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 interim condensed consolidated financial statements for the three months ended March 31, 2022 and 2021.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Stated in Canadian dollars, unaudited

	Notes	**March 31, 2022**	December 31, 2021
ASSETS			
Current assets			
Cash and cash equivalents		**$15,773,251**	$14,660,080
Trade, contract assets and other receivables		**1,499,389**	3,154,929
Inventories		**1,316,657**	1,183,890
Prepaid expenses and deposits		**322,321**	412,443
Current tax assets		**68,339**	153,339
Total current assets		**18,979,957**	19,564,681
Non-current assets			
Property and equipment	3	**13,264,468**	13,789,935
Right-of-use assets	6	**527,913**	587,541
Intangible assets	4	**1,194,218**	958,198
Deferred tax assets		**246,894**	147,500
Total non-current assets		**15,233,493**	15,483,174
Total assets		**$34,213,450**	$35,047,855
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables, accrued liabilities and provisions		**$856,848**	$893,887
Onerous Contract Liabilities		**78,834**	78,834
Deferred revenue		**798,384**	1,989,289
Current portion of lease obligations	6	**225,975**	223,051
Current portion of repayable government grant	7	**80,400**	-
Current portion of deferred grant benefits	7	**843,081**	104,905
Total current liabilities		**2,883,522**	3,289,966
Non-current liabilities			
Lease obligations	6	**339,493**	400,544
Deferred grant benefits	7	**134,664**	158,336
Repayable government grant	7	**658,250**	716,928
Total non-current liabilities		**1,132,407**	1,275,808
Total liabilities		**4,015,929**	4,565,774
Shareholders' equity			
Issued capital		**9,093,149**	9,093,149
Contributed surplus		**1,573,093**	1,472,506
Retained earnings		**19,623,897**	19,989,517
Accumulated other comprehensive loss		**(92,618)**	(73,091)
Total shareholders' equity		**30,197,521**	30,482,081
Total liabilities and shareholders' equity		**$34,213,450**	$35,047,855
Commitments and Contingencies	13		

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

Approved by the Board of Directors:

(*signed*) Stewart Hanlon
Stewart Hanlon, Director

(*signed*) Audrey Mascarenhas
Audrey Mascarenhas, Director

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

Stated in Canadian dollars except per share data, unaudited

For the three months ended March 31,	Notes	**2022**	2021
Revenue	11	**$2,587,707**	$1,548,391
Cost of sales		**1,956,798**	1,512,566
Gross profit		**630,909**	35,825
Administration expenses		**657,612**	779,184
Research and development expenses		**149,903**	45,574
Stock based compensation	10	**100,587**	129,758
Depreciation expense	3,6	**32,984**	33,889
Amortization of intangible assets	4	**35,031**	71,652
Net foreign exchange losses		**40,963**	69,992
Other expenses		**38,195**	29,743
Loss before tax		**(424,366)**	(1,123,967)
Income tax recovery	8	**(58,746)**	(238,080)
Loss for the period		**$(365,620)**	$(885,887)
Other comprehensive income loss			
Items that may be reclassified to profit and loss in subsequent periods:			
Exchange differences on translating foreign operations		**(19,527)**	(12,079)
Total comprehensive loss		**$(385,147)**	$(897,966)
Loss per share	9		
Basic		**$(0.01)**	$(0.03)
Diluted		**$(0.01)**	$(0.03)

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

Stated in Canadian dollars, unaudited

	Notes	Issued capital	Contributed Surplus	Retained Earnings	Cumulative Translation Adjustment	Total Shareholder's Equity
Balance at December 31, 2021		**$9,093,149**	**$1,472,506**	**$19,989,517**	**$(73,091)**	**$30,482,081**
Loss for the period		**-**	**-**	**(365,620)**	**-**	**(365,620)**
Share-based payments	**10**	**-**	**100,587**	**-**	**-**	**100,587**
Stock options exercised	**10**	**-**	**-**	**-**	**-**	**-**
Translation of foreign operations		**-**	**-**	**-**	**(19,527)**	**(19,527)**
Balance at March 31, 2022		**$9,093,149**	**$1,573,093**	**$19,623,897**	**$(92,618)**	**$30,197,521**
Balance at December 31, 2020		$8,630,146	$1,416,169	$23,977,902	$(35,117)	$33,989,100
Loss for the period		-	-	(885,887)	-	(885,887)
Share-based payments	10	-	129,758	-	-	129,758
Stock options exercised	10	27,511	(11,261)	-	-	16,250
Translation of foreign operations		-	-	-	(12,079)	(12,079)
Balance at March 31, 2021		$8,657,657	$1,534,666	$23,092,015	$(47,196)	$33,237,142

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

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Stated in Canadian dollars, unaudited

For the three months ended March 31,	Notes	**2022**	2021
Cash flows from (used in) operating activities			
Loss for the period		**$(365,620)**	$(885,887)
Adjustments for:			
Income tax recovery		**(58,746)**	(238,080)
Depreciation of property and equipment	3,6	**539,276**	510,428
Depreciation of right-of-use assets		**56,036**	34,415
Amortization of intangible assets	4	**35,031**	71,652
Lease interest	6	**7,501**	5,387
Share-based payments	10	**100,587**	129,758
Movements in non-cash working capital		**315,771**	(352,343)
Income tax refund		**41,224**	973
Net cash provided by (used in) operating activities		**671,060**	(723,697)
Cash used in investing activities			
Payments for property and equipment		**(18,033)**	(9,413)
Payments for intangible assets		**(271,051)**	-
Net cash used in investing activities		**(289,084)**	(9,413)
Cash from financing activities			
Proceeds from exercise of stock options	10	**-**	16,250
Receipt of government grants	7	**801,209**	120,000
Lease obligations payments	6	**(61,433)**	(38,454)
Net cash provided by financing activities		**739,776**	97,796
Net increase (decrease) in cash		**1,121,752**	(635,314)
Cash at beginning of the year		**14,660,080**	16,307,029
Effects of exchange rate changes on the balance of cash held in foreign currencies		**(8,581)**	(8,154)
Cash at end of the period		**$15,773,251**	$15,663,561

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

1. DESCRIPTION OF BUSINESS

Questor Technology Inc., incorporated in Canada under the Business Companies Act (Alberta) is an environmental emissions reduction technology company founded in 1994, with global operations. The Company is focused on clean air technologies that safely and cost effectively improve air quality, support energy efficiency and greenhouse gas emission reductions. The Company designs, manufactures and services high efficiency clean combustion systems that destroy harmful pollutants, including Methane, Hydrogen Sulfide gas, Volatile Organic Hydrocarbons, Hazardous Air Pollutants and BTEX (Benzene, Toluene, Ethylbenzene and Xylene) gases within waste gas streams at 99.99 percent efficiency. This enables its clients to meet emission regulations, reduce greenhouse gas emissions, address community concerns and improve safety at industrial sites. The Company also has proprietary heat to power generation technology and is currently targeting new markets including landfill biogas, syngas, waste engine exhaust, geothermal and solar, cement plant waste heat in addition to a wide variety of oil and gas projects. The Company is also doing research and development on data solutions to deliver an integrated system that amalgamates all of the emission detection data available and demonstrates how Questor's clean combustion and power generation technologies can be used to help clients achieve zero emission targets.

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 –4 Avenue S.W. Calgary, Alberta, Canada, T2P 3N3.

2. BASIS OF PREPARATION

(a) Statement of ccompliance

These unaudited interim condensed interim consolidated financial statements (the "financial statements") have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting* using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These financial statements are condensed as they do not include all of the information required by IFRS for annual financial statements and therefore should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2021. All financial information is reported Canadian dollars, unless otherwise noted.

These financial statements were authorized for issue by the Company's Board of Directors on May 25, 2022.

(b) Basis of measurement

These financial statements have been prepared on the historical cost basis except for certain financial instruments that have been measured at fair value.

Certain comparative figures in the condensed consolidated notes to the financial statements have been reclassified to conform to the current year's presentation.

(c) Accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the consolidated financial statements as of and for the year ended December 31, 2021.

There are standards and interpretations that are issued, but not yet effective, however the Company does not expect them to have any significant impact on the Company's financial statements in the future periods.

(d) Significant accounting estimates and judgements

The preparation of the interim condensed consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported assets, liabilities, revenues, expenses and the disclosure of contingencies. Actual results may differ significantly from these estimates. A description of the significant accounting judgements, estimates and assumptions are set out in annual audited financial statements for the year ended December 31, 2021.

3. PROPERTY AND EQUIPMENT

Cost	Rental incinerators and trailers	Light vehicles, tools & equipment	Office equipment & leasehold improvements	Total
Balance at December 31, 2021	$21,862,198	$1,272,587	$335,171	$23,469,956
Additions	**-**	**16,688**	**1,345**	**18,033**
Foreign currency translation	**-**	**(11,573)**	**(371)**	**(11,944)**
Balance at March 31, 2022	**$21,862,198**	**$1,277,702**	**$336,145**	**$23,476,045**
Accumulated depreciation				
Balance at December 31, 2021	$8,687,657	$779,951	$212,413	$9,680,021
Depreciation charges included in:				
Cost of sales	**483,372**	**46,759**	**2,131**	**532,262**
Depreciation expense	**-**	**-**	**7,014**	**7,014**
Foreign currency translation	**-**	**(7,607)**	**(113)**	**(7,720)**
Balance at March 31, 2022	**$9,171,029**	**$819,103**	**$221,445**	**$10,211,577**
Carrying amounts				
Balance at December 31, 2021	$13,174,541	$492,636	$122,758	$13,789,935
Balance at March 31, 2022	**$12,691,169**	**$458,599**	**$114,700**	**$13,264,468**

4. INTANGIBLE ASSETS

Cost	Heat to power development	Software and data system	Patents and other	Total
Balance at December 31, 2021	$2,544,547	$238,010	$359,034	$3,141,591
Additions	**271,051**	**-**	**-**	**271,051**
Balance at March 31, 2022	**$2,815,598**	**$238,010**	**$359,034**	**$3,412,642**
Accumulated Amortization				
Balance at December 31, 2021	$1,811,166	$19,834	$352,393	$2,183,393
Amortization	**14,440**	**19,834**	**757**	**35,031**
Balance at March 31, 2022	**$1,825,606**	**$39,668**	**$353,150**	**$2,218,424**
Carrying Amounts				
Balance at December 31, 2021	$733,381	$218,176	$6,641	$958,198
Balance at March 31, 2022	**$989,992**	**$198,342**	**$5,884**	**$1,194,218**

In the first quarter of 2022, the Company capitalized costs of $271,051 ($nil in the first quarter of 2021) associated with its waste heat to power project that is being partially funded by Sustainable Development Technology Canada ("SDTC") (see note 7). The Company has also expensed certain administrative costs relating to this waste heat to power project and other research and development project costs that do not yet meet the criteria for capitalization in the amount of $149,903 in 2021 ($45,574 in the first quarter of 2021).

5. BORROWING FACILITIES

(a) Operating Loan Facility

As of March 31, 2022, the Company has in place a revolving demand operating loan facility, which is available to a maximum of $1,000,000 (December 31, 2021 - $1,000,000), subject to specified margin requirements. The revolving demand operating loan bears interest at bank prime plus 1 percent per annum (December 31, 2021 – bank prime plus 1 percent). Up to $100,000 (December 31, 2021 - $100,000) of this loan is available to secure the issue of letters of credit and/or letters of guarantee for suppliers. No amounts were drawn as of March 31, 2022 or December 31, 2021.

(b) Capital Loan Facility

The capital loan facility was secured to assist in the financing of capital expenditures. The facility makes available a revolving demand capital loan to a maximum of $5,000,000 (December 31, 2021 - $5,000,000). The revolving demand capital loan bears interest at bank prime plus 1.25 percent per annum. No amounts were drawn as of March 31, 2022 or December 31, 2021.

The capital loan is available by way of multiple advances by delivery of a required notice to the bank. The initial advance, to a maximum amount of 60 percent of net book value ("NBV"), can be made available and completed based on the NBV of existing fixed assets. Fixed assets are defined as rental fleet, equipment and vehicles/trailers.

Subsequent advances are to be supported by a true and complete summary of capital expenditures, to a maximum amount of 100 percent of costs incurred.

The combined advances of the capital loan facility cannot, at any time, exceed 60 percent loan to value ("LTV") of the combination of: i) NBV of fixed assets, as per the most recent fiscal year-end financial reporting; and, ii) the aggregate amount of all invoices funded under the capital loan facility subsequent to the most recent fiscal year end reporting but prior to updated reporting being received. Should advances exceed 60 percent LTV, the Company is to pay down the capital loan by an amount equal to or greater than that which is required to reduce LTV to less than or equal to 60 percent, based on the then most recent reporting.

(c) Borrowing Facilities

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 the borrowing facilities covenants as at March 31, 2022 and December 31, 2021. No amounts have been drawn on the borrowing facilities as of March 31, 2022 or December 31, 2021.

None of the borrowing facilities are subject to standby fees and there is no specified facility expiration or renewal date. The Company has provided a general security agreement and an assignment of insurance proceeds as security.

6. RIGHT-OF-USE ASSETS AND LEASE OBLIGATIONS

The Company's leasing activities comprise buildings and yard leases.As at March 31, 2022, the carrying amounts of the Company's recognized right-of-use assets are $527,913 (December 31, 2021- $587,541). The following table sets out the movement in the lease obligations:

Lease Obligations	
Balance at December 31, 2021	$623,595
Additions	**-**
Interest	**7,501**
Lease payments	**(61,433)**
Foreign currency translation	**(4,195)**
Balance at March 31, 2022	**$565,468**
Lease obligations due within one year	$225,975
Lease obligations due beyond one year	339,493
	$565,468

7. GOVERNMENT GRANTS AND DEFERRED GRANT BENEFITS

(a) Western Economic Diversification Grant

Balance at December 31, 2021	$716,927
Additions	**-**
Accretion	**21,723**
Repayments	**-**
Balance at March 31, 2022	**$738,650**
Current portion	80,400
Long-term portion	638,250
	$738,650

(b) Deferred grant benefits

	Alberta Innovates	Sustainable Development Technology Canada	Western Economic Diversification	Total
Balance at December 31, 2021	$13,982	$ -	$249,259	$263,241
Additions	**-**	**750,209**	**-**	**750,209**
Recognized	**(13,982)**	**-**	**(21,723)**	**(35,705)**
Balance at March 31, 2022	**$ -**	**$750,209**	**$227,536**	**$977,745**
Current portion	-	750,209	92,872	843,081
Long-term portion	-	-	134,664	134,664
	$ -	**$750,209**	**$227,536**	**$977,745**

8. TAXES

Income tax expense is recognized based on Management's best estimate of the weighted average annual effective income tax rate expected for the full financial year. There is no current income tax expense or recovery recognized for the three months ended March 31, 2022.

9. ISSUED CAPITAL

The Company is authorized to issue an unlimited number of common shares. As of March 31, 2022 the Company has 27,761,858 shares issued and outstanding (December 31, 2021 - 27,761,858).

For the three months ended March 31,	**2022**	2021
Loss for the period	**$(365,620)**	$(885,887)
Weighted average number of common shares, basic and diluted	**27,761,858**	27,423,453
Basic and diluted loss per share	**$(0.01)**	$(0.03)

The calculation of diluted loss per share for the period ended March 31, 2022 and March 31, 2021 excludes the effects of Stock Options and PSU's and RSU's, as their impacts would be anti-dilutive.

10. SHARE-BASED PAYMENTS

The Company has a stock option plan, restricted share unit plan and performance share unit plan for the directors, officers, consultants and key employees and affiliates of the Company. Total share-based payment costs associated with these plans for three months ended March 31, 2022 were $100,587 (2021 - $129,758).

(a) Stock options

The following table provides a continuity of the Company's stock option plan in units.

	Number	Exercise price (1)
Balance at December 31, 2021	**317,625**	**3.28**
Granted	**-**	**-**
Forfeited	**(2,250)**	**5.09**
Exercised	**-**	**-**
Balance at March 31, 2022	**315,375**	**3.27**
Exercisable at March 31, 2022	**235,375**	**3.05**

(1) *Weighted average.*

(b) Performance Share Unit and Restricted Share Unit Plan

The following table provides a continuity of the Company's PSU&RSU plan in units.

	PSUs	RSU's
Balance at December 31, 2021	173,453	362,735
Granted(1)	**-**	**30,000**
Forfeited	**-**	**(27,074)**
Settled	**-**	**-**
Balance at March 31, 2022	**173,453**	**365,661**

(1)*On February 4, 2022, the Company granted 30,000 RSU's to an employee at a fair value of $1.45 per unit.*

11. REVENUE BY GEOGRAPHIC SEGMENT

The Company reports its financial results as one reportable segment as this is how the financial information is reviewed by the chief decision makers of the Company. The following table provides information regarding revenue on a geographic basis as determined by the location of the customer or third party.

For the three months ended March 31, 2022	Canada	United States	Consolidated
Equipment sales	**$1,825,593**	**$7,702**	**$1,833,295**
Equipment rentals	**-**	**597,754**	**597,754**
Equipment service & repairs	**20,811.00**	**135,847**	**156,658**
	$1,846,404	**$741,303**	**$2,587,707**

For the three months ended March 31, 2021	Canada	United States	Consolidated
Equipment sales	$829,348	$61,140	$890,488
Equipment rentals	-	542,260	542,260
Equipment service & repairs	43,605	72,038	115,643
	$872,953	$675,438	$1,548,391

The following table provides information regarding the location of the Company's non-current assets on a geographic basis.

Intangible assets

As at	March 31, 2022
Canada	**$1,194,218**
United States	**-**
	$1,194,218

Property and equipment and right of use assets

As at	March 31, 2022
Canada	$903,876
United States	12,888,505
	$13,792,381

12. FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist of cash and cash equivalents, trade, contract assets and other receivables, trade payables, accrued liabilities and provisions, and a repayable government grant. The Company did not hold any derivative financial instruments during the period.

Fair values

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 except for the repayable government grant. Judgment is required in interpreting market data to develop the estimates of fair value. These estimates are not necessarily indicative of the amounts we could realize in current markets. The fair value of the government grant is determined based on market-based prices and is classified as Level 2 on the fair value hierarchy.

Credit risk

Credit risk arises from the potential that one or more counterparties fail to meet their obligations.Substantial amounts of the Company's trade and contract receivables, which relate to the Company's revenues, are with customers in the oil and gas industry and are subject to normal industry credit risks. The Company mitigates this risk through its credit policies and practices including the use of credit limits and approvals, and by monitoring the financial condition of its customers. Payment terms with customers vary by contract. Standard payment terms are 30 days from invoice date.

At March 31, 2022, the Company's receivables greater than 90 days includes an amount of $816,500 related to delays in commissioning three waste heat to power facilities in Mexico. While the customer has a contractual obligation to pay for the work, the remaining payment is not due until commissioning is completed. The Company has letters of credit in place to cover the amount owing, therefore the balance has been excluded from the estimated credit loss calculation. Subsequent to March 31, 2022, the Company has made significant progress towards completing the commissioning of the waste heat to power facilities in Mexico. All of the remaining equipment is in Mexico and the Questor team is on site completing pre-commissioning activities. Questor's partners are scheduled to join the team in June for the final start up. The letters of credit supporting the outstanding trade receivables of $0.9 million are being extended to June 30, 2022.

The Company is also exposed to the risk of dependence on a few customers for a significant amount of the Company's revenue. The Company notes that equipment sales revenue which comprises a significant portion of total revenue, generally relates to a small number of customers each year but these customers change each year. The Company bills and collects equipment revenue throughout the contract which reduces collection risk. There is a concentration of rental and related service repair revenue. For the three months ended March 31, 2022, there were two customers who comprised 82 percent of total rental, service and repair revenue (March 31, 2021 – 37 percent).

Liquidity risk

The Company mitigates its liquidity risk by maintaining adequate banking and credit facilities and monitoring its forecast and actual cash flows. The Company may also adjust its capital spending to maintain liquidity. The Company has positive net working capital as of March 31, 2022 of $16,096,435 (December 31, 2021 - $16,274,715).

Foreign currency risk

The Company is exposed to foreign exchange risk associated with foreign operations where assets, liabilities, revenue and costs are denominated in US dollars. The impact of this exposure is recorded as a cumulative translation adjustment in other comprehensive income. The net foreign exchange impact for the three months ended March 31, 2022 is a loss of $19,527.

The Company is also exposed to the impact of foreign currency fluctuations in its Canadian operations on sales and purchases of products and services from vendors primarily in the United States which resulted in a foreign exchange loss of $40,963 for the three months ended March 31, 2022. The Company mitigates some of the foreign currency risk by keeping a US dollar bank account to receive US payments and fund US dollar purchases.

13. COMMITMENTS AND CONTINGENCIES

The Company has lease commitments for premises and storage facilities as disclosed in note 22 of the annual financial statements. During the three months ended March 31, 2022, the Company has entered into purchase commitments for materials required to build the 1500kw prototype unit for its waste heat to power research and development project in the amount of $746,000.

During the three months ended March 31, 2022, the Company continued to pursue its claim against Emissions RX related to infringement on the Company's intellectual property. From time to time, the Company is also subject to other legal proceedings, settlements, investigations, claims and actions arising from the normal course of business. While the final outcome of such actions and proceedings cannot be predicted with certainty, the Company believes that the resolution of such matters will not have a material impact on the Company's financial position or results of operations as at March 31, 2022.

14. RELATED PARTY TRANSACTIONS

The Company defines key management personnel as being the directors, Chief Executive Officer, Chief Financial Officer, and Chief Operating Officer. In addition to their salaries, benefits and directors' fees, the Company also provides non-cash benefits including participation in the Company's stock option, RSU and PSU plans. There were no other related party transactions during the three months ended March 31, 2022.