UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-K

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended February 28, 2022
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number 333-225892

Quantum Energy Inc.
(Exact name of registrant *as specified in its charter)*

Nevada *(State or other jurisdiction of incorporation or organization)*	98-0428608 *(IRS employer identification no.)*
3825 Rockbottom **North Las Vegas,** NV *(Address of principal executive offices)*	89030 *(Zip code)*

Registrant's telephone number, including area code:
702-323-6455
Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Common stock, $0.001 Par Value	QEGY	OTC.PK

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☑

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☐ No ☑

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). Yes ☐ No ☑

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405) is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☐		
Smaller reporting company	☒	Emerging growth company	☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting form that prepared or issued its audit report. Yes ☒ No ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☑

The aggregate market value of the common voting stock held by non-affiliates of the Registrant as of the last business day of the Registrant's most recently completed third fiscal quarter, was $1,260,969.

As of February 28, 2022 there were 48,491,485 Shares of issuer's common stock, $0.001 par value, issued and outstanding.

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GLOSSARY OF KEY TERMS

Adjusted diluted EPS from continuing operations	Non-GAAP measure defined as diluted earnings per share from continuing operations before the one-time, non-cash income tax benefit
Adjusted income from continuing operations	Non-GAAP measure defined as income from continuing operations before the one-time, non-cash income tax benefit
GAAP	Generally Accepted Accounting Principles
QEGY	Quantum Energy Inc.
SEC	United States Securities and Exchange Commission

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Except for historical information, this Annual Report contains forward-looking statements within the meaning of the federal securities laws. Such forward-looking statements are based on management's current expectations, assumptions, and beliefs concerning future developments and their potential effect on our business and are subject to risks and uncertainties that could negatively affect our business, operating results, financial condition, and stock price. We have attempted to identify forward-looking statements by terminology including "anticipates," "believes," "can," "continue," "could," "estimates," "expects," "intends," "may," "plans," "potential," "predicts," "should," "will," "would", "if, "shall", "might", "will likely result, "projects", "goal", "objective", or "continues", or the negative of these terms or other comparable terminology, although the absence of these words does not necessarily mean that a statement is not forward-looking. Additionally, statements concerning future matters such as our business strategy, development of new products, sales levels, expense levels, cash flows, future commercial and financing matters, future partnering opportunities and other statements regarding matters that are not historical are forward-looking statements.

Although the forward-looking statements in this Annual Report reflect our good faith judgment, based on currently available information, they involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance, or achievements to be materially different from any future results, levels of activity, performance, or achievements expressed or implied by these forward-looking statements. These forward-looking statements are subject to a number of risks, uncertainties, and assumptions, including those described in the section titled "Risk Factors." Moreover, we intend to operate in one or more very competitive and rapidly changing industry. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Annual Report may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, levels of activity, performance or events and circumstances reflected in the forward-looking statements will be achieved or occur. Moreover, except as required by law, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. We undertake no obligation to update publicly any forward-looking statements for any reason after the date of this Annual Report to conform these statements to actual results or to changes in our expectations. You should, however, review the factors and risks we describe in the reports we will file from time to time with the SEC after the date we file this Annual Report. Readers are urged to carefully review and consider the various disclosures made in this Annual Report.

CERTAIN REFERENCES AND NAMES OF OTHERS USED HEREIN

This Annual Report may contain additional trade names, trademarks, and service marks of others, which are the property of their respective owners. Except as otherwise disclosed herein, we do not intend our use or display other companies' trade names, trademarks, or service marks to imply a relationship with, or endorsement or sponsorship of us by, these other companies.

PART I

The terms "we," "our," "us", "Quantum Energy" and the "Company" refer to Quantum Energy Inc. and its subsidiaries, unless the context suggests otherwise.

ITEM 1. *Business*

General

We, Quantum Energy Inc., are a Nevada corporation. We were originally incorporated as Boomers Cultural Development, Inc. ("Boomers") on February 5, 2004, in the State of Nevada to be a service-oriented firm that would integrate the cultural interests of baby boomers with destination learning, by packaging onsite personal growth, education, and entertainment seminars with a variety of vacation destinations. On May 18, 2006, our name was changed to Quantum Energy, Inc. and our business focus was changed to concentrate on the energy industry and, in particular, refining, as well as the oil and gas portions of the energy industry. We currently have two 100% owned subsidiaries: Dominion Energy Processing Group, Inc. ("DEPG"), a Canadian Federal business corporation, which is our 100% owned Canadian subsidiary and FTPM Resources, Inc., a Texas corporation.

During the period from October 2017 to April 2019, among other things: we reviewed all of the outstanding agreements and transactions that we had entered into between August 2013 and November 2017 and we began to renegotiate, rescind or settle all of those agreements that had proven not to be in our best interest or in the best interest of our stockholders. In this regard, the shares of our common stock that had been issued in connection with such cancelled transactions were returned to us and shares of our Series B Preferred Stock that had been issued were returned and cancelled.

From December 2016 to about September 2020, we have pursued energy and refining opportunities, including alternative energy opportunities, as well as, the substantial financing needed by such energy opportunities as follows:

On April 15, 2018, we entered into a (conditional) binding letter of intent (the “IEC LOI”) with Inductance Energy Corporation Energy Corporation, a Wyoming corporation (“IEC”), which purports to have developed an alternative source of energy through the invention and development of magnetic “earth engines”. Pursuant to the IEC LOI , if all of the conditions contained in the IEC LOI are satisfied, (a) we would merge with a newly formed subsidiary of IEC with us being the surviving company, (b) we would issue to IEC such number of new shares of our Common Stock as shall represent 60% of our then issued and outstanding shares of Common Stock, and (c) IEC would provide to us, as the surviving company, up to $50,000,000(USD). The LOI ultimately expired without being implemented.

On April 2, 2019, we and our wholly owned subsidiary FTPM Resources, Inc. entered into non-binding Letter of Intent with Easy Energy systems Inc. (“EESI”) to form a joint venture the purpose of developing and marketing of clear glucose using EESI’s patented Modular Energy Production System technology (“MEPS®”). EESI’s Modular Energy Production Systems are small-scale modular biorefineries for the production of alternative liquid biofuels and other products from various feedstocks. MEPS® modules are fully automated, self-contained shipping container sized modules (the “Modules”) that contain a specific scientific process to process energy based on the particular targeted Feedstock. The Modules are factory-built and can be connected together in a matter of weeks to convert different forms of Feedstock into different forms of renewable energy and other high value products. The Modules can be shipped to remote villages and cities all over the world. That joint venture was to have been owned 33% by FTPM and 67% by EESI.

On June 28, 2019, we and EESI modified that proposed joint venture transaction and we entered into a Binding Letter of Intent (the June 28, 2019 Binding Letter of Intent”) with EESI to form a joint venture (hereinafter referred to as “JV-1”) for the purpose of creating and funding multiple operating joint venture limited liability companies (each an “Operating JV”) each of which to be focused on a different vertical market feedstock utilizing the MEPS® technology to create energy. Each Operating JV is expected to be assigned exclusive distribution rights based on a territory and/or specified Feedstock, and each of which will be financed by the funding source of that Operating JV. Each Operating JV would be owned 50% by that funding source for the particular LLC and the remaining 50% by JV-1 (which will be split equally between us and EESI). That joint venture was ultimately terminated.

At the beginning of March 2020, we again enter discussions with Inductance Energy Corporation (“IEC”), as we were in April 2018. In this particular instance IEC was offering to bring to the table several significant investors interested in funding the Company through its regulatory cleanup. It was suggested that MP Special Purpose Corporation (“MP”), would be interested in signing a joint commitment letter so long as necessary shares were set aside in return for the significant effort that would be expended by both IEC and MP. On March 22, 2020 IEC began due diligence on the Company, with the permission of its Board of Directors, for the purpose of forming future business alliances including joint ventures, joint stock ownership, and capital raises. Due diligence on the Company was completed by IEC at the beginning of July of 2020. The results of such within forwarded to the various investors of MP. The Company and MP signed an Agreement and Plan of Asset Acquisition (“Plan”), on September 22, 2020 to allow the Company to enter into the refining of rare earth materials from various locations under the control of MP and IEC. The Plan was assignable to IEC, or other investors or investor group’s willing to fund the growth of the Company through a private investment into a public entity, otherwise known as a PIPE (“PIPE”).

Since early November 2020 the Company expanded its board to include directors William Hinz, Douglas Bean, and Anthony Ker. The company also recruited and contractually hired Harry Ewert as its new CEO. Mr. Ewert also joined the Board of Directors. The Company recruited and contractually hired William Westbrook as its CFO. Both Mr. Ewert and Mr. Westbrook began their contracts in early December with the Company.

After the expanded Board of Directors was seated, and at the start of Mr. Ewert and Mr. Westbrook’s contracts, the Company moved quickly to establish a strategic and tactical operating plan to enter the rare earth refining market. The company established a technical committee which helped build out a plan to develop a private investment path. In addition, the Company moved to conduct due diligence on the former Willwood Air Force Base located in Wyoming at which IEC had been granted a special use permit for the processing of rare earth materials, and the manufacturer of permanent magnets.

In January 2021 the Company settled on a $50 million private placement offering, that would include a proposed $15 municipal bond package as offered by the town of Byron Wyoming, only 9 miles from the 164 acre former Willwood Air Force Base. The company decided to include the $15 million bond package in its $50 million private placement offering, therefore needing to raise $35 million of new equity in the company. The Board of Directors voted previously to authorize the development of a private placement memorandum to be filed with the SEC so that the private placement offering could be discussed with current and potential individual investors, and investor groups in the United States and Canada.

The Company has experienced strong demand for participation in its private placement offering, and expanded its staff to include two additional finance positions, as well as plans to expand its internal accounting staff.

The Company has developed a strategic plan for hiring experienced professionals, including those that are credentialed and hold licenses in engineering, mining, and chemical engineering. This increased depth of personnel surrounding the granting of a license from IEC to the Company for the exclusive production of magnetic materials and assemblies. The decision on the granting of a license from IEC, on an exclusive basis, would be made by IEC only if the Company could show substantial progress in its capital raise efforts, and its ability to attract technical expertise.

As the Company experienced success in both its private placement efforts, as well as its exploratory efforts for sources of rare earths, the Company put forth expanded efforts to execute on its new strategic and tactical business plans in order to begin refining rare earth materials for the recovery of oxides and metals that are required for the production of various magnetic products, and assemblies.

The Company developed a straightforward strategic and tactical business plan that could be executed around 3 basic business segments; Mining, Minerals and Magnets. These 3 segments would become a highly focused center of work for the Company.

Various work at the Company by its technical committee had shown that the Company could enter the mining industry through a very unique path of recovering rare earth and ferrite magnet material from discarded appliances, computers, and other sources in the United States and Canada. Secondly, the Company would concentrate its efforts on the recovery of rare earth materials from other waste streams including fly ash and fly bottom waste streams from combusted coal burning power plants in the United States and Canada. It is estimated that over 1 billion tons of this material exists and dumpsites, and far greater than 4 billion pounds of this material is still generated from coal burning power plants and other sources in the United States alone each and every year.

Successful recovery from these waste streams are described as follows;

1. **Rare Earth and Ferrite (Iron) Magnets** that are used in a wide variety of appliances and electronics that can be recovered, that were disposed of in the United States and Canada. These appliances include; televisions, computers, refrigerators, microwaves, dishwashers, as well as motor vehicles, and used electrical motors. Quantum is working with a wide variety of returned merchandise centers, landfills, and other recycling businesses to secure these resources. These types of magnet resources can be mechanically gathered, and reprocessed for use by IEC, and other customers.

2. **Fly ash and fly bottom waste streams**. Fly ash and fly bottom waste streams are the remaining byproduct of coal combustion. There are billions of pounds of fly ash and fly bottom waste that are produced each and every year in the United States and Canada, as well as foreign countries. Currently Quantum has two large developmental projects to recover and test both fly ash and fly bottom waste streams for their rare earth content. These two sources currently produce just over 1.4 billion pounds of fly ash and fly bottom waste on an annual basis. Well-known resource testing shows that most fly ash, as well as fly bottom waste streams on average contain about 1.85% rare earth material.

3. **Coal and other mining resources**. Currently in the United States and Canada, the mining of coal to be consumed in coal power plants is in rapid decline. Coal producing states such as Wyoming, Kentucky, and West Virginia must move from a coal-based economy or continue to face declining royalty revenues from these natural resources. Rare earth minerals could be one answer to this problem. It is well known from a wide variety of Department of Energy studies that coal, and coal byproducts contain high concentrations of rare earth materials. Quantum is in negotiations with several operating and now defunct coal bearing properties in order to secure rights to process and refine rare earth materials.

Refining rare earth materials from used magnets, fly ash and fly bottom waste streams, and coal reserves range in difficulty from very simple, to a chemical process commonly called ion exchange, and precipitation. Both practices have been in place for many decades, worldwide, and are still used to this day for most mining recovery operations in addition to these 2 common practices, membrane recovery, similar to reverse osmosis, is finding favor by a wide variety of professionals, in many geographic areas. W

The reprocessing of waste stream magnets whether ferrite (iron), or rare earth, such as neodymium iron boron magnets, is a relatively simple process where the waste material is pulverized to approximately 80 mesh (177 microns), then re-blended into the required recipe, and then reformed in, to produce a value-added product. a choice of several different processes.

Refining rare earth materials from fly ash and fly bottom waste, is similar to recovering rare earth materials from coal ash, or coal seam material. It is a well-known ion exchange and precipitation process. A chemical process in which a wide variety of diluent made from acids and caustics are used to precipitate individual rare earth elements from waste streams. This can also include the recovery of rare earth materials from various membranes, such as membranes similarly used in reverse osmosis processes used to clean water. Membranes are size to very specific microns, and once the process is complete, the desired elements are recovered from recycling the membrane material.

The reclaiming of base materials that are suitable to be processed to extract rare Earth materials is heavily tied to wastewater treatment. While large quantities of water are not required to reclaim rare earth containing material, water can be used along with magnetic separation in the early stages of recovery. Wastewater resulting from these early-stage processes needs to be treated and then reintroduced into the process, thereby limiting the loss of treatment water to evaporation. Wastewater treatment also allows waste sludge to be minimalized, and dried for disposal in a common landfill. Typically these dried sludges are less than 1% of the overall material processed. The Company is currently seeking to purchase several different proven waste water technologies and systems to market alongside its rare earth recovery systems.

Employees

We have seven (7) employees as of the date of this report.

Intellectual Property

As of the date of this report, we do not own any patents, trademarks, licenses, franchises, concessions, and royalty agreements, or other intellectual property contracts, but the Company is actively in negotiations for an exclusive technical license from IEC, and is seeking to purchase, acquire, or license a series of wastewater technologies

Available Information

Our Periodic Reports including Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other reports, and amendments to those reports, and other forms that we file with or furnish to the Securities and Exchange Commission (SEC) are available to review on the SEC's EDGAR website.

Corporate Governance

In accordance with and pursuant to relevant related rules and regulations of the SEC, the Board of Directors of the Company has established and periodically updated our Corporate Governance Guidelines and Code of Conduct, which is applicable to all directors, officers and employees of the Company. We have established an audit committee of our board of directors. We intend to appoint three directors to our audit committee and least one of the appointees shall be independent and shall be an audit committee financial expert.

ITEM 1A. ***Risk Factors.***

Not applicable to a smaller reporting company.

ITEM 2. ***Properties.***

Our corporate headquarters are comprised of 10,000 square feet of floor space located at 3825 Rockbottom Drive, North Las Vegas, NV 89030. One of our shareholders makes the office space available to us without a lease and we pay no rent.

ITEM 3. ***Legal Proceedings.***

None.

ITEM 4. ***Mine Safety Disclosures.***

Not applicable.

PART II

ITEM 5. *Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.*

Our common stock is currently available for trading on the OTC Pink (over-the-counter pink sheets) under the trading symbol "QEGY." The following table sets forth the high and low bid prices (USD) for our Common Stock per quarter as reported by the OTC Markets based on our fiscal year end February 28, 2018, 2019, and 2020. These prices represent quotations between dealers without adjustment for retail mark-up, markdown or commission and may not represent actual transactions.

Fiscal Year 2020		**HIGH**		**LOW**
First Quarter (Mar. 1, 2019 – May 31, 2019)	$	.18	$	.15
Second Quarter (June 1, 2019 – August 31, 2019)		.14		.09
Third Quarter (Sept. 1, 2019 – Nov. 30, 2019)		.13		.05
Fourth Quarter (Dec. 1, 2019 – Feb. 28, 2021)		.99		.20
Fiscal Year 2019				
First Quarter (Mar. 1, 2018 – May 31, 2018)	$	0.25	$	0.106
Second Quarter (June 1, 2018 – August 31, 2018)		0.75		0.20
Third Quarter (Sept. 1, 2018 – Nov. 30, 2018)				
Fourth Quarter (Dec. 1, 2018 – Feb. 28, 2019)				
Fiscal Year 2018				
First Quarter (Mar. 1, 2017 – May 31, 2017)		0.309		0.15
Second Quarter (Jun. 1, 2017- Aug. 31, 2017)		0.229		0.10
Third Quarter (Sept. 1, 2017 – Nov. 30, 2017)		0.165		0.153
Fourth Quarter (Dec. 1, 2017 – Feb. 28, 2018)		0.175		0.066

Holders

As of June 1, 2021, there were 58 holders of record of our common stock.

Dividends

We have not declared any cash dividends on our Common Stock since our inception and do not anticipate paying such dividends in the foreseeable future. We plan to retain any future earnings for use in our business. Any decisions as to future payments of dividends will depend on our earnings and financial position and such other facts, as the Board of Directors deems relevant.

Securities authorized for issuance under equity compensation plans

We have not adopted an equity compensation plan and no securities have been authorized or reserved for issuance under any equity compensation plan.

Description of Securities

The following description is a summary of the material terms of the provisions of our Articles of Incorporation and Bylaws. The Articles of Incorporation and Bylaws have been filed with the SEC as exhibits to our registration statement on Form S-1.

Common Stock

We are authorized to issue 495,000,000 shares of Common Stock with $0.001 par value per share. As of our fiscal year ended February 28, 2022, there were 23,016,330 shares of Common Stock issued and outstanding and 3,688,524 shares reserved for issuance upon the exercise of issued and outstanding options.

Each share of Common Stock entitles the holder to one vote, either in person or by proxy, at meetings of stockholders. The holders are not permitted to vote their shares cumulatively. Accordingly, the holders of our Common Stock who hold, in the aggregate, more than fifty percent of the total voting rights can elect all of our directors and, in such event, the holders of the remaining minority shares will not be able to elect any of such directors. The vote of the holders of a majority of the issued and outstanding shares of Common Stock entitled to vote thereon is sufficient to authorize, affirm, ratify or consent to such act or action, except as otherwise provided by law.

Holders of Common Stock are entitled to receive ratably such dividends, if any, as may be declared by the Board of Directors out of funds legally available. We have not paid any dividends since our inception, and we presently anticipate that all earnings, if any, will be retained for development of our business. Any future disposition of dividends will be at the discretion of our Board of Directors and will depend upon, among other things, our future earnings, operating and financial condition, capital requirements, and other factors.

Holders of our Common Stock have no preemptive rights or other subscription rights, conversion rights, redemption or sinking fund provisions. Upon our liquidation, dissolution or windup, the holders of our Common Stock will be entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of all of our debts and other liabilities. There are not any provisions in our Articles of Incorporation or our Bylaws that would prevent or delay change in our control.

Our stock transfer agent is ClearTrust, LLC., located at 16540 Pointe Village Dr, Suite 205 Lutz, Florida 33558.

Preferred Stock

We are authorized to issue 5,000,000 shares of preferred stock, par value $0.001 per share. As of our fiscal year ended February 28, 2022, the Company issued 915,000 shares of its preferred stock class D. Our preferred stock is not quoted on any market or system and there is currently no market for our preferred stock.

Promissory Notes

In April 2019, the Company borrowed $12,500 from Jeffrey Mallmes, President, Treasurer, and director of the Company, and $12,500 from Raleigh Kone, Co-Chairman of the Company's board of directors, Executive Vice President, and director of the Company. These loans are evidenced by promissory demand notes which bear interest at the rate of 6% per annum, computed on the basis of actual number of days based upon a 360-day year. Each lender also received warrants to purchase 225,000 shares of the Company's common stock. The warrants have an exercise price of $0.25 and expire three years after issuance. The principal and interest due under these notes are outstanding as of the issuance of these financial statements.

Separately in April 2019, the Company borrowed $3,325 from Raleigh Kone and John Provacek, which loans are evidenced by demand promissory notes that bear interest at the rate of 6% per annum. In connection with the loan from Mr. Provacek, the Company also issued to Mr. Provacek a warrant to purchase 25,000 shares of the Company's common stock at an exercise price of $0.25, which warrant expires three years after issuance. The Company also borrowed $3,390, from Jeffrey Mallmes, which loan is evidenced by a demand promissory note that bears interest at the rate of 6% per annum.

On October 22, 2019 and October 23, 2019, the Company borrowed approximately $90,0000 from six of its current stockholders in reliance on the Regulation D and Regulation S exemptions from the securities registration requirement of the Securities Act of 1933, as amended. These loans are evidenced by promissory notes that bear interest at the rate of 8% per annum and are convertible into shares of the Company's common stock, at $0.05 per share.

Emerging Growth Company

We are an emerging growth company under the JOBS Act. We shall continue to be deemed an emerging growth company until the earliest of:

1. the last day of our first fiscal year following the fifth anniversary of the Company's S-1 Registration which was declared effective on December 26, 2018;

2. the last day of our fiscal year during which we had annual gross revenues are $1 billion or more;

3. the date on which we have, during the previous 3-year period, issued more than $1 billion in non-convertible debt securities; or

4. the date on which we are deemed to be a "large accelerated filer", as defined in section 240.12b-2 of title 46, Code of Federal Regulations, or any successor thereto.

As an emerging growth company, we are exempt from Section 404(a) and (b) of Sarbanes Oxley. Section 404(a) requires issuers to publish information in their annual reports concerning the scope and adequacy of the internal control structure and procedures for financial reporting. This statement shall also assess the effectiveness of such internal controls and procedures. Section 404(b) requires that the registered accounting firm shall, in the same report, attest to and report on the assessment and the effectiveness of the internal control structure and procedures for financial reporting.

As an emerging growth company, we are also exempt from Section 14A(a) and (b) of the Exchange Act, which require the stockholder approval of executive compensation and golden parachutes. These exemptions are also available to us as a Smaller Reporting Company.

We have elected to use the extended transition period for complying with new or revised accounting standards under Section 102(b)(2) of the Jobs Act, that allows us to delay the adoption of new or revised accounting standards that have different effective dates for public and private companies until those standards apply to private companies. As a result of this election, our financial statements may not be comparable to companies that comply with public company effective dates.

ITEM 6. ***Selected Financial Data***

Not applicable to a smaller reporting company.

ITEM 7. ***Management's Discussion and Analysis of Financial Condition and Results of Operations.***

INTRODUCTION

This section provides management's discussion of the financial condition, changes in financial condition and results of operations of Quantum Energy Inc. with specific information on results of operations and liquidity and capital resources. It includes management's interpretation of our financial results, the factors affecting these results, the major factors expected to affect future operating results and future investment and financing plans. This discussion should be read in conjunction with our consolidated financial statements and notes thereto.

Several factors exist that could influence our future financial performance, some of which are described in Item 1A above, "Risk Factors". They should be considered in connection with evaluating forward-looking statements contained in this report or otherwise made by or on behalf of us since these factors could cause actual results and conditions to differ materially from those set out in such forward-looking statements.

Cautionary Statement for the Purposes of the Safe Harbor under the Private Securities Litigation Reform Act of 1995

The statements contained in this Annual Report on Form 10-K may contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements other than statements of historical fact included in this Report are forward-looking statements made in good faith by us and are intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. When used in this Report, or any other of our documents or oral presentations, the words "anticipate", "believe", "estimate", "expect", "forecast", "goal", "intend", "objective", "plan", "projection", "seek", "strategy" or similar words are intended to identify forward-looking statements. Such forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the statements relating to our strategy, operations, markets, services, and other factors all of which are difficult to predict and many of which are beyond our control. Accordingly, while we believe these forward-looking statements to be reasonable, there can be no assurance that they will approximate actual experience or that the expectations derived from them will be realized. Further, we undertake no obligation to update or revise any of our forward-looking statements whether as a result of new information, future events or otherwise.

Results of Operations

Year Ended February 28, 2022 Compared to Year Ended February 28, 2021.

Sales for the year ended February 28, 2022 was $324,240 compared to $-0- for the year ended February 28, 2021. Cost of goods sold for the year ended February 28, 2022 was $109,253 compared to $-0- for the year ended February 28, 2021. Operating expenses for the year ended February 28, 2022 was $59,003,351 compared to $622,696 for the year ended February 28, 2021. The increase in operating expenses was due to the fact that the Company had cash available and therefore were able to resume operations and their SEC filings. Other income and (expense) for the year ended February 28, 2022 was $11,184,313 compared to $(6,814,746) for the year ended February 28, 2021. During the year ended February 28, 2022 the Company had $221,268 in gain on debt settlement, $10,616,456 in unrealized gain on common stock payable, gain on issued common stock payable of $360,000 and $(13,411) in interest expense, compared to the year ended February 28, 2021 where the Company had $(21,787) loss on derivative for a convertible note payable, $(6,808,276) in unrealized loss on common stock payable and incurred ($28,257) in interest expense.

Net Income (Loss)

Net income (loss) for the years ended February 28, 2022 and 2021 was ($47,604,051) and $(7,437,442), respectively. The decrease in income of $(40,166,609) was due to the sales of $324,240, the cost of goods sold of $109,253, the increase in operating expenses of $58,380,655 and increase in other income and (expense) of $17,999,059.

Liquidity and Capital Resources:

As of February 28, 2022, our assets totaled $18,490,088 which consisted of $6,366,730 in cash, $118,358 in work in progress and $12,005,000 in deposits - related party. The Company's total liabilities were $21,007,525 which consisted of accounts payable and accrued expenses, accounts payable and accrued expenses – related parties, common stock payable – for contracts/agreements, , common stock payable – deposits received on subscriptions agreements, promissory notes payable and promissory notes payable – related parties. As of February 28, 2022, the Company had an accumulated deficit of $67,452,348 and working capital deficit of $14,522,437.

Cash Used in Operating Activities

Net cash used in operating activities for the years ended February 28, 2022 and 2021 was $3,426,104 and $210,367, respectively. The increase in the amount used was attributed to the resumption of operations.

Cash from Investing Activities

Net cash used in investing activities was $11,618,261 and $1,200,000 for the years ended February 28, 2022 and 2021, respectively due to the purchase of treasury stock of $813,261 and deposits to a related party of $10,805,000.

Cash from Financing Activities

Net cash provided by financing activities was $19,441,587 and $3,379,828 for the for the years ended February 28, 2022 and 2021, respectively, which was due to cash received from sale of common stock of $25,000, cash received from sale of common stock subscriptions of $19,484,087 and repayment of a convertible note payable of $67,500.

ITEM 7A. ***Quantitative and Qualitative Disclosures About Market Risk.***

Not applicable.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

Index to Financial Statements:

B F Borgers CPA PC
FirmID 5041
Denver Colorado. United States

Audited financial statements as of February 28, 2022, including:

1.	Report of Independent Registered Public Accounting Firm;
2.	Consolidated Balance Sheets as of February 28, 2022 and 2020;
3.	Consolidated Statements of Operations for the years ended February 28, 2022 and 2020;
4.	Consolidated Statement of Changes in Stockholders' Deficit for the years ended February 28, 2022 and 2020;
5.	Consolidated Statements of Cash Flows for the years ended February 28, 2022 and 2020;
6.	Consolidated Notes to Financial Statements.

Report of Independent Registered Public Accounting Firm

To the shareholders and the board of directors of Quantum Energy, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Quantum Energy, Inc. as of February 28, 2022 and 2021, the related statements of operations, stockholders' equity (deficit), and cash flows for the years then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of February 28, 2022 and 2021, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States.

Substantial Doubt about the Company's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the financial statements, the Company has suffered recurring losses from operations and has a significant accumulated deficit. In addition, the Company continues to experience negative cash flows from operations. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 3. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

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

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

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

/S/ BF Borgers CPA PC
BF Borgers CPA PC

We have served as the Company's auditor since 2020
PCAOB ID 5041
Lakewood, CO
August 25, 2022

QUANTUM ENERGY, INC.

CONSOLIDATED BALANCE SHEETS

February 28,		2022		(Restated) 2021
ASSETS				
Current Assets				
Cash	$	6,366,730	$	1,969,508
Work in Progress		118,358		—
Total Current Assets		6,485,088		1,969,508
Deposits - Related Party		12,005,000		1,200,000
Total Assets	$	18,490,088	$	3,169,508
LIABILITIES AND STOCKHOLDERS' DEFICIT				
Current Liabilities				
Accounts Payable and Accrued Expenses	$	166,080	$	220,140
Accounts Payable and Accrued Expenses - Related Parties		217,584		305,170
Common Stock Payable - for Contracts/Agreements		1,990,107		1,500,000
Common Stock Payable - Deposits Received on Subscription Agreements		18,515,734		9,128,104
Convertible Note Payable		—		67,500
Derivative Liability		—		116,399
Promissory Notes Payable		76,305		76,305
Promissory Notes Payable - Related Parties		41,715		106,015
Total Current Liabilities		21,007,525		11,519,633
Total Liabilities		21,007,525		11,519,633
Stockholders' Deficit				
Preferred Stock Class D - $0.001 Par; 1,500,000 Shares Authorized, 915,000 and -0- Issued and Outstanding, Respectively		915		—
Common Stock - $0.001 Par; 495,000,000 Shares Authorized, 332,324 and 323,277 Issued; 332,324 and 323,277 Outstanding, Respectively		332		323
Additional Paid-In-Capital		64,933,850		11,497,849
Accumulated Deficit		(67,452,348)		(19,848,297)
Treasury Stock - 186,096 Shares at Par $0.001		(186)		—
Total Stockholders' Deficit		(2,517,437)		(8,350,125)
Total Liabilities and Stockholders' Deficit	$	18,490,088	$	3,169,508

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

QUANTUM ENERGY, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

For the Years Ended February 28,		2022		(Restated) 2021
Sales	$	324,240	$	—
Cost of Goods Sold		109,253		—
Gross Profit		214,987		—
Operating Expenses				
General and Administrative		1,816,320		240,467
Management Fees and Consulting		55,636,607		98,334
Professional Fees		1,550,424		283,895
Total Operating Expenses		59,003,351		622,696
Loss Before Other Income and (Expense)		(58,788,364)		(622,696)
Other Income and (Expense)				
Gain on Debt Settlement		221,268		—
Gain (Loss) on Derivative		—		21,787
Unrealized Gain (Loss) on Common Stock Payable		10,616,456		(6,808,276)
Gain on Issued Common Stock Payable		360,000		—
Interest Expense		(13,411)		(28,257)
Total Other Income and (Expense)		11,184,313		(6,814,746)
Income (Loss) Before Income Tax Expense		(47,604,051)		(7,437,442)
Income Tax Expense		—		—
Net Income (Loss)	$	(47,604,051)	$	(7,437,442)
Weighted Average Number of Common Shares - Basic and Diluted		45,798,221		48,491,485
Net Income (Loss) Per Common Shares - Basic and Diluted	$	(1.04)	$	(0.15)

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

QUANTUM ENERGY, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended February 28,		2022		(Restated) 2021
Cash Flows from Operating Activities				
Net Income (Loss) for the Period	$	(47,604,051)	$	(7,437,442)
Non-Cash Adjustments:				
Common Stock Subscribed for Rent		—		240,000
Preferred Stock Issued for Consulting Services		53,985,000		—
Common Stock Payable for Consulting Services		1,610,107		—
Gain on Derivative		—		(21,787)
Unrealized (Gain) Loss on Common Stock Payable		(10,616,456)		6,808,276
Gain on Debt Settlement		(221,268)		—
Gain on Issued Common Stock Payable		(360,000)		—
Changes in Assets and Liabilities:				
Work In Progress		(118,358)		—
Accounts Payable and Accrued Expenses		(30,065)		72,253
Accounts Payable and Accrued Expenses - Related Parties		(71,013)		128,333
Net Cash Flows Used In Operating Activities		(3,426,104)		(210,367)
Cash Flows from Investing Activities				
Cash Purchase of Treasury Stock		(813,261)		—
Deposits - Related Party		(10,805,000)		(1,200,000)
Net Cash Flows Used In Investing Activities		(11,618,261)		(1,200,000)
Cash Flows from Financing Activities				
Cash Purchase of Common Stock		25,000		—
Proceeds from Stock Subscription		19,484,087		3,379,828
Repayment of Convertible Note Payable		(67,500)		—
Net Cash Flows Provided By Financing Activities		19,441,587		3,379,828
Net Change in Cash		4,397,222		1,969,461
Cash - Beginning of Year		1,969,508		47
Cash - End of Year	$	6,366,730	$	1,969,508
Cash Paid During the Year for:				
Interest	$	2,500	$	—
Income Taxes	$	—	$	—

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

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT FOR THE YEARS ENDED FEBRUARY 28, 2022 AND FEBRUARY 29, 2020

For the Years Ended February 28, 2021	Preferred Stock Class D $0.001 Par		Common Stock $0.001 Par		Additional Paid-In	Accumulated	Treasury Stock $0.001 Par		Total Stockholders'
	Shares	Amount	Shares	Amount	Capital	Deficit	Shares	Amount	Deficit
Balance - March 1, 2020	—	$ —	323,277	$ 323	$11,497,849	$(12,410,855)	—	$ —	$ (912,683)
Net Loss	—	—	—	—	—	(7,437,442)	—	—	(7,437,442)
Balance - February 28, 2021	—	$ —	323,277	$ 323	$11,497,849	$(19,848,297)	—	$ —	$ (8,350,125)

For the Years Ended February 28, 2022	Preferred Stock Class D $0.001 Par		Common Stock $0.001 Par		Additional Paid-In	Accumulated	Treasury Stock $0.001 Par		Total 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)
Issuance of Preferred Stock	915,000	915	—	—	53,984,085	—	—	—	53,985,000
Cash Purchase of Common Stock	—	—	2,381	2	24,998	—	—	—	25,000
Common Stock Issued from Subscriptions	—	—	6,667	7	239,993	—	—	—	240,000
Purchase of Treasury Stock	—	—	—	—	(813,075)	—	186,096	(186)	(813,261)
Net Income			—	—	—	(47,604,051)	—	—	(47,604,051)
Balance - February 28, 2022	915,000	$ 915	332,324	$ 332	$64,933,850	$(67,452,348)	186,096	$ (186)	$ (2,517,437)

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

NOTE 1 - NATURE OF OPERATIONS

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

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

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

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

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 February 28, 2022 and 2021, 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 February 28, 2022 and 2021, 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 February 28, 2022 and 2021, 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 and a working capital deficit at February 28, 2022 and 2021. 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 February 28, 2022 and 2021, respectively, would be as follows:

	February 28, 2022	February 28, 2021
Warrants	1,925,000	2,925,000
TOTAL POSSIBLE DILUTION	1,925,000	3,925,000

At February 28, 2022 and 2021, respectively, the effect of the Company's outstanding options and warrants would have been anti-dilutive.

NOTE 5 - OTHER ASSETS

<u>Work in Progress</u>
Work in progress consists of partially manufactured and raw rare earth metal products used in production in the amount of $118,358 at February 28, 2022.

<u>Deposits – Related Party</u>
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 $12,005,000 at February 28, 2022. The Company is expecting to acquire majority ownership by the closing date.

NOTE 6 - PROMISSORY and CONVERTIBLE NOTES PAYABLE

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

	February 28 2022	February 28 2021
0% unsecured note payable - December 2013, due on demand	$ 2,000	$ 2,000
0% unsecured note payable - November 2015, due on demand	980	980
8% unsecured note payable - October 2018, due on demand	5,000	5,000
6% unsecured note payable – April 2019, due on demand	3,325	3,325
8% unsecured notes payable - October 2019, due on demand	65,000	65,000
Total Notes Payable	$ 76,305	$ 76,305

Interest expense for the years ended February 28, 2022 and 2021 was $5,814 and $5,807, respectively.

Convertible note payable consists of one note payable in the amount of $-0- and $67,500 at February 28, 2022 and 2021, respectively. The note which was issued in April 2019 for $45,000 accrued interest at an annual rate of 12% and matured in April 2020. In the event of default, the note principal is increased by 150% times the outstanding principal and provides for default interest at 22%. The conversion option expired on October 7, 2020.

NOTE 6 - PROMISSORY and CONVERTIBLE NOTES PAYABLE - continued

On June 18, 2019, the Company received a default notice from Power Up stating that the Company was in default under the Power Up Note because, among other reasons, the Company failed to comply with the reporting requirements of the Securities Exchange Act of 1934 as required by the Note, and therefore accelerating the terms of the Power Up Note and demanding that the Company pay the default sum of $67,500 together with accrued interest and accrued default interest with respect to the Power Up Note. The Company reached a settlement of this matter with Power Up as of April 2021 in the amount of $70,200. Included in gain on debt conversion of $140,395 for the year ended February 28, 2022, is $23,996 of accrued interest that was not paid and $116,399 of derivative liability.

NOTE 7 - PROMISSORY NOTES PAYABLE, RELATED PARTY AND OTHER RELATED PARTY TRANSACTIONS

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

	February 28, 2022	February 28, 2021
0% unsecured note payable - October 2015, due on demand -written off in settlement	––	$ 2,300
0% unsecured note payable – November 2015, due on demand – written off in settlement	––	2,000
8% unsecured note payable - October 2018, due on demand – written off in settlement	––	60,000
6% unsecured note payable – April 2019, due on demand	15,825	15,825
6% unsecured note payable – April 2019, due on demand	15,890	15,890
8% unsecured note payable - October 2019, due on demand	10,000	10,000
TOTAL	$ 41,715	$ 106,015

Interest expense for the years ended February 28, 2022 and 2021 was $7,597 and $7,598, 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 and $197,302 at February 2022 and February 28, 2021, respectively, which amounts are included in "Accounts payable and accrued liabilities - related parties" on the consolidated balance sheets.

NOTE 8 - COMMON STOCK PAYABLE

Common Stock Payable – for Contracts/Agreements

Common stock payable for contracts/agreements consist 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 February 28, 2022, the fair value of the remaining shares owed to Raul Factor were adjusted to its fair value of $380,000 based on the closing price of the stock on that date. The Company recognized unrealized gain (loss) on common stock payable of $370,000 and $(1,060,000) during the years ended February 28, 2022 and 2021, respectively. At February 28, 2022 the Company also owed 3,354,037 shares to various people which was valued at the market rate at date of agreement totaling $1,610,107.

Common Stock Payable – Deposits Received on Subscriptions Agreements

Common stock payable for deposits received on stock subscription agreements consist of 48,898,440 shares owed to various investors who have paid for these shares. At February 28, 2022, the fair value of the these shares were adjusted to its fair value of $18,515,734 based on the closing price of the stock on that date. The Company recognized unrealized gain (loss) on common stock payable of $10,246,456 and $(5,748,276) during years ended February 28, 2022 and 2021, respectively.

NOTE 9 - 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, 2020 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 $53,985,000 during the year ended February 28, 2022. 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 $0.59 on the measurement date multiplied by the voting rights of 100. 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, 2020 in the statements of changes in stockholders' deficit.

NOTE 10 - WARRANTS

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

	February 28, 2022		February 28, 2021	
	Warrants	Price (a)	Warrants	Price (a)
Beginning balance	2,925,000	$ .25	3,925,000	$ .25
Issued	––	––	––	––
Exercised	––	––	––	––
Expired	(1,000,000)	––	(1,000,000)	––
Ending balance	1,925,000	$ 0.25	2,925,000	$ .25

(a) Weighted average exercise price per shares

The following table summarizes additional information about the warrants granted by the Company as of November 30, 2021 and February 28, 2021:

Date of Grant	Warrants outstanding	Warrants exercisable	Price	Remaining term (years)
March 20, 2019	1,250,000	1,250,000	.25	.05
April 17, 2019	675,000	675,000	.25	.13
Total warrants	1,925,000	1,925,000	$ .25	.08

NOTE 11OTHER 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 February 28, 2022, the stock was valued at $380,000 utilizing the closing price on November 30, 2021.

Also, as part of the transactions contemplated by these agreements: (i) the stock purchase warrant issued on November 20, 2016, to Kevin Holinaty to purchase 500,000 shares of the Company's common stock ("Warrant No. 002") was amended to extend the exercise period of the warrant through May 19, 2021 and to change the exercise price to $0.25 per share; (ii) the stock purchase warrant issued to Kevin Holinaty issued on June 9, 2017, and amended on March 15, 2018, to purchase 250,000 shares of the Company's common stock ("Warrant No. 003") was amended to extend the exercise period to December 9, 2021, and to change the exercise price to $0.25 per share; (iii) the stock purchase warrant issued to Haaye de Jong to purchase 250,000 shares of the Company's common stock was amended to extend the exercise period to December 9, 2021, and to change the exercise price to $0.25 per share; (iv) the Company issued a warrant to Kevin Holinaty to purchase 500,000 shares of the common stock at a price of $0.25 per share, which warrant has an exercise period until December 20, 2020; (v) the Company issued a warrant to Haaye de Jong to purchase 500,000 shares of the common stock at a price of $0.25 per share, which warrant has an exercise period until December 20, 2020. (See Note 10).

The sale of the Units and the warrants to Kevin Holinaty and Haaye de Jong, the principals of Raul Factor, who have represented that they are "accredited investors" and non-U.S. citizens and in offshore transactions, was made in reliance on Rule 506 of Regulation D and on Regulation S.

NOTE 12 Risks and Uncertainties
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Coronavirus Impact (COVID-19)

Due to the recent outbreak of the coronavirus reported in many countries worldwide, local and federal governments have issued travel advisories, canceled large scale public events and closed schools. In addition, companies have begun to cancel conferences and travel plans and require employees to work from home. Global financial markets have also experienced extreme volatility and disruptions to capital and credit markets.

We are unable to predict the impact of the coronavirus on our operations at this time. Adverse events such as health-related concerns about working in our offices, the inability to travel, potential impact on our business partners and customers, and other matters affecting the general work and business environment could harm our business and delay the implementation of our business strategy. The adverse events may also adversely impact our ability to raise capital or to continue as a going concern. We continue to monitor the recent outbreak of the coronavirus on our operations.

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.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

For the years ended February 28, 2022 and 2020 there were no disagreements with our auditors on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure. For the years ended February 28, 2022 and 2020, there were no "*reportable events*" as that term is described in Item 304(a)(1)(v) of Regulation S-K.

ITEM 9A. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

At the end of the period covered by this Annual Report on Form 10-K, an evaluation was carried out under the supervision of and with the participation of our management, including the Principal Executive Officer and the Principal Financial Officer of the effectiveness of the design and operations of our disclosure controls and procedures (as defined in Rule 13a – 15(e) and Rule 15d – 15(e) under the Exchange Act) as of the end of the period covered by this report. Based on that evaluation, the Principal Executive Officer and the Principal Financial Officer have concluded that our disclosure controls and procedures were not effective in ensuring that: (i) information required to be disclosed by the Company in reports that it files or submits to the Securities and Exchange Commission under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in applicable rules and forms and (ii) material information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to our management, including our CEO and CFO, as appropriate, to allow for accurate and timely decisions regarding required disclosure.

Disclosure controls and procedures were not effective due primarily to a material weakness in the segregation of duties in the Company's internal control of financial reporting as discussed below.

<u>Internal Control over Financial Reporting</u>

Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company (including its consolidated subsidiaries) and all related information appearing in our Annual Report on Form 10-K. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America

Management conducted an evaluation of the design and operation of our internal control over financial reporting as of the end of the period covered by this report, based on the criteria in a framework developed by the Company's management pursuant to and in compliance with the criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission. This evaluation included review of the documentation of controls, evaluation of the design effectiveness of controls, walkthroughs of the operating effectiveness of controls and a conclusion on this evaluation. Based on this evaluation, management has concluded that our internal control over financial reporting was not effective, because management identified a material weakness in the Company's internal control over financial reporting related to the segregation of duties as described below.

While the Company does adhere to internal controls and processes that were designed and implemented based on the COSO report, it is difficult with a very limited staff to maintain appropriate segregation of duties in the initiating and recording of transactions, thereby creating a segregation of duties weakness. Due to: (i) the significance of segregation of duties to the preparation of reliable financial statements; (ii) the significance of potential misstatement that could have resulted due to the deficient controls; and (iii) the absence of sufficient other mitigating controls, we determined that this control deficiency resulted in more than a remote likelihood that a material misstatement or lack of disclosure within the annual or interim financial statements may not be prevented or detected.

Management's Remediation Initiatives.

Management has evaluated, and continues to evaluate, avenues for mitigating our internal controls weaknesses, but mitigating controls to completely mitigate internal control weaknesses have been deemed to be impractical and prohibitively costly, due to the size of our organization at the current time. Management expects to continue to use reasonable care in following and seeking improvements to effective internal control processes that have been and continue to be in use at the Company.

Changes in internal controls over financial reporting

There were no changes in the Company's internal control over financial reporting that occurred prior to the Company's most recent financial quarter that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 9B. *Other Information.*

Not applicable.

PART III

ITEM 10. ***Directors, Executive Officers and Corporate Governance.***

EXECUTIVE OFFICERS OF THE REGISTRANT

The board of directors elects our executive officers annually. A majority vote of the directors who are in office is required to fill vacancies. Each director shall be elected for the term of one year, and until his/her successor is elected and qualified, or until their earlier resignation or removal. The following table sets forth certain information as of February 28, 2022, regarding the directors and executive officers of the Company. It is followed by a brief description of the business experience of each executive officer.

Name	Age	Position
Robert Henry	50	Director
Harry Ewert	61	Director and CEO
William Hinz	76	Director and Chairman
Douglas C. Bean	56	Director and Treasurer
Anthony Ker	65	Director and Secretary
Jeffrey Mallmes	64	Director
William Westbrook	45	Chief Financial Officer

Robert Henry* – *Director

Mr. Henry has over 30 years' experience in various executive positions at both Fortune 100 companies as well as in several smaller and start up organizations. He has served these entities as Director, Vice-President, President and Owner. Mr. Henry's primary expertise is in transportation and logistics. Mr. Henry has led projects internationally in Kuwait, Abu Dhabi and Dubai, as well as large to mid-size oil and gas projects in North Dakota and Minnesota. In the past, he has worked for several different railroads, including the Union Pacific Railroad, BNSF Railway, Arkansas & Missouri Railroad and Twin Cities & Western Railroad. He worked as a consultant, leading the rail practice for Wilbur Smith, who later merged with CDM to become CDM Smith. Mr. Henry was project manager and worked on State Rail Plans and passenger rail capability plans for state departments of transportation.

Harry Ewert** – **Director and CEO

Mr. Ewert has spent the past 35+ years in senior leadership roles across the technology sector as owner, director, president, and chief operating officer. Mr. Ewert brings expertise in guiding global and national organizations (such as IKON and Ricoh USA) in creative and practical business methods. These collective experiences have resulted in significant participation across private equity and commercial real estate.

William Hinz** – **Director and Chairman

Mr. Hinz became a director and chairman of the board on February 28, 2022. He brings more than 40 years of senior executive experience due to his experience as chairman, CEO, corporate director and president for several global companies.

Prior to joining Quantum, Mr. Hinz served as CEO of Easy Energy Systems Inc. from April 2010 to 2011. From 2011 to 2014 he served as CEO of TrailerPro Technologies,. CEO and chairman of HB-Medtek (TASE) Inc., Executive Vice President of Operations and then President of Stolper-Fabralloy Company, Group President and CEO of Triumph Aerospace. Mr. Hinz' career began at AlliedSignal Aerospace (now Honeywell) where he rose through the ranks to hold various executive level positions from Senior VP of Repair & Overhaul, President & CEO of European Operations, and finally President and CEO of Aerospace.

Mr. Hinz spent most of his career in the aerospace and medical industries. From 2007 to 2014, he served as chairman and platform leader of the aerospace and automotive industries for a New York based private equity firm focused on the acquisition and turnaround of US based manufacturers, such as MD Helicopters, American LaFrance, and Global Automotive Systems. Mr. Hinz attended the University of Tennessee, located in Knoxville Tennessee in 1966, and he attended the University of Phoenix from 1985 to 1987.

Douglas C. Bean** – **Director and Treasurer

Mr. Bean has served as a director of the Company since November, 2020. He also currently serves as Executive Vice President & Co-Founder of Inductance Energy Corporation, a corporation located in Cody, Wyoming. Mr. Bean is a Co-Founder & Manager of WYO TECH Investment Group, LLC, a Wyoming company where he worked from 2016 to the present. His eclectic career has utilized his talents while employed by Hilton Hotels & Mirage Resorts as a Credit & International Marketing Executive for over 10 years from 1989 to 2000. While at Hilton Mr. Bean was primarily responsible for developing business from a Japan, Thailand, & Malaysia customer base; as well as USA domestic clients. From 2005 to 2006, Mr. Bean served as a Marketing Director for World Financial Group within the AEGON Companies. Mr. Bean attended Brigham Young University and the University of Nevada at Las Vegas.

Anthony Ker** – **Director and Secretary

Mr. Ker has served as director of the Company from 2020 to the present. From 2015 to the present, he has also served as CFO at Ridgeline Canada Inc., an environmental services company that provides consulting services to the Oil and Gas industry. Mr. Ker became a director of the company in 2015 and he has worked at Ridgeline since 2015. Since 2012, Mr. Ker has also served as Interim CEO/Director of RDX Technologies, Inc., a publicly traded water treatment company. Mr. Ker is a director of Inductance Energy Corporation, and he has held this position since 2018. Inductance Energy is developing efficient energy sources using magnetic propulsion technology. Prior to these positions, Mr. Ker held various leadership positions as Director of search minerals (Rare Earth Exploration and mine development), CEO at Gryphon Gold Corporation (Gold mining), Transcontinental Printing Inc., National Gold Corporation (EVP, Gold mining), International Forest Products and Weldwood of Canada. Mr. Ker earned a Bachelor of Science degree in Forestry from the University of British Columbia in 1979.

William Westbrook** – **Chief Financial Officer

William Westbrook has served as the Chief Financial Officer of Quantum since December 9, 2020. Mr. Westbrook possesses a background in technology, cross-border trade, real estate development, corporate finance, national politics, and economics. Mr. Westbrook has approximately 8 years' experience with managing small publicly traded enterprises, in reporting and compliance within the international trade, real estate, software, and international energy industries. At Quantum Mr. Westbrook oversees the finance and accounting necessary for compliance with US and international regulatory requirements. From March 1 2008 to April 1, 2021, Mr. Westbrook worked as a consultant and interim officer for various small to medium size companies in the same capacity. During this time he worked to develop an online platform for physical commodity arbitrage that addresses the issue of scarcity through economic information and logistics management software. From 2006 to 2007, Mr. Westbrook worked as an assistant controller for Lennar Land Development, a branch of Lennar Corp., where he performed accounting operations and new land purchase analysis. In 2001 Mr. Westbrook received a Bachelor of Arts in Economics from Brigham Young University, located in Provo Utah.

Jeffrey Mallmes

Mr. Mallmes served as the President of the Company from November, 2017 to September, 2020. He has also served as a director of the Company from November 2017 to the present. From 1997 to the present Mr. Mallmes has owned and operated Big Barge Dock Systems, Inc. That company builds marinas.

Code of Ethics Policy

In November 2017, we adopted a code of ethics that applies to our principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions.

Corporate Governance

In November 2017, we established an audit committee, a compensation committee and a nominating and corporate governance committee and we adopted charters for each of these committees. As of January 1, 2021, each of these committees has three directors, one of which was independent. Mr. Ballmann was appointed as the audit committee financial expert. As of the date of this report, Mr. Ballmann has resigned as a director and as a member of these committees. Also, as of the date of this report, none of these committees have formally met or become functional. In the near future, we intend to appoint a new independent director who will qualify as a financial expert on our audit committee.

Audit Committee and Audit Committee Financial Expert

Our board of directors has determined that Mr. Ballmann, who at the time was a member of the audit committee, qualified as an “audit committee financial expert” as defined in item 407(d)(5)(ii) of Regulation S-K and is “independent” as the term is used in item 7(d)(3)(iv) of schedule 14a under the Securities Exchange Act of 1934, as amended. Mr. Ballmann is no longer a director and therefore is no longer a member of the Audit Committee. We intend to appoint a new independent director who will be an audit committee financial expert on our audit committee.

ITEM 11. *Executive Compensation.*

The following table sets forth information concerning all cash and non-cash compensation awarded to, earned by or paid to the named persons for services rendered in all capacities for the years ending February 28, 2019 and February 28, 2020.

Name and Position	Year Ended Feb 28	Salary ($)	Bonus ($)	Stock Awards	Option Awards	Non-Equity Incentive Plan Compensation Earnings ($)	Non-Qualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total
Harry Ewert, CEO and Director	2020	$250,000	—	—	—	—	—	—	$250,000

ITEM 12. *Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.*

The following tables set forth, as of the February 28, 2022, the ownership of our Common Stock by each person known by us to be the beneficial owner of more than 5% of our outstanding Common Stock, and by our directors, and our executive officers and directors as a group. To the best of our knowledge, the persons named have sole voting and investment power with respect to such shares, except as otherwise noted. There are not any pending or anticipated arrangements that may cause a change in control.

Name and Address of Beneficial Owner	Title of Class	Amount and Nature of Beneficial Ownership (1)	Percent of Class (2)
Jeffrey Mallmes (3) 1200 Trans Canada Highway Sicamous, BC, Canada V0E2VO	Common Stock	7,584,395	15.64%
Kandy, LP (4) PO Box 1169 Big Fork, Montana 59911	Common Stock	7,449,622	15.47%
Robert C. Henry 1742 Carriage Dr. Victoria, MN 55386	Common Stock	3,000,000	6.19%

Security Ownership of Management

Name and Address of Beneficial Owner	Title of Class	Amount and Nature of Beneficial Ownership (1)	Percent of Class (2)
Jeffrey Mallmes (3) 1200 Trans Canada Highway Sicamous, BC, Canada V0E2VO	Common Stock	7,584,395	15.64%
Kandy LP (4) PO Box 1169 Big Fork, Montana 59911	Common Stock	7,449,622	15.47%
Raleigh C. Kone (5) (address)			
All Officers and Directors as a group (5 person) (3) (4)	Common Stock	16,334,017	33.68%

(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 48,491,485 shares of Common Stock issued and outstanding as of February 28, 2022.

(3) Jeffrey Mallmes, director, beneficially owns directly and indirectly an aggregate of 7,584,395 shares of our Common Stock as follows: directly, 3,459,173 restricted shares and 352,097 unrestricted shares; indirectly 2,000,000 restricted shares in the name of The Big Barge Company Inc. (which is owned by Mr. Mallmes); and indirectly 1,773,125 restricted shares in the name of Oopik Holdings LTD (which is owned by Mr. Mallmes). Mr. Mallmes disclaims any beneficial ownership of shares owned by Janice Mallmes, his wife.

(4) Andrew J. Kacic beneficially controls the shares held by Kandy, LP. Mr. Kacic is also owns indirectly through Kandy, L.P.

a 3-year warrant to purchase 1,000,000 shares of our common stock at $0.25 per share.

(5) Mr. Kone owns a 3 year warrant issued March 20, 2019 to purchase 150,000 shares of common stock and a 3 year warrant to purchase 225,000 shares of common stock.

Separately in April 2019, the Company borrowed $3,325 from Raleigh Kone and John Provacek. These loans are evidenced by demand promissory notes that bear interest at the rate of 6% per annum. In connection with the loan from Mr. Provacek, the Company also issued to Mr. Provacek a warrant to purchase 25,000 shares of the Company's common stock at an exercise price of $0.25, which warrant expires three years after issuance. The Company also borrowed $3,390, from Jeffrey Mallmes, which loan is evidenced by a demand promissory note that bears interest at the rate of 6% per annum.

Warrants

In March and April 2019, the Company's board of directors authorized the issuance of 1,925,000 warrants to purchase shares of the Company's common stock to officers, directors and other individuals as incentives for said individuals continuing efforts to find opportunities for and provide services to the Company. The warrants have an exercise price of $0.25 and are exercisable for three years.

ITEM 13. *Certain Relationships and Related Transactions, and Director Independence.*

March 2019 Promissory Note Payable

On March 15, 2019, the Company borrowed $5,000 from Raleigh Kone, a stockholder. This loan is evidenced by a demand promissory note which bears interest at the rate of 8% per annum, computed on the basis of actual number of days based upon a 360-day year. Mr. Kone became a director and co-Chairman of the Company's board of directors and Executive Vice President on April 23, 2019. The principal and interest due under this note are outstanding as of February 28, 2022.

April 2019 Promissory Notes Payable

In April 2019, the Company borrowed $12,500 from Jeffrey Mallmes, President, Treasurer, and director of the Company, and $12,500 from Raleigh Kone, CEO and director of the Company. These loans are evidenced by promissory demand notes which bear interest at the rate of 6% per annum, computed on the basis of actual number of days based upon a 360-day year. Each lender also received warrants to purchase 225,000 shares of the Company's common stock. The warrants have an exercise price of $0.25 and expire three years after issuance. The principal and interest due under these notes are outstanding as of February 28, 2022.

Advances from related parties

Mr. Mallmes and certain stockholders of the Company have advanced to the Company in the aggregate approximately $200,000 during the period from 06/26/2018 to 03/30/2019 These funds were used to pay legal, accounting and various operating expenses of the Company.

ITEM 14. *Principal Accountant Fees and Services.*

Audit Fees

The aggregate fees billed by BF Borgers, Independent Registered Public Accounting Firm, for professional services rendered for the audit of our annual financial statements for the fiscal years ended February 29, 2020 and February 28, 2022 were $48,600 and $48,600, respectively, with a total for both years of $97,200

Audit Related Fees

None.

Tax Fees

The aggregate tax fees billed by BF Borgers, Independent Registered Public Accounting Firm, for professional services rendered for tax services for the fiscal years ended February 28, 2022 and February 29, 2020 was $-0- and $-0-,respectively.

All Other Fees

There were no other fees billed by BF Borgers, Independent Registered Public Accounting Firm, for professional services rendered during the fiscal years ended December 31, 2020 and 2019, other than as stated under the captions Audit Fees, Audit-Related Fees, and Tax Fees.

Section 16A Beneficial Ownership Reporting Compliance

All Section 16A reporting is current with the filings of both Form 3s and Form 4s.

PART IV

ITEM 15. *Exhibits and Financial Statement Schedules.*

(a) 1. and 2. *Financial statements and financial statement schedules.*

The financial statements and financial statement schedule listed in the Index to Financial Statements in Item 8 are filed as part of this Form 10-K.

3. *Exhibits*

Exhibit Number	Description	Page Number or Incorporation by Reference to
3.1	Articles of Incorporation	Exhibit 3.1 to Form S-1 filed 6.26.18
3.2	Bylaws	Exhibit 3.2 to Form S-1 filed 6.26.18
3.3	Certificate of Amendment to the Articles of Incorporation	Exhibit 3.3 to Form S-1 filed 6.26.18
3.4	Certificate of Amendment to the Articles of Incorporation 5.24.06	Exhibit 3.4 to Form S-1A filed 11.28.18
3.5	Certificate of Amendment to the Articles of Incorporation 6.12.06	Exhibit 3.5 to Form S-1A filed 11.28.18
3.6	Certificate of Amendment to the Articles of Incorporation 9.16.13	Exhibit 3.6 to Form S-1A filed 11.28.18
3.7	Certificate of Amendment to the Articles of Incorporation 3.20.14	Exhibit 3.7 to Form S-1A filed 11.28.18
3.8	Certificate of designation 3.20.14	Exhibit 3.8 to Form S-1Afiled 11.28.18
3.9	Cert of Designation 4.03.14	Exhibit 3.9 to Form S-1A filed 11.28.18
3.10	Cert of Amendment 6.11.18	Exhibit 3.10 to Form S-1A filed 11.28.18
3.11	Cert of withdrawal of designation of certificate designation 11.26.18	Exhibit 3.11 to Form S-1A filed 11.28.18
3.12	Articles of Incorporation 12.05.18	Exhibit 3.12 to Form S-1A filed 12.6.18
10.1	Audit Committee Charter	Exhibit 10.1 to Form S-1 filed 6.26.18
10.2	Compensation Committee charter	Exhibit 10.2 to Form S-1 filed 6.26.18
10.3	Nominating and corporate governance committed charter	Exhibit 10.3 to Form S-1 filed 6.26.18

14	Code of Business Conduct and Ethics	Exhibit 14.1 to Form S-1 filed 6.26.18
21	List of Subsidiaries of Quantum Energy Inc.	Exhibit 21.1 to Form S-1A filed 11.9.18
31.1	Mutual Agreement to Cancel/Rescind Binding Letter of Intent with IEC dated 4.23.19	
31.2	Asset Swap Agreement – 5.24.19 w/ Looper and Quay	
32.1	Form of certificate of Designation, Preferences and Rights of Series W Convertible Preferred Stock (not filed in Nevada)	
32.2	Section 906 Certification of Chief Financial Officer	

Interactive Data File

101.INS Inline XBRL Instance Document*
101.SCH Inline XBRL Taxonomy Extension Schema*
101.CAL Inline XBRL Taxonomy Extension Calculation Linkbase*
101.DEF Inline XBRL Taxonomy Extension Definition Linkbase*
101.LAB Inline XBRL Taxonomy Extension Labels Linkbase*
101.PRE Inline XBRL Taxonomy Extension Presentation Linkbase*
104 Cover Page Interactive Data File (embedded within the Inline XBRL and contained in Exhibit 101)

* To be filed by amendment.

** These certifications pursuant to 18 U.S.C. Section 1350 by the Company’s Chief Executive Officer and Chief Financial Officer, furnished as Exhibit 32 to this Annual Report on Form 10-K, will not be deemed to be filed with the Securities and Exchange Commission or incorporated by reference into any filing by the Company under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that the Company specifically incorporates such certifications by reference.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

QUANTUM ENERGY INC. (Registrant)

By:
/s/ HARRY EWERT
Harry Ewert
CEO

Date: August 25, 2022