

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

Quantum International Corp

6434 So. Quebec Street

Centennial, CO 80111

720-984-0488

www.quantuminternationalcorp.com

quantumintlcorp@gmail.com

SIC 7389

Quarterly Report

For the period ending September 30, 2023 (the "Reporting Period")

Outstanding Shares

The number of shares outstanding of our Common Stock was:

24,240,454 as of September 30, 2023

24,190,454 as of December 31, 2022

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: ☐ No: ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

Change in Control

Indicate by check mark whether a Change in Control¹ of the company has occurred over this reporting period:

Yes: ☐ No: ☒

¹ "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

The original company, Lipidlabs, Inc. was incorporated in Texas on September 25, 2001. In September of 2007 the name was changed to Telemedicus, Inc. In March of 2010 the name was changed to National Wind Solutions. In March of 2010 the name was changed to National Clean Fuels, Inc. The name was changed to Quantum International Corp (the "Company") the current company name in January of 2012.

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

Texas, Active Status

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:

None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None

The address(es) of the issuer's principal executive office:

6434 So. Quebec Street
Centennial, CO 80111

The address(es) of the issuer's principal place of business:

☒ *Check if principal executive office and principal place of business are the same address:*

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No: ☒ Yes: ☐ If Yes, provide additional details below:

2) Security Information

Transfer Agent

Name: Transfer Online, Inc.
Phone: 503-227-2950
Email: info@transferonline.com
Address: 512 SE Salmon Street
Portland, OR 97214-3444
2nd Floor

Publicly Quoted or Traded Securities:

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

Trading symbol:	<u>QUAN</u>	
Exact title and class of securities outstanding:	<u>common stock</u>	
CUSIP:	<u>74766H101</u>	
Par or stated value:	<u>\$0.001 per share</u>	
Total shares authorized:	<u>200,000,000</u>	<u>as of date: September 30, 2023</u>
Total shares outstanding:	<u>24,240,454</u>	<u>as of date: September 30, 2023</u>
Total number of shareholders of record:	<u>33</u>	<u>as of date: September 30, 2023</u>

All additional class(es) of publicly quoted or traded securities (if any):

Trading symbol:	<u>Not applicable</u>	
Exact title and class of securities outstanding:	<u> </u>	
CUSIP:	<u> </u>	
Par or stated value:	<u> </u>	
Total shares authorized:	<u> </u>	<u>as of date: </u>
Total shares outstanding:	<u> </u>	<u>as of date: </u>
Total number of shareholders of record:	<u> </u>	<u>as of date: </u>

Trading symbol:	<u>Not applicable</u>	
Exact title and class of securities outstanding:	<u> </u>	
CUSIP:	<u> </u>	
Par or stated value:	<u> </u>	
Total shares authorized:	<u> </u>	<u>as of date: </u>
Total shares outstanding:	<u> </u>	<u>as of date: </u>
Total number of shareholders of record:	<u> </u>	<u>as of date: </u>

Other classes of authorized or outstanding equity securities:

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g. preferred shares). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

Exact title and class of the security:	<u>Series A preferred stock</u>	
CUSIP (if applicable):	<u>not applicable</u>	
Par or stated value:	<u>par value \$0.001</u>	
Total shares authorized:	<u>500</u>	<u>as of date: September 30, 2023</u>
Total shares outstanding (if applicable):	<u>5</u>	<u>as of date: September 30, 2023</u>
Total number of shareholders of record (if applicable):	<u>1</u>	<u>as of date: September 30, 2023</u>

Exact title and class of the security:	<u>2021 Series A preferred stock</u>	
CUSIP (if applicable):	<u>not applicable</u>	
Par or stated value:	<u>par value \$0.001</u>	
Total shares authorized:	<u>20</u>	<u>as of date: September 30, 2023</u>
Total shares outstanding (if applicable):	<u>20</u>	<u>as of date: September 30, 2023</u>
Total number of shareholders of record (if applicable):	<u>1</u>	<u>as of date: September 30, 2023</u>

Exact title and class of the security:	<u>Series B preferred stock</u>	
CUSIP (if applicable):	<u>not applicable</u>	
Par or stated value:	<u>par value \$0.001</u>	
Total shares authorized:	<u>2</u>	<u>as of date: September 30, 2023</u>
Total shares outstanding (if applicable):	<u>2</u>	<u>as of date: September 30, 2023</u>
Total number of shareholders of record (if applicable):	<u>1</u>	<u>as of date: September 30, 2023</u>

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

1. For common equity, describe any dividend, voting and preemption rights.

Common shares have the right to one vote per share and the right to receive dividends if the board of directors authorizes dividends.

2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.

Series A Preferred Stock is entitled to dividends per the board's discretion. Convertible into common stock at a ratio of 10-1. Each class of Series A Preferred Stock shall be entitled to hold 10 votes on all matters voted on by holders of the capital stock of the Corporation into which such share of Class A Preferred Stock is convertible.

Each share of the 2021 Series A preferred stock is convertible into 10,000,000 shares of common stock.

Each share of the Series B preferred stock is convertible into 4.99% of the common shares outstanding. As of September 30, 2023, there were 20 shares of 2021 Series A preferred stock and 2 shares of Series B preferred stock issued and outstanding, respectively. Preferred shares have voting rights equal to the number of common shares which they can convert into.

3. Describe any other material rights of common or preferred stockholders.

None

4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.

None

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period**.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: ☐ Yes: ☒ (If yes, you must complete the table below)

Shares Outstanding as of Second Most Recent Fiscal Year End: <u>Opening Balance</u> Date <u>12/31/2020</u> Common: <u>46,404,563</u> Preferred: <u>5</u>			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	Transaction type (e.g., new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to. *You must disclose the control person(s) for any entities listed.	Reason for share issuance (e.g. for cash or debt conversion) - OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
August 12, 2021	New Issue	20	2021 Series A Preferred	0	NA	Synergy Management Group, LLC / Benjamin Berry	Voting Control	Restricted	4(a)(2)
August 12, 2021	New Issue	2	Series B Preferred	0	NA	Synergy Management Group, LLC / Benjamin Berry	Services as a custodian	Restricted	4(a)(2)
March 18, 2022	cancellation	(22,214,109)	common	NA	NA	NA	NA	NA	NA
March 30, 2023	New issue	50,000	common	\$0.069	No	KRTL Holding Group, Inc. / Cesar Herrera	Consulting services	Restricted	4(a)(2)
Shares Outstanding on Date of This Report: <u>Ending Balance</u> <u>Ending Balance</u> <u>Balance:</u> Date <u>9/30/2023</u> Common: <u>24,240,454</u> Preferred: <u>27</u>									

Example: A company with a fiscal year end of December 31st, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2021 through December 31, 2022 pursuant to the tabular format above.

Use the space below to provide any additional details, including footnotes to the table above:

B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities :

No: ☒ Yes: ☐ (If yes, you must complete the table below)

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder. <small>*You must disclose the control person(s) for any entities listed.</small>	Reason for Issuance (e.g. Loan, Services, etc.)

Use the space below to provide any additional details, including footnotes to the table above:

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations.
(Please ensure that these descriptions are updated on the Company's Profile on www.otcmarkets.com).

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

Quantum International Corp is an app development company. The Company currently employs a group of highly specialized developers from around the world. The Company has just finished building two apps in the FinTech and Technology industry. The company is currently developing a suite of AI Apps. The company has plans to continue its app activities with the development of a new apps every 6 to 12 months.

B. List any subsidiaries, parent company, or affiliated companies.

NA

C. Describe the issuers' principal products or services.

Online fintech platform for financial instruments.

5) Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

NA

6) Officers, Directors, and Control Persons

Using the table below, please provide information, as of the period end date of this report, regarding any officers, or directors of the company, individuals or entities controlling more than 5% of any class of the issuers securities, or any person that performs a similar function, regardless of the number of shares they own. **If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity in the note section.**

Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Names of All Officers, Directors and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
<u>Justin Waiau</u>	CEO	Centennial, CO	5	Series A Preferred Shares	100%	
<u>Justin Waiau</u>	CEO	Centennial, CO	2	Series B Preferred Shares	100%	
<u>Justin Waiau</u>	CEO	Centennial, CO	20	2021 Series A Preferred Shares	100%	

7) Legal/Disciplinary History

A. Identify whether any of the persons or entities listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

None

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

None

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

None

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

None

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: Jonathan D. Leinwand
Firm: Jonathan D. Leinwand, Esq
Address 1: 18305 Biscayne Blvd Suite 200.
Address 2: Aventure, FL 33160
Phone: 954-903-7856
Email: jonathan@jdlpa.com

Accountant or Auditor

Name: Paul Riss
Firm: ICF Industries Inc.
Address 1: 800 Westchester Ave Suite 641N
Address 2: Rye Brook, NY 10573
Phone: 914-750-9339
Email: paul@heretoserve.tech

Investor Relations

Name: none
Firm:
Address 1:

Address 2:

Phone:

Email:

All other means of Investor Communication:

Twitter: not used

Discord: not used

LinkedIn not used

Facebook: not used

[Other]

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared, or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name: None

Firm:

Nature of Services:

Address 1:

Address 2:

Phone:

Email:

9) Financial Statements

A. The following financial statements were prepared in accordance with:

- ☐ IFRS
☒ U.S. GAAP

B. The following financial statements were prepared by (name of individual)²:

Name: Paul Riss

Title: Accountant

Relationship to Issuer: Independent consultant

Describe the qualifications of the person or persons who prepared the financial statements: MBA in accounting with distinction from New York University Stern School of Business. Member of the AICPA.

Provide the following financial statements for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- a. Audit letter, if audited;
- b. Balance Sheet;
- c. Statement of Income;
- d. Statement of Cash Flows;
- e. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- f. Financial Notes

² The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

QUANTUM INTERNATIONAL CORP.
UNAUDITED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

Quantum International Corp
Balance Sheets
Unaudited

	<u>September 30, 2023</u>	<u>December 31, 2022</u>
ASSETS		
Cash and cash equivalents	\$ 108,130	\$ 5,696
Prepaid expenses	1,750	460
Receivable	977,489	-
Deposits	650	650
Total current assets	1,088,019	6,806
Long-term receivable	7,525,158	-
Software development costs	-	190,000
Total assets	<u>\$ 8,613,177</u>	<u>\$ 196,806</u>
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)		
Current liabilities		
Due to related party	\$ 504,854	\$ 206,000
Accounts payable	10,000	-
Total current liabilities	514,854	206,000
Long-term deferred taxes	1,562,000	-
Total liabilities	2,076,854	206,000
Commitments and contingencies	-	-
Preferred stock, par value \$0.001; 500 shares authorized, Series A Preferred Stock; 5 shares issued and outstanding	-	-
2021 Series A Preferred Stock; 20 shares issued and outstanding	-	-
Series B Preferred Stock; 2 shares issued and outstanding	-	-
Common stock, par value \$0.001; 200,000,000 shares authorized, 24,240,454 and 24,190,454 shares issued and outstanding in 2023 and 2022	24,240	24,190
Paid-in-capital	27,264,410	27,261,010
Accumulated deficit	(20,752,328)	(27,294,394)
Total shareholders' equity (deficit)	6,536,322	(9,194)
Total liabilities and shareholders' equity (deficit)	<u>\$ 8,613,176</u>	<u>\$ 196,806</u>

The accompanying notes are an integral part of these financial statements

Quantum International Corp
Statements of Income
Unaudited

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Revenue	\$ -	\$ -	\$ 8,576,762	\$ -
Cost of sales	-	-	370,000	-
Gross profit	-	-	8,206,762	-
Expenses:				
Consulting fees	90,000	616,678	93,450	1,720,683
Advertising and marketing	-	-	-	3,540
Rent	1,750	1,764	5,710	4,775
General and administrative	18,240	11,098	37,291	23,454
Total expenses	109,990	629,540	136,451	1,752,452
Other income:				
Interest income	32,318		32,318	
Unrealized gain on cash equivalents	1,437	-	1,437	-
Total other income	33,755	-	33,755	-
Net income (loss) before income taxes	(76,235)	(629,540)	8,104,066	(1,752,452)
Income tax expense (benefit)	(6,000)	-	1,562,000	-
Net income (loss) before income taxes	<u>\$ (70,235)</u>	<u>(629,540)</u>	<u>\$ 6,542,066</u>	<u>(1,752,452)</u>
Basic net income (loss) per share	\$ (0.00)	\$ (0.03)	\$ 0.27	\$ (0.06)
Diluted income (loss) per share	<u>\$ (0.00)</u>	<u>\$ (0.03)</u>	<u>\$ 0.03</u>	<u>\$ (0.06)</u>
Weighted average number of shares outstanding				
Basic	24,240,454	24,190,454	24,223,973	30,443,314
Fully diluted	<u>233,827,954</u>	<u>24,190,454</u>	<u>233,811,473</u>	<u>30,443,314</u>

The accompanying notes are an Integral part of these financial statmnts

Quantum International Corp
Statements of Changes in Shareholders' Equity (Deficit)
For the Nine Months Ended September 30, 2023 and the Years Ended December 31, 2022 and 2021
Unaudited

	Common Stock		Preferred Stock		Paid-in-Capital	Accumulated Deficit	Shareholders' Equity (Deficit)
	Shares	Amount	Shares	Amount			
Balance, January 1, 2021	46,404,563	\$ 46,405	5	\$ -	\$ 25,238,212	\$ (25,284,617)	\$ -
2021 Series A Preferred Stock	-	-	20	-	227,273	-	227,273
Series B Preferred Stock	-	-	2	-	22,727	-	22,727
Net loss 2021	-	-	-	-	-	(250,000)	(250,000)
Balance, December 31, 2021	46,404,563	46,405	27	-	25,488,212	(25,534,617)	-
Equity contribution	-	-	-	-	29,900	-	29,900
Warrant issuance	-	-	-	-	1,720,683	-	1,720,683
Cancellation of common shares	(22,214,109)	(22,215)	-	-	22,215	-	-
Net loss 2022	-	-	-	-	-	(1,759,777)	(1,759,777)
Balance, December 31, 2022	24,190,454	24,190	27	-	27,261,010	(27,294,394)	(9,194)
Stock-based compensation	50,000	50	-	-	3,400	-	3,450
Net loss quarter ended March 31, 2023	-	-	-	-	-	(12,506)	(12,506)
Balance, March 31, 2023	24,240,454	24,240	27	-	27,264,410	(27,306,900)	(18,250)
Net income quarter ended June 30, 2023	-	-	-	-	-	6,624,807	6,624,807
Balance, June 30, 2023	24,240,454	24,240	27	-	27,264,410	(20,682,093)	6,606,557
Net loss quarter ended September 30, 2023	-	-	-	-	-	(70,235)	(70,235)
Balance, September 30, 2023	24,240,454	\$ 24,240	27	\$ -	\$ 27,264,410	\$ (20,752,328)	\$ 6,536,322

The accompanying notes are an integral part of these financial statements

Quantum International Corp
Statements of Cash Flows
Unaudited

	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Cash flows from operating activities:		
Net income (loss)	\$ 6,542,066	\$ (1,752,452)
Adjustment to reconcile net income (loss) to net cash used in operating activities:		
Stock-based compensation	3,450	1,720,683
Changes in deferred taxes	1,562,000	-
Changes in operating assets and liabilities:		
Prepaid expenses	(1,290)	(2,225)
Receivable	(8,502,647)	-
Deposits	-	(650)
Accounts payable	10,000	-
Due to related party	298,854	108,000
Net cash provided (used in) operating activities	<u>(87,566)</u>	<u>73,356</u>
Cash flows from investing activities		
Software development costs	190,000	(95,000)
Net cash provided bt (used in) investing activities	<u>190,000</u>	<u>(95,000)</u>
Cash flows from financing activities:		
Contribution of capital	-	29,900
Net cash provided by financing activities	<u>-</u>	<u>29,900</u>
Net cash increase for period	102,434	8,256
Cash and cash equivalents at beginning of year	5,696	-
Cash and cash equivalents at end of quarterly period	<u>\$ 108,130</u>	<u>\$ 8,256</u>
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Income taxes	<u>\$ -</u>	<u>\$ -</u>
Interest	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

Quantum International Corp
Notes to the Unaudited Financial Statements
September 30, 2023

Note 1 – Organization and Basis of Presentation

Organization and Line of Business

The original company, Lipidlabs, Inc. was incorporated in Texas on September 25, 2001. In September of 2007 the name was changed to Telemedicus, Inc. In October of 2008 the name was changed to National Wind Solutions. In March of 2010 the name was changed to National Clean Fuels, Inc. In January of 2012, the name of the corporation was changed to its current name, Quantum International Corp (the “Company” or “we”). The Company develops fintech applications for online products.

Basis of Presentation

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. The Company has a December 31 year end.

Note 2 – Summary of Significant Accounting Policies

Use of Estimates

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The most significant estimates relate to income tax valuation allowance and valuation of warrants. On a continual basis, management reviews its estimates, utilizing currently available information, changes in facts and circumstances, historical experience and reasonable assumptions. After such reviews, and if deemed appropriate, those estimates are adjusted accordingly. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with maturities of three months or less to be cash equivalents. The Company has cash equivalents of \$107,870. The Company uses one financial institution for its cash balances and has not maintained cash balances that exceed federally insured limits.

Revenue Recognition

The Company recognizes revenue using the following five-step model pursuant to the guidelines established by ASU 2014-09, "Revenue from Contracts with Customers (Topic 606):"

- Identification of the contract, or contracts, with a customer.
- Identification of the performance obligations in the contract.
- Determination of the transaction price.
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when or as, the Company satisfies a performance obligation.

Fair Value of Financial Instruments

Under the Fair Value Measurements Topic of the FASB Accounting Standards Codification, the Company bases its fair value on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is the Company's policy to maximize the use of observable inputs and minimize the use of unobservable inputs when developing fair value measurements, in accordance with the fair value hierarchy. Fair value measurements for assets and liabilities where there exists limited or no observable market data and, therefore, are based primarily upon management's own estimates, are often calculated based on current pricing policy, the economic and competitive environment, the characteristics of the asset or liability and other such factors. Therefore, the results cannot be determined with precision and may not be realized in an actual sale or immediate settlement of the asset or liability. Additionally, there may be inherent weaknesses in any calculation technique, and changes in the underlying assumptions used, including discount rates and estimates of future cash flows, that could significantly affect the results of current or future value.

Software Development Costs

In accordance with ASC 985-20-25, Costs of Software to Be Sold, Leased, or Marketed, software development costs are expensed as incurred until technological feasibility and marketability has been established. Once the point of technological feasibility and marketability is reached, direct production costs (including labor directly associated with the development projects), indirect costs (including allocated fringe benefits, payroll taxes, facilities costs, and management supervision), and other direct costs (including costs of outside consultants, purchased software to be included in the software product being developed, material and supplies, and other direct costs) are capitalized until the product is available for general release to customers. Total cumulative capitalized software development costs were \$0 and \$190,000 as of September 30, 2023 and December 31, 2022, respectively. In the nine-month period ended September 30, 2023, cumulative software development costs of \$370,000 were recorded as cost of sales to reflect the sale of the software to a related party corporation.

Impairment of long-lived assets

The Company periodically reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be fully recoverable. The Company recognizes an impairment loss when the sum of expected undiscounted future cash flows is less than the carrying amount of the asset. The amount of impairment is measured as the difference between the asset's estimated fair value and its book value. During the three- and nine-month periods ended September 30, 2023 and 2022, the Company did not record any impairment losses.

Stock-Based Compensation

The Company utilizes the Black-Scholes option pricing model to estimate the fair value of warrant issuances or stock option awards at the date of grant, which requires the input of highly subjective assumptions, including expected volatility and expected life. Changes in these inputs and assumptions can materially affect the measure of estimated fair value of share-based compensation. These assumptions are subjective and generally require significant analysis and judgment to develop. The Company estimates volatility by considering the historical stock volatility. The Company has opted to use the simplified method for estimating the expected term.

Income Taxes

The Company accounts for income taxes under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry

forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income and the reversal of deferred tax liabilities during the period in which related temporary differences become deductible.

The Company records uncertain tax positions in accordance with ASC 740 on the basis of a two-step process whereby (1) we determine whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, we recognize the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority.

Based on the Company's history of tax losses, it has been concluded that there are no significant uncertain tax positions requiring recognition in the Company's financial statements. The Company believes that its income tax positions would be sustained on audit and does not anticipate any adjustments that would result in a material change to its financial position.

The Company may in the future become subject to foreign, federal, state and local income taxation though it has not been since inception. The Company is not presently subject to any income tax audit in any taxing jurisdiction.

Basic Income (Loss) Per Share

Basic income (loss) per share is calculated by dividing the Company's net income or loss applicable to common shareholders by the weighted average number of common shares during the period. A diluted earnings per share is calculated by dividing the Company's net income available to common shareholders by the diluted weighted average number of shares outstanding during the year. The diluted weighted average number of shares outstanding is the basic weighted number of shares adjusted for any potentially dilutive debt or equity. Loss per share data does not include common stock issuable to holders of convertible securities because their effect is anti-dilutive.

Recent Accounting Pronouncements

Management does not believe that any other recently issued, but not yet effective, accounting standards could have a material effect on the accompanying financial statements. As new accounting pronouncements are issued, the Company will adopt those that are applicable under the circumstances.

The Company does not expect the adoption of recently issued accounting pronouncements to have a significant impact on the Company's results of operations, financial position or cash flow.

Note 3 – Income Taxes

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities as of September 30, 2023 and December 31, 2022 were as follows:

	September 30, 2023	December 31, 2022
Deferred tax assets:		
NOL carryforward	\$ 176,000	\$ 74,000
Stock-based compensation	441,000	441,000
Total deferred tax asset	617,000	515,000
Deferred tax liability		
Uncollected installment sale	(2,179,000)	-
Total deferred tax liability	(2,179,000)	-
Net deferred tax assets (liabilities)	(1,562,000)	515,000
Valuation allowance	-	(515,000)
Deferred tax assets (liabilities)	\$ (1,562,000)	\$ -

As of September 30, 2023 and December 31, 2022, the Company recorded deferred tax assets and liabilities at an expected rate of 25.6%.

For the three-month period ended September 30, 2023, the Company recorded an income tax benefit of \$6,000. For the nine-month period ended September 30, 2023, income tax expense was \$1,562,000, with an effective tax rate of 19%. The effective tax rate and the resulting provision for income taxes were impacted by tax benefits related to a net operating loss carryforward and a deferred tax asset generated by stock-based compensation. For the three- and nine-month periods ended September 30, 2022, income tax expense was \$0 due to the losses in both periods.

The Company did not have any material unrecognized tax benefits as of September 30, 2023 and December 31, 2022. The Company does not expect the unrecognized tax benefits to significantly increase or decrease within the next twelve months. The Company recorded no interest and penalties relating to unrecognized tax benefits as of and during the three- and nine-month periods ended September 30, 2023 and 2022. The Company is subject to U.S. federal income tax, as well as taxes by various state jurisdictions.

Note 4 – Stockholders' Equity

The Company is authorized to issue 200,000,000 shares of common stock, par value \$0.001 per share, and an aggregate of 500 shares of preferred stock, par value \$0.001 per share. As of September 30, 2023 and December 31, 2022 there were 24,240,454 and 24,190,454 shares of common stock issued and outstanding, respectively. As of September 30, 2023 and December 31, 2022 there were 27 shares of preferred stock issued and outstanding, consisting of 20 shares of 2021 Series A Preferred Stock, 5 shares of Series A Preferred Stock, and 2 shares of Series B Preferred Stock.

Benjamin Berry was appointed receiver on August 9th, 2021, CAUSE NO. 202079962 in the 334th Judicial District, Harris County, Texas. On August 12, 2021 Benjamin Berry was elected and consented to serve as Director, CEO, President, Secretary and Treasurer. On August 12, 2021, the board of directors approved resolutions as follows:

The board of directors authorized a reverse split of the Company's Series A Preferred Stock on a 1-for-2,000,000 basis, whereby the Company issued to its preferred stockholder one share of Series A Preferred Stock for every 2,000,000 shares of Series A Preferred Stock held by such stockholder. The reverse split was effective on August 12, 2021. The financial statements have been adjusted to give effect to the reverse split. The effect of this adjustment was to reduce the preferred stock balance sheet account to zero and increase the balance sheet account for capital in excess of par value by \$10,000 as of December 31, 2020. As of September 30, 2023 and December 31, 2022 there were 5 shares of Series A Preferred Stock issued and outstanding.

The Board of Directors authorized the creation of 20 shares of 2021 Series A Preferred Stock (the "2021 Series A") and 2 shares of Series B Preferred Stock (the "Series B"). The 2021 Series A and Series B shares were issued to Synergy Management Group, LLC controlled by Benjamin Berry for services rendered. Benjamin Berry sold his controlling interest to a new majority shareholder on December 31, 2021. Each share of the 2021 Series A is convertible into 10,000,000 shares of common stock. The Series B shares are convertible into 9.98% of the common shares outstanding. Series A Preferred Stock is entitled to dividends per the board's discretion. Convertible into Common Stock at a ratio of 10-1. Each class of A Preferred Stock shall be entitled to hold 10 votes on all matters voted on by holders of the capital stock of the Corporation into which such share of Class A Preferred Stock is convertible.

On March 18, 2022, the presiding judge in the district court of the 334th Judicial District of Harris County, Texas, approved a motion by the Company to cancel 22,214,109 issued and outstanding shares of common stock.

In March 2023, the Company issued 50,000 shares of common stock valued at \$3,450 for consulting services.

During the year ended December 31, 2022, the Company issued 12,900,000 warrants to purchase common stock. In March 2023, the Board of Directors voted to reduce the number of warrant shares from 12,900,000 to 6,900,000. The warrants expire on March 8, 2030, are exercisable at a price of \$0.001 per share and are fully vested. The value of the warrants was recorded as consulting expense totaling \$1,720,683 for the year ended December 31, 2022. The remaining life on September 30, 2023 and December 31, 2022 is 6.44 and 7.19 years, respectively.

In 2022, the Company estimated the fair value of the warrants issued using the Black-Scholes valuation method with assumptions including: (1) a term of between 7.44 to 8 years; (2) a computed volatility rate of 204% (3) a discount rate of 1.85% to 2.99% and (4) zero dividends.

Note 5 – Fair Value

The Fair Value Measurements Topic of the FASB Accounting Standards Codification establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company has the ability to access at the measurement date.
- Level 2: inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs are unobservable inputs for the asset or liability.

Under the Fair Value Measurements Topic of the FASB Accounting Standards Codification, we base fair value on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is our policy to maximize the use of observable inputs and minimize the use of unobservable inputs when developing fair value measurements, in accordance with the fair value hierarchy. Fair value measurements for assets and liabilities where there exists limited or no observable market data and, therefore, are based primarily upon management's own estimates, are often calculated based on current pricing policy, the economic and competitive environment, the characteristics of the asset or liability and other such factors. Therefore, the results cannot be determined with precision and may not be realized in an actual sale or immediate settlement of the asset or liability. Additionally, there may be inherent weaknesses in any calculation technique, and changes in the underlying assumptions used, including discount rates and estimates of future cash flows that could significantly affect the results of current or future value.

Cash and cash equivalents, prepaid expenses, and deposits

In general, carrying amounts approximate fair value because of the short maturity of these instruments.

Related Party Payable

The amount payable to a related party is carried at its face value. Based on the small size of the Company, it is impracticable for the Company to estimate the fair value of this liability.

The Company has no instruments with significant off balance sheet risk.

Note 6 – Commitments and Contingencies

Leases

The lease commitment for the Company's office space ends on December 31, 2023. Rent expense is \$7,000 per annum.

Contingencies

We face risks related to health epidemics and other outbreaks, which could significantly disrupt the Company's operations. The outbreak of pandemics and epidemics could materially and adversely affect the Company's business. The extent to which a pandemic or other health outbreak impacts the Company's results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of a virus and the actions to contain it or treat its impact, among others. Pandemics can also result in social, economic, and labor instability which may adversely impact the Company's business.

Litigation

The Company accrues for loss contingencies associated with outstanding litigation, claims and assessments for which management has determined it is probable that a loss contingency exists, and the amount of loss can be reasonably estimated. Costs for professional services associated with litigation claims are expensed as incurred. As of September 30, 2023 and December 31, 2022, the Company has not accrued or incurred any amounts for litigation matters.

Note 7 – Net Income (Loss) Per Common Share

Earnings (loss) per common share data for the three- and nine-month periods ended September 30, 2023 and 2022 was computed as follows:

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Net income (loss) attributable to common stockholders - basic	\$ (70,235)	\$ (629,540)	\$ 6,542,066	\$ (1,752,452)
Adjustments to net income (loss)	-	-	-	-
Net income (loss) attributable to common stockholders - diluted	<u>\$ (70,235)</u>	<u>\$ (629,540)</u>	<u>\$ 6,542,066</u>	<u>\$ (1,752,452)</u>
Weighted average common shares outstanding - basic	24,240,454	24,190,454	24,223,973	30,443,314
Effect of dilutive securities	209,587,500	-	209,587,500	-
Weighted average common shares outstanding - diluted	<u>233,827,954</u>	<u>24,190,454</u>	<u>233,811,473</u>	<u>30,443,314</u>
Net income (loss) per share - basic	<u>\$ (0.00)</u>	<u>\$ (0.03)</u>	<u>\$ 0.27</u>	<u>\$ (0.06)</u>
Net income (loss) per share - diluted	<u>\$ (0.00)</u>	<u>\$ (0.03)</u>	<u>\$ 0.03</u>	<u>\$ (0.06)</u>

In each of the above periods, dilutive securities consisted of the assumed exercise of warrants and the conversion of preferred stock. In the three- and nine-month periods ended September 30, 2022, dilutive securities exercisable into approximately 210,332,000 shares of common stock were excluded from the loss per share calculation because the effect was anti-dilutive.

Note 8 – Related Party Transactions

The Company owes its Chief Executive Officer \$504,854 and \$206,000 as of September 30, 2023 and December 31, 2022, for unreimbursed payments to vendors.

The Company completed the development of its first major programming project, the LootUp App, and sold the app to LootUp, Inc., a corporation that is controlled by the majority owner and CEO of the Company. The sale price was \$10 million. LootUp Inc. is required to pay \$100,000 per month or more, beginning in August 2023, until the sale price is fully paid.

Because the sale contract contains a significant financing component, the amount of the sale was discounted at an interest rate of 3.61 percent, the 10-year treasury rate on the day the sale was completed. As a result, the sale and corresponding receivable were recorded as \$8,576,762. As of September 30, 2023, the Company collected payments of \$106,433, and the remaining receivable is \$8,470,329, \$977,489 of which is considered a current receivable and \$7,492,840 of which is considered a long-term receivable. In conjunction with the requirements of Topic 606, \$32,318 of the cash received from the \$106,433 payment is considered interest income in the three- and nine-month periods ended September 30, 2023.

The revenue of \$8,576,762 for the nine-month period ended September 30, 2023 is related party revenue.

Note 9 – Subsequent Events

The company has evaluated all subsequent events. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Justin Waiau certify that:

1. I have reviewed this Disclosure Statement for Quantum International Corp.
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

11/06/2023

/s/ Justin Waiau

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

Principal Financial Officer:

I, Justin Waiau certify that:

1. I have reviewed this Disclosure Statement for Quantum International Corp.
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

11/06/2023

/s/ Justin Waiau

(Digital Signatures should appear as "/s/ [OFFICER NAME]")