Index to Financial Statements:

Audited financial statements as of February 28, 2018, including:

A PROFESSIONAL SERVICES FIRM
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders
Quantum Energy, Inc.

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Quantum Energy, Inc. ("the Company") as of February 28, 2018 and 2017, and the related statements of operations, changes in stockholders' equity and cash flows for the years then ended, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of February 28, 2018 and 2017, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Consideration of the Company's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has generated no revenues and has an accumulated deficit which raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

DeCoria, Maichel & Teague, P.S.

We have served as the Company's auditor since 2018.

Spokane, Washington
May 11, 2018

QUANTUM ENERGY, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	February 28, 2018	February 28, 2017
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 19,864	$ 20,478
Prepaid legal fees	37,500	-
TOTAL CURRENT ASSETS	57,364	20,478
OTHER ASSETS		
Deposit on land purchase	7,822	7,822
Land purchase option agreements, net of accumulated amortization	-	120,033
TOTAL OTHER ASSETS	7,822	127,855
TOTAL ASSETS	$ 65,186	$ 148,333
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES:		
Accounts payable	$ 47,783	$ 51,976
Promissory notes payable	2,980	2,980
Loan from related party	4,300	4,300
TOTAL CURRENT LIABILITIES	55,063	59,256
LONG-TERM LIABILITIES:		
Common stock payable	152,198	5,000
TOTAL LONG-TERM LIABILITIES	152,198	5,000
TOTAL LIABILITIES	207,261	64,256
STOCKHOLDERS' EQUITY (DEFICIT)		
Preferred Stock, $.001 par value; 5,000,000 shares authorized, none issued and outstanding		
Series A: 3,000,000 shares allocated, Nil and 1,000,000 shares issued and outstanding, respectively	-	1,000
Common Stock, $.001 par value; 295,000,000 shares authorized; 47,361,683 and 54,911,683 shares issued and outstanding, respectively	47,362	54,912
Additional paid-in capital	10,828,079	10,596,068
Accumulated deficit	(11,017,516)	(10,567,903)
TOTAL STOCKHOLDERS' EQUITY (DEFICIT)	(142,075)	84,077
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	$ 65,186	$ 148,333

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

QUANTUM ENERGY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the year ended	
	February 28, 2018	February 28, 2017
OPERATING EXPENSE		
Advertising and marketing	$ 9,551	$ 7,846
Management fees and compensation	83,461	728,470
Office and public company expense	123,590	43,551
Write-off of promissory note receivable	-	67,500
Amortization of land purchase option agreements	120,033	370,488
Professional fees	112,978	89,850
TOTAL OPERATING EXPENSES	449,613	1,307,705
LOSS FROM OPERATIONS	(449,613)	(1,307,705)
OTHER INCOME (EXPENSE)		
Interest expense	-	(1,240)
TOTAL OTHER INCOME (EXPENSE)	-	(1,240)
NET LOSS BEFORE INCOME TAXES	(449,613)	(1,308,945)
Provision for income tax	-	-
NET LOSS	(449,613)	(1,308,945)
DEEMED DISTRIBUTION TO PREFERRED STOCKHOLDERS ON EXCHANGE OF SHARES FOR COMMON STOCK	(99,000)	-
NET LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS	$ (548,613)	$ (1,308,945)
Basic and diluted loss per share	$ (0.01)	$ (0.02)
Basic and diluted weighted average number shares outstanding	61,607,764	70,730,243

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

QUANTUM ENERGY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

	Preferred shares		Common shares					
	Number	Par value	Number	Par value	Additional Paid-In Capital	Stock subscribed	Accumulated (Deficit)	Total
Balance at February 29, 2016	1,200,000	1,200	46,070,843	$ 46,071	$ 9,665,697	$ 2,890	$ (9,258,958)	$ 456,900
Issuance of common stock on stock subscribed	-	-	57,800	58	2,832	(2,890)	-	-
Conversion of preferred shares to common stock	(200,000)	(200)	400,000	400	(200)	-	-	-
Common stock and warrants issued	-	-	6,139,800	6,140	285,850	-	-	291,990
Issuance of common shares for management fees and compensation	-	-	2,200,000	2,200	107,800	-	-	110,000
Stock based compensation	-	-	-	-	531,970	-	-	531,970
Accounts payable settled with issuance of common stock	-	-	43,240	43	2,119	-	-	2,162
Net income (loss)	-	-	-		-	-	(1,308,945)	(1,308,945)
Balance at February 28, 2017	1,000,000	1,000	54,911,683	$ 54,912	$ 10,596,068	$ -	$ (10,567,903)	$ 84,077
Issuance of common shares for common stock payable	-	-	100,000	100	4,900	-	-	5,000
Conversion of preferred stock to common stock	(1,000,000)	(1,000)	1,000,000	1,000	-	-	-	-
Common stock and warrants issued	-	-	500,000	500	49,500	-	-	50,000
Retirement of common stock (Note 9)	-	-	(10,000,000)	(10,000)	10,000	-	-	-
Issuance of common shares for management fees and compensation	-	-	850,000	850	84,150	-	-	85,000
Stock based compensation	-	-			83,461	-	-	83,461
Net income (loss)	-	-	-	-	-	-	(449,613)	(449,613)
Balance at February 28, 2018	-	-	47,361,683	$ 47,362	$ 10,828,079	$ -	$ (11,017,516)	$ (142,075)

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

QUANTUM ENERGY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the year ended February 28, 2018	For the year ended February 28, 2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (449,613)	$ (1,308,945)
Adjustments to reconcile net loss to cash used by operating activities		
Stock based compensation	83,461	531,970
Amortization of land purchase option agreements	120,033	370,488
Write-off of promissory note receivable	-	67,500
Issuance of common shares for management fees and compensation	85,000	110,000
Changes in operating assets and liabilities:		
Accounts payable and accrued liabilities	23,005	38,215
Prepaid legal expense	(37,500)	-
Net cash used by operating activities	(175,614)	(190,772)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Issuance of promissory note receivable	-	(67,500)
Deposit on land purchase agreement option	-	(7,822)
Net cash used in investing activities	-	(75,322)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from sales of common stock and warrants	50,000	296,990
Proceeds from subscription of common stock	125,000	-
Payment of promissory note payable	-	(10,000)
Payment of loan, related party	-	(500)
Net cash provided by financing activities	175,000	286,490
Net increase (decrease) in cash and cash equivalents	(614)	20,396
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	20,478	81
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 19,864	$ 20,477
NON-CASH FINANCING AND INVESTING ACTIVITIES:		
Common stock payable for accounts payable and accrued liabilities	$ 27,198	$ 2,162
Conversion of preferred stock into common stock	1,000	200
Retirement of common stock	10,000	-

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

NOTE 1 - NATURE OF OPERATIONS

QUANTUM ENERGY INC. ("the Company") was incorporated under the name "Boomers Cultural Development Inc." under the laws of the State of Nevada on February 5, 2004. On May 18, 2006, the Company changed its name to Quantum Energy, Inc.

The Company is a development stage diversified holding company with an emphasis in land holdings, refinery and fuel distribution.

The Company is domiciled in the Unites States of America and trades on the OTC market under the symbol QEGY.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

This summary of significant accounting policies is presented to assist in understanding the financial statements. The financial statements and notes are representations of the Company's management, which is responsible for their integrity and objectivity. These financial statements and related notes are presented in accordance with accounting principles generally accepted in the United States ("U.S. GAAP").

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries FTPM Resources Ltd. and Dominion Energy Processing Group, Inc. after elimination of the intercompany accounts and transactions.

Going Concern

These consolidated financial statements have been prepared in accordance with U.S. GAAP to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year.

As shown in the accompanying financial statements, the Company has incurred operating losses since inception. As of February 28, 2018, the Company has limited financial resources with which to achieve the objectives and obtain profitability and positive cash flows. As shown in the accompanying balance sheets and statements of operations, the Company has an accumulated deficit of $11,017,516 at February 28, 2018, and working capital of $2,301. Achievement of the Company's objectives will be dependent upon the ability to obtain additional financing, to locate profitable mining properties and generate revenue from current and planned business operations, and control costs. The Company plans to fund its future operations by joint venturing, obtaining additional financing from investors, and/or lenders, and attaining additional commercial revenue. However, there is no assurance that the Company will be able to achieve these objectives, therefore substantial doubt about its ability to continue as a going concern exists. The financial statements do not include adjustments relating to the recoverability of recorded assets nor the implications of associated bankruptcy costs should the Company be unable to continue as a going concern. In the event the Company is unable to fulfill the terms as specified in the Property Option Agreements (Note 5), the Company could default on the agreement(s) and surrender its right to future claims on the respective property.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the dates of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management assumptions and estimates relate to long-lived asset impairments and stock based compensation. Actual results could differ from these estimates and assumptions and could have a material effect on the Company's reported financial position and results of operations.

Risks and uncertainties

The Company's operations are subject to significant risks and uncertainties, including financial, operational, technological and other risks associated with operating an emerging oil and gas business, including the potential risk of business failure.

Cash and cash equivalents

The Company considers all highly liquid investments with remaining maturities of three months or less when acquired to be cash equivalents.

Income taxes

The Company accounts for income taxes using the liability method. The liability method requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of (i) temporary differences between financial statement carrying amounts of assets and liabilities and their basis for tax purposes and (ii) operating loss and tax credit carry-forwards for tax purposes. Deferred tax assets are reduced by a valuation allowance when management concludes that it is more likely than not that a portion of the deferred tax assets will not be realized in a future period.

Fair value of financial instruments

The Company's financial instruments include cash and cash equivalents and promissory note payable. All instruments are accounted for on a cost basis, which, due to the short maturity of these financial instruments, approximates fair value at February 28, 2018 and February 28, 2017, respectively.

Long-Lived Assets

The Company reviews long-lived assets which include a deposit on land purchase and land purchase options for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Events relating to recoverability may include significant unfavorable changes in business conditions or a forecasted inability to achieve break-even operating results over an extended period. The Company evaluates the recoverability of long-lived assets based upon forecasted undiscounted cash flows and reports any impairment at the lower of the carrying amount or the fair value less costs to sell.

Fair Value Measures

When required to measure assets or liabilities at fair value, the Company uses a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used. The Company determines the level within the fair value hierarchy in which the fair value measurements in their entirety fall. The categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Level 1 uses quoted prices in active markets for identical assets or liabilities, Level 2 uses significant other observable inputs, and Level 3 uses significant unobservable inputs. The amount of the total gains or losses for the period are included in earnings that are attributable to the change in unrealized gains or losses relating to those assets and liabilities still held at the reporting date. The Company has no financial assets or liabilities that are adjusted to fair value on a recurring basis.

At February 28, 2018 and February 28, 2017, the Company had no assets or liabilities accounted for at fair value on a recurring basis.

Stock-based Compensation

The Company estimates the fair value of options to purchase common stock using the Black-Scholes model, which requires the input of some subjective assumptions. These assumptions include estimating the length of time employees will retain their vested stock options before exercising them (“expected life”), the estimated volatility of the Company’s common stock price over the expected term (“volatility”), employee forfeiture rate, the risk-free interest rate and the dividend yield. Changes in the subjective assumptions can materially affect the estimate of fair value of stock-based compensation. Options granted have a ten-year maximum term and varying vesting periods as determined by the Board of Directors. The value of shares of common stock awards is determined based on the closing price of the Company’s stock on the date of the award. Compensation expense for equity awards are recognized over the period during which the recipient is required to provide service in exchange for the award.

New Accounting Pronouncement

In November 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update (“ASU”) No. 2015-17 Income Taxes - Balance Sheet Classification of Deferred Taxes (Topic 740). The update is designed to reduce complexity of reporting deferred income tax liabilities and assets into current and non-current amounts in a statement of financial position. ASU No. 2015-17 requires the presentation of deferred income taxes, changes to deferred tax liabilities and assets be classified as non-current in the statement of financial position. The update is effective for fiscal years beginning after December 15, 2016. There was no material impact to the consolidated financial statements upon adoption of this update effective March 1, 2017.

In March 2016, the FASB issued ASU No. 2016-09 Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting. The update simplifies the accounting for stock-based compensation, including income tax consequences and balance sheet and cash flow statement classification of awards. The update is effective for fiscal years beginning after December 15, 2016, with early adoption permitted. There was no material impact to the consolidated financial statements upon adoption of this update effective March 1, 2017.

In August 2016, the FASB issued ASU No. 2016-15 Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments. The update provides guidance on classification for cash receipts and payments related to eight specific issues. The update is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years, with early adoption permitted. The Company is currently evaluating the impact of implementing this update on the financial statements.

In January 2017, the FASB issued ASU No. 2017-01 Business Combinations (Topic 805): Clarifying the Definition of a Business. The update clarifies the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The update is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. The Company will apply the provisions of the update to potential future acquisitions occurring after the effective date.

Other accounting standards that have been issued or proposed by FASB that do not require adoption until a future date are not expected to have a material impact on the consolidated financial statements upon adoption. The Company does not discuss recent pronouncements that are not anticipated to have an impact on or are unrelated to its financial condition, results of operations, cash flows or disclosures.

NOTE 3 – EARNINGS PER SHARE

Basic Earnings Per Share ("EPS") is computed as net income (loss) available to common stockholders divided by the weighted average number of common shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur from common shares issuable through stock options and warrants.

The dilutive effect of outstanding securities for years ended February 28, 2018 and February 28, 2017, would be as follows:

	February 28, 2018	February 28, 2017
Stock options	4,100,000	6,691,666
Warrants	2,129,802	1,177,934
TOTAL POSSIBLE DILUTION	6,229,802	7,869,600

At February 28, 2018 and 2017, respectively, the effect of the Company's outstanding options and warrants would have been anti-dilutive.

NOTE 4 - NOTES RECEIVABLE

In April 2016, the Company entered into several short-term promissory notes and loaned $67,500 to Sierra Global, an energy company. The notes matured in April 2017 and were interest-free. For the first twelve months, there were no monthly installment payments due to the Company. Thereafter, the monthly installment were to be $2,500 per month until paid in full.

Management reviews notes receivables periodically and reduces the carrying amount by an allowance that reflects management's best estimate of the amount that may not be collectible. As of February 28, 2017, management determined that the notes were not collectible and recognized an expense of $67,500 for the year ended February 28, 2017.

NOTE 5 – OTHER ASSETS

Land Purchase Option Agreements

Beginning in 2014, the Company executed a series of land purchase option agreements with various landowners in and around the State of Montana and the province of Saskatchewan. In aggregate the land purchase option agreements encompassed approximately 1,150 acres. For a period of two years from the respective execution date, the Company had the option to purchase the property for the purpose of evaluating and developing a Clean Energy Center including a diesel refinery, crude processing and natural gas liquid stripping facility and carbon dioxide capture equipment for enhanced oil recovery.

The Company recognized as a noncurrent asset the fair value of consideration given for the exclusive option to purchase properties and amortizes the amount over the respective term of the land purchase option agreement. For the years ended February 28, 2018 and February 28, 2017, the Company recognized amortization of land purchase option agreements of $120,033 and $370,488, respectively.

The Company recognized an impairment expense of $206,573 relating to certain land purchase option agreements at February 28, 2016. There are no liabilities or future obligations to the Company on any of the impaired land purchase option agreements. Absent notification to or from land owners, the Company retains right to purchase related properties. To date, notification of cancellation has not been communicated by either party. However, in lieu of executed extensions to the land purchase options, the Company accelerated amortization of remaining book value on those properties to which significant cash payments have been delinquent and, therefore, are potentially in default of terms of the purchase option agreement.

The following is a summary of the Company's Land Purchase Agreements at February 28, 2017:

Option Agreement Date	Consideration	Number	Fair Value	Accumulated Amortization	Allowance for Impairment	Net Carrying Value
August 22, 2014	Stock options	1,120,000	$521,691	($521,691)	-	-
August 22, 2014	Stock options	1,680,000	800,217	(680,184)	-	120,033
August 26, 2014	Common shares	560,000	280,000	(210,000)	(70,000)	-
August 26, 2014	Common shares	452,000	226,100	(169,575)	(56,525)	-
October 24, 2014	Common shares	820,000	336,200	(256,152)	(80,048)	-
TOTAL			$2,164,208	($1,837,602)	($206,573)	$120,033

As of February 28, 2018, the Company's Land Purchase agreements were fully amortized and had a net book value of $Nil.

Deposit on land purchase

On December 5, 2016, the Company executed a Farm Contract of Purchase and Sale with a land owner in Stoughton, Saskatchewan. The purchase price of the property is $500,000 (Canadian) subject to certain terms and conditions including approval of the purchase by the Saskatchewan Farm Land Review board, the Company completing various test for hydrology and land suitability, the proposed refinery project meeting all requirements of various Saskatchewan government laws and bylaws, and full approval by all levels of provincial government and agencies. The purchase contract originally expired on December 15, 2017, however, the contract was amended to extend the closing date to July 10, 2018 for removal of all terms and conditions to the purchase. The Company paid $7,822 as a deposit on the property.

NOTE 6 - ACQUISITIONS

New Tex Acquisition

On July 14, 2016, the Company entered into a share exchange and contribution agreement ("the NewTex Agreement") with Mountain Top Properties, Inc. ("MTPP") whereby the Company acquired 100% of the Partnership Interests of New Tex Petroleum IV, LP, ("NTP") a Texas limited partnership. The acquisition was effective September 1, 2016 and consisted of approximately 3,000 acres of and 89 well bores in the Texas panhandle. In consideration of this acquisition, the Company issued 10,000,000 shares of the Company's common stock with a fair value of $1,100,000 based on the fair value of the Company's common stock on the transaction date.

Neither Mountain Top Properties, Inc. nor New Tex Petroleum IV, LP were able to produce adequate accounting and operating statements for the Texas oil operation within a reasonable time following the closing of the transaction. Consequently, the Company requested a nullification of the share exchange and contribution agreement by virtue of misrepresentations by Mountain Top Properties, Inc.

On January 24, 2017, the Company entered into a Mutual Rescission Agreement with Mountain Top Properties, Inc. whereby both parties rescinded the New Tex Agreement. Mountain Top Properties agreed to the immediate cancellation and surrender of stock certificates representing 10,000,000 shares of the Company's common stock. On February 22, 2017, 10,000,000 shares of the Company's common stock were returned by Mountain Top Properties, Inc. and have been cancelled.

Because the transaction was deemed null and void, the consolidated financial statements do not include the acquisition, stock issuance nor the rescission of the shares of common stock.

Bushwhacker Project

On July 14, 2016, the Company entered into a separate share exchange and contribution agreement ("the Missouri Agreement") with MTTP for an approximate 4.84% working interest in a heavy oil project in Missouri (the "Bushwhacker Project"). In consideration of this acquisition, the Company issued 5,000,000 shares of the Company's common stock with a fair value of $550,000 on July 29, 2016 and assumed joint interest liabilities of $33,911.

In 2017, management reviewed its Missouri Bushwhacker project. Management's outlook for the U.S. oil prices indicated it is unlikely that sufficient price stabilization would materialize in the foreseeable future. Internal cash flow estimates prepared by management of the Company did not prove significant fair value exists in the properties. Therefore, the undeveloped and unproved Missouri oil properties would have had impairment losses recorded.

Prior to discovering the Bushwhacker property was invalid, on January 1, 2017, the Company sold its interest to Zyrox Mning International, Inc. for $550,000 in exchange for a non-interest bearing promissory note due in full on August 18, 2019. Once the status of the Bushwhacker project was determined to be invalid, the transaction was reversed.

Management ultimately determined Mountain Top Properties improperly assigned its purported interest in the Bushwhacker Project and made incorrect representations in the share exchange and contribution agreement. As a result, the Company requested Mountain Top Properties Inc. nullify the share exchange and contribution agreement.

On February 1, 2018, the Company entered into a Mutual Rescission Agreement with Mountain Top Properties, Inc. whereby both parties rescinded the Missouri Agreement. Mountain Top Properties agreed to immediate cancellation and surrender of stock certifications representing 5,000,000 shares of the Company's common stock. The shares were surrendered and cancelled on February 28, 2018.

Prior to discovering the Bushwhacker property was invalid, on January 1, 2017 the Company sold its interest to Zyrox Mining International, Inc. for $550,000 in exchange for a non-interest bearing promissory note due in full on August 18, 2019. Once the status of the Bushwhacker project was determined to be invalid, the transaction was reversed.

Because the transaction was deemed null and void, the consolidated financial statements do not include the acquisition, stock issuance, nor the rescission of the shares of common stock.

Native Son Resources Inc Acquisition

On July 21, 2015, the Company formed Quantum Native Processing Partners, LLC, a single purpose entity limited liability company through which the Company entered into a joint venture with Native Son Refining, LLC ("NSR"), to co-develop property in Berthold, North Dakota, and submitted an application for an air quality construction permit with the North Dakota Department of Health for a proposed refinery.

On May 10, 2017, the Company entered into a share exchange agreement whereby it acquired 100% of the issued and outstanding shares of common stock of NSR in exchange for 14,699,800 shares of the Company's common stock shares. The fair value of the common stock issued was $2,491,430 based on the closing price of the fair value of the Company's common stock on the transaction date.

On October 26, 2017, various shareholders and directors of the Company entered into a settlement agreement and mutual release with the sole shareholder of NSR whereby the mutual share exchange agreement was rescinded and 14,699,800 shares of common stock returned to and cancelled by the Company.

Because the transaction was deemed null and void, the consolidated financial statements do not include the acquisition, stock issuance, nor the rescission of the shares of common stock. as management believes that it would be misleading to the readers of the financial statements.

NOTE 7 – PROMISSORY NOTES PAYABLE

The Company's outstanding notes payable and accrued interest payable are summarized as follows:

	February 28, 2018		February 28, 2017	
0% unsecured notes payable by the Company	$	2,980	$	2,980
0% unsecured notes payable by the Company, related party		4,300		4,300
TOTAL POSSIBLE DILUTION	$	7,280	$	7,280

These notes are all due on demand.

NOTE 8 – RELATED PARTY TRANSACTIONS

For the years ended February 28, 2018 and 2017, the Company paid management fees including amounts accrued since inception of $Nil and $196,500, respectively, to the Officers of the Company.

On December 7, 2016, the Company issued 2,000,000 shares with a fair value of $100,000 based on the closing price of $0.05 per share to the Chief Executive Officer of the Company's subsidiary Dominion Energy, Inc. for consulting services.

NOTE 9 – INCOME TAXES

There was no income tax expense for the years ended February 28, 2018 and 2017 due to the Company's net losses.

The components of the Company's net deferred tax asset are as follows:

	February 28, 2018		February 28, 2017	
Land purchase option		-		42,000
Federal net operating loss carryforward	$	783,051	$	938,926
Total deferred tax assets		783,051		938,926
Deferred tax liability		-		-
Net deferred tax asset		783,051		938,926
Valuation allowance		(783,051)		(938,926)
	$	-	$	-

Deferred income taxes arise from timing differences resulting from income and expense items reported for financial accounting and tax purposes in different periods. A deferred tax asset valuation allowance is recorded when it is more likely than not that deferred tax assets will not be realized. As management of the Company cannot determine that it is more likely than not that the Company will realize the benefit of the net deferred tax asset, a valuation allowance equal to 100% of the net deferred tax asset has been recorded at February 28, 2018 and 2017.

On December 22, 2017, the United States enacted the Tax Cuts and Jobs Act (the "Act") resulting in significant modifications to existing law. The Company has completed the accounting for the effects of the Act during the quarter ended December 31, 2017. The Company's financial statements for the year ended December 31, 2017 reflect certain effects of the Act which includes a reduction in the corporate tax rate from 35% to 21% as well as other changes. As a result of the changes to tax laws and tax rates under the Act, the Company's deferred tax asset was reduced by $522,034 during the year ended February 28, 2018, which consisted primarily of the remeasurement of its deferred tax asset from 35% to 21%.

A reconciliation between the statutory federal income tax rate and the Company's tax provision is as follows:

	February 28, 2018		February 28, 2017	
Amount computed using the statutory rate	$ (157,365)	(12%)	$ (458,131)	(29%)
Land purchase option amortization	(238,019)	(18%)	(275,426)	(18%)
Permanent differences	29,225	2%	186,557	12%
Effect of change in the statutory rate	522,034	40%	-	-%
Non-recognition due to increase in valuation account	(155,875)	(12%)	547,000	35%
Total income tax benefit	$ -	-%	$ -	-%

At February 28, 2018, the Company had cumulative federal and state net operating loss carry forwards of approximately $3,728,816 which will expire in fiscal years ending February 28, 2030 through February 28, 2033.

The Company does not have an accrual for uncertain tax positions as February 28, 2018 or 2017. If interest and penalties were to be assessed, the Company would charge interest to interest expense and penalties to other operating expense. It is not anticipated that unrecognized tax benefits would significantly increase or decrease within 12 months of the reporting date. Fiscal years starting February 28, 2016 through February 28, 2018 are open to examination by federal and state taxing agencies.

NOTE 10 – COMMON STOCK

Common stock

The Company is authorized to issue 295,000,000 shares of its common stock with a par value of $0.001 per share. All shares of common stock are equal to each other with respect to voting, liquidation, dividend, and other rights. Owners of shares are entitled to one vote for each share owned at any Shareholders' meeting.

Preferred stock

The Company is authorized to issue 5,000,000 shares of its preferred stock with a no-par value per share with no designation of rights and preferences.

Exchange of preferred stock

On March 11, 2016, the Company issued 400,000 common shares issued pursuant to conversion of 200,000 Series B preferred convertible shares. On February 8, 2018, the Company's Board of Directors cancelled and rescinded the certificate of Designations, Preferences and rights of the Series B Preferred Stock.

On December 13, 2017, the Company issued 1,000,000 shares of its common stock pursuant to a retirement of 1,000,000 shares of convertible Series A preferred stock. On February 6, 2018, the Company's Board of Directors cancelled and rescinded the certificate of Designations, Preferences and Rights of the Series A Preferred Stock. This exchange resulted in a deemed distribution to the preferred shareholders based on the fair value of the common shares received compared to the carrying value of the preferred shares exchanged.

Common shares issued for services

In December 2016, the Company issued 2,200,000 shares of its common stock with a fair value of $110,000 based on the closing price of $0.05 per share for professional services.

On April 12, 2017, the Company issued 850,000 shares of its common stock with a fair value of $85,000 based on the closing price of $0.10 per share for professional services.

Common shares issued for cash

For the year ended February 28, 2017, the Company sold 6,139,800 shares of common stock at a weighted average price of $0.05 per share for proceeds of $291,990.

On July 10, 2017, the Company issued 100,000 shares with a fair value of $5,000 in consideration of common stock payable outstanding at February 28, 2016.

On July 11, 2017, the Company issued 500,000 shares of common stock at $0.10 per share pursuant for proceeds of $50,000. In conjunction with this offering the Company also issued 500,000 warrants to purchase common stock with an exercise price of $0.21 per share and an expiration date of July 10, 2018.

On February 28, 2018, the Company closed a private placement of its securities (the "2018 Offering). The 2018 Offering consisted of the sale of "units" of the Company's securities at the per unit price of $0.15. Each unit consisted of one share of common stock and one warrant to purchase an additional share of common stock. Warrants issued pursuant to the 2018 Offering entitled the holders to purchase shares of common stock for the price of $0.15 per share. The term of each warrant is for twenty-four months from date of issuance. The proceeds of $125,000 for the 2018 Offering are classified as "Common Stock Payable" as of February 28, 2018. The shares were issued on April 4, 2018.

Common stock retirement

On January 27, 2018, the former chairman of the Company's board of directors and a current director of the Company's board of directors agreed to return 5,000,000 shares of the Company's common stock, respectively for an aggregate total of 10,000,000 common shares for consideration of $Nil. The shares are held by the Company as authorized but unissued treasury shares as of February 28, 2018.

NOTE 10 - STOCK OPTIONS

Options issued for consulting services

In consideration of various agreements in exchange for consulting services, the Company issued stock options to purchase shares of the Company's common stock based on "fair market price" which is typically the closing price of the Company's common stock on the issue dates.

On August 29, 2016, the Company granted 1,000,000 options to purchase shares of its common stock with an exercise price of $0.40 for management fees and compensation. The options contain certain performance conditions. Management has assessed the likelihood of market conditions and the probability of performance conditions being realized and recognize a fair value of $51,322 for the 666,666 options that are expected to vest.

On December 2, 2016, the Company issued 2,100,000 options to purchase shares of its common stock with an exercise price of $0.22 per share for professional services and consulting. The options vest immediately and have a term of 18 months.

The Company estimated the fair value of these option grants using the Black-Scholes model with the following information for the year ended February 28, 2017:

Options issued		3,100,000
Weighted average exercise price	$	0.28
Weighted average volatility		305.7%
Weighted average expected term		1.98
Weighted average risk free rate		1.05%

No options were granted during the year ended February 28, 2018.

The following is a summary of the Company's options for consulting services issued and outstanding:

For the year ended February 28, 2018	For the year ended February 28, 2017

	Options	Price (a)	Options	Price (a)
Beginning balance	4,845,000	$ 0.32	3,195,000	$ 0.42
Issued	-	-	3,100,000	0.28
Exercised	-	-	-	-
Forfeited/expired	(745,000)	(0.40)	(1,450,000)	(0.44)
Ending balance	4,100,000	$ 0.31	4,845,000	$ 0.32

Total expense under the option grants for consulting services was $83,461 and $531,970, for the years ended February 28, 2018 and 2017, respectively. These costs are classified as office and public company expense. As of February 28, 2018, there was no unrecognized stock option expense for consulting services.

Options issued for land purchase option agreements

In consideration for option agreements to purchase land located in the State of Montana (see Note 6), the Company issue stock options to purchase shares of the Company's common stock based on "fair market price" which is typically considered the closing price of the Company's common stock on the issue dates.

The following is a summary of the Company's options issued and outstanding in conjunction with land purchase option agreements for the year ended February 28, 2018 and February 28, 2017, respectively:

	For the year ended February 28, 2018		For the year ended February 28, 2017	
	Options	Price (a)	Options	Price (a)
Beginning balance	1,846,666	$ 0.98	2,966,666	$ 0.99
Issued	-	-	-	-
Exercised	-	-	-	-
Expired	(1,846,666)	$ (0.98)	(1,120,000)	1.00
Ending balance	-	$ -	1,846,666	$ 0.98

(a) Weighted average exercise price.

Summary of all options granted

The following table summarizes additional information about all options granted by the Company as of February 28, 2018:

Date of Grant	Options outstanding	Options exercisable	Price (a)	Remaining term (b)
August 13, 2015	1,000,000	666,666	0.40	0.45
August 29, 2016	1,000,000	666,666	0.40	1.50
December 2, 2016	2,100,000	2,100,000	0.22	0.26
Total options	4,100,000	3,433,332	0.29	0.54

(a) Weighted average exercise price per shares
(b) Weighted average remaining contractual term in years.

NOTE 11 - WARRANTS

On November 19, 2016, in conjunction with a Private Placement, the Company issued 500,000 warrants to purchase shares of the Company's common stock with an exercise price of $0.13 per share. The warrants expire November 19, 2019.

Between December 20, 2016 and January 19, 2017, in conjunction with a Private Placement, the Company issued 570,000 warrants to purchase shares of the Company's common stock with an exercise price of $0.10 per share. The warrants expired one year from their respective date of issuance.

On July 10, 2017, in conjunction with a Private Placement, the Company issued 500,000 warrants to purchase shares of the Company's common stock with an exercise price of $0.10 per share. The warrants expire July 10, 2018.

On February 28, 2018, the Company issued 833,333 warrants to purchase an additional 833,333 shares of its common stock to two investors pursuant to the "2018 Offering. The term of each warrant is for twenty-four months from date of issuance with an exercise price of $1.00.

On February 28, 2018, the Company issued 296,469 warrants to purchase an additional 296,469 shares of its common stock to two service providers in lieu of cash payment for accounts payable for their participation in the 2018 Offering.

The following is a summary of the Company's warrants issued and outstanding:

	For the year ended February 28, 2018		For the year ended February 28, 2017	
	Options	Price (a)	Options	Price (a)
Beginning balance	1,177,934	$ 0.19	107,934	$ 0.90
Issued	1,629,802	0.76	1,070,000	0.10
Exercised	-	-	-	-
Expired	(677,934)	(0.19)	-	-
Ending balance	2,129,802	$ 0.61	1,177,934	$ 0.19

The following table summarizes additional information about the warrants granted by the Company as of February 28, 2018:

Date of Grant	Warrants outstanding	Warrants exercisable	Price	Remaining term (years)
November 19, 2016	500,000	500,000	0.13	0.40
July 10, 2017	500,000	500,000	0.21	0.36
February 28, 2018	1,129,802	1,129,802	1.00	2.00
Total warrants	2,129,802	1,629,802	0.61	1.55

NOTE 12 – SUBSEQUENT EVENTS

In March 2018, by mutual agreement, the Company amended 1,100,000 options to purchase common stock at an exercise price of $0.22 per share to 242,000 options to purchase comm stock at an exercise price of $1.00. The expiration date of the options was modified to December 31, 2018.

On March 16, 2018, by mutual agreement, the Company amended 666,666 options to purchase common stock at an exercise price of $0.40 per share to an exercise price of $1.00 per share. The expiration date of the options was extended to December 31, 2018.

On March 23, 2018, 666,666 options to purchase common stock at $0.40 were terminated at the request of the option holder.

On March 15, 2018, by mutual agreement, the Company amended 500,000 stock purchase warrants to an exercise price of $1.00.

On or about March 15, 2018, by mutual agreement, the Company amended 500,000 stock purchase warrants to an exercise price of $1.00 and extended the expiration date to June 9, 2020.

On April 4, 2018, the Company issued 296,469 shares of its common stock to two service providers in lieu of cash payment for accounts payable pursuant to the terms of the 2018 Offering. Based on a share price of $0.15, the fair value of the shares issued was $27,198 which approximates the fair value of the consideration given and are classified as “Common Stock Payable” as of February 28, 2018.

On April 4, 2018, the Company issued 115,146 shares of its common stock and warrants to purchase an additional 296,469 shares of its common stock to a service provider in lieu of cash for professional services provided during March and April 2018. Based on a share price of $0.15, the fair value of the shares issued is $17,272.

On April 15, 2018, the Company executed a conditional binding letter of intent, pursuant to which upon satisfaction of certain conditions, IE Arizona, Inc, a privately-held Wyoming corporation and affiliated company of IEC Arizona, Inc (“IEC”), would be merged into Quantum Energy, Inc. The proposed merger is conditioned upon, among other things, IEC’s successful completion of its due diligence examination of the Company, the negotiation and execution of a definitive agreement, and IEC raising in the aggregate $50,000,000. Provided such conditions are satisfied including IEC’s funding of the Total Capital Investment, Quantum will issue to IEC such number of shares of Quantum common stock as shall represent 60% of the then issued and outstanding shares of Quantum common stock. Quantum will also, based on valuations yet to be determined, issue additional shares (after the initial issuance to IEC), to additional investors, as necessary to accommodate the closing of the Total Capital Investment. The combined entity will also provide the necessary funds required to prove out the viability of the development of the refinery (the “Refinery”) currently planned to be developed in Stoughton Saskatchewan, Canada including (a) obtaining environmental and engineering studies to prove the viability of the intended site, (b) if the site is determined to be viable, to acquire the land, (c) obtain required permits and (d) pay other related costs. The transaction is expected to be completed on or before December 31, 2018.

NOTE 13 – QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

The following unaudited condensed financial information of Quantum Energy, Inc. (“the Company”) included herein have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. Although certain information normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted, the Company believes that the disclosures are adequate to make the information presented not misleading. This financial information should be read in conjunction with the financial statements and notes thereto for the years ended February 28, 2018 and 2017.

The financial statements included herein reflect all normal recurring adjustments that, in the opinion of management, are necessary for a fair presentation.

BALANCE SHEETS (UNAUDITED)

	May 31, 2017	May 31, 2016
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 2,231	$ 1,504
Promissory notes receivable	-	67,500
TOTAL CURRENT ASSETS	2,231	69,004
OTHER ASSETS		
Deposit on land purchase	7,822	-
Land purchase option agreements, net of accumulated amortization	60,016	365,293
TOTAL OTHER ASSETS	67,838	365,293
TOTAL ASSETS	$ 70,070	434,297
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 58,453	$ 8,290
Promissory notes payable	2,980	12,980
Loan from related party	4,300	4,300

TOTAL CURRENT LIABILITIES	65,733	25,570
LONG-TERM LIABILITIES:		
Common stock payable	5,000	-
TOTAL LONG-TERM LIABILITIES	5,000	-
TOTAL LIABILITIES	70,733	25,570
STOCKHOLDERS' EQUITY		
Preferred Stock, $.001 par value; 5,000,000 shares authorized, none issued and outstanding		
Series A: 3,000,000 shares allocated, 1,000,000 shares issued and outstanding	1,000	1,000
Common Stock, $.001 par value; 295,000,000 shares authorized; 55,761,683 and 50,171,683 shares issued and outstanding, respectively	55,762	50,172
Additional paid-in capital	10,680,218	9,806,838
Accumulated deficit	(10,737,643)	(9,449,283)
TOTAL STOCKHOLDERS' EQUITY	(663)	408,727
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 70,070	$ 434,297

STATEMENTS OF OPERATIONS (UNAUDITED)

	For the three months ended	
	May 31, 2017	May 31, 2016
OPERATING EXPENSE		
Advertising and marketing	$ 1,836	$ -
Management fees and compensation	-	46,500
Office and public company expense	96,637	10,514
Amortization of land purchase agreements	60,016	125,228
Professional fees	11,250	7,500
TOTAL OPERATING EXPENSES	169,740	189,742
LOSS FROM OPERATIONS	(169,740)	(189,742)
OTHER INCOME (EXPENSE)		
Interest expense	-	(583)
Other income	-	-
TOTAL OTHER INCOME (EXPENSE)	-	(583)
NET LOSS	$ (169,740)	$ (190,325)
Basic and diluted loss per share	$ (0.00)	$ (0.00)
Basic and diluted weighted average number shares outstanding	55,364,400	48,857,800

STATEMENTS OF CASH FLOWS (UNAUDITED)

	For the three months ended	
	May 31, 2017	May 31, 2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (169,740)	$ (190,325)
Adjustments to reconcile net loss to cash used by operating activities		
Amortization expense, land purchase option agreements	60,017	125,228
Issuance of common shares in lieu of cash for services	85,000	-
Changes in operating assets and liabilities:		
Accounts payable	6,476	(5,470)
Promissory notes receivable	-	-
Net cash used by operating activities	(18,247)	(70,567)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Issuance of promissory notes receivable	-	(67,500)
Net cash used by investing activities	-	(67,500)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from sales of common stock	-	139,990
Repayment of loan, related party	-	(500)
Net cash provided by financing activities	-	139,490
Net increase (decrease) in cash and cash equivalents	(18,247)	1,423
CASH AT BEGINNING OF PERIOD	20,478	81
CASH AT END OF PERIOD	$ 2,231	$ 1,504
NON-CASH FINANCING AND INVESTING ACTIVITIES:		
Common stock payable for accounts payable and accrued liabilities	-	2,162
Conversion of preferred stock into common stock	-	200

QUANTUM ENERGY, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FEBRUARY 28, 2018

BALANCE SHEETS (UNAUDITED)

		August 31, 2017		August 31, 2016
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	$	6,261	$	4,537
Promissory notes receivable		-		67,500
TOTAL CURRENT ASSETS		6,261		72,037
OTHER ASSETS				
Deposit on land purchase		7,822		-
Land purchase agreements, net of amortization		-		240,065
Other assets		2,941,430		1,683,910
TOTAL OTHER ASSETS		2,949,252		1,923,976
TOTAL ASSETS	$	2,955,513		1,996,013
LIABILITIES AND STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES:				
Accounts payable and accrued liabilities	$	31,710	$	67,785
Promissory notes payable		2,980		12,980
Loan from related party		4,300		4,300
TOTAL CURRENT LIABILITIES		38,990		85,065
TOTAL LIABILITIES		38,990		85,065
STOCKHOLDERS' EQUITY				
Preferred Stock, $.001 par value; 5,000,000 shares authorized, none issued and outstanding				
Series A: 3,000,000 shares allocated, 1,000,000 and 1,000,000 shares issued and outstanding, respectively		1,000		1,000
Common Stock, $.001 par value; 295,000,000 shares authorized; 76,061,483 and 65,671,683 shares issued and outstanding, respectively		71,061		65,672
Additional paid-in capital		13,661,348		11,517,661
Accumulated deficit		(10,816,886)		(9,673,385)
TOTAL STOCKHOLDERS' EQUITY		2,916,523		1,910,948
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$	2,955,513	$	1,996,013

STATEMENTS OF OPERATIONS (UNAUDITED)

	For the three months ended		For the six months ended	
	August 31, 2017	August 31, 2016	August 31, 2017	August 31, 2016
OPERATING EXPENSE				
Advertising and marketing	$ 5,000	$ 5,736	$ 6,836	$ 5,736
Management fees and compensation	-	67,322	-	113,822
Office and public company expense	6,727	4,846	103,364	15,360
Amortization of land purchase option agreements	60,016	125,228	120,033	250,455
Professional fees	7,500	20,592	18,750	28,092
TOTAL OPERATING EXPENSES	79,243	223,723	248,983	413,465
LOSS FROM OPERATIONS	(79,243)	(223,723)	(248,983)	(413,465)
OTHER EXPENSE				
Interest expense	-	(378)	-	(961)
TOTAL OTHER EXPENSE	-	(378)	-	(961)
NET LOSS	$ (79,243)	$ (224,102)	$ (248,983)	$ (414,426)
Basic and diluted loss per share	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.01)
Basic and diluted weighted average number shares outstanding	68,238,692	56,405,379	61,801,546	52,631,589

STATEMENT OF CASH FLOWS (UNAUDITED)

	For the six months ended	
	August 31, 2017	August 31, 2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (248,983)	$ (414,426)
Adjustments to reconcile net loss to cash used by operating activities		
Stock based compensation	-	51,322
Amortization of land purchase option agreements	120,033	250,455
Issuance of common shares for services	85,000	-
Changes in operating assets and liabilities:		
Accounts payable and accrued liabilities	(20,267)	20,115
Net cash used by operating activities	(64,217)	(92,534)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Issuance of promissory note receivable	-	(67,500)
Net cash used by investing activities	-	(67,500)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from sales of common stock	50,000	164,990
Repayment of loan, related party	-	(500)
Net cash provided by financing activities	50,000	164,490
Net increase (decrease) in cash and cash equivalents	(14,217)	4,456
CASH AT BEGINNING OF PERIOD	20,478	81
CASH AT END OF PERIOD	$ 6,261	$ 4,538

NON-CASH FINANCING AND INVESTING ACTIVITIES:		
Common stock payable for accounts payable and accrued liabilities	-	2,162
Conversion of preferred stock into common stock	-	200

BALANCE SHEETS (UNAUDITED)

	November 30, 2017	November 30, 2016
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 3,982	$ 12,531
Promissory note receivable	-	67,500
TOTAL CURRENT ASSETS	3,982	80,031
OTHER ASSETS		
Deposit on land purchase	7,822	-
Land purchase agreements, net of amortization	-	180,049
Other assets	-	1,683,910
TOTAL OTHER ASSETS	7,822	1,863,959
TOTAL ASSETS	$ 11,804	1,943,990
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	$ 85,713	$ 87,845
Promissory notes payable	2,980	12,980
Loan from related party	4,300	4,300
TOTAL CURRENT LIABILITIES	92,993	105,125
LONG-TERM LIABILITIES:		
Common stock payable	-	25,000
TOTAL LONG-TERM LIABILITIES	-	25,000
TOTAL LIABILITIES	92,993	130,125
STOCKHOLDERS' EQUITY		
Preferred Stock, $.001 par value; 5,000,000 shares authorized, none issued and outstanding		
Series A: 3,000,000 shares allocated, 1,000,000 shares issued and outstanding, respectively	1,000	1,000
Common Stock, $.001 par value; 295,000,000 shares authorized; 61,361,683 and 65,671,683 shares issued and outstanding, respectively	56,362	65,672
Additional paid-in capital	10,734,618	11,517,661
Accumulated deficit	(10,873,168)	(9,770,468)
TOTAL STOCKHOLDERS' EQUITY	(81,189)	1,813,865
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 11,804	$ 1,943,990

STATEMENTS OF OPERATIONS (UNAUDITED)

	For the three months ended		For the nine months ended	
	November 30, 2017	November 30, 2016	November 30, 2017	November 30, 2016
OPERATING EXPENSE				
Advertising and marketing	$ -	$ -	$ 6,836	$ 5,736
Management fees and compensation	-	15,000	-	128,822
Office and public company expense	(371)	14,128	102,993	29,488
Amortization of land purchase option agreements	-	60,016	120,033	310,472
Professional fees	56,653	7,565	75,403	35,657
TOTAL OPERATING EXPENSES	56,282	96,709	305,265	510,174
LOSS FROM OPERATIONS	(56,282)	(96,709)	(305,265)	(510,174)
OTHER EXPENSE				
Interest expense	-	(374)	-	(1,335)
TOTAL OTHER EXPENSE	-	(374)	-	(1,335)
NET LOSS	$ (56,282)	$ (97,083)	$ (305,265)	$ (511,509)
Basic and diluted loss per share	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.01)
Basic and diluted weighted average number shares outstanding	68,799,975	60,661,025	64,117,390	55,288,602

STATEMENT OF CASH FLOWS (UNAUDITED)

	For the nine months ended	
	November 30, 2017	November 30, 2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (305,265)	$ (511,509)
Adjustments to reconcile net loss to cash used by operating activities		
Amortization of land purchase option agreements	120,033	310,472
Issuance of common shares for services	85,000	-
Changes in operating assets and liabilities:		
Accounts payable	33,736	40,176
Net cash used by operating activities	(66,496)	(109,540)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Issuance of promissory notes receivable	-	(67,500)
Net cash used by investing activities		(67,500)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from sales of common stock	50,000	189,990
Repayment of loan, related party	-	(500)
Net cash provided by financing activities	50,000	189,490
Net increase (decrease) in cash and cash equivalents	(16,496)	12,450
CASH AT BEGINNING OF PERIOD	20,478	81
CASH AT END OF PERIOD	$ 3,982	$ 12,531
NON-CASH FINANCING AND INVESTING ACTIVITIES:		
Common stock payable for accounts payable and accrued liabilities	-	$ 2,162

Conversion of preferred stock into common stock	-	200