Quantum Energy, Inc.

(a Nevada corporation)

60 East Rio Salado Parkway
Suite 900
Tempe, Arizona 85281

http://www.quantum-e.com

Phone: 480-366-5884
Fax: 480-946-8463
E-mail: info@quantum-e.com

Company Information and Updated Disclosure Statement for the Quarter Ending November 30, 2016

QUARTERLY REPORT
Amended

REQUIRED TO CONFORM WITH THE PROVISIONS OF THE PINK SHEETS ISSUERS DISCLOSURE STATEMENT

February 23, 2017

Current Information Regarding

Quantum Energy, Inc.

The following information is provided to assist securities brokerage firms and potential investors with "due diligence" compliance. The information set forth below as to the above named corporation follows the requirements of the Pink Sheets Issuers Disclosure Statement and generally follows the format set forth therein.

OTC Pink Basic Disclosure Guidelines

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

The exact name of the issuer is Quantum Energy, Inc. ("we," "us," "our" or the "Company"). We were incorporated under the laws of the State of Nevada on February 5, 2004 as "Boomers Cultural Development, Inc.". On May 18, 2006 the company changed its name to Quantum Energy Inc.

2) Address of the issuer's principal executive offices

Company Headquarters

Quantum Energy, Inc.
60 East Rio Salado Parkway Suite 900
Tempe, Arizona 85281
http://www.quantum-e.com
Phone: 480-366-5884
Fax: 480-946-8463
E-mail: info@quantum-e.com

IR Contact

Invest Com USA 1-855-424-7447

3) Security Information

Trading Symbol: QEGY
Exact title and class of securities outstanding: Common
CUSIP: 747645 208
Par or Stated Value: $.001

Total shares authorized: 295,000,000	as of: November 30, 2016
Total shares outstanding: 65,671,683	as of: November 30, 2016

Additional class of securities (if necessary):

Preferred – 5,000,000 authorized	as of November 30, 2016
Series A Preferred - $0.001, 1 million issued	as of November 30, 2016
6% Series B Preferred - $0.001, 0 issued	as of November 30, 2016

Transfer Agent

Pacific Stock Transfer
4045 S. Spencer Street Suite 403
Las Vegas, Nevada 89119
Telephone: (702) 362-30-33

Fax: (702) 433-1979
Is the Transfer Agent registered under the Exchange Act?* Yes: x No: ☐

List any restrictions on the transfer of security:

None

Describe any trading suspension orders issued by the SEC in the past 12 months.

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:

- 150-1 Forward Split mailed out directly to shareholders
    1. *Shareholders received 149 additional shares bearing the same CUSIP for each 1 share held, resulting in 150 total shares held.*
- Pre-Split TSO: 249,776
- Post-Split TSO: 37,466,400
- Record Date: 11/15/2013
- Payment Date: 11/15/2013
- Daily List Announcement Date: 11/12/2013

4) Issuance History

List below any events, in chronological order, that resulted in changes in total shares outstanding by the issuer in the past two fiscal years and any interim period. The list shall include all offerings of equity 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, describing (1) the securities, (2) the persons or entities to whom such securities were issued and (3) the services provided by such persons or entities. The list shall indicate:

A. The nature of each offering (e.g., Securities Act Rule 504, intrastate, etc.);

The Company issued 200,000 shares of common stock to Stanley F. Wilson in exchange for 100% of the common stock of FTPM Resources, Inc. on June 25, 2013 by means of a share exchange agreement approved by 100% of the board of directors and approved by 55.2% of the shareholders eligible to vote pursuant to the written consent of the shareholders.

The Company issued 7,533,600 shares of common stock restricted under Rule 144 to Data Capital Corp as consideration under an Engagement Agreement on December 18, 2013.

The Company issued 625,000 shares of restricted common stock in conversion of $25,000 of debt on March 10, 2014.

The Company returned 7,283,600 shares to the treasury that had been surrendered back to the Company by agreement and cancellation of the DCC Engagement Agreement on March 18, 2014.

The Company issued 500,000 shares of Series A Preferred Stock to Stanley F. Wilson and 500,000 shares of Series A Preferred Stock to The Kandy LP on March 21, 2014.

The Company issued 3,773,125 shares of restricted common stock in conversion of a $150,000 convertible debenture on March 25, 2014.

The Company issued 309,118 shares of restricted common stock in conversion of $309,118 of debt on March 30, 2014.

The Company issued 200,000 shares of 6% Series B Convertible Preferred Stock at $1.00 per share on March 31, 2014.

The Company issued 120,000 shares of restricted common stock at $0.24 per share on April 23, 2014 pursuant to a consulting agreement.

The Company issued 100,000 shares of restricted common stock at $0.20 per share on March 16, 2015 pursuant to a stock purchase agreement.

The Company issued 500,000 shares of restricted common stock at $0.20 per share on March 16, 2015 pursuant to a stock purchase agreement.

The Company issued 100,000 shares of restricted common stock at $0.20 per share om August 10, 2015 pursuant to a stock purchase agreement.

The Company issued 60,000 shares of restricted common stock at $0.20 per share on August 11, 2015 pursuant to a stock purchase agreement

The Company issued 100,000 shares of restricted common stock at $0.20 per share on September 4, 2015, pursuant to a stock purchase agreement.

The Company issued 50,000 shares of restricted common stock at $0.20 per share on September 4, 2015, pursuant to a stock purchase agreement.

The Company issued 10,000 shares of restricted common stock at $0.20 per share on September 4, 2015, pursuant to a stock purchase agreement.

The Company issued 10,000 shares of restricted common stock at $0.37 per share on November 18, 2015, pursuant to an agreement to settle a dispute over disputed fees.

The Company issued 115,000 shares of restricted common stock at $0.37per share on November 18, 2015, pursuant to an agreement to settle a dispute over disputed fees.

The Company issued 400,000 shares of restricted common stock in conversion of 200,000 shares of Series B Preferred stock at a price of $0.50 per share on March 11, 2016.

The Company issued 2,500,000 shares of restricted common stock at $0.04 per share on March 18, 2016 pursuant to a stock purchase agreement.

The Company issued 500,000 shares of restricted common stock at $0.04 per share on April 22, 2016 pursuant to a stock purchase agreement.

The Company issued 500,000 shares of restricted common stock at $0.03 per share on April 22, 2016 pursuant to a stock purchase agreement.

The Company issued 200,840 shares of restricted common stock at $0.05 per share on May 16, 2016 pursuant to a stock purchase agreement

The Company issued 500,000 shares of restricted common stock at $0.05 per share on July 28, 2016 pursuant to a stock purchase agreement.

The Company issued 15,000,000 shares of restricted common stock at $0.11 per share for the acquisition of 100% ownership of New-Tex Petroleum IV, LP and a 5% working interest in the Bushwhacker heavy oil field. As noted in the footnotes to the financial statements attached hereto as a subsequent event, the New-Tex acquisition was rescinded by means of a Mutual Rescission Agreement and 10,000,000 shares were cancelled.

B. Any jurisdictions where the offering was registered or qualified;

N/A

C. The number of shares offered;

200,000;
7,533,600;
625,000;
1,000,000;
3,773,125;
309,118;
200,000
120,000
100,000
500,000
100,000
60,000
100,000
50,000
10,000
10,000
115,000
400,000
2,500,000
500,000
500,000
200,840
500,000
15,000,000

D. The number of shares sold;

200,000;
7,533,600;
625,000;
1,000,000;
3,773,125;
309,118;
200,000
120,000
100,000
500,000
100,000
60,000
100,000
50,000
10,000
10,000
115,000
400,000
2,500,000
500,000
500,000
200,840
500,000

15,000,000

E. The price at which the shares were offered, and the amount actually paid to the issuer;

$0.001;
$0.02;
$0.4;
par $0.001;
$0.04;
$1.00;
$1.00.
$0.24
$0.20
$0.20
$0.20
$0.20
$0.20
$0.20
$0.20
$0.37
$0.37
$0.50
$0.05
$0.03
$0.04
$0.05
$0.05
$0.11

F. The trading status of the shares:

Restricted pursuant to Rule 144.

G. Whether the certificates or other documents that evidence the shares contain a legend (1) stating that the shares have not been registered under the Securities Act and (2) setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act.

Yes.

5) Financial Statements

The below listed unaudited financial statements are attached hereto for the fiscal year ending on May 31, 2016.

A. Balance sheet;
B. Statement of income;
C. Statement of cash flows;
D. Financial notes

The financial statements provided pursuant to this item have been prepared in accordance with US GAAP by a Company accountant, a person with sufficient financial skills.

See attached financial statements

6) Describe the Issuer's Business, Products and Services

Describe the issuer's business so a potential investor can clearly understand the company. In answering this item, please include the following:

A. a description of the issuer's business operations:

QUANTUM ENERGY INC. ("the Company") was incorporate as "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's initial public offering was completed in the third quarter of 2005. Prior to the offering, the Company's principal activities consisted of initial organizational activities and the issuance of common shares to the Company's original affiliate shareholders. On November 5, 2004, Form SB-2 registration statement was declared effective, enabling a registered public offering of up to 650,000 pre-split shares at a price of $0.10 per share. During December, 2004, the Company accepted subscriptions for the maximum offering from 42 subscribers. Following the 1-to-10 forward split on August 31, 2005, those 650,000 shares were 6,500,000 shares.

In 2005 the Company was working towards becoming a service-oriented firm, intending to profit from integrating baby boomers' wants/needs with local destination venues by combining travel to varied destinations coupled with personal growth, education and/or entertainment opportunities.

Starting in May of 2006, the Company decided to embark on a new business path in oil and gas exploration and acquisitions. The Company acquired interests in numerous oil & gas properties in the Barnett Shale area of West Texas. After the initial success of the Barnett Shale leases, the production program in the Barnett Shale area encountered substantial difficulties. Numerous wells throughout this extensive area experienced production difficulties. In addition to the production problems was the severe drop in natural gas prices. All of the wells in which the Company had interests were suspended and all marginal wells have been capped, resulting in the Company abandoning the Company's interest in the Barnett Shale area.

From 2008 through 2010, the Company planned, when and if funding became available, to acquire high-quality oil and gas properties, primarily "proven producing and proven undeveloped reserves as well as exploring low-risk development drilling and work-over opportunities with experienced, well-established operators. Given that new funding opportunities did not otherwise materialize, effective July 30, 2010, the Board of Directors authorized a 1,000 for 1 reverse stock split of the Company's issued common stock whereby One thousand (1,000) old issued common shares were reverse split into one (1) new issued common share.

On June 20, 2013, the shareholders appointed Stanley F. Wilson to fill a vacancy on the board as the sole director of the board. Also on June 20, 2013, the shareholders approved the board appointment of Stanley F. Wilson as the President, Secretary and Treasurer. On June 25, 2013, the shareholders approved the board action for the acquisition of 100% of the common stock of FTPM Resources, Inc., a Texas corporation engaged in the fuel trading and petroleum marketing business since 2009. With the change in management and the acquisition of FTPM Resources, Inc., the Company redirected its oil and gas efforts to the Williston North Dakota region and the Bakken formation activity through the consulting services of Advisory Services, Inc. under the direction of its President, Andrew J. Kacic, a seasoned oil and gas executive and investment banker with offices in Williston, North Dakota. In March 2014, Mr. Kacic became a board member and CEO of Quantum and is assisting Quantum in its efforts to develop refinery and rail transload facilities in the region through existing relationships he has with various such projects in different stages of development. On March 11, 2014, Quantum entered into a Purchase and Sale Agreement with Northstar Transloading LLC to purchase 80 acres adjacent to the proposed Northstar transload and announced its intention to develop, construct and operate a 20,000 barrel per day diesel topping refinery at East Fairview, North Dakota. On July 9, 2014, this Northstar Purchase and Sale Agreement terminated and Quantum is in the process of seeking other Fairview refinery site locations while continuing zoning and permitting efforts required at Fairview. On August 21, 2014 Quantum entered into a two year option with a Landowner for a 400 acre site near Baker, Montana that had previously signed a Letter of Intent with Quantum on June 18, 2014. In addition, on August 26, 2014, Quantum entered into a two year option with two separate Landowners for a combined 144 acres in Fairview, Montana. On October 8, 2014, Quantum signed a two year option with a landowner on 140 acres in the Berthold, ND area. On October 24, 2014, Quantum signed a two year option with a Landowner for 260 acres in the Stanley, ND area. On November 12, 2014, Quantum signed a two year option with a Landowner on 125 acres in the Berthold, ND area. On December 12, 2014, Quantum signed a two year option with a Landowner on 75 acres in the Berthold area. On May 26, 2015, Quantum amended its Option Agreements with the two Landowners on the Fairview property to extend the payment provision for the increment payments for a period of six months. On October 8, 2015, Quantum amended the Option Agreement for the 140 acres with the Berthold Landowners to extend the Increment payment for a period of six months.

On September 15, 2014, Quantum announced that it had signed a Joint Development Agreement with Bilfinger Westcon of Bismarck, ND forming a Strategic Alliance with Bilfinger Westcon for the development of multiple Energy Center throughout the Bakken. Bilfinger Westcon is the ECP Contractor and Project Manager of the diesel refinery currently under construction in Dickinson, ND.

The Bakken Refinery project will be a part of an Energy Center concept that consists of the development of a 20,000 barrel per day diesel topping refinery that will also include an adjacent NGL stripping facility and CO2 capture equipment. Because the Bakken refinery is at the center of both the diesel demand and the supply of crude in the Bakken field, we gain the advantage over remote refineries of removing the transportation component cost which creates margins more than sufficient to justify the capital investment.

The scope of the project is an atmospheric topping plant, naphtha stabilizer, distillate hydrotreater, 667,500 barrel tank farm and supporting facilities. The project will have an integrated truck loading rack and will produce ultra-low sulfur diesel fuel to be distributed locally, with the secondary products shipped by rail to other refineries or end users.

The Company is in various stages of discussions with several funding sources as we seek approximately $350,000,000 in funding (debt, equity or a combination) and will repay/service the debt with the approximately $70,000,000 of annual EBITDA that will be generated by the approximately $700,000,000 of annual revenue from the sale of the refined products produced by the refinery.

The most significant revenue is derived from the kerosene (essentially #1 diesel) and #2 diesel, which is currently retailed for 10% more than the average PADD 2 (mid-west region) diesel price. The refinery expects to distribute all #1 and #2 diesel produced directly into this market from the integral truck rack planned for the refinery.

Diesel. The ultra low sulfur diesel product is the most important stream to be produced and the fundamental rationale for the Fairview Refinery. Retail prices for diesel in the region are currently among the highest in the United States. Due to a lack regional refining capacity, demand cannot be met in the Williston Basin without using every available alternative source, the closest of which is a pipeline terminal truck rack at Glendive, Montana, 100 miles from Williston, North Dakota (the center of logistics for the Williston Basin.) Diesel is also being shipped by rail into Williston at directly to other distributors in the area at a substantial price premium, as well as trucked from as near as Regina, SK and as far away as Denver (over 600 miles).

Diesel pricing in PADD 2 closely trends WTI crude, with the price being substantially higher in the area dominated by drilling activity. The refinery expects, based on the modeling of the refinery process, to produce 21% of the mid- distillate stream as No. 1 Diesel which will be used as diesel blend stock, and 79% as No. 2 diesel.

The majority of the diesel consumed in North Dakota comes from transfers from other regions further sustaining the elevated price for diesel.

Kerosene. Kerosene range distillate can either be further refined into jet fuel (up to 11% of the product stream could meet jet fuel standards) or it can be blended with #2 diesel as on- and off-road diesel fuel. It is particularly valued during winter months as pure #1 diesel. Based on the very high premiums commanded by kerosene for blend stock with #2 diesel, and the ability of the stream to be blended as diesel fuel year round, the refinery expects to blend the entire kerosene stream with other distillates to sell as a premium grade diesel fuel. The plant's mid distillate split is approximately 21% kerosene and 79% #2 diesel. This blend will be particularly valued during the long winter months with temperatures ranging to -30 degrees Fahrenheit, when the distributors normally sell a "winter blend" diesel which is 20% #1 and 80# number 2, with some additives to improve cloud and pour points. The limited demand for jet fuel does not currently justify the additional processing plant capital cost and operating costs.

Three of the refinery product streams, naphtha, atmospheric gas oil and atmospheric tower bottoms (residual fuel oil) will be sold outside the Williston Basin as secondary projects.

Naphtha. The nearest and most profitable market for naphtha is in Edmonton for use as a diluent in Canadian heavy crude oil transport. As production of bitumen from the Canadian oil sands grows so will the demand for diluents, which is required to be mixed with the bitumen for viscosity reduction to a level which renders the mixed stream transportable by the pipelines which carry the crude oil to market.

All the produced naphtha is expected to be sold into the Canadian market as Enbridge diluent pool specification tar sands oil diluent either to the pool or to individual blenders.

Atmospheric Gas Oil (AGO). Atmospheric Gas Oil is also known as #4 Diesel marine fuel oil or industrial fuel oil. This product is typically used as feedstock to refinery catalytic cracking units which crack the material into lighter gasoline and diesel. AGO will, therefore, initially be shipped to other refiners as cat cracker feedstock.

Atmospheric Tower Bottoms (ATB's). The ATB's resultant from the selected processing train will produce a residual fuel oil in the 3.7% sulfur range with an API gravity of approximately 20.9. The Company believes that this product will command a premium to other cat cracker feedstocks or bunker fuels and will be priced 3% higher than RFO in the US Gulf Coast Region (USGC) plus a $5/bbl premium. Shipping costs are expected to be in the range of $13.50/bbl.

Sulfur. Elemental sulfur has limited markets for use in the production of fertilizer or for processing into sulfuric acid. Given the access to rail, it may be possible to develop off-take for this by-product that will contribute to the cash flow

This Bakken Refinery proposal is modeled after the diesel refinery under construction in Dickinson, North Dakota and will seek to use the same modular refinery manufacturer, general contractor and project management team, engineers and management operating team to build and operate the refinery.

Given Quantum's presence in Williston, numerous other oil and gas related development projects are under consideration beyond the refinery and rail transload projects including the acquisition, development and production of proven producing and proven undeveloped oil reserves as well as traditional real estate development for the rapidly growing Williston area. With this redirection to refinery development in the Bakken field, new management has successfully retired in excess of $2,000,000 of debt and liabilities as are reflected in the financial statements attached to this Report and received proceeds of $480,000 in new capital raised since March 2014.

On July 29, 2015 Quantum announced that it had formed Quantum Native Processing Partners, LLC, a joint venture SPE LLC with Native Son Refining, LLC, to co-develop the Berthold refinery and submitted an application for an air quality construction permit with the North Dakota Department of Health for the proposed Berthold refinery.
On July 28, 2016, Quantum entered into a Share Exchange agreement and a Contribution Agreement that provided for the acquisition of 100% ownership of New-Tex Petroleum IV, LP and a 5% working interest in the Bushwhacker oil field.

On August 2, 2016, Quantum formed a 100% owned Canadian subsidiary, Dominion Energy Processing Group, Inc., to engage in the development, construction and operation of a proposed 40,000 bpd full refinery in Stoughton, Saskatchewan. .

Competition

In the oil and gas industry, the Company is aware that there are competitors that are larger and better funded than Quantum that are also seeking such investment opportunities. Thus, there is no assurance that even if the Company is able to obtain funding for such investments that it will be able to compete successfully for the acquisition of such producing oil and gas assets.

The Company will be competing with other junior oil and gas exploration companies for financing from a limited number of investors that are prepared to make investments in junior oil and gas exploration companies. The presence of competing junior oil and gas exploration companies may impact the Company's ability to raise additional capital in order to fund the acquisition and exploration programs if investors are of the view that investments in competitors are more attractive based on the merit of the oil and gas properties under investigation and the price of the investment offered to investors.

The Company will also compete for oil and gas properties of merit with other junior exploration companies. Competition could reduce the availability of properties of merit or increase the cost of acquiring the properties. This competition could result in competing junior exploration companies acquiring available oil and gas properties.

Governmental Controls and Approvals

In regards to oil and gas exploration and acquisition, Quantum is aware that the availability of a ready market for future oil and gas production from possible U.S. assets will depend upon numerous factors beyond the Company's control. These factors may include, amongst others, regulation of oil and natural gas production, regulations governing environmental quality and pollution control, and the effects of regulation on the amount of oil and natural gas available for sale, the availability of adequate pipeline and other transportation and processing facilities and the marketing of competitive fuels. These regulations generally are intended to prevent waste of oil and natural gas and control contamination of the environment.

The Company could also be subject in the future to changing and extensive tax laws, the effects of which cannot be predicted.

It is expected that sales of crude oil and other hydrocarbon liquids by the Company from its future U.S. based production will not be regulated and be made at market prices. However, the price the Company would receive from the sale of these products may be affected by the cost of transporting the products to market via pipeline and marine transport.

Environmental Regulations

Any U.S. assets the Company would agree to acquire are subject to numerous laws and regulations governing the discharge of materials into the environment or otherwise relating to environmental protection. These laws and regulations may require the acquisition of a permit before drilling commences, restrict the types, quantities and concentration of various substances that can be released into the environment in connection with drilling and production activities, limit or prohibit drilling activities on certain lands within wilderness, wetlands and other protected areas, require remedial measures to mitigate pollution from former operations, such as pit closure and plugging abandoned wells, and impose substantial liabilities for pollution resulting from production and drilling operations. Public interest in the protection of the environment has increased dramatically in recent years. The worldwide trend of more expansive and stricter environmental legislation and regulations applied to the oil and natural gas industry could continue, resulting in increased costs of doing business and consequently affecting profitability. To the extent laws are enacted or other governmental action is taken that restricts drilling or imposes more stringent and costly waste handling, disposal and cleanup requirements, the business and prospects of the Company could be adversely affected.

B. Date and State (or Jurisdiction) of Incorporation:

We were incorporated under the laws of the State of Nevada on February 5, 2004 as "Boomers Cultural Development, Inc.". On May 18, 2006 the company changed its name to Quantum Energy Inc. Quantum received its certificate of authorization and is authorized to do business in North Dakota.

C. the issuer's primary and secondary SIC Codes;

1311, 5172

D. the issuer's fiscal year end date;

February 28

E. principal products or services, and their markets;

Refinery development, oil, gas, used motor oil and related fuel products with markets in North Dakota and the U.S.

7) Describe the Issuer's Facilities

The Company leases virtual office space at 60 East Rio Salado Parkway, Suite 900, Tempe, Arizona 85281 from Regus PLC as its corporate headquarters at a monthly rent of $230.

8) Officers, Directors, and Control Persons

A. Names of Officers, Directors, and Control Persons. In responding to this item, please provide the names of each of the issuer's executive officers, directors, general partners and control persons (control persons are beneficial owners of more than five percent (5%) of any class of the issuer's equity securities), as of the date of this information statement.

1. Stanley F. Wilson, Chairman, CEO, Secretary, Treasurer and director.

Mr. Wilson is corporate executive as well as an M&A securities attorney whose legal and business career has placed primary emphasis in business combinations involving small cap publicly traded companies across a. wide range of industries including oil and gas, fuel trading and marketing, telecommunications, specialty finance, insurance and retail automotive. This specialization has taken many forms including numerous going-public transactions, serving as President and General Counsel to multiple publicly traded holding companies trading on NASDAQ, OTCBB and the Pink Sheets, as well as legal counsel to new car dealerships, general counsel to statewide automotive dealer associations, automotive trade association executive, automotive industry lobbyist and CEO of sub-prime automotive finance companies both public and privately-held. Mr. Wilson has been an active member of the Nebraska State Bar Association since 1974, was appointed by the Governor as an acting Lancaster County Court Judge and served as The Staff Judge Advocate of the 67th Infantry Brigade of the Nebraska Army National Guard with the rank of Captain. Mr. Wilson is of counsel with the Tempe, Arizona law firm of Davis, Miles, McGuire Gardner, PLLC www.davismiles.com.

B. Legal/Disciplinary History. Please identify whether any of the foregoing persons have, in the last five 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.

C. Beneficial Shareholders. Provide a list of the name, address and shareholdings or the percentage of shares owned by all persons beneficially owning more than ten percent (10%) of any class of the issuer's equity securities. If any of the beneficial shareholders are corporate shareholders, provide the name and address of the person(s) owning or controlling such corporate shareholders and the resident agents of the corporate shareholders.

Stanley F. Wilson, 22.8%, 6711 East Camelback Road Unit 17, Scottsdale, Arizona 85251.
Kandy LP - Andrew J. Kacic, 22.8%, 15024 Yenne Point, Bigfork, Montana 59911

9) Third Party Providers

Please provide the name, address, telephone number, and email address of each of the following outside providers that advise your company on matters relating to operations, business development and disclosure:

Legal Counsel: Davis Miles McGuire Gardner PLLC

Accountant or Auditor: Seale & Beers, CPA

Investor Relations Consultant:

Invest Com USA 1-855-424-7447

Other Advisor: None

10) Issuer Certification

I, Stanley F. Wilson, certify that:

I. have reviewed this quarterly disclosure statement of Quantum Energy, Inc.;

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.

February 23, 2017

/s/ Stanley F. Wilson, Chairman

/s/ Stanley F. Wilson, CEO, Secretary, Treasurer

QUANTUM ENERGY, INC.
CONSOLIDATED BALANCE SHEET

	November 30, 2016	February 29, 2016
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 20,380	$ 81
Note receivable	67,500	-
TOTAL CURRENT ASSETS	87,880	81
OTHER ASSETS	730,049	490,520
TOTAL ASSETS	$ 817,929	$ 490,601
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	$ 35,395	$ 15,922
Promissory notes payable	12,980	12,980
Due to related party	-	4,800
TOTAL CURRENT LIABILITIES	48,375	33,702
LONG TERM LIABILITIES:	-	-
TOTAL LIABILITIES	48,375	33,702
COMMITMENTS AND CONTINGENCIES (NOTE 8)		
STOCKHOLDERS' EQUITY		
Preferred Stock, $.001 par value; 10,000,000 shares authorized, none issued and outstanding		
Series A: 3,000,000 shares allocated, 1,000,000 shares issued and outstanding	1,000	1,000
Series B: 2,000,000 shares allocated, 200,000 and 200,000 shares issued and outstanding	-	200
Common Stock, $.001 par value; 290,000,000 shares authorized; 56,171,683 and 46,070,843 shares issued and outstanding, respectively	56,172	46,071
Additional paid-in capital	10,189,923	9,454,781
Stock subscribed	-	2,890
Accumulated deficit	(9,477,541)	(9,048,043)
TOTAL STOCKHOLDERS' EQUITY	769,554	456,899
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 817,929	$ 490,601

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

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

	For the three months ended November 30,		For the nine months ended November 30,	
	2016	2015	2016	2015
OPERATING EXPENSE				
Advertising and marketing	$ -	$ 955	$ 5,736	$ 8,128
Management fees	15,000	7,200	73,200	53,200
Office and administration	4,093	12,570	17,491	71,684
Stock option expense	-	-	-	-
Land option expense	60,016	-	310,472	164,527
Professional fees	7,565	800	21,465	30,200
TOTAL OPERATING EXPENSES	86,674	21,525	428,364	327,739
LOSS FROM OPERATIONS	(86,674)	21,525	(428,364)	(327,739)
OTHER INCOME (EXPENSE)				
Interest expense	(374)	-	(1,134)	-
TOTAL OTHER EXPENSE	(374)	-	(1,134)	-
NET LOSS BEFORE INCOME TAXES	(87,048)	(21,525)	(429,498)	(327,739)
Provision for income tax	-	-	-	-
NET LOSS	$ (87,048)	$ (21,525)	(429,498)	(327,739)
Basic and diluted loss per share	$ (0.00)	$ (0.00)	(0.01)	(0.01)
Basic and diluted weighted average number shares outstanding	52,383,640	45,316,725	50,620,720	45,316,725

The accompanying notes are an integral part to these financial statements.

QUANTUM ENERGY, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the nine months ended	
	November 30, 2016	November 30, 2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (429,498)	$ (327,739)
Adjustments to reconcile net loss to cash used by operating activities		
Amortization expense, land purchase option agreements	310,472	164,527
Issuance of common shares in lieu of cash for operating expense	2,162	-
Changes in operating assets and liabilities:		
Promissory notes receivable	(67,500)	-
Accounts payable and accrued liabilities	19,473	-
Net cash used by operating activities	(164,891)	(163,212)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net cash used in investing activities	-	
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from sales of common stock	189,990	-
Proceeds from subscription of common stock	-	134,000
Proceeds from loan payable	-	10,143
Repayment of loan, related party	(4,800)	-
Net cash provided by financing activities	185,190	144,143
Net increase (decrease) in cash and cash equivalents	20,299	(19,069)
CASH AT BEGINNING OF PERIOD	81	18,952
CASH AT END OF PERIOD	$ 20,380	$ (117)

SUPPLEMENTAL CASH FLOW INFORMATION:		
Interest paid in cash	$ -	$ -

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

QUANTUM ENERGY, INC.
NOTES TO THE 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 rail transload development, oil and gas exploration, drilling, well completion and fuel distribution.

The Company is domiciled in the Unites States of America, 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.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary FTPM Resources Ltd. after elimination of the intercompany accounts and transactions.

Going Concern

As shown in the accompanying financial statements, the Company has incurred operating losses since inception. As of November 30, 2016, 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 $9,477,541 at November 30, 2016. As of November 30, 2016, the Company's working capital was $39,505. 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 production. 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 4), 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 asset impairments and stock option valuation. 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.

Cash and cash equivalents

For the purposes of the statement of cash flows, the Company considers all highly liquid investments with original maturities of three months or less when acquired to be cash equivalents.

Financial Instruments

The Company's financial instruments include cash and cash equivalents, and short term notes payable, related party. All instruments are accounted for on a historical cost basis, which, due to the short maturity of these financial instruments, approximates fair value at November 30, 2016 and February 29, 2016, respectively.

Fair Value Measures

The Financial Accounting Standards Board Accounting Standards Codification Topic 820 "Fair Value Measurements" ("ASC 820") requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. ASC 820 prioritizes the inputs into three levels that may be used to measure fair value:

> Level 1: Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.
>
> Level 2: Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quote prices for similar assets or liabilities in active markets; quoted prices for identical assets in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.
>
> Level 3: Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

At November 30, 2016 and February 29, 2016, 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.

Loss 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 November 30, 2016 and November 30, 2015, would be as follows:

	November 30, 2016	November 30, 2015
Stock options	3,841,666	5,161,666
Warrants	107,934	107,934
TOTAL POSSIBLE DILUTION	3,949,600	5,269,600

At November 30, 2016 and November 30, 2015, respectively, the effect of the Company's outstanding options and common stock equivalents would have been anti-dilutive.

Income Taxes

The Company recognizes provision for income tax using the liability method. Deferred income tax liabilities or assets at the end of each period are determined using the tax rates expected to be in effect when the taxes are actually paid or recovered. A valuation allowance is recognized on deferred tax assets when it is more likely than not that some or all of these deferred tax assets will not be realized.

New Accounting Pronouncement

In August 2014, the FASB issued ASU No. 2014-15—Presentation of Financial Statements—Going Concern. The guidance requires an entity’s management to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity’s ability to continue as a going concern within one year after the date that the financial statements are issued (or within one year after the date that the financial statements are available to be issued when applicable). If conditions or events exist that raise substantial doubt about an entity’s ability to continue as a going concern, the guidance requires disclosure in the financial statements. The guidance will be effective for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter. Early application is permitted. The Company has concluded that adoption of the standard would have minimal impact on the Company's financial statements as such disclosure is already included the financial statements.

NOTE 3 – NOTE RECEIVABLE

On April 7, 2016, the Company entered into a short-term promissory note and loaned $67,500 to an energy company. The note matures on April 7, 2017 and in interest-free. For the first twelve months, there are no monthly installment payments due to Quantum Energy, Inc. Thereafter, the monthly installment shall be $2,500 per month until paid in full.

NOTE 4 – LAND PURCHASE OPTION AGREEMENTS

The Company has executed a series of land purchase option agreements with various landowners in and around the State of Montana. In aggregate the land purchase option agreements encompass approximately 1,150 acres. For a period of two years from the respective execution date, the Company has 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 CO2 capture equipment for enhanced oil recovery.

The fair value of consideration given for the exclusive option to purchase has been charged to "Other Assets" and amortized over the respective term of the land purchase option agreement. For the three months and nine months ended November 30, 2016 and February 28, 2015, the Company amortized "Land Option Expense" $946,075 and $521,040, respectively.

The Company recognized an impairment expense of $206,573 relating to certain land purchase option agreements at February 29, 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 Other Assets at November 30, 2016:

Option Agreement Date	Consideration	Number	Fair Value	Accumulated Amortization	Allowance for Impairment	Net Book Value
August 22, 2014	Stock options	1,120,000	$521,691	($521,691)	-	-
August 22, 2014	Stock options	1,680,000	800,217	(400,120)	-	180,049
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 8, 2014	Cash	-[(1)]	-	-	-	-
October 24, 2014	Common shares	820,000	336,200	(256,152)	(80,048)	-
November 12, 2014	Cash	-[(1)]	-	-		-
December 10, 2014	Cash	-[(1)]	-	-		-
TOTAL			**$2,164,208**	**($1,777,586)**	**($206,573)**	**$180,049**

(1) Consideration to be paid upon exercise of property option agreement. No fair value of option agreement made as of balance sheet date.

The balance of the land purchase option agreements are included in "Other Assets".

<u>NOTE 5 – SHARE EXCHANGE AND CONTRIBUTION AGREEMENT AND PARTIAL RESCISSION</u>

Investment in Subsidiary

On or about July 25, 2016, the Company entered into a share exchange and contribution agreement whereby it acquired 100% of the Partnership Interests of New Tex IV, LP, a Texas limited partnership. The acquisition shall be effective September 1, 2016 and consists of approximately 3,000 acres of and 89 well bores in the Texas panhandle along with an approximate 5% working interest in a heavy oil project in Missouri. In consideration of this acquisition, the Company issued 15,000,000 shares of the Company's common stock with a fair market value of $1,650,000 on July 25, 2016.

On or about January 24, 2017, the Company executed a Mutual Rescission Agreement with Mountain Top Properties, Inc. whereby all provisions of the share exchange and contribution agreement dated July 25, 2017 (Note 4) were revoked. By mutual rescission, Mountain Top Properties Inc agreed to the immediate cancellation and surrender of the common stock certificates representing 10,000,000 shares common stock of Quantum Energy, Inc. The Company, therefore, rescinded its acquisition of 100% of the Partnership Interests of New Tex IV, LP, a Texas limited partnership. (NOTE 5). The fair market value of the common stock rescinded was $1,100,000.

The Company has revised the November 30, 2016 financial statements to reflect the impact of the Mutual Rescission Agreement. The balance sheet as of November 30, 2016, presented in these interim financial statements reflect the change in total assets, common stock and additional paid in capital subsequent to the recension of a portion of the July 2016 Share Exchange and Contribution Agreement.

The previously issued financial statements have been revised as follows:

Balance Sheet at November 30, 2016	As Previously Reported	Revision	As Revised
Total assets	$ 1,917,929	$ (1,100,000)	$ 817,929
Total liabilities	$ 48,375	$ -	$ 48,375
Stockholders' equity			
Preferred stock	1,000	-	1,000
Common stock	66,172	(10,000)	56,172
Additional paid in capital	11,279,923	(1,090,000)	10,189,923
Accumulated deficit	(9,477,541)	-	(9,477,541)
Total stockholders' equity	1,869,554	(1,100,000)	769,554
Total liabilities and stockholders' equity	$ 1,917,929	$ (1,100,000)	$ 817,929

NOTE 6 – PROMISSORY NOTES PAYABLE

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

	November 30, 2016		February 29, 2016	
	Note payable	Accrued interest	Note payable	Accrued interest
15% unsecured note payable by the Company due on demand	$ 10,000	$ 4,894	$ 10,000	$ 3,760
TOTAL	**$ 10,000**	**$ 4,894**	**$ 10,000**	**$ 3,760**

NOTE 7– RELATED PARTY TRANSACTIONS

For the three months ended November 30, 2016 and 2015, respectively, the Company paid management fees including amounts accrued $15,000 and $7,200, respectively, to the Officers of the Company. For the nine months ended November 30, 2016 and 2015, respectively, the Company paid management fees including amounts accrued $73,200 and $53,200, respectively, to the Officers of the Company

NOTE 8 – COMMITMENTS AND CONTINGENCIES

The Company engaged the services of a government relations advisory group under an agreement in which the payment obligation is subject to the receipt of funding. That agreement is now terminated and disputed as to its enforceability. If or when the subject funding is realized, and if or when the enforceability issue is resolved, the Company may have a contingent liability in the approximate amount of $75,000.

NOTE 9 – COMMON STOCK

Authorized

295,000,000 voting common shares with a par value of $0.001 per share
3,000,000 convertible preferred “A” shares with a par value of $0.001 per share
2,000,000 convertible preferred 6% series “B” shares with a par value of $0.001 per share

	Restricted	**Non-restricted**	**November 30, 2016**	**Restricted**	**Non-restricted**	**February 29, 2016**

Common Shares						
Outstanding at beginning of period	38,830,943	7,239,900	46,070,843	37,576,825	7,239,900	44,816,725
Issued	20,100,840	-	20,100,840	1,254,118		1,254,118
Rescinded	(10,000,000	-	(10,000,000)	-	-	-
Outstanding at end of period	48,931,783	7,239,900	56,171,683	38,830,943	7,239,900	46,070,843
Preferred Convertible Shares						
Outstanding at beginning of period	-	1,200,000	1,200,000	-	1,200,000	1,200,000
Issued Series A	-	-	-	-		-
Issued Series B	-	-	-	-		-
Converted Series B	-	(200,000)	(200,000)	-		-
Outstanding at end of period	-	1,000,000	1,000,000	-	1,200,000	1,200,000

Each of the Series A preferred stock is convertible into common shares, at the option of the holder on a 1:100 basis. Each of the 6% series B preferred stock is convertible into common shares on a 1:1.25 basis if converted within twelve months from the date of purchase and on a 1:1.15 basis if converted within the second twelve months from the date of purchase and on a 1:1 basis if converted in month twenty-five or thereafter from the date of purchase.

Effective July 30, 2010, the Board of Directors authorized a 1,000 for 1 reverse stock split of the Company's issued common stock. One thousand (1,000) old issued common shares were reverse split into one (1) new issued common share. All references in the accompanying financial statements to the number of common shares issued have been restated to reflect the reverse stock split.

Effective November 15, 2013 the Board of Directors authorized a 150 for 1 forward stock split of the Company's issued common stock. One (1) old issued common share was forward split into one hundred and fifty (150) new issued common shares. All references in the accompanying financial statements to the number of common shares issued have been restated to reflect the forward stock split.

On March 4, 2014, the Company issued 750,000 common shares in conversion of a promissory note, a transaction that was authorized prior to February 28, 2014 and included in those year-end balances.

On March 10, 2014, the Company issued 625,000 common shares in conversion of a $20,000 promissory note.

On March 19 2014, the Company issued 250,000 common shares with a fair market value of $0.22 per share or $55,000 as resolution of a disputed vendor balance for professional services.

On March 25, 2014 the Company accepted a $150,000 convertible debenture which was converted by the holder to 3,773,125 common shares of the Company.

On June 10, 2014, the Company issued 120,000 common shares with a fair market value of $0.54 per share or $64,680 in consideration of consulting services rendered.

On September 2, 2014, the Company issued 1,012,000 common shares in consideration of two Land Purchase Option Agreements, the fair value of which was $505,088 based on a closing price of $0.50 per share.

On November 11, 2014, the Company issued 820,000 common shares in consideration of the execution of a Land Purchase Option Agreement, the fair value of which was $336,200 based on a closing price of $0.41 per share.

The Company received $34,000 in proceeds from stock purchase agreements; Trevor MacNeil $20,000 and Donald MacNeil $14,000 on August 10, 2015 and August 11, 2015 consecutively.

On September 4, 2015, Trevor MacNeil was issued 100,000 common shares - Special Purchase Agreement signed and funds wired on August 10, 2015.

On September 4, 2015, Donald MacNeil was issued 50,000 common shares – Special Purchase Agreement signed and funds wired on August 11, 2015.

On September 4, 2015, Donald MacNeil 10,000 common shares issued to daughter as nominee – Special Purchase Agreement signed and funds wired on August 11, 2015

On November 18, 2015, the Company issued 125,000 to two vendors pursuant to an agreement to resolve disputed professional fees. The fair value of the shares issued was $46,250 based on a closing price of $0.37 per share.

On March 11, 2016, the Company issued 400,000 common shares issued pursuant to conversion of 200,000 preferred shares.

On March 18, 2016, the Company issued 2,500,000 shares of common stock issued at $0.04 per share pursuant to a Special Purchase Agreement signed and funds of $100,000 wired on March 2, 2016.

On April 7, 2016, the Company entered into a short-term promissory note and loaned $60,000 to an energy company. The note matures on April 7, 2017 and in interest-free. For the first twelve months, there are no monthly installment payments due to Quantum Energy, Inc. Thereafter, the monthly installment shall be $2,500 per month until paid in full.

On April 22, 2016, the Company issued 1,000,000 shares issued at $0.035 per share pursuant to Special Purchase Agreement signed and funds of $15,000 an $20,000 wired on April 6 and April 7, 2016, respectively.

On May 19, 2016, the Company issued 200,840 shares issued at $0.05 per share pursuant to a Special Purchase Agreement signed on funds received February 24 and March 2, 2016 and company expense paid on February 5, 2016.

On July 25, 2016, the Company issued 500,000 shares of common stock issued at $0.05 per share pursuant to a Special Purchase Agreement signed on funds of $25,000 received July 25, 2016.

On July 25, 2016, the Company entered into a share exchange and contribution agreement whereby it acquired 100% of the Partnership Interests of New Tex IV, LP, a Texas limited partnership. The acquisition shall be effective September 1, 2016 and consists of approximately 3,000 acres of and 89 well bores in the Texas panhandle along with an approximate 5% working interest in a heavy oil project in Missouri. In consideration of this acquisition, the Company issued 10,000,000 shares of the Company's common stock with a fair market value of $1,650,000 on July 25, 2016.

On November 25, 2016, the Company issued 500,000 shares of common stock issued at $0.05 per share pursuant to a Special Purchase Agreement signed and funds of $25,000 received on November 25, 2016.

NOTE 10 - STOCK OPTIONS

In consideration for the option to purchase property (see Note 4) and 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 for financial statement purposes is considered to be 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:

	For the three months ended November 30, 2016		For the three months ended November 30, 2015	
	Options	Price (a)	Options	Price (a)
Beginning balance	3,841,666	$ 0.50	5,161,666	$ 0.75
Issued	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Ending balance	3,841,666	$ 0.50	5,161,666	$ 0.75

	For the nine months ended November 30, 2016		For the nine months ended November 30, 2015	
	Options	Price (a)	Options	Price (a)
Beginning balance	5,161,666	$ 0.75	5,161,666	$ 0.75
Issued	-	-	-	-
Exercised	-	-	-	-
Expired	(1,300,000)	(0.25)	-	-
Ending balance	3,841,666	$ 0.50	5,161,666	$ 0.75

The following table summarizes additional information about the options granted by the Company as of November 30, 2016:

Date of Grant	Options outstanding	Options exercisable		Price (a)	Remaining term (b)
May 30, 2014	375,000	375,000		0.40	0.50
June 12, 2014	875,000	875,000		0.40	0.53
July 21, 2014	166,666	166,666		0.75	0.64
August 22, 2014	1,680,000	1,680,000		1.00	0.73
February 24, 2015	745,000	248,333		0.40	1.24
Total options	3,841,666	3,344,999	$	0.50	0.56

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

As of November 30, 2016, there remains $166,922 of unrecognized stock option expense.

NOTE 11 - WARRANTS

On June 1, 2014, in consideration for professional and consulting services provided for raising capital for the Company, warrants were issued to purchase shares of the Company's common stock with an exercise price of $0.90 per share. The warrants expire on May 31, 2017. The Company charged $73,303 to professional fees and consulting which approximated the fair value of the warrants at the grant date.

The Company has estimated the fair value of the warrant grant using the Black-Scholes model with the following information and range of assumptions:

Warrants issued		107,934
Fair value of warrants granted	$	73,303
Exercise price	$	0.90
Volatility		376.9%
Expected term (years) at issuance		3.00
Risk free rate		0.79%

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

	For the years ended February 29, 2016			For the years ended February 28, 2015		
	Options	Price (a)		Options	Price (a)	
Beginning balance	107,934	$	0.90	-	$	-
Issued	-		-	107,934		0.90
Exercised	-		-	-		-
Expired	-		-	-		-
Ending balance	107,934	$	0.90	107,934	$	0.90

The following table summarizes additional information about the warrants granted by the Company as of February 29, 2016:

Date of Grant	Warrants outstanding	Warrants exercisable		Price	Remaining term
June 1, 2014	107,934	107,934		0.90	1.25
Total warrants	107,934	107,934	$	0.90	1.25

NOTE 12 – SUBSEQUENT EVENTS

On or about January 24, 2017, the Company executed a Mutual Rescission Agreement with Mountain Top Properties, Inc. whereby all provisions of the share exchange and contribution agreement dated July 25, 2017 (Note 5) were revoked. By mutual rescission, Mountain Top Properties Inc agreed to the immediate cancellation and surrender of the common stock certificates representing 10,000,000 shares common stock of Quantum Energy, Inc. The Company, therefore, rescinded its acquisition of 100% of the Partnership Interests of New Tex IV, LP, a Texas limited partnership. (NOTE 5).