QUANTUM INTERNATIONAL INCOME CORP
(Formerly E.G. Capital Inc.)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three and nine months ended November 30, 2014

(in U.S. Dollars)

(Unaudited)

QUANTUM INTERNATIONAL INCOME CORP
(Formerly E.G. Capital Inc.)
Condensed Interim Consolidated Financial Statements
(Unaudited)

Management Comments

These Condensed Interim Consolidated Financial Statements of Quantum International Income Corp. for the three and nine month periods ended November 30, 2014 and all the information contained in this interim financial report are the responsibility of management and have been approved by the Board of Directors.

January 29, 2015

Signed: ___(signed) Grant White_________
Grant White
Chief Executive Officer

QUANTUM INTERNATIONAL INCOME CORP

(Formerly E.G. Capital Inc.)

Condensed Interim Consolidated Statements of Financial Position

(Unaudited)

(All amounts in U.S. dollars)

	November 30, 2014 $	February 28, 2014 $	March 1, 2013 $
ASSETS			
Current assets			
Cash and cash equivalents (Note 5)	1,216,952	46,017	200,638
Accounts receivable (Note 6)	588,187	9,160	22,307
Medical supplies	76,014	-	-
Prepaid expenses and other	51,354	-	-
Total current assets	1,932,507	55,177	222,945
Non-current assets			
Advances to related parties (Note 14)	10,616	-	-
Long term deposits	85,156	-	-
Property and equipment	1,588,154	-	-
Intangible assets (Note 4)	1,831,303	-	-
Goodwill (Note 4)	143,580	-	-
Total non-current assets	3,658,809	-	-
TOTAL ASSETS	5,591,316	55,177	222,945
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and other liabilities (Note 7)	2,071,209	508,318	260,890
Income tax payable	7,699	-	-
Total liabilities	2,078,908	508,318	260,890
Equity			
Share capital (Note 8)	13,085,247	6,752,638	6,752,638
Contributed surplus (Note 8)	713,955	657,731	657,731
Accumulated other comprehensive income	2,137,760	2,096,581	2,080,176
Deficit	(12,238,258)	(9,960,091)	(9,528,490)
Equity attributable to owners	3,698,704	(453,141)	(37,945)
Non-controlling interest	(186,296)	-	-
Total equity	3,512,408	(453,141)	(37,945)
TOTAL LIABILITIES AND EQUITY	5,591,316	55,177	222,945

ON BEHALF OF THE BOARD

(signed) Manu Sekhri	(signed) Grant White
Manu Sekhri, Director	Grant White, Director

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

QUANTUM INTERNATIONAL INCOME CORP
(Formerly E.G. Capital Inc.)

Condensed Interim Consolidated Statements of Comprehensive Income
(Unaudited)
(All amounts in U.S. dollars)

	Three months ended		Nine months ended	
	November 30, 2014 $	**November 30, 2013 $**	**November 30, 2014 $**	**November 30, 2013 $**
REVENUE	94,773	-	94,773	-
Administrative expenses (Note 10)	(1,201,144)	(26,867)	(2,751,411)	(124,727)
Finance income	1,138	-	2,395	-
Finance costs	(2,018)	(35)	(9,631)	(70)
Gain (loss) on foreign exchange	18,701	-	15,158	(1,093)
Administrative and other expenses	(1,183,323)	(26,902)	(2,743,489)	(125,890)
LOSS BEFORE TAXES	(1,088,550)	(26,902)	(2,648,716)	(125,890)
Income taxes (Note 11)				
Current	-	-	-	-
NET LOSS	(1,088,550)	(26,902)	(2,648,716)	(125,890)
Other comprehensive income (loss)				
Foreign currency translation reserve	(30,410)	1,091	31,042	3,969
NET LOSS AND COMPREHENSIVE LOSS	(1,118,960)	(25,811)	(2,617,674)	(121,921)
Attributable to:				
Owners	(791,127)	(25,811)	(2,236,988)	(121,921)
Non-controlling interest	(327,833)	-	(380,686)	-
	(1,118,960)	(25,811)	(2,617,674)	(121,921)
Earnings (loss) per share attributable to owners				
Basic and diluted (Note 12)	(0.02)	(0.01)	(0.07)	(0.06)
Weighted average common shares issued and outstanding (Note 12)	44,522,733	1,900,105	30,293,340	1,900,105

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

QUANTUM INTERNATIONAL INCOME CORP
(Formerly E.G. Capital Inc.)

Condensed Interim Consolidated Statements of Changes in Equity
(Unaudited)
(All amounts in U.S. dollars)

	Attributable to Owners						
	Share Capital $	Contributed Surplus $	Deficit $	Accumulated Other Comprehensive Income $	Total $	Non-controlling Interest $	Total Equity $
Balance as at February 28, 2013	6,752,638	657,731	(9,528,490)	2,080,176	(37,945)	-	(37,945)
Net loss for the period	-	-	(125,890)	-	(125,890)	-	(125,890)
Foreign currency translation reserve	-	-	-	3,970	3,970	-	3,970
Balance as at November 30, 2013	6,752,638	657,731	(9,654,380)	2,084,146	(159,865)	-	(159,865)
Balance as at February 28, 2014	6,752,638	657,731	(9,960,091)	2,096,581	(453,141)	-	(453,141)
Equity issuance (Note 8)	6,939,844	-	-	-	6,939,844	-	6,939,844
Share based payments (Note 8)	15,998	56,224	-	-	72,222	-	72,222
Warrants exercised (Note 8)	56,934	-	-	-	56,934	-	56,934
Share issuance costs (Note 8)	(680,167)	-	-	-	(680,167)	-	(680,167)
Acquisitions (Note 4)	-	-	-	-	-	194,390	194,390
Net loss for the period	-	-	(2,278,167)	-	(2,278,167)	(370,549)	(2,648,716)
Foreign currency translation reserve	-	-	-	41,179	41,179	(10,137)	31,042
Balance as at November 30, 2014	13,085,247	713,955	(12,238,258)	2,137,760	3,698,704	(186,296)	3,512,408

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

QUANTUM INTERNATIONAL INCOME CORP
(Formerly E.G. Capital Inc.)

Condensed Interim Consolidated Statements of Cash Flows
(Unaudited)
(All amounts in U.S. dollars)

	Nine months ended November 30, 2014 $	Nine months ended November 30, 2013 $
OPERATING ACTIVITIES		
Net loss	(2,648,716)	(125,890)
Items not affecting cash		
Amortization of property plant and equipment and intangible assets	114,171	-
Net change in non-cash operating working capital (Note 15)	861,906	5,834
Cash flows used in operating activities	(1,672,639)	(120,056)
INVESTING ACTIVITIES		
Acquisition of MME interest, net of cash acquired (Note 4)	27,546	-
Purchase of Roseland Assets (Note 4)	(3,300,000)	-
License transfer costs (Note 4)	(58,000)	-
Long term deposit	(85,156)	
Additions to property, plant and equipment	(168,179)	-
Cash flows used in investing activities	(3,583,789)	-
FINANCING ACTIVITIES		
Proceeds from share issuance (Note 8)	6,939,844	-
Share issuance costs (Note 8)	(607,945)	-
Proceeds from warrants exercised (Note 8)	56,934	-
Cash flows from financing activities	6,388,833	-
Net change in cash and cash equivalents	1,132,405	(120,056)
Cash and cash equivalents, beginning of period	46,017	200,638
Foreign exchange impact on cash	38,530	(3,478)
Cash and cash equivalents, end of period	1,216,952	77,104
Supplemental information		
Interest paid	(143,772)	-
Interest received	2,395	-

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

1. REPORTING ENTITY

The business of Quantum International Income Corp. ("the Company" or "Quantum") is to identify, evaluate, acquire and develop businesses or assets with sustainable and growing cash flows across multiple sectors. The transactions described in Note 4 were completed effective August 28, 2014 in connection with a change of business transaction. Reactivation on the TSX Venture Exchange (the "Exchange") occurred on September 24, 2014.

Effective March 14, 2014, the name of the Company changed from "E.G. Capital Inc." to "Quantum International Income Corp".

The primary office is located at 79 Wellington St. West, Suite 1630, Toronto ON, M5K 1H1.

The condensed interim consolidated financial statements of the Company as at November 30, 2014 comprise the Company and its subsidiaries (collectively the "Group"). The Company's operating subsidiaries and ownership interests are as follows:

	Ownership interest
Multiple Media Entertainment Inc. ("MME")	66.7 %
Quantum CSS Holdings Corp ("CSS-H")	100 %
Centers for Special Surgery, LLC ("CSS")	50 %
Center for Special Surgery of Essex County, LLC ("CSS-Essex")	50 %

MME is incorporated in Ontario, CSS-H and CSS are Delaware companies and CSS-Essex is a New Jersey limited liability company.

2. BASIS OF PREPARATION

(a) Statement of compliance

These unaudited condensed interim consolidated financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting* issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim consolidated financial statements do not include all of the information required for annual financial statements prepared under International Financial Reporting Standards ("IFRS") and should be read in conjunction with the Company's audited consolidated financial statements and the notes thereto for the year ended February 28, 2014.

These unaudited condensed interim consolidated financial statements were approved by the Board of Directors on January 29, 2015.

(b) Basis of measurement

These condensed interim consolidated financial statements have been prepared on the historical cost basis except as permitted by IFRS and as otherwise indicated within these notes.

(c) Functional and presentation currency

These condensed interim consolidated financial statements are presented in United States dollars, which is the Company's functional currency.

2. BASIS OF PREPARATION (CONT'D)

(d) Basis of consolidation

The consolidated financial statements comprise the accounts of the Company and its subsidiaries.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the Company using consistent accounting policies. Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(e) Use of estimates and judgments

The preparation of the condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the condensed interim consolidated interim financial statements:

- i) the fair value of assets and liabilities acquired (Note 4),
- ii) the fair value of warrants issued in settlement of agent's fees (Note 8), and
- iii) deferred tax assets that are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized
- iv) Useful lives of property plant and equipment and intangible assets
- v) Control over CSS and CSS-Essex due to reasons other than percentage of ownership

3. SIGNIFICANT ACCOUNTING POLICIES

The unaudited condensed interim consolidated financial statements have been prepared, for all periods presented, following the same accounting policies and methods of computation as described in the Company's audited consolidated financial statements for the year ended February 28, 2014 with exception for the change in presentation currency.

The following accounting policies have become applicable and been applied in the preparation of these condensed interim consolidated financial statements:

Cash and cash equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Change in functional currency and presentation currency

Following Quantum becoming the parent company of CSS, on September 1, 2014, management have concluded that the most appropriate functional currency of the Company would be the US dollar ("USD"). This reflects the fact that the majority of the Group's business is influenced by economic environment denominated in USD currency as well as, the Company will retain distributable in USD. The previous functional currency of the Company was the Canadian dollar ("CAD").

In accordance with IAS 21 - The Effects of Changes in Foreign Exchange Rates, a change in functional currency is accounted for prospectively. Therefore, on the date of the change of functional currency all assets and liabilities were translated into USD at the exchange rate on that date. Income and expenses were translated into USD at an average rate for the period. Share capital, contributed surplus and other components of equity were translated at the rate of exchange prevailing at date of each equity transaction.

As a result of the functional currency change, the Company has decided to change its presentation currency to USD. Presentation currency change represents a voluntary change in accounting policy and in accordance to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, is accounted for retrospectively. As a result, the Company has restated its comparative periods to USD.

The 2013 comparative period translation procedures were as follows:

- assets and liabilities were translated into USD at each period-end closing rate of exchange;
- income and expenses were translated into USD at average rates of exchange for each period as the average rate was considered a suitable proxy for the prevailing rates at the date of the transactions;
- differences resulting from the retranslation on the opening net assets and the results for each period have been taken to other comprehensive income ("OCI");
- share capital, contributed surplus and other reserves were translated at the rate of exchange prevailing at each equity transaction date; and
- accumulated retained losses were translated at the average rates of exchange for each period from the IFRS changeover date.

The CAD to USD exchange rates used were:

	November 30, 2014	February 28, 2014	March 1, 2013
	$	$	$
Average rate	0.9362	0.9565	-
Closing rate	0.8741	0.9029	0.9723

Foreign currencies

The Company's consolidated financial statements are presented in United States dollars, which is also the parent company's functional currency. For each entity the Company determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Company uses the direct method of consolidation.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Transactions and balances
Transactions in foreign currencies are initially recorded by the Company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in profit or loss with the exception of monetary items that are designated as part of the hedge of the Company's net investment of a foreign operation. These are recognized in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in other comprehensive income or profit or loss are also recognized in other comprehensive income or profit or loss, respectively).

Group companies
On consolidation, the assets and liabilities of foreign operations are translated into United States dollars at the rate of exchange prevailing at the reporting date and their income statements are translated at the monthly average exchange rates as an approximation of the exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognized in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in profit or loss.

Taxes

Current income tax
Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Deferred tax
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Property and equipment

Property and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property and equipment. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value, using the straight-line method over the estimated useful lives of the related assets.

The estimated useful lives for depreciation purposes are as follows:

Medical equipment	5-10 years
Office furniture and equipment	5-10 years
Computer equipment	2-5 years
Leasehold improvements	Lease term

An item of property and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Operating lease payments are recognized as an operating expense in the statement of loss and comprehensive loss on a straight-line basis over the lease term.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Intangible assets with finite lives are amortized over the useful economic life on a straight-line basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

The estimated useful lives of intangible assets are as follows:

ASC operating licenses	11 years

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of loss and comprehensive loss as the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Goodwill
On the acquisition of a business, fair values are attributed to the net assets acquired. Goodwill arises where the fair value of the consideration given for a business exceeds such net assets. Goodwill arising on acquisitions is capitalized and subject to impairment review, both annually and when there are indications that the carrying value may not be recoverable. Goodwill is allocated to cash generating units for the purpose of this impairment testing.

Share-based payment transactions

The grant-date fair value of share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The Company uses a fair value-based method of accounting for stock options granted to employees, directors, and non-employees. The fair value of the award is determined using the Black-Scholes option pricing model on the date of the grant for employees and fair market value of services rendered for non-employees. For awards with graded vesting, the fair value of each tranche, adjusted for expected forfeitures, is recognized over its respective vesting period as an increase in stock-based compensation expense and the contributed surplus account. When such stock options are exercised, the proceeds received by the Company, together with the respective amount previously recorded in contributed surplus, are credited to share capital.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenue

Revenue from licensing in relations to broadcast agreements of media content is recognized when the risks and rewards of ownership of the goods are transferred, no continuing managerial involvement or control exists and when the revenue can be measured reliably. The Company records revenue on a net basis for licensing as they are acting as an agent.

Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' operating results are reviewed regularly by the Company's Chief Executive Officer ("CEO") to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, public company and head office expenses, and income tax assets and liabilities.

New standards and interpretations not yet adopted

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended November 30, 2014, and have not been applied in preparing these condensed interim consolidated financial statements:

IFRS 9, Financial instruments ("IFRS 9")

IFRS 9 replaces International Accounting Standard 39, Financial Instruments: Recognition and Measurement ("IAS 39"), and establishes principles for the financial reporting of financial assets and financial liabilities to permit users to assess the amounts, timing and uncertainty of an entity's future cash flows. The standard retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets.

IFRS 9 is effective for annual periods beginning on or after January 1, 2018 with earlier application permitted. The Company is currently assessing the impact of IFRS 9 on its consolidated financial statements.

IFRS 15, Revenue from Contracts with Customers ("IFRS 15")

In May 2014, the International Accounting Standards Board (IASB) and the US Financial Accounting Standards Board (FASB) issued their joint revenue recognition standard, IFRS 15 Revenue from Contracts with Customers, which replaces all existing IFRS and US GAAP revenue requirements.

IFRS 15 establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., sales of property, plant and equipment or intangibles).

(amounts in U.S. dollars, unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Application is required for annual periods beginning on or after 1 January 2017. Early adoption is permitted under IFRS. The Company is currently assessing the impact of IFRS 15 on its consolidated financial statements.

IFRS 11, Joint Arrangements ("IFRS 11")

In May 2014, The International Accounting Standards Board (IASB) published amendments to IFRS 11 Joint Arrangements. IFRS 11 addresses the accounting for interests in joint ventures and joint operations. The amendments add new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments are effective for annual periods beginning on or after 1 January 2016. The Company is currently assessing the impact of IFRS 11 on its consolidated financial statements.

4. ACQUISITIONS

INVESTMENT IN MME

On August 28, 2014 Quantum completed a subscription for securities in the capital of MME that carry a voting interest in MME equivalent to two-thirds of the issued and outstanding voting securities (the "MME Interest"). The consideration paid by Quantum for the MME Interest was $459,850.

MME is a full service media content and distribution company headquartered in Toronto, Ontario. As a result of the acquisition, Quantum expects its capital investment to be used to grow the business of MME through acquisition of commercially viable content that can be exploited over and across multiple distribution windows, licensing periods, media, merchandising and licensing platforms.

The business combination is being accounted for by applying the acquisition method. The following table summarizes the consideration paid and the recognized amounts of identifiable assets acquired and liabilities assumed as well as the non-controlling interest in MME at the acquisition date. The non-controlling interest has been measured under the proportionate interest model at one-third of the identifiable net assets.

The MME preliminary purchase price allocation is presented below:

	$
Cash and cash equivalents	487,396
Trade and other receivables	222,629
Equipment	7,448
Other non-current assets	12,763
Goodwill	151,071
Trade and other payables	(267,067)
Non-controlling interest	(154,390)
Fair value of net assets acquired	459,850

Cash and cash equivalents includes the Quantum investment in MME of $459,850.

(amounts in U.S. dollars, unless otherwise stated)

4. ACQUISITIONS (CONT'D)

Goodwill recognized on the acquisition relates to the expected growth and cost synergies which cannot be separately recognized as an intangible asset. None of the goodwill recognized is expected to be deductible for income tax purposes.

Based on management's preliminary assessment, there are no identifiable intangible assets in MME that would be recognized and accounted for independently from goodwill.

Had the acquisition occurred on March 1, 2014, MME would have contributed $218,634 to the Group's revenue for the nine months ended November 30, 2014. The impact on the Group's net loss would have been immaterial. These amounts have been determined by applying the Group's accounting policies.

ACQUISITION OF ROSELAND ASSETS AND INVESTMENT IN CSS

On August 28, 2014, Quantum closed an asset purchase agreement with Roseland Ambulatory Surgery Center, LLC to purchase assets ("Roseland Assets") including its exclusive ASC license, surgical equipment and supplies on site. The purchase price for the assets was $3,300,000.

The preliminary purchase price allocation resulting from the Roseland Assets purchase is as follows:

	$
ASC License	1,815,891
Medical Equipment	1,092,583
Leasehold Improvements	250,000
Computer and Electronics	56,726
Office Furniture and Equipment	54,800
Plant and Equipment	30,000
Consideration paid	3,300,000

In addition the Company paid license transfer costs of $58,000 which are included in the cost of the ASC license in intangible assets.

On August 5, 2014, Quantum, via its wholly owned subsidiary Quantum CSS Holdings Corp, entered into a limited liability company operating agreement with DGAT Partners ("DGAT"), an affiliate of a medical group ("NYCSA") practice based in New York, to form Centers for Special Surgery, LLC ("CSS"), a Delaware limited liability company. A wholly-owned subsidiary of CSS, Center for Special Surgery of Essex County, LLC ("CSS-Essex"), a New Jersey limited liability company, ultimately completed the acquisition of the Roseland Assets.

Quantum and DGAT initially capitalized CSS with an investment of $4,000,000 comprised of $3,950,000 debt from Quantum (the "Debt Advance") and equity from both Quantum and DGAT of $10,000 and $40,000 respectively, which was used to complete the acquisition of the Roseland Assets and fund initial working capital requirements of CSS-Essex.

5. CASH AND CASH EQUIVALENTS

	November 30, 2014 $	**February 28, 2014 $**
Cash	578,470	45,374
Cash held in trust, contracted in CDN dollars	-	643
Guaranteed investment certificates	638,482	-
	1,216,952	46,017

6. ACCOUNTS RECEIVABLE

	November 30, 2014 $	**February 28, 2014 $**
Trade receivables	485,692	-
Sales taxes recoverable	102,495	9,160
	588,187	9,160

7. ACCOUNTS PAYABLE AND OTHER LIABILITIES

	November 30, 2014 $	**February 28, 2014 $**
Trade payables	1,071,547	157,640
Accrued liabilities	999,662	350,678
	2,071,209	508,318

(amounts in U.S. dollars, unless otherwise stated)

8. CAPITAL AND OTHER COMPONENTS OF EQUITY

Share capital

The authorized share capital of the Company consists of an unlimited number of voting common shares without par value.

	Common Shares	Warrants	Share Capital
Balance as at February 28, 2014	19,014,974	-	$ 6,752,638
Share consolidation	(17,114,869)	-	-
Equity issuance	41,640,128	-	6,939,844
Warrant issuance	-	24,233,994	-
Warrants exercised	622,500	(622,500)	56,934
Share issuance costs	-	-	(680,167)
Stock based payments	360,000	-	15,998
Balance as of November 30, 2014	**44,522,733**	**23,611,494**	**$ 13,085,247**

Share consolidation

On March 14, 2014, the Company completed a one for ten consolidation of its common shares. The 19,014,974 common shares issued and outstanding prior to the consolidation have been consolidated to approximately 1,900,105 common shares.

Equity issuance

In March 2014, 23,200,000 Units were sold at a price of $0.04 per Unit for gross cash proceeds of $1,037,620. Each Unit is comprised of one common share in the capital of the Company ("Unit Shares") and one common share purchase warrant ("Warrants"). Each Warrant will entitle the holder thereof to purchase one common share of the Company at a price of $0.10 CAD ($0.09 USD) per common share for a period of 12 months after the date of the issue of the Warrants.

In August 2014, the Company closed a private placement for gross proceeds of $5,902,224 comprising 18,440,128 common shares at $0.32 per share.

Share issuance costs

The Company incurred $41,063 of share issuance costs associated with the March 2014 equity issuance. $25,065 was paid in cash and $15,998 was paid through common shares of the Company. The value of the shares was determined by the fair market value of the services provided.

The Company incurred $639,104 of share issuance costs associated with the August 2014 equity issuance. $582,880 was paid in cash and 1,033,994 warrants were granted in settlement of $56,224 of agent's commissions. Each warrant allows the holder to purchase one common shares at $0.35 CAD ($0.32 USD) per share, for a 24 month period from the date of closing of the private placement. The warrants were valued at the estimated fair market value of the services rendered and charged to contributed surplus.

(amounts in U.S. dollars, unless otherwise stated)

8. CAPITAL AND OTHER COMPONENTS OF EQUITY (CONT'D)

Share based payments

The Company paid a finder's fee in relation to the private placement in the amount of $15,998 which was paid through the issuance of 360,000 additional common shares.

The fair market value of warrants issued in settlement of agent's commission in the amount of $56,224 was charged to contributed surplus during the period.

Warrants

During the period 622,500 warrants were exercised for the purchase of 622,500 common shares at $0.09 per share for total proceeds of $56,934.

As at November 30, 2014, the Company had outstanding warrants as follows:

Number of warrants	Exercise price		Exercise price (CAD)		Expiry
22,577,500	$	0.09	$	0.10	3/19/2015
1,033,994	$	0.32	$	0.35	8/11/2016

9. SHARE OPTION PLAN

On November 21, 2013, the Company adopted a new "rolling" stock option plan which authorizes the Company to grant options to acquire up to 10% of its issued and outstanding Common Shares, from time to time. Specifically, the Option Plan reserves, for issue pursuant to stock options, a maximum number of Common Shares equal to 10% of the outstanding Common Shares from time to time, with no mandatory vesting provisions. The number of Common Shares reserved for issue to any one person in any 12 month period under the Option Plan may not exceed 5% of the outstanding Common Shares at the time of grant without disinterested shareholder approval.

There has been no change to the number of options granted by the Company during the period ended November 30, 2014 or the fiscal years ending February 28, 2014 and February 28, 2013. There are no outstanding options as of November 30, 2014 and February 28, 2014. Subject to board approval, 550,000 options will be granted to certain employees of the Company in accordance with their employment agreements.

10. ADMINISTRATIVE EXPENSES

Components of administrative expenses:

	Three months ended		Nine months ended	
	November 30, 2014	November 30, 2013	November 30, 2014	November 30, 2013
	$	$	$	$
Professional and advisory fees	282,687	13,599	1,325,462	99,663
Management fees	149,993	-	443,553	-
Regulatory and filing fees	15,241	4,716	69,942	15,946
Salaries and benefits	186,108	-	210,275	-
Depreciation and amortization	114,171	-	114,171	-
General administrative expenses	452,944	8,552	588,008	9,118
	1,201,144	26,867	2,751,411	124,727

(amounts in U.S. dollars, unless otherwise stated)

11. INCOME TAXES

Deferred tax assets are recognized to the extent that the realization of the related tax benefit through future taxable profits is probable. The Company did not recognize deferred tax assets. The Company has Canadian non-capital losses of approximately \$4.4 million which will begin to expire in 2016 and U.S. net operating losses of approximately \$703,000 which will begin to expire in 2035.

The Company has also accumulated deductible research and development expenses of \$1.3 million for Federal and Québec purposes, and capital losses of \$3.6 million for Federal, Québec and Ontario purposes. These elements are available to reduce future taxable income without limit of time. The potential tax benefits of these elements have not been recognized in these financial statements.

12. EARNINGS (LOSS) PER SHARE

As the Company incurred a net loss during the three and nine months ended November 30, 2014 and 2013, the loss and diluted loss per common share are based on the weighted-average common shares outstanding during the period. The following outstanding instruments could have a dilutive effect in the future:

	As at November 30, 2014
Common shares issuable on exercise of warrants	23,611,494

13. OPERATING SEGMENTS

Management has identified three reportable business segments subsequent to the Acquisitions described in Note 4. Each of these reporting segments are managed separately and their results are based on internal management information that is regularly reviewed by the chief operating decision maker.

The Company’s three reportable business segments are:

- Medical center operation in the USA, operated through CSS (“CSS”)
- Purchase and sale of media content creation and distribution in Canada, operated through MME (“MME”)
- Other, including head office expenses and office of the CEO (“Quantum”)

Assets of CSS are held in the USA, all other assets are held in Canada.

(amounts in U.S. dollars, unless otherwise stated)

13. OPERATING SEGMENTS (CONT'D)

				November 30, 2014
	Quantum	CSS	MME	Total
	$	$	$	$
Revenue	-	-	94,773	94,773
Operating expenses	(1,912,447)	(739,789)	(99,175)	(2,751,411)
Net loss from operations	(1,912,447)	(739,789)	(4,402)	(2,656,638)
Interest and finance charges	(7,236)	-	-	(7,236)
Gain (loss) on foreign exchange	15,180	-	(22)	15,158
Net loss	(1,904,503)	(739,789)	(4,424)	(2,648,716)
Total assets	837,304	3,794,001	960,011	5,591,316
Total liabilities	1,370,936	183,789	524,183	2,078,908

				November 30, 2013
	Quantum	CSS	MME	Total
	$	$	$	$
Revenue	-	-	-	-
Operating expenses	(124,727)	-	-	(124,727)
Net loss from operations	(124,727)	-	-	(124,727)
Interest and finance charges	(70)	-	-	(70)
Loss on foreign exchange	(1,093)	-	-	(1,093)
Net loss	(125,890)	-	-	(125,890)
Total assets	97,072	-	-	97,072
Total liabilities	256,937	-	-	256,937

14. RELATED PARTY TRANSACTIONS AND BALANCES

The Company paid fees to some officers and directors during the three and nine months ended November 30, 2014 totalling $nil (nine months ended November 30, 2013 - $6,739).

During the three and nine months ended November 30, 2014, management fees of $89,993 and $380,261, respectively, were incurred in relation to services performed by officers and directors of the Company (three and nine months ended November 30, 2013 - $nil). As at November 30, 2014, the Company has accrued management fees payable to corporations controlled by officers and directors of the Company in the amount of $29,573 (February 28, 2014 - $49,157). The management fees are included in administrative expenses.

Rent paid to a corporation controlled by a director of the Company during the three and nine months ended November 30, 2014 in the amount of $19,301 and $59,868, respectively (three and nine months ended November 30, 2013 - $nil). The terms of the rental agreement are month to month and pricing is set at arm's length.

(amounts in U.S. dollars, unless otherwise stated)

14. RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D)

The subsidiary company, MME has advances due from iPowow! Canada Corp., a company indirectly controlled by the minority shareholders, in the amount of $10,616 as at November 30, 2014. The advances are non-interest bearing with no specific terms of repayment and are not expected to be repaid within one year.

15. SUPPLEMENTAL CASH FLOWS INFORMATION

Changes in non-cash operating working capital:

	Nine months ended	
	November 30, 2014 $	**November 30, 2013 $**
Accounts receivable	(361,576)	1,796
Prepaid expenses and other	(44,582)	-
Supplies	(76,014)	-
Accounts payable and other liabilities	1,344,078	4,038
	861,906	5,834

16. COMMITMENTS

The Company is committed to future minimum lease rentals payable under non-cancellable operating leases in respect of its premises and equipment as follows:

	November 30, 2014 $
Less than 1 year	658,684
Between 2 and 5 years	2,349,000
Greater than 5 years	3,620,694
	6,628,378

On November 21, 2013 the Board approved an asset management agreement granting Quantum International Asset Management Corp the exclusive authority to manage the undertaking, business, and affairs of the Company. Included in the asset management agreement are provisions for a monthly minimum asset management fee of $33,333 CAD which commences upon regulatory approval and successful completion of a reactivation transaction. The asset management agreement remains in effect for a 7 year term. Quantum International Asset Management Corp is 100% owned by two directors and officers of the Company.

As part of the formation of CSS, CSS has entered into an operating agreement with DGAT to manage certain undertakings, business and affairs of CSS. Included in the operating agreement are provisions for a monthly management fee of $20,000, which commenced on September 1, 2014 and remains in effect for a 7 year term.

(amounts in U.S. dollars, unless otherwise stated)

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial assets and financial liabilities as at November 30, 2014 were as follows:

November 30, 2014	Loans and receivables, other liabilities $
Cash and cash equivalents	1,216,952
Accounts receivables	485,692
Advances to related parties	10,616
Accounts payable and other liabilities	2,025,255

The fair values of cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities approximate fair value due to the short term nature of the financial instruments.

A fair value hierarchy prioritizes the methods and assumptions used to develop fair value measurements for those financial assets where fair value is recognized on the statement of financial position. These have been prioritized into three levels.

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3 – Inputs for the asset or liability that are not based on observable market data.

Fair value amounts represent point-in-time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of significant judgment. As at November 30, 2014, the Group did not have any financial assets and liabilities measured at fair value.

Financial risk factors

The Group's activities expose it to a variety of financial risks:

- Credit risk
- Liquidity risk
- Interest rate risk
- Foreign currencies risk

The following describes the Group's objectives, policies and processes for managing these risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

Credit risk

The Group's credit risk is primarily attributable to cash equivalents and amounts receivable. Cash equivalents consist of cashable GIC certificates, which have been invested with reputable financial institutions, from which management believes the risk of loss to be remote. Financial instruments included in amounts receivable consist of receivables from unrelated companies. Accounts receivable are reported at estimated collectible amounts which are based on management's evaluation of historical account collection determined for each individual customer. As at November 30, 2014 the Group's top two receivable balances represented 53.4% of total receivables.

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONT'D)

Liquidity risk
The Company's approach to managing liquidity risk is to endeavour to ensure that it will have sufficient liquidity to meet liabilities when due. As at November 30, 2014, the Group had cash and cash equivalents balance of $1,216,952 ($46,017 as at February 28, 2014) to settle current liabilities of $2,078,908 ($508,318 as at February 28, 2014).

Interest rate risk
The Group has cash balances subject to fluctuations in the prime rate. The Company's current policy is to invest excess cash in investment-grade deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.
Management believes that interest rate risk is remote as investments are cashable and the Group currently does not carry interest bearing debt at floating rates.

Foreign currency risk
The Company's functional currency is the United States dollar and major purchases are transacted in United States dollars. However, The Company is exposed to currency risk with fluctuations in the United States dollar relative to the Canadian dollar as the Company and its subsidiary, MME, incurs certain revenues and expenses in Canadian dollar. As well, the Company is exposed to currency risk on cash denominated in Canadian dollars. The Company currently does not use derivatives to mitigate its foreign currency risk.

Sensitivity analysis
Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over the period:

- The Company does not hold interest-bearing debt at interest rates subject to market fluctuations to give rise to interest rate risk.
- Based on the Company's net monetary liabilities denominated in Canadian dollars, a 10% fluctuation in the exchange rate from CAD to USD will generate increases or decreases in income of approximately $38,415.

Capital management
The Company manages and adjusts its capital structure based on available funds in order to support its operations and acquisitions. The capital of the Company consists of share capital and warrants. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

As the Company continues to assess and seek to acquire an interest in additional businesses, the Company may continue to rely on capital markets to support continued growth. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the nine months ended November 30, 2014.

18. SUBSEQUENT EVENTS

On January 9, 2015, the Company announced that its subsidiary, CSS, has signed a definitive agreement to acquire a 90% interest in Advanced Surgery Center, LLC. ("Advanced") by use of Nominee Agreements, whereby the individual members of CSS will become licensed by the New York State Department of Health in their individual capacity.

18. SUBSEQUENT EVENTS (CONT'D)

Under the terms of the Agreement, CSS will acquire a 90% interest in Advanced for $4,000,000 payable in cash subject to adjustment. Completion of the transaction is subject to the approval of New York State's Public Health and Health Planning Council and the New York State Department of Health.

Advanced is also applying to the New York State Department of Health to become licensed for an additional operating room, which would fit within the existing floorplan of the facility operated by Advanced. Upon receipt of that approval, an additional $600,000 would be payable to the seller. It is anticipated that the transaction will close within 12 months, depending on the time required for New York State Department of Health's approval.