QMI SEISMIC INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE
THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2010

EXPLANATORY NOTE

On April 26, 2011, QMI Seismic Inc. ("QMI" or the "Company") has amended its unaudited interim financial statements, including the applicable notes, for the three and nine months ended September 30, 2010. The reason of the amendment is discussed in the section "Acquisition Agreement" of this Management Discussion & Analysis ("MD&A"). As a result, the Company has amended its MD&A for the same interim periods as follows.

DATE AND SUBJECT OF REPORT

The following MD&A is intended to assist in the understanding of the trends and significant changes in the financial condition and results of the operations of QMI for three and nine months ended September 30, 2010. The MD&A should be read in conjunction with the amended unaudited interim financial statements for the three and nine months ended September 30, 2010 ("Amended 2010 Q3 Financial Statements") and the audited financial statements for the years ended December 31, 2009 and 2010, which are available at www.sedar.com. This MD&A is dated April 26, 2011.

FORWARD LOOKING STATEMENTS

The information set forth in this MD&A contains statements concerning future results, future performance, intentions, objectives, plans and expectations that are, or may be deemed to be, forward-looking statements. These statements concerning possible or assumed future results of operations of the Company are preceded by, followed by or include the words 'believes,' 'expects,' 'anticipates,' 'estimates,' 'intends,' 'plans,' 'forecasts,' or similar expressions. Forward-looking statements are not guarantees of future performance. These forward-looking statements are based on current expectations that involve numerous risks and uncertainties, including, but not limited to, those identified in the Risks and Uncertainties section.

Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate. These factors should be considered carefully, and readers should not place undue reliance on forward-looking statements. QMI Seismic Inc. has no intention and undertakes no obligation to update or revise any forward-looking statements, whether written or oral that may be made by or on the Company's behalf.

COMPANY OVERVIEW & OVERALL PERFORMANCE

QMI was incorporated on October 16, 2009 under the Business Corporation Act of British Columbia as a wholly owned subsidiary of Arris Resources Inc. ("Arris"), which subsequently changed its name to RTN Stealth Software Inc. ("RTN"). 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 whereby the Company would spin-out from RTN and become a reporting issuer and acquire an asset from RTN. Under the Arrangement Agreement, RTN would transfer its interest in an exclusive distribution agreement of seismic sensors in India (the "License") in exchange for 17,583,372 common shares of the Company. 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.

At the completion of the Arrangement Agreement, the common shares of the Company started to trade on the Canadian National Stock Exchange ("CNSX") on April 29, 2010.

<u>Acquisition Agreement</u>
Effective July 31, 2010, the Company agreed to acquire a 100% interest of QMI Technologies Inc. ("Qtech") from an un-related entity, QMI Manufacturing Inc. ("Qmanu). Under the terms of the acquisition of Qtech (the "Acquisition"), 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. As a result, the Company's interim financial statements for the three and nine months ended September 30, 2010, that was filed to SEDAR on November 29, 2010, was originally reported on a consolidated basis that included both the accounts of Qtech and QMI Seismic Inc. for the same period.

However, the synergies from the Acquisition did not materialize as expected and the Company did not obtain operational control over Qtech. As a result, the Company reached an agreement with Qtech on March 31, 2011 to cancel the Acquisition (the "Unwinding"), whereby both the Company and Qmanu are released from the Acquisition and Qmanu will return to the Company 20,400,001 common shares issued for the Acquisition. These 20,400,001common shares have been received and cancelled as of the date of this MD&A. 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 QMI Seismic Inc are included in the 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 and the balance settled in consideration for distribution rights of Qtech products (the "Distribution Right"). The 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 has an interest rate of 2% per annum compound monthly and is due and payable in three installments: $50,000 on March 31, 2012, $50,000 on March 31, 2013, and remaining principal and accrued interest on March 31, 2014. The Promissory Note is secured by a General Security Agreement. This General Security Agreement includes all assets of the Qtech such as Machinery and Equipment; Inventory, Trademarks, Licenses and Certifications; and all accounts. The values of these assets as provided by managerial prepared financial statements are in excess of the value of the Promissory Note. The General Security Agreement also restricts the transfer or encumbrance of these assets without permission of the Company.

However, since there are no audited financials available for Qtech or valuation of assets provided by an Accredited Valuator there is uncertainty with respect to the recoverability of the Promissory Note in accordance with Canadian generally accepted accounting principles. Therefore management has treated the Promissory Note in conservative terms, decided to write down the Promissory Note to $1, and recorded a loan loss provision of $308,454 and $521,209 at September 30 and December 31, 2010 respectively. However, management will exercise its best efforts to collect the Promissory Note repayments when the three installments come due and use all legal and contractual methods as indicated in the General Security Agreement.

<u>Principal Business</u>
After the Unwinding as discussed in above section, management focused its efforts on developing the business of distribution of various electronic safety systems. However, management is also actively reviewing other business opportunities in other areas to maximize the value of the Company.

<u>Private Placement</u>
The Company completed two private placements, one in May and one in August 2010 resulting in the issue of 3,000,000 security units (the "Units") at a price of $0.05 per Unit, for proceeds totaling $150,000. Each Unit 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 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 $0.2 per common share (the "August Private Placement"). As at September 30, 2010, the Company has received $46,200 subscription of common shares. The August Private Placement was over-subscribed and completed in November 2010 to issue 3,025,000 common shares (the "Shares") at $0.20 per Share, for net proceeds totaling $544,500 after paying a finder's fee of $60,500.

<u>Option Issuance</u>
Subsequent to the quarter ended September 30, 2010, the Company entered into a consulting agreement with Cronos Management Consultants Inc. ("Cronos") in November 2010. The

Company agreed to engage Cronos for five years to manage public company corporate affairs and assist in attracting investment and finding strategic financial partners. The Company agreed to grant Cronos incentive stock options (the "Options") for the purchase of 2,100,000 common share of the Company at $0.20 per share. These options were vested immediately upon issuance and will expire in five years at November 19, 2015. The fair value of theses stock options at issuance is $418,545 or $0.199 per Option.

These 2,100,000 stock options were cancelled by the Company on April 20, 2011.

Ability to Continue as a Going Concern

The Amended 2010 Q3 Financial Statements have been prepared in accordance with Canadian generally accepted accounting principles 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 has incurred losses since inception and accumulated losses of $381,227. 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. The Amended 2010 Q3 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.

SELECTED QUARTERLY INFORMATION

The following table summarized the results of operations for the four most recent quarters of the Company since its incorporation (October 16, 2009) up to September 30, 2010. As discussed in the section "Acquisition Agreement", the Company has amended its financial statements for the three and nine months ended September 2010. This quarterly information includes the results from the Amended 2010 Q3 Financial Statements.

	2010	2010	2010	2009
	June 30 to September 30, 2010 (Amended on April 26, 2011)	April 1 to June 30, 2010	January 1 to March 31, 2010	October 16 to December 31, 2009
	$	$	$	$
Total Assets	27,738	65,863	101,030	1
Revenue	-	-	-	-
Interest income	-	-	-	-
Expenses	30,491	15,291	22,911	4,000
Net income (loss)	(338,945)	(15,291)	(22,911)	(4,000)
Earnings (loss) per share, basic & diluted	(0.02)	(0.00)	(0.00)	(0.00)

RESULTS OF OPERATIONS

For the nine months ended September 30, 2010

The Company was incorporated on October 16, 2009. As such, there is no comparison of current period's results with the same period in last year.

Loss for the current period is $377,227 which is a combined result of $68,773 operating expense, and $308,454 loss from write down of receivable from QMI Technology (the "Write Down").

Main components of the $68,773 operating expenses are $15,042 consulting fees, $14,345 professional fees, and $30,126 trust and filing fees. The consulting fees, professional fees, and the listing and filing fees were mainly used to support the operation and maintenance of the Company's listing status.

Cash and due to related parties has increased from the most recent year ended at December 31, 2009 by $21,575 and $200,000 respectively. The increase in cash balance is a combined result of the two private placements that happened before September 30, 2010 and the advance to Qtech which is discussed in the "Overall Performance" section. Increase in due to related party is used to finance the operation of the Company and the advance to Qtech during the current period.

For the three months ended September 30, 2010

Loss for the current period is $338,945 which is a combined result of $30,491 operating expense, and $308,454 loss from the Write Down.

Main components of the $30,491 operating expenses are $10,592 consulting fees and $11,984 professional fees. The consulting fees and professional fees were mainly used to support the operation and maintenance of the Company's listing status.

LIQUIDITY & CAPITAL RESOURCES

At September 30, 2010, the Company had a working capital deficiency of $185,028 (June 30, 2010: positive working capital $56,821). Decrease in working capital is mainly a result of paying off expenditures incurred in the current quarter and the advance made to Qtech.

As discussed in the overall performance section, the Company closed a private placement for gross proceeds of $605,000 (on November 26, 2010) subsequent to the end of current quarter. The Company has used this amount to finance its operations and to eliminate its working capital deficiency.

During the current quarter, there was no cash provided by (used in) investing activities; $12,255 was used in financing activities. This was a combined result of receiving $50,000 from its July private placement and $46,200 for the share subscription received from its August Private Placement, $200,000 cash inflow from related parties, and cash outflow for advancing $308,455to Qtech.

The Company had no material commitments for capital expenditures as of September 30, 2010.

The Company has a history of financing its operation and reaching its long range objectives through debt or equity financing in the past. However, the impacts of uncertainty in the current global capital market provide no guarantees that the Company can do so in the future.

OFF BALANCE SHEET ARRANGEMENTS

There are no off balance sheet arrangements.

PROPOSED TRANSACTIONS

The Company does not have other proposed transactions that may have material impacts to the Company.

TRANSACTIONS WITH RELATED PARTIES

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

b) The Arrangement Agreement (discussed in the "Overall Performance" section) envisioned the transfer of the License from RTN (the former parent of the Company) to the Company, and the immediate distribution of a controlling interest in the common shares of the Company to the shareholders of RTN. 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).

OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company has 23,608,372 common shares and 3,000,000 share purchase warrants ("Warrant") issued and outstanding. Each Warrant is convertible to a common share of the Company at $0.07 per share in 2 years after issuance. Details of the Warrants are as follows:

Number of warrants outstanding	Expiry date	Exercise price
2,000,000	March 16, 2012	$0.07
1,000,000	July 9, 2012	$0.07

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The Company's significant accounting policies and critical accounting estimates are outlined in the Note 2 to the Audited Financial Statements for the first year ended December 31, 2009 (available on internet at www.sedar.com). New accounting policies that have been adopted after December 31, 2009 are as follows:

Business combinations, Section 1582; consolidated 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 Consolidated Financial Statements, Section 1600, establish standards for the preparation of consolidated 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.

CONVERSION TO IFRS

In February 2008, the Canadian Accounting Standards Board announced that 2011 is the changeover date for publicly accountable profit-oriented enterprises to use IFRS, replacing Canadian GAAP for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The Company will commence reporting in IFRS in the first quarter of the 2011 fiscal year, with comparative figures. The Company has adopted a four phase approach to ensure successful conversion to IFRS, including:

Phase 1 - diagnostic impact assessment: This phase is essentially completed.

Phase 2 - design and planning: to identify specific changes required to existing accounting policies, information system, and business processes. This phase is essentially completed.

Phase 3 – solution development: to develop the Company's accounting policies among alternatives allowed under IFRS and the draft of IFRS financial statements. This phase is in the progress

Phase 4 – implementation: to execute the changes to information systems and business processes, completing formal authorization processes to approve recommended accounting policies changes and training programs across the Company's finance and other staff, as needed. This phase is in the progress.

The Company has completed the diagnostic impact assessment. While Canadian GAAP is in many respects similar to IFRS, conversion will result in differences in recognition, measurement, and disclosure in the financial statements. The following financial statement areas are expected to be impacted:

(i) Income Taxes
Under IFRS, a deferred tax asset is recognized to the extent it is "probable" that taxable profit will be available against which the deductible temporary differences can be utilized. Under Canadian GAAP, future tax assets are recognized if it is more likely than not that such an asset will be realized. The term "probable" is not defined in IAS 12. However, entities have often used a definition of "more likely than not" similar to Canadian GAAP. However, IAS 12 does not preclude a higher threshold. Accordingly, the Company believes a difference will not result as long as the Company uses more likely than not as its definition of probable.

(ii) Impairment of Assets
Under IAS 36, the Company shall assess at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the entity should estimate the recoverable amount of the asset. The indicators of impairment are generally consistent with those of Canadian GAAP. An asset should be written down to its recoverable amount if the recoverable amount is less than its carrying value.

The recoverable amount is equal to the higher of (a) the fair value less cost to sell and (b) its value in use. It is not necessary to determine both if one indicates that an impairment does not exist. The value in use is based on a discounted cash flow model. This approach is different than Canadian GAAP.

Under IFRS, to the extent possible, individual assets should be tested for impairment. However, if it is not possible to determine the recoverable amount of an individual asset, an entity should determine the recoverable amount of the cash generating unit ("CGU") to which the asset belongs. The definition of a CGU is different from the Canadian GAAP definition of an "asset group".

Under IAS 36, the Company would be required to reconsider whether there is any indication that an impairment loss recognized, if any, in a prior period may no longer exist or has decreased on transition and thereafter on an annual basis. If such indicators exist, a new recoverable amount should be calculated and all or part of the impairment charge should be reversed to the extent the recoverable amount exceeds its carrying value. This is different than Canadian GAAP where write ups are not permitted. As such, it is expected that there will be more fluctuation of income and loss in the future due to the potential write up and write down of assets.

FINANCIAL INSTRUMENT RISK EXPOSURE AND RISK MANAGEMENT

The Company's financial instruments consist of cash, receivable, promissory note, due to related parties, accounts payable and accrued liabilities. Cash is classified as held-for-trading, which require the financial instrument to be measured at fair value and the changes in fair value are recorded in the statements of operations. Receivables and promissory note are classified as loans and receivables and are measured at amortized cost. Due to related parties and accounts payable & accrued liabilities are classified as other financial liabilities and are measured at amortized cost.

Risk Management

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. The Company is subject to normal industry credit risks. The Company's other receivable balance may consist of amounts outstanding on Input Tax Credits from Canada Revenue Agency and has minimum credit risk. As a result, management believes the Company does not have a significant credit risk exposure

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2010, the Company had a cash balance of $21,756 to settle current liabilities of $212,764 which is considered inadequate. The Company has completed another private placement in November to eliminate the deficiency. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. As a result, the Company is considered having significant liquidity risk as at September 30, 2010.

Market risk-Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

Interest rate risk-Interest risk is the risk that the fair value of future cash flow will fluctuate as a result of changes in interest rate. The Company's sensitivity to interest rates is currently immaterial.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company holds no financial instruments that are denominated in a currency other than Canadian dollar. Therefore, the Company's exposure to currency risk is minimal.

RISKS AND UNCERTAINITIES

Capitalization Risk

It is anticipated that the Company will require additional capital to fully execute its long-term business objectives. There can be no assurance that it will be able to obtain any capital in the future, or that attempts to obtain capital in the future will result in terms that are beneficial to existing investors.

Profitability Risk

Although QMI Seismic will work to become profitable, there can be no assurance that factors beyond its control, such as, but not limited to, market acceptance of the Company's products, interest rates, raw material prices and the general economic climate.

Management Risk

The Company's success will also depend largely on the capability of its management. The management has limited experience in managing the growth of a developing business.

Marketing Risk

The Company will require the development of both marketing and sales capability. Currently, QMI Seismic has limited expertise and infrastructure in this functional area. The Company expects to sell both directly to the end user and indirectly through the development of strategic partnerships. No assurances can be provided that, given the time, capital and management resources required to do so, it will be able to successfully develop a diverse marketing and sales function.

Market Risk

The market for the Company's products is a frontier market. As such, there is little recognition in the end use market for water or seismic damage.

Insurance Industry Risk

The Company's marketing strategy assumes, in part, that it will be successful in lobbying insurance companies and insurance commissions to grant homeowner policy discounts to policy holders who utilize the products promoted by the Company to protect against losses due to water damage. The company cannot say if it will be successful in gaining any concessions.

External Risks

Given that the Company is embarking in a frontier market, consumers, suppliers and distributers must be educated before they are aware enough of the benefits being offered by the Company's products. There is no guarantee that the Company will be successful in this task.

Liability Risks

A product liability claim could result in considerable cost and diversion of management's efforts.

CONTROLS AND PROCEDURES

Our management, including our Chief Executive Officer and Chief Financial Officer, has evaluated our internal control over financial reporting to determine whether any changes occurred during the period that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. During the quarter ended September 30, 2010 there have been no changes that occurred that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Venture issuers are not required to include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109"). In particular, the Company's certifying officers are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Company's generally accepted accounting principles.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they make. Investors should be aware that inherent limitations on the ability of the Company's certifying officers to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

OFFICERS AND DIRECTORS

Navchand Jagpal	President, CEO & Director
Jamie Lewin	CFO
Thomas Kennedy	Director
Gurdeep Johal	Director

CONTACT ADDRESS

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