QMI SEISMIC INC.

Interim Financial Statements

For the three and nine months ended September 30, 2010
(Amended on April 26, 2011)
(Unaudited - Prepared by management)
Expressed in Canadian dollars

NOTICE TO READER

Amended Interim Financial Statements

On July 31, 2010, the Company agreed to acquire 100% interest of QMI Technologies Inc. from QMI Manufacturing Inc. for the consideration of 20,400,001 common shares in the equity of the Company (the"Acquisition"). As a result, the Company's interim financial statements for the three and nine months ended September 30, 2010, filed on SEDAR November 29, 2010, were originally presented on a consolidated basis and included both the accounts of QMI Technologies Inc. and the Company.

However, the Company was never able to obtain operational control over QMI Technologies Inc. As a result, the Company has reached an agreement with QMI Manufacturing Inc. on March 31, 2011 to cancel the Acquisition (the "Unwinding"), whereby both the Company and QMI Manufacturing Inc. are released from the Acquisition and QMI Manufacturing Inc. has returned the 20,400,001 common shares for cancellation. As a result of the Unwinding, on April 26, 2011, the Company amended its unaudited interim financial statements, including the applicable notes, for the three and nine months ended September 30, 2010 (the "Amended 2010 Q3 Financial Statements") to reflect the Unwinding. Only the accounts of the Company are included in these Amended 2010 Q3 Financial Statements. See Note 3 and 7(C) for details.

Unaudited Interim Financial Statements

In accordance with National Instrument 51-102 released by Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the interim financial statements for the three and nine months ended September 30, 2010

QMI SEISMIC INC.

Balance Sheets

(**Unaudited** - Expressed in Canadian Dollars)

	September 30 2010	December 31 2009
Assets		
Current assets		
Cash	21,576	1
Prepaid expense	2,897	–
HST receivables	3,263	–
	27,736	1
License (Note 6)	1	–
Note receivable (Note 7c)	1	–
	27,738	1
Liabilities and Shareholders' Deficiency		
Current liabilities		
Accounts payable and accrued liabilities	12,764	4,000
Amont due to related party (Note 6a)	200,000	–
	212,764	4,000
Shareholders' Deficiency		
Share capital (Note 4b)	150,001	1
Subscription received (4e)	46,200	–
Deficit	(381,227)	(4,000)
	(185,026)	(3,999)
Total Liabilities and Shareholders' deficiency	27,738	1

Nature and continuance of operation (Note 1)

See accompanying notes to financial statements

Approved on behalf of the Board of Directors

"Navchand Jagpal"
Director

" Tom Kennedy "
Director

QMI SEISMIC INC.

Statement of Operations and Comprehensive loss

(Expressed in Canadian Dollars)

(Unaudited)

	Three months ended September 30		Nine months ended September 30	
	2010	**2009**	**2010**	**2009**
Operating expenses				
Consulting	$ 10,592	–	$ 15,042	–
Interest and bank charges	170	–	393	–
Office and administration	3,098	–	3,648	–
Occpancy expenses	1,219	–	5,219	–
Professional fees	11,984	–	14,345	–
Trust and filing fees	3,428	–	30,126	–
Loss from operation	(30,491)	–	(68,773)	–
Loan loss provision (Note 7c)	(308,454)	–	(308,454)	–
Loss and comprehensive loss for the period	$ (338,945)	$ -	$ (377,227)	$ -
Loss per share, basic & diluted	$ (0.02)	$ -	$ (0.02)	$ -
Weighted average number of common shares outstanding	19,479,547	–	18,532,395	–

See accompanying notes to financial statements

QMI SEISMIC INC.

Statement of Shareholders' Deficiency

Expressed in Canadian Dollars except for number of shares

(Unaudited)

	Number of Outstanding Shares	Share Capital	Subscription received	Contributed Surplus	Accumulated Comprehensive Income	Deficit	Total Shareholders' Deficiency
		$	$	$	$	$	$
Incorporation on October 16, 2009	1	1	–	–	–	–	1
Loss for the period from October 16, 2009 to December 31, 2009	–	–	–	–	–	(4,000)	(4,000)
Other comprehensive income (loss)	–	–	–	–	–	–	(4,000)
Balance, December 31, 2009	1	1	–	–	–	(4,000)	(3,999)
Share cancellation	(1)	(1)	–	–	–	–	(1)
Share issuance - plan of arrangement (Note 6b)	17,583,372	1	–	–	–	–	1
Share issuance - May 2010 private placement (Note 4d)	2,000,000	100,000	–	–	–	–	100,000
Share issuance - July 2010 private placement (Note 4d)	1,000,000	50,000	–	–	–	–	50,000
Subscription received - August private placement (Note 4e)	–	–	46,200	–	–	–	46,200
Loss for the period	–	–	–	–	–	(377,227)	(377,227)
Other comprehensive income (loss)	–	–	–	–	–	–	–
Balance, September 30, 2010	20,583,372	150,001	46,200	–	–	(381,227)	(185,026)

See accompanying notes to financial statements

QMI SEISMIC INC.

Statement of Cash Flows

(Expressed in Canadian Dollars)

(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2010	**2009**	**2010**	**2009**
Cash provided by (used for)				
Operating activities				
Loss for the period	$ (338,945)	$ -	$ (377,227)	$ -
Non-cash items				
Loan loss provision (Note 7c)	308,454	–	308,454	–
Changes in non-cash working capital				
HST receivable	(1,272)	–	(3,263)	–
Prepaid expenses	(2,000)	–	(2,897)	–
Accounts payable and accrued liabilities	4,620	–	8,764	–
Cash used for operating activities	(29,143)	–	(66,169)	–
Financing activities				
Capital stock issuance	50,000	–	149,999	–
Subscription received (Note 4e)	46,200	–	46,200	–
Amount due from QMI Technology	(308,455)	–	(308,455)	–
Amount due to related parties	200,000	–	200,000	–
Cash generated from (used for) investing activities	(12,255)	–	87,744	–
Increase (decrease) in cash	(41,398)	–	21,575	–
Cash, beginning of period	62,974	–	1	–
Cash, end of the period	$ 21,576	$ -	$ 21,576	$ -
Supplementary information:				
Cash paid for interest expense	$ 170	$ -	$ 393	$ -
Non-cash transactions:				
1) Issuance of 17,583,372 shares for the acquisition of license in $1				

See accompanying notes to financial statements

1. NATURE, CONTINUANCE OF OPERATIONS, AND BASIC OF PRESENTATION

QMI Seismic Inc. (the "Company") was incorporated under the Business Corporation Act (British Columbia) on October 16, 2009 in British Columbia, Canada. Pursuant to the Plan of Arrangement between the Company and its former parent company, Arris Resources Inc. ("Arris"), (which changed its name to RTN Stealth Software Inc. ("RTN") on December 21, 2009) dated November 2, 2009, the Company has acquired an exclusive distribution agreement from RTN to distribute three types of products: Seismic Sensor 2700, RF Quake, and Watch Dog (the "License") from RTN as part of the Plan of Arrangement. As consideration for the acquisition of the License, the Company issued 17,583,372 common shares to RTN (Note 5), which were distributed to the shareholders of RTN pro-rata based on their relative shareholdings of RTN.

These interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company is in an early stage that has limited amount of income. Thus, the Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. The Company was able to raise equity or debt financing to support its operations in the past but there is no assurance that the Company will be able to do so in the future because of the uncertainty of the current economy and capital market. These interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in business.

These interim financial statements have been prepared in accordance with Canadian GAAP for interim financial statements, they do not include all the disclosures as required for annual financial statements under generally accepted accounting principles. These interim financial statements should be read in conjunction with the Company's audited annual financial statements for the most recent year ended December 31, 2009, which are available through the internet on SEDAR at www.sedar.com.

Operating results for the three and nine months ended September 30, 2010 are not necessarily indicative of the results that may be expected for the full year ending December 31, 2010 or for any other periods.

2. CHANGE IN ACCOUNTING POLICIES

a. New accounting policies adopted

Business combinations, Section 1582; financial statements, section 1601; non-controlling interests, section 1602

Section 1582 replaces the former Business Combinations, Section 1581, and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to International Financial Reporting Standard IFRS 3, "Business Combinations".

Section 1601, together with new Section 1602, replace the former Financial Statements, Section 1600, establish standards for the preparation of financial statements.

Section 1582, 1601, 1602 apply prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Earlier adoption is permitted. If an entity elects to early adopt section 1582, the entity is also required to early adopt Section 1602 and 1603.

The Company elected to early adopt sections 1582, 1601, and 1602, commencing January 1, 2010, the beginning of this fiscal year.

b. Future accounting changes

International financial reporting standards

The Canadian Accounting Standards Board ("AcSB") in 2006 published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with International Financial Reporting Standards ("IFRS") over a five-year transitional period.

In February 2008, the CICA Accounting Standards Board confirmed that the changeover to IFRS from Canadian GAAP will be required for publicly accountable enterprises, effective for the interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition from current Canadian GAAP to IFRS is a significant undertaking that may materially affect the Company's reported financial position and results of operations. The Company continues to monitor and assess the impact of the convergence of Canadian GAAP and IFRS on its financial statements. The Company is currently in the process of executing an IFRS conversion plan.

3. BUSINESS ACQUISITION

In July 2010, the Company entered into an agreement to acquire 100% interest of QMI Technology Inc. ("Qtech") from an un-related entity, QMI Manufacturing Inc. ("Qmanu). Under the terms of the acquisition of Qtech (the "Acquisition Agreement"), the Company acquired all of the issued and outstanding common shares of Qtech in exchange for 20,400,001 common shares in the equity of the Company. The Company never assumed operations of Qtech and this Acquisition Agreement was cancelled on March 31, 2011 by both parties. Details of the cancellation are discussed in Note 7 (C) - subsequent events.

4. CAPITAL STOCK

a. Authorized: Unlimited common shares without par value
Unlimited preferred shares without par value

b. Issued and Outstanding:

	Number of Shares		Amount
Common share issued on incorporation	1	$	1
December 31, 2009	1		1
Common share cancellation	(1)		(1)
Common share issued for the acquisition of the License (Note 5b)	17,583,372		1
Private placement, May 2010 (Note 4d)	2,000,000		100,000
Private placement, July 2010 (Note 4d)	1,000,000		50,000
September 30, 2010	20,583,372		150,001

c. Stock Options:

Pursuant to resolutions at a special meeting held together with RTN (the former parent company) on December 8, 2009, the Company received shareholders' approval to adopt an incentive stock option plan (the "Option Plan") which provides that the Board of Directors of the Company may, from time to time, in accordance with CNSX requirements, grant to directors, officers, employees, management companies and consultants to the Company, non-transferable options to purchase common shares. Included in the Option Plan are provisions that provide that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. At the discretion of the Board of Directors of the Company, options granted under the Option Plan can have a maximum exercise term of 5 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors. There were no options granted or outstanding as at September 30, 2010.

d. Share Purchase Warrants:

On April 5, 2010 the Company completed a private placement issuing a total of 2,000,000 security units ("Unit A") at a price of $0.05 per Unit A. Each Unit A consists of one common share and one common share purchase warrant. Each common share purchase warrant entitles the holder to purchase, for a period of two years, one additional common share at an exercise price of $0.07 per share.

On July 7, 2010 the Company completed a private placement for issuing a total of 1,000,000 security units ("Unit B") at a price of $0.05 per Unit B. Each Unit B consists of one common share and one common share purchase warrant. Each common share purchase warrant entitles the holder to purchase, for a period of two years, one additional common share at an exercise price of $0.07 per share.

The Company is a new public company that does not have sufficient price history of its common shares that is required to estimate the fair values of the share purchase warrants issued. It is management's opinion that the fair value of the share purchase warrants is not readily available. As

4. CAPITAL STOCK (Continued)

a result, the Company recorded all of the proceeds from the above mentioned two private placements, totalling $150,000, to its share capital and $nil to contributed surplus to account for the issuance of share purchase warrants.

As at September 30, 2010, the Company had 3,000,000 common share purchase warrants outstanding, with an average exercise price of $0.07/share, and an average remaining life of 1.42 years with following details:

Number of warrants outstanding	Remaining life, September 30, 2010	Exercise price
2,000,000	1.25 years	$0.07
1,000,000	1.75 years	$0.07

e. Subscriptions received

On August 24, 2010, the Company announced its intention to raise up to $500,000 in a private placement of up to 2,500,000 common shares at a price of $0.20 per common share. As at September 30, 2010, the Company has received $46,200 subscriptions for common shares (Note 7a).

5. CORPORATE RESTURCTURING

On November 2, 2009 the Company entered into the Plan of Arrangement (the "Arrangement Agreement") with RTN to proceed with a corporate restructuring by the way of statutory plan of arrangement whereby the Company would spin-out from the former parent and become a reporting issuer and acquire an asset from RTN. Under the Arrangement Agreement, RTN would transfer its interest in the License in exchange for 17,583,372 common shares of the Company (Note 6b). On the effective date of the Arrangement Agreement (January 5, 2010), each shareholder of RTN of record, as of the close of business on November 5, 2009, received their pro-rata share of the 17,583,372 common shares of the Company issued for the acquisition of the License.

6. RELATED PARTY TRANSACTIONS

a) As at September 30, 2010 the Company had a $200,000 balance due to Grand Peak Capital Corp. (2009 - $ nil), a company which is related to the Company by one common director. This payable is un-secured and non-interest bearing and was subsequently fully repaid in October, 2010.

b) The Arrangement agreement envisioned the transfer of the License from RTN to the Company, and the immediate distribution of a controlling interest in the common shares of the Company to the shareholders of RTN (Note 5). The shareholders of RTN at the time of the transfer continued to collectively own the License. Consequently, there was no substantive change in the beneficial ownership of the License at the time that the License was vended to the Company. As such the transfer of the License was recorded, in accordance with the Canadian generally accepted accounting principles, at the carrying values of the License in the accounts of RTN ($1).

7. SUBSEQUENT EVENTS

a) In August, 2010 the Company announced its intention to raise up to $500,000 by issuance of 2,500,000 common shares of the Company (Note 4e). Due to over subscription, the Company closed the private placement on November 26, 2010 and issued 3,025,000 common shares of the Company at $0.20 per common share for gross proceeds totaling $605,000. All securities issued are subject to a holding period that expires four months and one day from the closing date. The Company has paid a finder's fee to arm's length parties totaling $60,500. The company will use the proceeds for general working capital.

b) On November 18, 2010, the Company entered into a consulting agreement with Cronos Management Consultants Inc. ("Cronos"). The Company agreed to engage Cronos to manage public company corporate affairs and assist in attracting investment and finding strategic financial partners. The Company has agreed to grant Cronos incentive stock options (the "Option") for the purchase of 2,100,000 common share of the Company at $0.20/share. The Options will expire five years from November 19, 2010, the grant date. In April 2011, all of these 2,100,000 stock options were cancelled by the Company.

c) On July 31, 2010, the Company agreed to acquire 100% interest of Qtech from Qmanu. As a result, the Company's interim financial statements for the three and nine months ended September 30, 2010, filed on SEDAR November 29, 2010, were originally presented on a consolidated basis and included both the accounts of Qtech and the Company for the same period.

However, the synergies from the Acquisition did not materialize as expected and the Company never obtained operational control over Qtech. As a result, the Company has reached an agreement with Qmanu on March 31, 2011 to cancel the Acquisition (the "Unwinding"), whereby both the Company and Qmanu are released from the Acquisition and Qmanu returned the 20,400,001 common shares issued for the Acquisition, these shares have been returned and cancelled. As a result, the Company has amended its interim financial statements (the "Amended 2010 Q3 Financial Statements") for the three and nine months ended September 30, 2010 to reflect the Unwinding. Only the accounts of the Company are included in this Amended 2010 Q3 Financial Statements.

As at September 30 and December 31, 2010, the Company had a balance owing of $308,455 and $521,210 due from Qtech respectively. On March 31, 2011, the Company agreed to convert the $521,210 balance owing into a $400,000 promissory note ("Promissory Note') and the balance settled in consideration for distribution rights of Qtech products. The Promissory Note bears interest at 2% per annum, compounds monthly, and is due and payable in three installments: $50,000 principal on March 31, 2012, $50,000 principal on March 31, 2013, and $300,000 principal and accrued interest on March 31, 2014. The Promissory Note is secured by a general security agreement over the assets of Qtech. Due to uncertainty with the collectability of the Promissory Note, the Company recorded a loan loss provision of $308,454 and $521,209 on September 30 and December 31, 2010 respectively.