

**Form 45-106F1**  
***Report of Exempt Distribution***

This is the form required under section 6.1 of National Instrument 45-106 for a report of exempt distribution.

**Issuer/underwriter information**

**Item 1:**

**Full Name and Address of Issuer:**

QMI Seismic Inc.  
1250 West Hastings Street.  
Vancouver, BC V6Z 2E6

The distribution consisted of 20,400,001 Class A common shares without par value in the equity of the Issuer at a deemed price of CAD\$0.26 per share, as consideration for the acquisition all the issued and outstanding shares of QMI Technologies Inc., a British Columbia corporation, which was, at the time of the acquisition, a wholly owned subsidiary of QMI Manufacturing Inc., such that the shares in the equity of the Issuer were issued to QMI Manufacturing Inc. as consideration for the acquisition.

**Item 2:**

The issuer is a Reporting Issuer in British Columbia, Alberta and Ontario.

**Item 3:** Indicate the industry of the issuer by checking the appropriate box next to one of the industries listed below.

- |   |  |
|---|--|
| <input type="checkbox"/> Bio-tech                       | Mining   |
| Financial Services                                      | <input type="checkbox"/> exploration/development |
| <input type="checkbox"/> investment companies and funds | <input type="checkbox"/> production              |
| <input type="checkbox"/> mortgage investment companies  | <input type="checkbox"/> Oil and gas             |
| <input type="checkbox"/> Forestry                       | <input type="checkbox"/> Real estate             |
| x Hi-tech   | <input type="checkbox"/> Utilities               |
| <input type="checkbox"/> Industrial                     | <input type="checkbox"/> Other (describe)        |
-

## Details of distribution

### Item 4:

See Schedule I, attached.

### Item 5:

The distribution date was July 28, 2010.

### Item 6:

See Schedule I

**Item 7:** Complete the following table for each Canadian and foreign jurisdiction where purchasers of the securities reside. Do not include in this table, securities issued as payment for commissions or finder's fees disclosed under item 8, below.

Each jurisdiction where purchasers reside	Number of purchasers	Deemed Price per security (Canadian \$) <sup>1</sup>	Total dollar value raised from purchasers in the jurisdiction (Canadian \$) <sup>2</sup>
British Columbia	1	\$0.26	\$5,384,178
<b>Total number of Purchasers</b>	1		
<b>Total dollar value of distribution in all jurisdictions (Canadian \$)</b>			\$5,384,178

<sup>1</sup> Deemed price based on value of acquisition / number of shares issued, see note 2 below.

<sup>2</sup> This was a non-cash transaction, this figure represents the value of acquisition as determined at the time of the transaction.

## Commissions and finder's fees

### Item 8:

Item 8 does not apply, this was a non-brokered private placement and no one was compensated or will receive compensation in connection with the distribution.

### Item 9:

These securities were not distributed in Ontario.

Certificate

On behalf of the Issuer, I certify that the statements made in this report are true.

Date: August 10, 2010

QMI SEISMIC INC.

Name of Issuer (please print)

604-685-2542

Telephone Number

*“Navchand Jagpal”*

Navchand Jagpal, President & CEO

**Item 10:**

For inquiries regarding this report, you may contact

Lorraine Pike

QMI Seismic Inc.

Corporate Services Administrator

604-685-2542

**IT IS AN OFFENCE TO MAKE A MISREPRESENTATION IN THIS REPORT.**

## **Securities Regulatory Authorities and Regulators**

### **British Columbia Securities Commission**

P.O. Box 10142, Pacific Centre

701 West Georgia Street

Vancouver, British Columbia V7Y 1L2

Telephone: (604) 899-6500

Toll free in British Columbia and Alberta 1-800-373-6393

Facsimile: (604) 899-6506