

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

QUANTUM ENERGY INC.

3805 Rockbottom
North Las Vegas, NV 89030
702-323-6455
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109904

Quarterly Report
For the Period Ending:
November 30, 2022
(the "Reporting Period")

As of November 30, 2022, the number of shares outstanding of our Common Stock was: 149,633,884.

As of August 31, 2022, the number of shares outstanding of our Common Stock was: 56,753,541.

As of February 28, 2022, the number of shares outstanding of our Common Stock was: 23,016,330.

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 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: ☒

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)

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 name of the Issuer was Boomers Cultural Development, Inc.
The name was changed to Quantum Energy Inc on May 18, 2006

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):

The Issuer is incorporated in the State of Nevada, is in good standing and "Active"

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

N/A

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

The Company completed a 150 to 1 reverse split on July 28, 2022.

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

3805 Rockbottom
North Las Vegas, NV 89030

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

Check box 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?

Yes: ☐ No: ☒

If this issuer or any of its predecessors have been the subject of such proceedings, please provide additional details in the space below:

2) Security Information

Trading symbol: **QREE**
Exact title and class of securities outstanding: Common
CUSIP: 747645307
Par or stated value: .001

Total shares authorized:	<u>495,000,000</u>	as of date: <u>11-30-22</u>
Total shares outstanding:	<u>149,633,884</u>	as of date: <u>11-30-22</u>
Number of shares in the Public Float ² :	<u>72,896</u>	as of date: <u>11-30-22</u>
Total number of shareholders of record:	<u>848</u>	as of date: <u>11-30-22</u>

² "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

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

N/A

Transfer Agent

Name: Cleartrust, LLC
Phone: 813-235-4490
Email: inbox@cleartrusttransfer.com
Address: 16540 Pointe Village Drive, Suite 205, Lutz, Florida 33558

Is the Transfer Agent registered under the Exchange Act?³ Yes: ☒ No: ☐

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any direct 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

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods: ☐ **D**

Shares Outstanding as of Second Most Recent Fiscal Year End: <div>Opening Balance</div> <div>Date 2-28-2020 Common: <u>29,594,689</u> Preferred: <u>0</u></div>			*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 (entitles must have Individual with voting / Investment control disclosed).	Reason for share Issuance (e.g. forcash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.

³ To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

4-30-2021	Debt Satisfaction	19,896,796	Common	.10	No	Individuals/Entities	Liability Conversion	Restricted	N/A
6-14-2021	Bulk Issuance	915,000	Preferred D	.001t	No	Individuals	Cash	Restricted/ Voting Only	N/A
12-2-2021	Individual Issuance	357,143	Common	.07	No	Ronald A. Steinberg	Cash	Restricted	N/A
5-22-2023	Bulk Issuance	3,250	Preferred D	.001	Yes	Individuals	Cash	Restricted/ Voting Only	N/A
7-27-2022	Retired to Treasury	(29,399,878)	Common	.07	No	Individuals	Cash	Restricted	N/A
7-28-2022	Reverse Stock Split	(20,312,425)	Common	\$.30	No	Individuals	Cash	Restricted	N/A
11-30-2022	Debt Satisfaction	149,302,829	Common	8.00	No	Individuals/Entities	Liability Conversion	Restricted	N/A
Shares Outstanding on Date of This Report: <u>Ending</u> Balance <u>Ending</u> Balance: Date 11-30-22 Common: <u>149,439,154</u> Preferred: <u>918,250</u>									

Example: A company with a fiscal year end of December 31st, in addressing this item for its quarter ended June 30, 2021, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2019 through June 30, 2021 pursuant to the tabular format above.

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

"The Company conducted a stock buy back program during 2021-2022, which was announced to the public. Under that program an additional 2,145,565 shares of common stock were acquired and returned to treasury. Those transactions are too numerous to include in this table.

"The Company conducted a stock issuance between August 18, 2022 and continuing through November 30, 2022. Under this issuance 56,614,403 shares of common stock were issued to Shareholders. Those transactions are too numerous to include in this table.

***The table below reflects all the purchases of Series D preferred stock on or about May 22, 2022. All shares are restricted, non-convertible, voting only and the Company relied on the exemption provided by Section 4 (2) of the Securities Act. Those transactions are too numerous to include in this table.

B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe all outstanding promissory notes, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities.

Check this box if there are no outstanding promissory, convertible notes or debt arrangements: ☒

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 (entities must have Individual with voting / Investment control disclosed).	Reason for Issuance (e.g. Loan, Services, etc.)
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--

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

4) Financial Statements

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

: ☒ **U.S. GAAP**

: ☐ **IFRS**

B. The financial statements for this reporting period were prepared by (name of individual)⁴:

Name: Carolyn Merrill
Title: CPA
Relationship to Issuer: Independent Accountant

Provide the financial statements described below 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.

- C. Balance Sheet;
- D. Statement of Income;
- E. Statement of Cash Flows;
- F. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- G. Financial notes; and
- H. Audit letter, if audited

You may either (i) attach/append the financial statements to this disclosure statement or (ii) file the financial statements through OTCIQ as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

If you choose to publish the financial statements in a separate report as described above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the

⁴ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to OTCIQ in the field below. Financial Statements must be compiled in one document.

See Financials appended to the end of the report.

Financial statement information is considered current until the due date for the subsequent report (as set forth in the qualifications section above). To remain qualified for Current Information, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of each fiscal quarter-end date.

5) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

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

The Issuer processes rare earth elements, metals and oxides. The Issuer manufactures and distributes magnets, oxides and alloys.

- B. Please list any subsidiaries, parents, or affiliated companies.

None

- C. Describe the issuers' principal products or services.

See response to Item 5 (a) above

6) 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.

The Company leases its offices consisting of approximately 3500 square feet located at 7543 E Tierra Buena Lane, Scottsdale, AZ 85260. The term of this lease ends on January 31, 2024 and the monthly rent is \$23,400

7) Company Insiders (Officers, Directors, and Control Persons)

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.

Using the tabular format below, please provide information, as of the period end date of this report, regarding any person or entity owning 5% or more of any class of the issuer's securities, as well as any officer, and any director of the company, 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.**

Name of Officer/Director or Control Person	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 (1)	Ownership Percentage of Class Outstanding (1)(2)	Note
<u>William J. Hinz</u> (3)	<u>Director & Chairman</u>	<u>Paradise Valley, AZ USA</u>	<u>120,000</u>	<u>Preferred (voting Only)</u>	<u>4.97%</u>	_____
<u>Harry Ewert</u>	<u>Director, President & CEO</u>	<u>Scottsdale, AZ USA</u>	<u>15,000</u>	<u>Preferred (voting Only)</u>	<u>.62%</u>	_____
<u>Anthony Ker</u>	<u>Director, Secretary & Treasurer</u>	<u>BC, Canada</u>	<u>30,000</u>	<u>Preferred (voting Only)</u>	<u>1.24%</u>	_____
<u>Craig Kitchen</u>	<u>Director</u>	<u>Chandler, AZ</u>	<u>30,000</u>	<u>Preferred (voting Only)</u>	<u>1.24%</u>	
<u>Douglas Bean</u>	<u>Director</u>	<u>North Las Vegas, NV</u>	<u>105,000</u>	<u>Preferred (voting Only)</u>	<u>4.35%</u>	
<u>William Westbrook</u>	<u>CFO</u>	<u>Scottsdale, AZ USA</u>	<u>1,941 Common 15,000 Preferred</u>	<u>Common and Preferred (voting Only)</u>	<u>.65%</u>	_____
<u>Elizabeth(4) Danzik</u>	<u>5% Owner</u>	<u>Paradise Valley, AZ</u>	<u>400,000</u>	<u>Preferred (voting Only)</u>	<u>25%</u>	_____

- (1) The number and percentage of shares beneficially owned is determined under rules of the SEC and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any shares as to which the individual has sole or shared voting power or investment power and also any shares which the individual has the right to acquire within 60 days through the exercise of any stock option or other right. The persons named in the table have sole voting and investment power with respect to all shares of Common Stock shown as beneficially owned by them, subject to community property laws where applicable and the information contained in the footnotes to this table.
- (2) Based on 149,633,884 shares of Common Stock and 918,250 shares of Preferred stock issued and outstanding as of November 30, 2022.
- (3) William J. Hinz, director, beneficially owns directly and indirectly an aggregate of 120,000 shares of our Preferred D Stock which has 100 votes per share.
- (4) All shares owned are the Series D Preferred Shares and they are owned directly and indirectly through various entities.

8) Legal/Disciplinary History

A. Please 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.

On December 10, 2021, the Company filed an action as Plaintiff against the Suprock Parties as Defendant in the United States District Court of Nevada (See: *2:21-cv-02184-JAD-BNW Quantum Energy Inc v. PCS Advisors LLC et al*). The complaint alleges breach of implied covenant of good faith & fair dealing, unjust enrichment, and breach of contract. The Company is seeking the return of shares of its common stock and monetary damages from the Suprock Parties.

9) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

Securities Counsel

Name: Richard W. Jones
Firm: Jones & Haley, P.C.
Address 1: 750 Hammond Drive. Bldg. 12-100

Address 2: Atlanta, GA 30328
Phone: 770 804-0500
Email: jones@corplaw.net

Accountant or Auditor Name: Carolyn Merrill
Firm: Carolyn Merrill CPA
Address 1: 20 Pond Valley Circle Penfield, NY 14526
Address 2:
Phone: 585-703-8403
Email: cmerrill11@gmail.com

Investor Relations Name:
Firm:
Address 1:

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) or consultant(s) or provided assistance or services to the issuer during the reporting period.

Name:
Firm:
Nature of Services:
Address 1:
Address 2:
Phone:
Email:

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, Harry Ewert certify that:

1. I have reviewed this Quarterly 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.

January 31, 2023

/s/Harry Ewert

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

Principal Financial Officer:

I, William Westbrook certify that:

1. I have reviewed this Quarterly 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.

January 31, 2023

/s/William Westbrook

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

QUANTUM ENERGY, INC.

FINANCIAL STATEMENTS WITH ACCOMPANYING NOTES (UNAUDITED)

For the Quarter Ended
11/30/2022

QUANTUM ENERGY, INC.
CONSOLIDATED BALANCE SHEETS - UNAUDITED

	November 30, 2022	February 28, 2022
ASSETS		
Current Assets		
Cash	\$ 10,031,784	\$ 6,366,730
Work in Progress	118,358	118,358
Note Receivable - Related Party	600,000	—
Total Current Assets	10,750,142	6,485,088
Property and Equipment, Net	101,315	—
Deposits - Related Party	17,805,000	12,005,000
Total Assets	\$ 28,656,457	\$ 18,490,088
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current Liabilities		
Accounts Payable and Accrued Expenses	\$ 143,297	\$ 166,080
Accounts Payable and Accrued Expenses - Related Parties	210,168	217,584
Bonds Payable	4,920,977	—
Common Stock Payable - for Contracts/Agreements	8,000,000	1,990,107
Common Stock Payable - Deposits Received on Subscription Agreements	—	18,515,734
Promissory Notes Payable	30,000	76,305
Promissory Notes Payable - Related Parties	—	41,715
Total Current Liabilities	13,304,442	21,007,525
Total Liabilities	13,304,442	21,007,525
Stockholders' Equity (Deficit)		
Preferred Stock Class D - \$0.001 Par; 1,500,000 Shares Authorized, 918,250 and 915,000 Issued and Outstanding, Respectively	918	915
Common Stock - \$0.001 Par; 495,000,000 Shares Authorized, 149,633,884 and 332,324 Issued and Outstanding, Respectively	149,633	332
Additional Paid-In-Capital	1,458,667,742	64,933,850
Accumulated Deficit	(1,443,466,278)	(67,452,348)
Treasury Stock; -0- and 186,096 Shares, Respectively at Par \$0.001	—	(186)
Total Stockholders' Equity (Deficit)	15,352,015	(2,517,437)
Total Liabilities and Stockholders' Equity (Deficit)	\$ 28,656,457	\$ 18,490,088

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

QUANTUM ENERGY, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS – UNAUDITED

For the Three Months Ended May 31,	For the Three Months Ended		For the Nine Months Ended	
	November 30, 2022	November 30, 2021	November 30, 2022	November 30, 2021
Sales	\$ —	\$ 324,240	\$ —	\$ 324,240
Cost of Goods Sold	—	109,253	—	109,253
Gross Profit	—	214,987	—	214,987
Operating Expenses				
General and Administrative	870,950	672,761	1,817,026	1,451,994
Management Fees and Consulting	16,265	—	3,386,180	—
Professional Fees	902,379	310,383	2,448,219	946,070
Total Operating Expenses	1,789,594	983,144	7,651,425	2,398,064
Loss Before Other Income and (Expense)	(1,789,594)	(768,157)	(7,651,425)	(2,183,077)
Other Income and (Expense)				
Gain on Debt Settlement	2,980	—	2,980	140,395
Unrealized Gain (Loss) on Common Stock Payable	(499,748,593)	9,589,356	(1,284,600,085)	7,435,441
Gain (Loss) on Issued Common Stock Payable	4,948,406	—	(83,686,942)	360,000
Interest Expense	(80,010)	(3,347)	(78,458)	(10,083)
Total Other Income and (Expense)	(494,877,217)	9,586,009	(1,368,362,505)	7,925,753
Income Before Income Tax Expense	(496,666,811)	8,817,852	(1,376,013,930)	5,742,676
Income Tax Expense	—	—	—	—
Net Income (Loss) for the Period	\$(496,666,811)	\$ 8,817,852	\$(1,376,013,930)	\$ 5,742,676
Weighted Average Number of Common Shares -				
Basic and Diluted	56,560,335	329,943	18,813,048	50,425,551
Net Income for the Period Per Common Shares -				
Basic and Diluted	\$ (8.78)	\$ 26.73	\$ (73.14)	\$ 0.11

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

QUANTUM ENERGY, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS - UNAUDITED

For the Nine Months Ended November 30,	2022	2021
Cash Flows from Operating Activities		
Net Loss for the Period	\$ (1,376,013,930)	\$ 5,742,676
Non-Cash Adjustments:		
Depreciation	17,023	—
Preferred Stock Issued for Consulting Services	105,723	—
Common Stock Payable for Consulting Services	3,265,957	—
Unrealized (Gain) Loss on Common Stock Payable	1,284,600,085	(7,435,441)
Gain on Debt Settlement	(2,980)	(140,395)
(Gain) Loss on Issued Common Stock Payable	83,686,942	(360,000)
Changes in Assets and Liabilities:		
Work In Progress	—	(118,358)
Accounts Payable and Accrued Expenses	(17,787)	(60,574)
Accounts Payable and Accrued Expenses - Related Parties	—	34,978
Net Cash Flows Used In Operating Activities	(4,358,967)	(2,337,114)
Cash Flows from Investing Activities		
Cash Purchase of Treasury Stock	—	(813,261)
Cash Disbursement - Note Receivable	(600,000)	—
Purchase of Property & Equipment	(118,338)	—
Deposits - Related Party	(5,800,000)	(8,080,000)
Net Cash Flows Used In Investing Activities	(6,518,338)	(8,893,261)
Cash Flows from Financing Activities		
Proceeds from Stock Subscription	9,629,707	17,489,421
Bond Payable	4,920,977	—
Repayment of Note Payable	(8,325)	—
Repayment of Convertible Note Payable	—	(67,500)
Net Cash Flows Provided By Financing Activities	14,542,359	17,421,921
Net Change in Cash	3,665,054	6,191,546
Cash - Beginning of Period	6,366,730	1,969,508
Cash - End of Period	\$ 10,031,784	\$ 8,161,054
Cash Paid During the Period for:		
Interest	\$ 78,458	\$ 2,500
Income Taxes	\$ —	\$ —

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

QUANTUM ENERGY, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT) FOR THE THREE AND NINE MONTHS ENDED NOVEMBER 30, 2022 AND 2021 - UNAUDITED

For the Three Months Ended November 30, 2021	Preferred Stock Class D		Common Stock		Additional	Accumulated	Treasury Stock		Total
	\$0.001 Par		\$0.001 Par		Paid-In		\$0.001 Par		Stockholders'
	Shares	Amount	Shares	Amount	Capital	Deficit	Shares	Amount	Deficit
Balance - September 1, 2021	—	\$ —	329,943	\$ 330	\$ 11,179,105	\$ (22,923,473)	967,567	\$ (967)	\$ (11,745,005)
Cash Purchase of Treasury Stock	—	—	—	—	(245,710)	—	7,846,844	(7,847)	(253,557)
Net Income for the Period	—	—	—	—	—	8,817,852	—	—	8,817,852
Balance - November 30, 2021	—	\$ —	329,943	\$ 330	\$ 10,933,395	\$ (14,105,621)	8,814,411	\$ (8,814)	\$ (3,180,710)

For the Three Months Ended November 30, 2022	Preferred Stock Class D		Common Stock		Additional	Accumulated	Treasury Stock		Total
	\$0.001 Par		\$0.001 Par		Paid-In		\$0.001 Par		Stockholders'
	Shares	Amount	Shares	Amount	Capital	Deficit	Shares	Amount	Equity (Deficit)
Balance - September 1, 2022	917,750	\$ 918	56,560,335	\$56,560	\$742,052,143	\$(946,799,467)	—	\$ —	\$(204,689,846)
Issuance of Preferred Stock	500	—	—	—	16,265	—	—	—	16,265
Issuance of Common Stock Payable	—	—	93,073,549	93,073	716,599,334	—	—	—	716,692,407
Net Income for the Period	—	—	—	—	—	(496,666,811)	—	—	(496,666,811)
Balance - November 30, 2022	918,250	\$ 918	149,633,884	\$149,633	\$1,458,667,742	\$(1,443,466,278)	—	\$ —	\$ 15,352,015

For the Nine Months Ended November 30, 2021	Preferred Stock Class D		Common Stock		Additional	Accumulated	Treasury Stock		Total
	\$0.001 Par		\$0.001 Par		Paid-In		\$0.001 Par		Stockholders'
	Shares	Amount	Shares	Amount	Capital	Deficit	Shares	Amount	Deficit
Balance - March 1, 2021	—	\$ —	323,277	\$ 323	\$ 11,497,849	\$ (19,848,297)	—	\$ —	\$ (8,350,125)
Common Stock Issued from Subscriptions - Restated	—	—	6,667	7	239,993	—	—	—	240,000
Cash Purchase of Treasury Stock	—	—	—	—	(804,447)	—	8,814,411	(8,814)	(813,261)
Net Income for the Period	—	—	—	—	—	5,742,676	—	—	5,742,676
Balance - November 30, 2021	—	\$ —	329,943	\$ 330	\$ 10,933,395	\$ (14,105,621)	8,814,411	\$ (8,814)	\$ (3,180,710)

For the Nine Months Ended November 30, 2022	Preferred Stock Class D		Common Stock		Additional	Accumulated	Treasury Stock		Total
	\$0.001 Par		\$0.001 Par		Paid-In		\$0.001 Par		Stockholders'
	Shares	Amount	Shares	Amount	Capital	Deficit	Shares	Amount	Equity (Deficit)
Balance - March 1, 2022	915,000	\$ 915	332,324	\$ 332	\$ 64,933,850	\$ (67,452,348)	(186,096)	\$ (186)	\$ (2,517,437)
Issuance of Preferred Stock	3,250	3	—	—	105,720	—	—	—	105,723
Reclass of Treasury Stock	—	—	(186,096)	(186)	—	—	186,096	186	—
Purchase of Treasury Stock	—	—	(8,556)	(9)	9	—	—	—	—
Issuance of Common Stock Payable	—	—	149,496,212	149,496	1,393,628,163	—	—	—	1,393,777,659
Net Income for the Period	—	—	—	—	—	(1,376,013,930)	—	—	(1,376,013,930)
Balance - November 30, 2022	918,250	\$ 918	149,633,884	\$ 149,633	\$ 1,458,667,742	\$ (1,443,466,278)	—	\$ —	\$ 15,352,015

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

QUANTUM ENERGY, INC.
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS-
UNAUDITED FEBRUARY 28, 2022

NOTE 1 - NATURE OF OPERATIONS

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

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

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

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

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

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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. Actual results could differ from those estimates.

Risks and uncertainties

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

Cash and cash equivalents

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

Fair value of financial instruments

The Company's financial instruments include cash and cash equivalents, promissory notes payable, and promissory notes payable - related parties. All instruments are accounted for on a cost basis, which, due to the short maturity of these financial instruments, approximates fair value at November 30, 2022 and February 28, 2022, respectively.

When required to measure assets or liabilities at fair value, the Company uses a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used. The Company determines the level

within the fair value hierarchy in which the fair value measurements in their entirety fall. The categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Level 1 uses quoted prices in active markets for identical assets or liabilities, Level 2 uses significant other observable inputs, and Level 3 uses significant unobservable inputs. The amount of the total gains or losses for the period are included in earnings that are attributable to the change in unrealized gains or losses relating to those assets and liabilities still held at the reporting date.

At November 30, 2022 and February 28, 2022, the Company had no assets or liabilities accounted for at fair value on a recurring basis.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES - continued

Long-Lived Assets

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

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 stock options will be held before they are exercised ("expected life"), the estimated volatility of the Company's common stock price over the expected term ("volatility"), 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.

Related Parties

In accordance with ASC 850 "Related Party Disclosure", a party is considered to be related to the Company if the party directly or indirectly or through one or more intermediaries, controls, is controlled by, or is under common control with the Company. Related parties also include principal owners of the Company; its directors, officers, and management; members of the immediate families of principal owners of the Company and its management; and other parties with which the Company may deal with if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests.

New Accounting Pronouncements

The Company has implemented all new accounting pronouncements that are in effect and is evaluating any that may impact its financial statements, including the new lease standard. The Company does not have any leases and does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

NOTE 3 – GOING CONCERN

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

As shown in the accompanying financial statements, the Company has incurred operating losses since inception. As of November 30, 2022 and February 28, 2022, the Company has limited financial resources with which to achieve the objectives and obtain profitability and positive cash flows. As shown in the accompanying consolidated balance sheets and consolidated statements of operations, the Company has an accumulated deficit at November 30, 2022 and February 28, 2022 and a working capital deficit at November 30, 2022 and February 28, 2022. Achievement of the Company's objectives will be dependent upon the ability to obtain additional financing, generate revenue from current and planned business operations, and control costs. The Company plans to fund its future operations by joint venturing, obtaining additional financing from investors, and/or lenders, and attaining additional commercial revenue. However, there is no assurance that the Company will be able to achieve these objectives, therefore substantial doubt about its ability to continue as a going concern exists.

NOTE 4 – EARNINGS PER SHARE

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

The dilutive effect of outstanding securities as of November 30, 2022 and February 28, 2022, respectively, would be as follows:

	November 30, 2022	February 28, 2022
Warrants	—	1,925,000
TOTAL POSSIBLE DILUTION	—	1,925,000

At February 28, 2022 the effect of the Company's outstanding options and warrants would have been anti-dilutive.

NOTE 5 – PROPERTY and EQUIPMENT

Property and equipment consisted of the following at November 30, 2022 and February 28, 2022:

	November 30, 2022	February 28, 2022
Trailer	\$ 53,400	\$ —
Vehicle	64,938	—
Less: Accumulated Depreciation	(17,023)	—
Net Property and Equipment	\$ 101,315	\$ —

Depreciation expense for the three and nine months ended November 30, 2022 and 2021 was \$10,246 (2021: \$-0-) and \$17,023 (2021: \$-0-), respectively.

NOTE 6 - OTHER ASSETS

Work in Progress

Work in progress consists of partially manufactured and raw rare earth metal products used in production in the amount of \$118,358 at November 30, 2022 and February 28, 2022.

Deposits – Related Party

Deposits – Related Party consist of deposits made to a related party that share board members of the Company. A with a letter of intent signed on October 12, 2021 calls for the purchase of shares of common stock of the related party to obtain a majority stake at \$2.10 for up to eighteen (18) months with closing on December 15, 2022. The letter of intent is non-binding and if the majority shares are not obtained the deal is terminated and the money is refunded. Hence, the classification of deposits of \$17,805,000 and \$12,005,000 at November 30, 2022 and February 28, 2022, respectively. The Company is expecting to acquire majority ownership by the

closing date.

NOTE 7 – PROMISSORY and CONVERTIBLE NOTES PAYABLE

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

	November 30, 2022	February 28, 2022
0% unsecured note payable - December 2013, due on demand	\$ —	\$ 2,000
0% unsecured note payable - November 2015, due on demand	—	980
8% unsecured note payable - October 2018, due on demand	—	5,000
6% unsecured note payable – April 2019, due on demand	—	3,325
8% unsecured notes payable - October 2019, due on demand	30,000	65,000
Total Notes Payable	\$ 30,000	\$ 76,305

NOTE 7 – PROMISSORY and CONVERTIBLE NOTES PAYABLE - continued

Interest expense for the three and nine months ended November 30, 2022 and 2021 was \$600 (2021: \$1,453) \$1,800 (2021: \$4,363), respectively.

NOTE 8 – PROMISSORY NOTES PAYABLE, RELATED PARTY AND OTHER RELATED PARTY TRANSACTIONS

The Company's outstanding notes payable, related party are summarized as follows:

	November 30, 2022	February 28, 2022
6% unsecured note payable – April 2019, due on demand	—	15,825
6% unsecured note payable – April 2019, due on demand	—	15,890
8% unsecured note payable - October 2019, due on demand	—	10,000
TOTAL	\$ —	\$ 41,715

Interest expense for the three and nine months ended November 30, 2022 and 2021 was \$-0- (2021: \$1,894) and \$-0- and (2021: \$5,720), respectively.

Starting January 1, 2019, the Company began accruing a monthly management fee of \$15,000 due to an advisory company owned by Andrew J. Kacic, the Company's former chief executive officer ("CEO"). During the year ended February 28, 2019, the Company recognized management fees of \$30,000 under this agreement which amount is included in "Accounts payable and accrued liabilities, related parties" on the consolidated balance sheet at February 28, 2019. Since February 28, 2019, no additional management fees have been accrued since the parties are in dispute. There were no similar management fees due the CEO prior to December 31, 2018. Certain directors and officers of the Company dispute the management fee asserting that no consulting agreement has been executed. It is possible that the amount ultimately paid to the advisory company will be other than the accrued balance of \$30,000 due to continuing negotiations between the board of directors and the former CEO. The disputed amount as of the date of these financials is \$150,000, which is the remaining 10 (ten) months of the management fee for the calendar year ended 2019. Amounts due to Andrew Kacic at November 30, 2021 and February 28, 2021 were \$107,868 and \$17,868, respectively. In January 2022, the Company settled their dispute with Andrew Kacic and paid him \$88,000. Included in this settlement was \$107,868 in accounts payable – related parties, \$64,300 in notes payable related parties and \$16,573 in accrued interest – related parties. Write off of the notes payable and the accrued interest are included in gain on debt conversion in the amount of \$80,873 for the year ended February 28, 2022. Write off of \$19,868 of accounts payable related

parties is included in professional fees at February 28, 2022.

Certain officers, directors and other related parties of the Company have paid various expenses on behalf of the Company. Balances due to the officers, directors and a related company for reimbursement of these expenses were \$198,803 at November 30, 2022 and February 2022, respectively, which amounts are included in "Accounts payable and accrued liabilities - related parties" on the consolidated balance sheets.

NOTE 9 – COMMON STOCK PAYABLE

Common Stock Payable – for Contracts/Agreements

Common stock payable for contracts/agreements consists of 1 million shares owed to Raul Factor per the joint venture agreement (Note 11) and 1 million shares owed to landlord for rent at February 28, 2021. On June 7, 2021, 6,667 shares were issued to the landlord. These shares were adjusted to its fair value of \$600,000 on June 7, 2021, and \$150,000 was recognized as unrealized gain on that date. The Company also recognized a gain on the issuance of these shares in the amount of \$360,000. At November 30, 2022 and February 28, 2022, the fair value of the remaining shares owed to Raul Factor were adjusted to its fair value of \$8,000,000 and \$380,000 based on the closing price of the stock on those dates. The Company recognized unrealized gain (loss) on common stock payable of \$4,000,000 (2021: \$250,000) and (\$7,620,000) (2021: \$6,955,441) during the three and nine months ended November 30, 2022 and 2021, respectively. At November 30, 2022 and February 28, 2022, the Company also owed -0- and 3,354,037 shares, respectively to various people which was valued at the market rates at November 30, 2022 and February 28, 2022 totaling \$-0- and \$1,610,107, respectively.

NOTE 10 – BOND PAYABLE

The Company is authorized to sell \$15,000,000 in bonds. \$5,000,000 are tax exempt with an interest rate of 8.9%. Both bond offerings are expected to mature on December 15, 2027. At November 30, 2022 and February 28, 2022 bonds payable were \$4,920,977 and \$-0-, respectively.

NOTE 11– COMMON STOCK

Common stock

The Company is authorized to issue 495,000,000 shares of its common stock with a par value of \$0.001 per share. All shares of common stock are equal to each other with respect to voting, liquidation, dividend, and other rights. Owners of shares are entitled to one vote for each share owned at any Shareholders' meeting.

On February 23, 2022, the board of directors approved a 150 to 1 reverse stock split. The reverse has been retrospectively accounted for at March 1, 2021 in the statements of changes in stockholders' deficit.

Preferred stock

The Company is authorized to issue 5,000,000 shares of its preferred stock with a no-par value per share with no designation of rights and preferences. The Company issued 915,000 shares of its preferred stock class D to pay consulting services in the amount of \$539,850 during the year ended February 28, 2022. During the nine months ended November 30, 2022, the Company issued 3,250 shares of its preferred stock in the amount of \$105,723. These shares have voting rights of 100 to 1. The shares value was based on the market price of the Company's common stock of \$.3253 and \$0.59 on the measurement date. The reverse stock split did not affect preferred stock.

Treasury Stock

During year ended February 28, 2022, the Company bought back 27,914,411 shares of its common stock in the amount of \$813,261 and placed it in treasury. On February 23, 2022, the board of directors approved a 150 to 1 reverse stock split. The reverse has been retrospectively accounted for at March 1, 2021 in the statements of

changes in stockholders' deficit.

NOTE 12 - WARRANTS

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

	November 30, 2022		February 28, 2022	
	Warrants	Price (a)	Warrants	Price (a)
Beginning balance	1,925,000	\$.25	2,925,000	\$.25
Issued	—	—	—	—
Exercised	—	—	—	—
Expired	(1,925,000)	—	(1,000,000)	—
Ending balance	—	\$0.00	1,925,000	\$.25

(a) Weighted average exercise price per shares

NOTE 13 – OTHER MATTERS- Joint Venture

Private Placement – Raul Factor

Pursuant to (2) two prior License and Operating Agreements, the principals of Raul Factor BV agreed to provide an aggregate of \$200,000 (USD) to purchase an aggregate of 1,000,000 units of Quantum at a price of \$0.20 per Unit, (for an aggregate of 1,000,000 shares of the Company's common stock plus 18 month warrants to purchase an aggregate of 1,000,000 shares of the Company's common stock at a price of \$0.25 per share. Pursuant to these transactions, the Company agreed to use \$150,000 of the proceeds from the sale of the Units to purchase the distribution rights of EES-E and EETC and in turn the Company would assign such distribution rights to EES-E and EETC respectively. Also, Raul Factor agreed to invest the required reasonable funding as determined by the board of directors of EETC for the startup, working capital, specific module development and required 6 months of economic demonstration of carpet and artificial turf into energy or value-added products for EETC. Also, EES agreed to contribute its module technologies developed by or available via license agreements from others to EES further on to EES-E via license agreements conforming to the terms set forth in these License and Operating Agreements. Raul Factor also agreed to fund additional capital requirements. At the date of this report, while the \$200,000 was received from Raul Factor, the stock has yet to be issued. As of November 30, 2022 and February 28, 2022, the stock was valued at \$8,000,000 and \$380,000 utilizing the closing prices on November 30, 2022 and February 28, 2022.

NOTE 14 – RISKS and UNCERTAINTIES

Suprock Litigation

On December 10, 2021, the Company filed an action against the Suprock Parties in the United States District Court of the State of Nevada. (See: 2:21-cv-02184-JAD-BNW Quantum Energy Inc. v. PCS Advisors LLC et al). The complaint alleges breach of implied covenant of good faith & fair dealing, unjust enrichment, and breach of contract. The Company is seeking the return of the shares of its common stock and monetary damages.