumulative translation adjustment		**103,858**	67,047
Total equity		**17,757,825**	14,765,975
Total liabilities and equity		**$22,008,334**	$16,346,546

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

Stated in Canadian dollars
Unaudited

	Notes	Three months ended September 30 **2017**	2016	Nine months ended September 30 **2017**	2016
Revenue	12	**$5,686,227**	$1,674,587	**$12,645,976**	$4,595,653
Cost of sales		**2,477,645**	880,096	**5,612,900**	3,019,415
Gross profit		**3,208,582**	794,491	**7,033,076**	1,576,238
Administration expenses		**911,285**	823,625	**2,472,858**	2,367,502
Depreciation of property and equipment	5	**19,576**	(1,608)	**34,611**	31,866
Amortization of intangible assets	6	**1,811**	905	**2,716**	2,717
Net foreign exchange losses (gains)		**327,443**	(49,258)	**567,729**	121,028
Other (income) expenses		**(340)**	(6,983)	**5,396**	(190,904)
Profit (loss) before tax		**1,948,807**	27,810	**3,949,766**	(755,971)
Income tax expense (recovery)		**523,374**	124,294	**1,149,140**	(66,840)
Profit (Loss) for the period		**$1,425,433**	$(96,484)	**$2,800,626**	$(689,131)
Other comprehensive income, net of income tax					
Exchange differences on translating foreign operations		**21,172**	(12,443)	**36,811**	1,294
Total comprehensive income (loss)		**$1,446,605**	$(108,927)	**$2,837,437**	$(687,837)
Earnings (loss) per share	14				
Basic		**$0.06**	$(0.00)	**$0.11**	$(0.03)
Diluted		**$0.05**	$(0.00)	**$0.11**	$(0.03)

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Stated in Canadian dollars
Unaudited

	Issued capital	Reserves	Retained earnings	Cumulative Translation Adjustment	Total equity
Balance at December 31, 2015	$6,031,141	$1,108,074	$7,722,999	$7,031	$14,869,245
Loss for the year	-	-	(444,766)	-	(444,766)
Share-based payments	-	148,454	-	-	148,454
Stock options exercised	225,849	(92,823)	-	-	133,026
Translation of foreign operations	-	-	-	60,016	60,016
Balance at December 31, 2016	$6,256,990	$1,163,705	$7,278,233	$67,047	$14,765,975
Profit for the period	**-**	**-**	**2,800,626**	**-**	**2,800,626**
Share-based payments	**-**	**150,913**	**-**	**-**	**150,913**
Stock options exercised	**5,941**	**(2,441)**	**-**	**-**	**3,500**
Translation of foreign operations	**-**	**-**	**-**	**36,811**	**36,811**
Balance at September 30, 2017	**$6,262,931**	**$1,312,177**	**$10,078,859**	**$103,858**	**$17,757,825**

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

Stated in Canadian dollars
Unaudited

For the	Notes	Three months ended September 30 **2017**	2016	Nine months ended September 30 **2017**	2016
Cash flows from (used in) operating activities					
Profit (loss) for the period		**$1,425,433**	$(96,484)	**$2,800,626**	$(689,131)
Adjustments for:					
Income tax expense (recovery)		**523,374**	124,294	**1,149,140**	(66,840)
Depreciation of property and equipment	5	**249,021**	168,243	**599,234**	449,670
Amortization of intangible assets	6	**1,811**	905	**2,716**	2,716
Share-based payments	7,8	**48,508**	35,241	**150,913**	149,178
Movements in non-cash working capital	16	**(1,122,159)**	(421,526)	**(3,248,642)**	1,830,743
Income taxes (paid)		**-**	234,453	**-**	(62,445)
Net cash generated from operating activities		**1,125,988**	45,126	**1,453,987**	1,613,891
Cash used in investing activities					
Payments for property and equipment		**(2,228,859)**	22,551	**(4,955,788)**	(1,007,209)
Payments for intangibles		**-**	-	**(11,000)**	-
Net cash used in investing activities		**(2,228,859)**	22,551	**(4,966,788)**	(1,007,209)
Cash from financing activities					
Proceeds from exercise of stock options		**-**	127,400	**3,500**	133,025
Net cash from financing activities		**-**	127,400	**3,500**	133,025
Net increase (decrease) in cash		**(1,102,871)**	195,077	**(3,509,301)**	739,707
Cash at beginning of the period		**4,289,623**	5,538,700	**6,733,897**	5,127,371
Effects of exchange rate changes on the balance of cash held in foreign currencies		**(71,029)**	31,485	**(108,873)**	(101,816)
Cash at end of the period		**$3,115,723**	$5,765,262	**$3,115,723**	$5,765,262

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017

Stated in Canadian dollars unless otherwise specified
Unaudited

1. DESCRIPTION OF BUSINESS

Questor Technology Inc. ("Questor" or the "Company") is incorporated in Canada under the Business Companies Act (*Alberta*). Questor is a public, international environmental Cleantech company founded in 1994 and headquartered in Calgary, Alberta, with field offices located in; Grande Prairie, Alberta; Brighton, Colorado; and Brooksville, Florida. The Company is active in Canada, the United States, Europe and Asia and is focused on clean air technologies that safely and cost effectively improves air quality, supports energy efficiency and greenhouse gas emission reductions. Questor designs, manufactures and services high efficiency waste gas combustion systems; as well as, power generation systems and water treatment solutions utilizing waste heat. The Company's proprietary incinerator technology is utilized worldwide in the effective management of Methane, Hydrogen Sulphide gas, Volatile Organic Hydrocarbons, Hazardous Air Pollutants and BTEX gases ensuring sustainable development, community acceptance and regulatory compliance. Questor and its subsidiary, ClearPower Systems are providing solutions for landfill biogas, syngas, waste engine exhaust, geothermal and solar, cement plant waste heat in addition to a wide variety of oil and gas projects in Canada, throughout the United States, the Caribbean, Western Europe, Russia, Thailand, Indonesia and China.

The Company's common shares are traded on the TSX Venture Exchange under the symbol "QST".

The address of the Company's corporate and registered office is 2240, 140 – 4th Avenue S.W., Calgary, Alberta, Canada, T2P 3N3.

2. SIGNIFICANT ACCOUNTING POLICIES

These consolidated interim financial statements follow the same accounting policies and methods of application as the most recent annual financial statements.

For purposes of calculating income tax expense during interim periods, the Company utilizes estimated annualized income tax rates. Current income tax expense is only recognized when taxable income is such that current income taxes becomes payable.

3. CASH

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

As at	**September 30, 2017**	December 31, 2016
Canadian dollars	**$203,315**	$3,010,837
United States dollars	**2,912,302**	3,711,809
Other non-Canadian currencies	**107**	11,251
	$3,115,724	$6,733,897

4. PREPAID EXPENSES AND DEPOSITS

As at	**September 30, 2017**	December 31, 2016
Deposits on equipment	**$1,279,078**	$353,068
Insurance deposits	**6,014**	122,778
Building and utility deposits	**92,933**	55,738
Other prepaid expenses	**16,255**	9,946
	$1,394,280	$541,530

5. PROPERTY AND EQUIPMENT

Cost	Rental incinerators and trailers	Light vehicles, tools & equipment	Waste heat to power generator	Office equipment & leasehold improveme nts	Total
Balance at December 31, 2015	$4,677,958	$597,938	$159,268	$329,011	$5,764,175
Additions	1,278,197	164,524	-	$11,475	1,454,196
Disposals	(104,310)	-	-	-	(104,310)
Balance at December 31, 2016	$5,851,845	$762,462	$159,268	$340,486	$7,114,061
Additions	**4,640,209**	**96,490**	**-**	**296,998**	**5,033,697**
Disposals	**(120,475)**	**(49,727)**	-	**(42,239)**	**(212,441)**
Balance at September 30, 2017	**$10,371,579**	**$809,225**	**$159,268**	**$595,245**	**$11,935,317**
Accumulated depreciation					
Balance at December 31, 2015	$1,442,193	$251,972	$-	$229,259	$1,923,424
Depreciation charges included in:					
Cost of sales	472,827	89,926	-	1,807	564,560
General and Administration Assets	-	-	-	42,338	42,338
Disposal	(10,124)	-	-	-	(10,124)
Balance at December 31, 2016	$1,904,896	$341,898	$-	$273,404	$2,520,198
Depreciation charges included in:					
Cost of sales	**490,611**	**27,020**	**-**	**46,992**	**564,623**
General and Administration Assets	**-**	**-**	**-**	**34,611**	**34,611**
Disposal	**(16,440)**	**(47,734)**	**-**	**(28,410)**	**(92,584)**
Balance at September 30, 2017	**$2,379,067**	**$321,184**	**$-**	**$326,597**	**$3,026,848**
Carrying amounts					
At December 31, 2016	$3,946,949	$420,564	$159,268	$67,082	$4,593,863
At September 30, 2017	**$7,992,512**	**$488,041**	**$159,268**	**$268,648**	**$8,908,469**

6. INTANGIBLE ASSETS

Cost	Development Costs & drawings	Patents	Total
Balance at December 31, 2016	$2,074,791	$15,225	$2,090,016
Additions	-	22,025	$22,025
Balance at September 30, 2017	**$2,074,791**	**$37,250**	**$2,112,041**
Accumulated Amortization			
Balance at December 31, 2016	$284,832	$11,774	$296,606
Amortization expense	**1,803**	**913**	**2,716**
Balance at September 30, 2017	**$286,635**	**$12,687**	**$299,322**
Carrying Amounts			
At December 31, 2016	1,789,959	3,451	1,793,410
At September 30, 2017	**$1,788,156**	**$24,563**	**$1,812,719**

The Company has not amortized any of the waste heat to power development expenses as the technology has not reach the commercialization stage.

7. ISSUED CAPITAL

Authorized

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

Shares issued and outstanding

Shares issued and outstanding	Number of shares	Share capital
Shares issued and outstanding January 1, 2016	25,964,870	$6,031,141
Issue of ordinary shares under employee share option plan	480,000	225,849
Shares issued and outstanding, December 31, 2016	26,444,870	6,256,990
Issue of ordinary shares under employee share option plan	12,500	5,941
Shares issued and outstanding, September 30, 2017	**26,457,370**	**$6,262,931**

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

The Company did not grant employee share options during the three and nine months ended September 30, 2017.

Share-based payments for the three and nine month periods ended September 30, 2017 were $48,508 (2016 - $35,241) and $150,913 (2016 - $149,178).

8. SHARE-BASED PAYMENTS

The Board of Directors has adopted and approved a share option plan for the directors, officers, consultants and key employees and affiliates of the Company. The share option plan was approved by the shareholders of the Company on June 15, 2001 and as amended on September 15, 2016.

Each share option converts into one common share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The Board of Directors grants share options from time to time based on its assessment of the appropriateness of doing so in light of the long-term strategic objectives of the Company, its current stage of development, the need to retain or attract particular key personnel, the number of share options already outstanding and overall market conditions.

The share options outstanding and exercisable at September 30, 2017 are as follows:

	Number	**Exercise price**(1)
Balance at beginning of the year	**1,145,500**	**$1.16**
Granted	**-**	**-**
Exercised	**(12,500)**	**$0.28**
At September 30, 2017	**1,133,000**	**$1.17**
Exercisable at September 30, 2017	**269,750**	**$2.25**

(1) *Weighted average.*

The following share-based payment arrangements were in existence at September 30, 2017:

At September 30, 2017

Number outstanding	**Grant date**	**Expiry date**	**Remaining contractual life years**		**Exercise price**		**Fair value at grant date**	**Number exercisable**
273,000	**15-Apr-14**	**15-Apr-19**	**1.5**		**2.48**		**1.76**	**204,750**
20,000	**09-Jun-14**	**09-Jun-19**	**1.7**		**3.99**		**2.78**	**15,000**
200,000	**20-Jan-16**	**20-Jan-21**	**3.3**		**0.77**		**0.56**	**50,000**
640,000	**7-Dec-16**	**7-Dec-21**	**4.2**		**0.65**		**0.44**	**-**
1,133,000			**3.3**	**(1)**	**$ 1.17**	**(2)**		**269,750**

At December 31, 2016

Number outstanding	Grant date	Expiry date	Remaining contractual life		Exercise price		Fair value at grant date	Number exercisable
12,500	25-Apr-12	25-Apr-17	0.32		0.28		0.20	12,500
273,000	15-Apr-14	15-Apr-19	2.29		2.48		1.76	136,500
20,000	09-Jun-14	09-Jun-19	2.44		3.99		2.78	10,000
200,000	20-Jan-16	20-Jan-21	4.06		0.77		0.56	-
640,000	7-Dec-16	7-Dec-21	4.94		0.65		0.44	-
1,145,500			4.06	(1)	$ 1.16	(2)		159,000

(1) *Weighted average number of years.*
(2) *Weighted average.*

9. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to:

- Deploy capital to provide an appropriate return on investment to its shareholders;
- Maintain financial flexibility in order to preserve the Company's ability to meet financial obligations; and
- Maintain a capital structure that provides financial flexibility to execute on strategic opportunities.

The Company's strategy is formulated to maintain a flexible capital structure consistent with the objectives as stated above and to respond to changes in economic conditions and the risk characteristics of the underlying assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather promotes year-over-year sustainable profitable growth. The Company is not subject to any externally imposed capital requirements other than the financial tests and covenants associated with its credit facilities as described in note 9. At September 30, 2017, Questor was in compliance with these covenants.

The Company's capital structure consists of equity and cash. In order to maintain or alter the capital structure, the Company may adjust capital spending, refinance existing credit facilities, raise new debt and issue common shares. It is expected, however, that Questor's funds generated from operations and cash amounts will provide sufficient capital resources and liquidity to fund existing operations in 2017 and anticipated capital expenditures.

A key measure the Company utilizes in evaluating its capital structure is the ratio of debt-to-total capitalization. Debt-to-total capitalization is calculated as debt divided by total capitalization. Debt is defined as total short- and long-term borrowings unadjusted for cash balances. Equity is defined as capital and reserves attributable to equity holders. Total capitalization is defined as the sum of debt unadjusted for cash balances and the book value of equity.

The debt-to-total capitalization ratio was as follows:

As at September 30, 2017		
Short-term borrowings	**$**	**-**
Long-term borrowings		-
Debt		**-**
Equity		**17,757,825**
Total capitalization		**$17,757,825**
Debt-to-total capitalization ratio		**0.00%**

10. SHORT-TERM BORROWINGS

The Company has available a revolving demand operating loan to a maximum of $560,000, the availability of which is subject to specified margin requirements. The revolving demand operating loan bears interest at bank prime plus 1 percent per annum. The Company has provided a general security agreement and an assignment of insurance proceeds as security. Up to $100,000 of this loan is available to secure the issue of letters of credit and/or letters of guarantee for suppliers. At September 30, 2017 the Company had no outstanding amount of letters of guarantee on this facility.

The Company has a demand revolving foreign exchange facility established to a maximum of USD 250,000 (2015- USD $630,000) to purchase foreign forward exchange contracts in order to hedge against currency fluctuations. This facility is secured by a general security agreement and an assignment of insurance proceeds. The availability of this facility is also subject to the Company meeting certain financial covenants. No amounts have been drawn on this facility to date.

None of the borrowing facilities are subject to standby fees and there is no specified facility expiration or renewal date.

All of the borrowing facilities have financial tests and other covenants customary for these types of facilities. At the end of each fiscal quarter the Company's debt-to-tangible-net-worth must be less than 2.5 and the Company's working capital ratio must be greater than 1.25. At the end of each fiscal year, Questor's debt service coverage ratio must be in excess of 1.25. The Company was in compliance with all debt covenants at September 30, 2017

11. FINANCIAL INSTRUMENTS

The Company's financial instruments consist, from time to time, of cash and cash equivalents, short-term investments, trade and other receivables, short-term and long-term borrowings and trade payables, accrued liabilities and provisions. The carrying amounts of the current financial assets and current financial liabilities recognized in the Company's consolidated financial statements at the end of each reporting period approximate their fair value due to their short period to maturity. At September 30, 2017, there were no investments, short-term or long-term borrowings outstanding. The Company did not hold or issue any derivative financial instruments during the period.

12. REVENUE

The following is an analysis of Questor's revenue:

	Three months ended September 30		Nine months ended September 30	
For the	**2017**	2016	**2017**	2016
Equipment Sales	**$2,182,090**	$458,154	**$4,930,291**	$1,881,544
Equipment Rentals	**3,211,572**	1,056,843	**6,814,659**	2,279,319
Services & Repairs	**292,565**	159,590	**901,026**	434,790
	$5,686,227	$1,674,587	**$12,645,976**	$4,595,653

13. INFORMATION ABOUT MAJOR CUSTOMERS

Revenue from the top ten customers represents 98 percent of the Company's revenue for the three months ended September 30, 2017 (2016 - 94 percent). Revenue from the largest customer represented 65 percent of the Company's revenue in third quarter 2017 (2016 - 42 percent).

Revenue from the top ten customers represents 91 percent of the Company's revenue for the Nine months ended September 30, 2017 (2016 - 90 percent). Revenue from the largest customer represented 57 percent of the Company's revenue in first three quarters 2017 (2016 - 27 percent).

14. EARNINGS (LOSS) PER SHARE

	Three months ended September 30		Nine months ended September 30	
	2017	2016	**2017**	2016
Per share earnings (loss) ($/share)				
Basic	**$0.06**	$(0.00)	**$0.11**	$(0.03)
Diluted	**$0.05**	$(0.00)	**$0.11**	$(0.03)
Weighted average shares outstanding				
Basic	**26,457,370**	26,164,924	**26,452,333**	26,133,441
Diluted	**26,701,718**	26,164,924	**27,123,103**	26,133,441

15. 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 September 30 **2017**	2016	Nine months ended September 30 **2017**	2016
Canada	**$454,950**	$853,163	**$1,573,322**	$3,008,973
United States	**5,231,277**	821,424	**10,568,000**	1,586,680
International	**-**	-	**504,654**	-
	$5,686,227	$1,674,587	**$12,645,976**	$4,595,653

The following table provides information regarding the location of the Company's property and equipment on a geographic basis as determined by the location of the customer or third party.

Property and equipment

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

As at	**September 30, 2017**	December 31, 2016
Canada	**$987,517**	$1,405,363
United States	**7,920,952**	3,188,500
	$8,908,469	$4,593,863

16. MOVEMENTS IN NON-CASH WORKING CAPITAL

	Three months ended September 30 **2017**	2016	Nine months ended September 30 **2017**	2016
Trade and other receivables	**$(2,049,963)**	$(896,648)	**$(4,543,175)**	$697,918
Inventories	**(34,313)**	(57,700)	**241,297**	1,154,728
Prepaid expenses and deposits	**(270,574)**	(7,489)	**(852,750)**	38,522
Trade payables and accrued liabilities	**1,491,904**	553,311	**1,912,088**	(21,425)
Deferred revenue and deposits	**(514,146)**	-	**(243,699)**	-
Lease inducements	**254,933**	(13,000)	**237,597**	(39,000)
	$(1,122,159)	$(421,526)	**$(3,248,642)**	$1,830,743

17. COMMITMENTS

The Company has various contractual lease commitments related to three facilities located in Alberta and Florida as disclosed in the Company's 2016 annual consolidated financial statements.

On February 6, 2017, the Company entered into a commercial building lease agreement. The term of the lease is six years, commencing December 1, 2018 and expiring November 30, 2024. The lease agreement includes a fixturing period of June 1, 2017 to November 30, 2018. Total commitments over the lease period are $1,296,000, which is comprised of total base rent payable $576,000 and total operating costs of $720,000.

The Company has entered agreements to purchase equipment for the rental fleet and equipment for resale. The outstanding commitments related to these purchases are $2.9 million. These commitments are expected to be settled by year end.

18. RELATED PARTY TRANSACTIONS

In the normal course of business, the Company may transact with related parties. There are no related party transactions as at September, 2017 and 2016.

19. 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 and Northern United States 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 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.

20. CONTINGENCIES

From time to time, the Company is subject to costs and other effects of legal proceedings, settlements, investigations, claims and actions. The Company determines whether an estimated loss from a contingency should be accrued by assessing whether a loss is deemed probable and can be reasonably estimated. The Company assesses potential liabilities by analyzing the claims using available information. The Company develops its views on estimated losses in consultation with outside counsel handling our defense in these matters. Should developments in any of these matters cause a change in our determination as to an unfavorable outcome and result in the need to recognize a material accrual, or should any of these matters result in a final adverse judgment or be settled for significant amounts, they could have a material adverse effect on our results of operations, cash flows and financial position in the period or periods in which such change in determination, judgment or settlement occurs.

Notwithstanding the uncertainty as to the final outcome, based on the information currently available to it, the Company does not currently believe these matters in aggregate will have a material adverse effect on its consolidated financial position.