

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended December 31, 2014

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT

Commission file number: 000-52956

QUANTUM MATERIALS CORP.

(*Exact name of small business issuer as specified in its charter*)

Nevada

(*State or other jurisdiction of incorporation*)

20-8195578

(*IRS Employer Identification No.*)

3055 Hunter Road

San Marcos, TX 78666

(*Address of principal executive offices*)

214-701-8779

(*Registrant's telephone number*)

Check whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 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 checkmark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the 12 preceding months (or such shorter period that the registrant was required to submit and post such file). Yes No

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer Accelerated Filer
Accelerated Filer Smaller Reporting Company

As of January 31, 2015, the issuer had 289,394,772 shares of common stock, \$0.001 par value per share outstanding (" *Common Stock* ").

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FINANCIAL INFORMATION

Item 1. Financial Statements

Quantum Materials Corp.
CONSOLIDATED BALANCE SHEETS

	December 31, 2014 (unaudited)	June 30, 2014
ASSETS		
Current		
Cash	\$ 98,457	\$ 185,811
Total current assets	98,457	185,811
Licenses	175,310	52,250
Furniture and equipment, net of accumulated depreciation of \$38650	332,774	295,926
Total assets	\$ 606,541	\$ 533,987
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable and accrued Liabilities	\$ 12,300	\$ 59,278
Accrued liabilities - related party	456,306	784,164
Accrued expenses	122,500	122,500
Deferred revenue	899	899
Fair value of derivative liabilities	-	1,871,337
Convertible debenture current portion	-	500,000
Total current liabilities	592,005	3,338,178
Convertible debenture, net of discount	348,215	324,317
Total liabilities	940,220	3,662,495
Stockholders' deficit		
Common stock, \$0.001 par value, 400,000,000 shares authorized, Issued and outstanding 279,326,826 and 256,582,767, respectively	279,328	256,583
Additional paid-in capital	22,337,563	18,290,201
Deficit accumulated during the development stage	(22,950,570)	(21,675,292)
Total stockholders' deficit	(333,679)	(3,128,508)
Total liabilities and stockholders' deficit	\$ 606,541	\$ 533,987

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

Quantum Materials Corp.
CONSOLIDATED STATEMENTS OF OPERATIONS
For the three and six months ending December 31, 2014 and December 31, 2013
(unaudited)

	Three months ended December 31,		Six months ended December 31,	
	2014	2013	2014	2013
Operating expenses:				
General and administrative	\$ 1,515,185	\$ 664,994	\$ 1,946,317	\$ 1,224,317
Research and development	16,271	934	47,662	4,826
Total operating expenses	1,531,456	665,928	1,993,979	1,229,143
Loss from operations	(1,531,456)	(665,928)	(1,993,979)	(1,229,143)
Other expenses (income):				
Change in fair value of derivative liabilities	(16,123)	(134,603)	(579,670)	(334,374)
Gain on settlement of debt	(364,129)	(364,129)		
Interest expense	28,436	37,877	225,098	76,211
Total other expenses / (income)	351,816	96,726	718,701	258,163
Net loss	\$ (1,179,640)	\$ (569,202)	\$ (1,275,278)	\$ (970,980)
Basic and diluted loss per common share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.01)
Weighted average number of common shares outstanding	263,040,224	197,225,747	268,471,108	193,025,054

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

Quantum Materials Corp.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS EQUITY (DEFICIT)
For the period from May 19,2008 (inception) to December 31, 2014

	Common Stock		Additional paid in capital	Deficit accumulated during the development stage	Total Stockholders Equity
	Shares	Amount			
Balance June 30 2013	182,988,347	\$ 182,988	\$ 12,255,288	(16,372,805)	(3,934,529)
Common stock issued for cash	21,645,055	21,645	808,688		830,333
Common stock issued for warrants exercised	880,000	880	42,320		43,200
Common stock issued for debenture interest payable	3,297,377	3,297	160,233		163,530
Common stock issued in exchange for accrued salaries	13,241,667	13,242	753,843		767,085
Common stock issued for services	16,500,000	16,500	885,800		902,300
Common stock issued for note payable conversion	3,363,654	3,364	198,456		201,820
Common stock issued for debenture conversion	16,666,667	16,667	983,333		1,000,000
Cancellation of Shares	(2,000,000)	(2,000)	2,000		-
Beneficial conversion feature of debenture			115,603		115,603
Allocated value of warrants related to debenture			95,603		95,603
Stock options issued with note payable			64,929		64,929
Stock options issued for services			9,204		9,204
Stock options issued in exchange for accrued salaries			747,843		747,843
Employee stock options issued as compensation			1,116,260		1,116,260
Stock options issued for extension of debenture terms			19,900		19,900
Forgiveness of debt by related party			30,898		30,898
					-
Net loss to June 30, 2014				(5,302,487)	(5,302,487)
Balance June 30, 2014	256,582,767	\$ 256,583	\$ 18,290,201	(21,675,292)	(3,128,508)
Common stock issued for cash	4,615,779	4,616	562,854		567,470
Common stock issued for warrant exercises	1,725,000	1,725	99,275		101,000
Common stock issued for services	4,810,643	4,811	882,472		887,283
Common stock issued for debenture interest payable	92,637	93	21,713		21,806
Common stock issued for debenture conversions	11,500,000	11,500	2,105,998		2,117,498
Beneficial conversion feature of debenture			171,976		171,976
Allocated value of warrants related to debenture			203,074		203,074
					-
Net loss to December 31, 2014 (unaudited)				(1,275,278)	(1,275,278)
Balance December 31, 2014	279,326,826	\$ 279,328	\$ 22,337,563	(22,950,570)	(333,679)

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

Quantum Materials Corp.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the six months ending December 31, 2014 and December 31, 2013
(unaudited)

	Six months ended December 31, 2014	Six months ended December 31, 2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (1,275,278)	\$ (970,980)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation of furniture and office equipment	30,377	-
Stock issued for services	887,283	503,000
Stock issued for debenture interest	21,806	76,211
Beneficial conversion feature	171,976	-
Amortization of deferred finance cost	27,283	-
Change in fair value of warrants and embedded conversion feature	(579,670)	(334,374)
(Gain) on settlement of payables	(364,129)	-
Net change in operating assets and liabilities:		
Accounts payable	(46,978)	(57,500)
Accrued liabilities - related party	36,271	410,861
Cash flows used by operating activities	(1,091,059)	(372,782)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of license	(137,743)	-
Purchase of furniture & equipment	(52,542)	-
Cash flows provided by investing activities	(190,285)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of common stock & warrants exercised	668,470	204,500
Proceeds from loans	525,520	-
Cash flows provided by financing activities	1,193,990	204,500
NET INCREASE (DECREASE) IN CASH	(87,354)	(168,282)
Cash, beginning of the period	185,811	172,431
Cash, end of the period	\$ 98,457	\$ 4,149
Supplemental disclosure with respect to cash flows:		
Cash paid for income taxes	\$ -	\$ -
Cash paid for interest	\$ -	\$ -
Non cash transactions		
Conversion of debt to equity	\$ 1,025,520	\$ -
Allocation of derivative liability to the fair value of shares issued in debt conversion	\$ 1,307,790	\$ -
Warrants issued with debt, allocated deferred financing costs	\$ 203,074	\$ -

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

QUANTUM MATERIAL CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014
(Unaudited)

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules and regulations of the Securities and Exchange Commission for interim financial statements. Accordingly, our interim statements do not include all of the information and disclosures required for our annual financial statements. In the opinion of our management, the consolidated financial statements contain all adjustments, consisting only of normal recurring adjustments, considered necessary for a fair presentation of these interim results. These consolidated financial statements should be read in conjunction with our consolidated financial statements and notes included in our Annual Report on Form 10-K for the year ended June 30, 2014. The results for the three and six months ended December 31, 2014 are not necessarily indicative of the results that may be expected for the full year ending June 30, 2015.

Since November 4, 2008, the Company has changed its business plans and is no longer intending to pursue the mining of mineral rights located in Nevada. The Company intends to pursue the business plans of its subsidiary, Solterra Renewable Technologies, Inc. ("Solterra"). The following is a brief business overview of Solterra.

Solterra is a start-up solar technology and quantum dot manufacturing firm which was founded by Stephen Squires. Mr. Squires perceives an opportunity to acquire a significant amount of both quantum dot and solar photovoltaic market share by commercializing a low cost quantum dot processing technology and a low cost quantum dot based third generation photovoltaic technology/solar cell, pursuant to an exclusive license agreement with William Marsh Rice University ("Rice University" or "Rice"). Our objective is to become the first bulk manufacture of high quality tetrapod quantum dots and the first solar cell manufacturer to be able to offer a solar electricity solution that competes on a non-subsidized basis with the price of retail electricity in key markets in North America, Europe, the Middle East and Asia.

Going Concern

The Company recorded losses from continuing operations in the current period presented and has a history of losses, resulting in an accumulated deficit and negative net worth. These factors raise substantial doubt about the Company's ability to continue as a going concern. The ability of the Company to continue as a going concern is dependent upon its ability to reverse negative operating trends, raise additional capital, and obtain debt financing.

Management has revised its business strategy to include expansion into other lines of business. In conjunction with the anticipated new revenue streams, management is currently negotiating new debt and equity financing, the proceeds from which would be used to settle outstanding debts at more favorable terms, to finance operations, and to develop its business plans. However, there can be no assurance that the Company will be able to raise capital, obtain debt financing, or improve operating results sufficiently to continue as a going concern.

The accompanying consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts and classification of liabilities that might be necessary if the Company is unable to continue as a going concern.

Note 2. Derivatives and Fair Value

The Company has evaluated the application of ASC 815 to the Convertible Note issued November 4, 2008. Based on the guidance in ASC 815, the Company concluded these instruments were required to be accounted for as derivatives as of July 1, 2009 due to the down round protection feature on the conversion price and the exercise price. The Company records the fair value of these derivatives on its balance sheet at fair value with changes in the values of these derivatives reflected in the statements of operations as “Gain (loss) on derivative liabilities.” These derivative instruments are not designated as hedging instruments under ASC 815 and are disclosed on the balance sheet under Derivative Liabilities.

ASC 825-10 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 825-10 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 825-10 describes three levels of inputs that may be used to measure fair value: *Level 1* – Quoted prices in active markets for identical assets or liabilities; *Level 2* – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and *Level 3* – Unobservable inputs that are supported by little or no market activity and that are financial instruments whose values are determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant judgment or estimation. The Company’s Level 3 liabilities consist of the derivative liabilities associated with the November 4, 2008 note. At June 30, 2012, all of the Company’s derivative liabilities were categorized as Level 3 fair value assets. If the inputs used to measure the financial assets and liabilities fall within more than one level described above, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Level 3 Valuation Techniques

Financial assets are considered Level 3 when their fair values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable. Level 3 financial liabilities consist of the derivative liabilities for which there is no current market for these securities such that the determination of fair value requires significant judgment or estimation. At the date of the original transaction, we valued the convertible note that contains down round provisions using a lattice model, with the assistance of a valuation consultant, for which management understands the methodologies. This model incorporates transaction details such as the Company’s stock price, contractual terms, maturity, risk free rates, as well as assumptions about future financings, volatility, and holder behavior as of July 1, 2009. Using assumptions, consistent with the original valuation, the Company has subsequently used the Black-Scholes model for calculating the fair value, as of June 30, 2014 and 2013. The fair value of the derivatives as of July 1, 2009 upon implementation of ASC 815-40-15 was estimated by management to be \$495,912. As part of implementing ASC 815-40-14 the Company decreased the accumulated deficit by \$162,643 and decreased additional paid in capital by \$212,184 and increased the discount on the convertible debenture by \$446,371. The adjustment to the accumulated deficit was a result of the interest expense recorded in connection with the original derivative liability and the reversal of prior amortization expense, and the change in fair value of the derivative liability as of July 1, 2009.

As of December 31, 2014

Fair Value Measuring Using

	Carrying Value	Level 1	Level 2	Level 3	Total
Derivatives Liability	\$ -	-	-	-	\$ -
Total Derivatives Liability	\$ -	-	-	-	\$ -

The table below provides a summary of the changes in fair value, including net transfers in and/or out, of all financial assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the first six months of fiscal year 2015:

	Fair Value Measurements Using Level 3 Inputs	
	Derivative Liabilities	Totals
Beginning Balance as of June 30, 2014	\$ 1,871,337	\$ 1,871,337
Total Gains or Losses (realized/unrealized) Included in Net Loss	(1,871,337)	(1,871,337)
Purchases, issuances and settlements	-	-
Transfers in and/or out of Level 3	-	-
Ending Balance at December 31, 2014	\$ -	\$ -

Note 3. Convertible debentures

Balance of convertible debenture issued in 2008 consist of the following:

	December 31, 2014	June 30, 2014
Convertible debenture issued 2008	\$ 500,000	\$ 500,000
Debenture discount	(500,000)	(500,000)
Debenture discount amortized	500,000	500,000
Debenture converted to shares	(500,000)	-
Convertible debenture, current portion	\$ -	\$ 500,000

On November 4, 2008, Quantum Materials Corp entered into a Securities Purchase Agreement, Debenture, Security Agreement, Subsidiary Guarantee Agreement, Registration Rights Agreement, Escrow Agreement, Stock Pledge Agreement and other related transactional documents (the "Transaction Documents") to obtain \$1,500,000 in gross proceeds from three non-affiliated parties (collectively hereinafter referred to as the "Lenders") in exchange for 3,525,000 restricted shares of Common Stock of Quantum Materials Corp (the "Restricted Shares") and Debentures in the principal amount aggregating \$1,500,000. Each Debenture originally had a term of three years maturing on November 4, 2011 bearing interest at the rate of 8% per annum and is prepayable by Quantum Materials Corp at any time without penalty, subject to the Debenture holders' conversion rights. In 2011, the Company obtained annual one year extension of the maturity date of the Debentures through November 4, 2014. In partial consideration of such a loan extension, the Company agreed to issue to the Debenture holders warrants to purchase an aggregate of 2,000,000 shares of Common Stock exercisable at \$.10 per share. These Warrants contain cashless exercise provisions in the event that there is no current registration statement filed. The maturity date was extended to November 4, 2014 in June 2013 and the conversion price per share was lowered as described below.

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In recognition of the 3,525,000 shares issued at origination, the Company recorded a discount of \$1,155,826. The discount is made up of two components: \$577,913 related to the discount for the relative fair value of the shares issued; and \$577,913 related to a beneficial conversion feature. The discount was amortized over the 3 year life of the debenture, using the interest rate method and recorded as interest expense. Each Debenture is convertible at the option of each Lender into Quantum Materials Corp's Common Stock (the "Debenture Shares", which together with the Restricted Shares shall collectively be referred to as the "Securities") at a conversion price of \$.2667 per share (the "Conversion Price"). In October 2010, the conversion price was decreased to \$0.12 per share and in June 2013, the conversion price was lowered to \$.06 per share.

The Registration Rights Agreement requires Quantum Materials Corp to register the resale of the Securities within certain time limits and to be subject to certain penalties in the event Quantum Materials Corp fails to timely file the Registration Statement, fails to obtain an effective Registration Statement or, once effective, to maintain an effective Registration Statement until the Securities are saleable pursuant to Rule 144 without volume restriction or other limitations on sale. The Debentures are secured by the assets of Quantum Materials Corp and are guaranteed by Solterra as Quantum Materials Corp's subsidiary. To date, no registration statement has been filed by the Company or demanded by the Debenture Holders.

On June 30, 2014, \$1 million of the Debentures were converted into 16,666,667 common shares. The remaining \$500,000 of Debentures was converted into 8,333,333 of common shares upon the due on November 4, 2014, converted at \$.06 per share. The Company recorded the conversion at the fair market value of the shares at the date of conversion, off-set by the reduction of the derivative liability.

The Transaction Documents include a Stock Pledge Agreement pursuant to which Stephen Squires, the Company's Chief Executive Officer, had pledged 20,000,000 shares of our Common Stock to the Debenture holders (the "Holders"). The 20,000,000 shares which were the subject of a Pledge Agreement were released to Mr. Squires following the debt conversion described above.

The Company has also issued shares, on a quarterly basis, for interest that has accrued on the outstanding debt.

In accounting for the above convertible debentures, the Company has recognized a derivative liability associated with the conversion feature, in the amount of \$0 and \$1,871,337, as of December 31, 2014 and June 30, 2014, respectively.

Convertible Notes

Balance of convertible notes issued in 2014 consist of the following as of:

	December 31, 2014	June 30, 2014
Convertible debenture, face value of \$400,000, issued February 6, 2014, 8.0% interest rate, maturing January 31, 2016, convertible at \$0.04, net of unamortized debt discount of \$95,603, net of accumulated accreted interest of \$51,785	\$ 348,215	\$ 324,317
Total convertible debentures	348,215	324,317
Convertible debt, current portion	-	-
Convertible debt, long-term portion	<u>\$ 348,215</u>	<u>\$ 324,317</u>

February 2014 Convertible Note:

On February 6, 2014, the Company entered into a Securities Purchase Agreement, Debenture, Security Agreement, Subsidiary Guarantee Agreement, Registration Rights Agreement, Escrow Agreement, Stock Pledge Agreement and other related transactional documents (the "Transaction Documents") to obtain \$400,000 in gross proceeds from two non-affiliated parties (collectively hereinafter referred to as the "Lenders") in exchange for 5,000,000 common stock warrants exercisable at \$.06 per share through December 31, 2016. The Debenture has a term of two years maturing on January 31, 2016. The Debenture bears interest at the rate of 8% per annum and is pre-payable by the Company at any time without penalty, subject to the Debenture holders' right of conversion at a conversion price of \$.04 per share. The debt is secured by a security interest in certain microreactor equipment. Pursuant to the Securities Purchase Agreement, the investor has certain preferential rights to fund a second microreactor at a cost of up to \$650,000. In the event of a second investment, the investor would receive warrants to purchase up to 8,125,000 shares, exercisable at \$.06 per share with the second Debenture convertible at a conversion price of \$.06 per share. The Agreement also provides for the investor to have the right to appoint one member to the Company's Board of Directors in the event that any one of the aforementioned Debentures are converted into Common Stock of the Company.

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In accounting for the above convertible debentures, the Company allocated the fair value of the warrants to the proceeds received and has recognized a beneficial conversion expense of \$115,603, warrant expense of \$95,603 recorded as debt financing costs, and interest expense of \$23,901 and \$19,917 and for the six months ending December 31, 2014 and year ended June 30, 2014, respectively. The debt discount or deferred financing costs are amortized using the effective interest rate method over the life of the loan terms, twenty-four months.

September 2014 Convertible Note

On September 18, 2014, the Company entered into a Convertible Debenture Agreements to obtain a total of \$354,900 in gross proceeds from five non-affiliated parties (collectively hereinafter referred to as the "Lenders"). An additional \$175,000 was received in October through December 2014, for total loan proceeds of \$529,900. The Debenture has a term of five years maturing on September 18, 2019. The Debenture bears interest at the rate of 6% per annum and is pre-payable by the Company at any time without penalty. The Debenture holders' have the right of conversion at a conversion price of \$.15 per share at any date, and will receive an equal number of warrants (2,500,333) having a strike price of \$.30 per share. The holders of the notes converted their loans in the quarter ending December 31, 2014.

In accounting for the above convertible debentures, the Company allocated the fair value of the warrants to the proceeds received and has recognized a beneficial conversion expense of \$171,976, warrant expense of \$203,074 recorded as debt financing costs, and interest expense of \$3,385 for the six months ended December 31, 2014. The debt discount or deferred financing costs are amortized using the effective interest rate method over the life of the loan terms, sixty months. The remaining balance was written off due to the conversion.

In October 2014, \$299,900 of the Debentures were converted into 1,999,333 shares of Common Stock and a like number of warrants exercisable at \$.30 per share over a term of five years. In December 2014, an additional \$55,000 of the Debentures were converted into 833,334 shares and a like number of warrants exercisable at \$.30 per share over a term of five years.

November 2014 Convertible Debenture

On November 25, 2014, the Company entered into a Convertible Debenture Agreement which would allow us to borrow as needed up to a total of \$500,000 in gross proceeds from a non-affiliate party. The Debenture has a term of five years maturing on November 25, 2019. The Debenture bears interest at the rate of 6% per annum and is pre-payable by the Company at any time without penalty. The Debenture holders' have the right of conversion at a conversion price of \$.15 per share at any date, and will receive an equal number of warrants having a strike price of \$.30 per share. As of December 31, 2014 no monies were borrowed under this arrangement.

Note 4. Related party transactions

The Company expensed management fees to the CEO / major shareholder as well as other related party executives of \$415,300 and \$1,010,737 in the six months ended December 31, 2014 and the year ended June 30, 2014, respectively. The Company makes payments or issues shares in exchange for these accrued compensation. Accrued liabilities to related party was \$456,306 and \$784,164 as of December 31, 2014 and June 30, 2014, respectively.

During the six months ended December 31, 2014 the Company recorded \$11,520 of rent expense for the use of executive office space in the home of the CEO / major shareholder, \$nil was paid and \$11,520 was accrued.

Note 5. Common stock

During the six months ending December 31, 2014, the Company issued 4,615,779 shares of common stock for proceeds of \$567,470. Additionally, investors exercised options and warrants to purchase 1,725,000 shares of common stock for cash of \$101,000.

During the six months ending December 31, 2014, the Company granted 4,810,643 common shares to consultants, at the fair market value of \$887,283, recognized in the period as operating expense.

The Company issued 92,637 shares of common stock to a lender, in exchange for interest due, in the amount of \$21,806.

In the period from October 2014 through December 2014, holders of convertible notes elected to converted debt of 1,025,520 into 11,500,000 shares of common stock. The conversions were accounted for at the fair value of the exchanged shares, net against any deferred financing costs from their agreements and recognized derivative liability associated with their carrying valuation.

Note 6. Commitments and Contingencies

Contingency

Certain default clauses related to the various agreements discussed in Item 2 (Management's Plan of Operation) would result in a change of control of the board of directors. Certain debt holders would have the option to appoint independent members to the board under such default.

License Agreement - Work-Study Arrangements

License Agreement with Rice University

On August 20, 2008, Solterra entered into a License Agreement with Rice University. In August 2013, Solterra entered into an amended License Agreement and Quantum Materials entered into a new License Agreement with Rice. Rice is the owner of certain inventions and patent applications, know-how and rights pertaining to the synthesis of uniform nanoparticle shapes with high selectivity. We have obtained the exclusive rights to license and sublicense (subject to Rice's consent, which shall not be unreasonably withheld), develop, manufacture, market and exploit Rice's inventions, patent applications and any issued patents in the case of Solterra, for the manufacture and sale of photovoltaic cells and photovoltaic applications and in the case of Quantum Materials for the manufacture and sale of quantum dots for electronic and medical applications (excluding photovoltaic applications). With respect to Rice's patent applications, Rice made a provisional filing for an invention disclosure titled "synthesis of uniform nanoparticle shapes with high selectivity" with the United States Patent and Trademark Office on April 13, 2007 and a subsequent utility filing on April 11, 2008 under the Patent Cooperation Treaty ("PCT"). PCT enables the U.S. applicant to file one application, "an international application," in a standardized format in English in the U.S. Receiving Office (the U.S. Patent and Trademark Office), and have that application acknowledged as a regular national or regional filing in any State or region that is party to the PCT. Dr. Michael Wong is a director of our company and is the inventor of Rice's patent application licensed by Solterra.

Our initial agreement with Rice requires the payment of certain patent fees to Rice and for us to acquire additional funding and to meet certain milestones by specific dates. Rice and the Company recently established new milestones for the Company to achieve in the months and years ahead, the failure of which could lead to the termination of the license agreement.

Rice is entitled to receive during the term of each License Agreement certain royalties under the License Agreement of adjusted gross sales (as defined) ranging from 2% to 4% for photovoltaic cells and 7.5% of adjusted gross sales for quantum dots sold in electronic and medical applications. Minimum royalties payable under the License Agreement include \$29,450 due January 1, 2015, \$217,000 due January 1, 2016, \$648,750 due January 1, 2017, \$2,038,500 due January 1, 2018 and \$3,738,600 due January 1, 2019 and each January 1 of every year thereafter, subject to adjustments for changes in the consumer pricing index. The term of the License Agreement is to expire on the expiration date of Rice's rights in its intellectual property and the Licensee's rights are worldwide. Our Agreement, as amended, with Rice provides for termination of each Agreement in the event that we are determined to be insolvent as defined in the Agreements.

Agreement with Arizona State University

Solterra had an agreement with Arizona State University ("ASU") pursuant to which ASU at a cost of \$835,000 was to provide assistance to Solterra under the direction of Dr. Ghassan Jabbour in scaling up or optimizing the solar cells so that they can be printed. During February 2010, Dr. Jabbour accepted a Directorship at the King Abdullah University of Science and Technology (KAUST), in Saudi Arabia, as a result of Dr. Jabbour now being located in Saudi Arabia it is no longer logistically feasible for him to conduct the development work at ASU. We have paid ASU \$175,000 under our contract with ASU. Dr. Jabbour is continuing his development work at the KAUST facilities and we have attempted to negotiate a substantially reduced fee payable to ASU. Dr. Jabbour is also our Chief Science Officer and is an employee of QMC/Solterra.

Agreement with University of Arizona

Solterra has entered into an exclusive Patent License Agreement with the University of Arizona ("UA") to license US Patent # 7,015,052, which was issued on March 21, 2006, entitled "Screen Printing Techniques for the Fabrication of Organic Light - Emitting Diodes". Pursuant to the License Agreement, Solterra has an exclusive license to market, sell and distribute licensed products within its field of use which is defined as organic light emitting diodes in printed electronic displays and all other printed electronic components. Solterra has the right to grant sublicenses with respect to the licensed product and the license method (as defined in the agreement). Pursuant to said agreement, as amended, we are obligated to pay minimum annual royalties of \$5,000 by June 30, 2012, \$25,000 by December 31, 2013, \$50,000 by December 31, 2014, \$125,000 by June 30, 2015 and \$200,000 on each June 30th thereafter, subject to adjustments for increases in the Consumer Price Index. Royalties based on net sales are 2% of net sales of licensed products for non-display electronic component applications and 2.5% of net sales of licensed products for printed electronic displays. Our Agreement with UA may be terminated by UA in the event that we are in breach of any provision of this Agreement and said breach continues for 60 days after receiving written notice. Our Agreement with UA will also automatically terminate if Solterra becomes insolvent or unable to pay its debts as they become due. We can provide no assurances that we will be able to meet our obligations under our Agreement with UA. Termination of our Agreement with UA could materially adversely affect our operations.

Agreement with Virginia Tech Intellectual Properties

Quantum Materials has entered into an exclusive Option Agreement with Virginia Tech Intellectual Properties (VA Tech) to evaluate US Patent #61/906,927, entitled "Fabrication of Physically Unclonable Functions via Additive Manufacturing". Pursuant to the Option Agreement, Quantum has a 12 month period to evaluate the usefulness of the above mentioned patent and to provide VA Tech with its desire to obtain the patent, along with Quantum's plan for developing such patent into products or processes for public use. Quantum paid \$10,000 in Q4 of FY 2014 for the 12 month option. Our agreement will terminate automatically on May 23, 2015 if Quantum has not yet expressed its desire to fully license the patent, or provide VA Tech with a plan on how it will develop the patent into a product or process.

Agreement with Texas State University

Quantum Materials has entered into a Memorandum of Understanding (MOU) with Texas State University (TSU) for the purpose of formalizing a collaboration in which TSU will support Quantum's efforts to commercialize Quantum Dot materials. Both parties agree to cooperate in a mutually beneficial arrangement, in which TSU will provide access to facilities, faculty and students in several departments, with Quantum providing internship opportunities and business growth opportunities in the San Marcos, Texas area. The MOU expires on December 31, 2016, and either party can terminate the MOU with 30 days written notice.

Employment agreements

The Company has two employment agreements in effect. The CEO and Vice President of Research and Development each has a five year agreement which started in January 2013.

Note 7. Warrants

No warrants were issued in the six month period ending December 31, 2014, except as disclosed in convertible notes, issued and dated September 18, 2014.

Note 8. Litigation

In Q4 of fiscal year 2014, the Company commenced an action against Robert Allan Glass in Federal Court in Austin, Texas regarding the termination of his employment agreement. The Company was seeking to recover all common stock and cancel all options issued to Mr. Glass as part of his employment agreement. Mr. Glass has filed a counterclaim against the Company alleging breach of contract of the employment agreement seeking allegedly unpaid compensation.

On December 22, 2014 the parties came to a non-appealable judgment agreement. Pursuant to this agreement, Robert Allan Glass and the Company agreed that he may retain 2.4 million shares that were issued to him as part of his prior employment agreement. As part of the agreement, Mr. Glass agreed to forego all accrued and unpaid wages and to terminate all outstanding options or warrants held in his name and to return 2.6 million shares of Common Stock to the Company for cancellation, which shares were part of his signing bonus, \$364,129 for accrued and unpaid wages which were previously expensed were reversed and offset against salaries in December 2014.

Note 9. Subsequent events

In January 2015, the holders of the \$400,000 convertible debenture elected to convert the entire amount into 10,067,946 shares. The conversion price was \$0.04, with the shares being issued for the value of the debenture in addition to accrued interest owed through the conversion date of \$2,718.

In January 2015, \$100,000 of the November 19, 2014 debenture described in Note 3 were borrowed by the company.

Item 2. Management's Plan of Operation

This Form 10-Q contains "*forward-looking statements*" relating to us which represent our current expectations or beliefs, including statements concerning our operations, performance, financial condition and growth. For this purpose, any statement contained in this report that are not statements of historical fact are forward-looking statements. Without limiting the generality of the foregoing, words such as "*may*", "*anticipation*", "*intend*", "*could*", "*estimate*", or "*continue*" or the negative or other comparable terminology are intended to identify forward-looking statements.

Statements contained herein that are not historical facts are forward-looking statements as that term is defined by the Private Securities Litigation Reform Act of 1995. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, the forward-looking statements are subject to risks and uncertainties that could cause actual results to differ from those projected. The Company cautions investors that any forward-looking statements made by the Company are not guarantees of future performance and those actual results may differ materially from those in the forward-looking statements. Such risks and uncertainties include, without limitation: well-established competitors who have substantially greater financial resources and longer operating histories, regulatory delays or denials, ability to compete as a start-up company in a highly competitive market, and access to sources of capital.

The following discussion should be read in conjunction with the Company's financial statements and notes thereto included elsewhere in this Form 10-Q and our Form 10-K filed September 29, 2014 for the fiscal year ended June 30, 2014. Except for the historical information contained herein, the discussion in this Form 10-Q contains certain forward looking statements that involve risks and uncertainties, such as statements of the Company's plans, objectives, expectations and intentions. The cautionary statements made in this Form 10-Q should be read as being applicable to all related forward-looking statements wherever they appear herein. The Company's actual results could differ materially from those discussed here.

The financial information furnished herein has not been audited by an independent accountant; however, in the opinion of management, all adjustments (only consisting of normal recurring accruals) necessary for a fair presentation of the results of operations for the period ended September 30, 2014 have been included.

Business Overview

QMC is a nanotechnology company specializing in the design, development, production and supply of tetrapod quantum dots ("TQDs"), a high performance variant of quantum dots, for a range of applications in the life sciences, optoelectronics, photovoltaics, lighting, security ink and sensor sectors of the market. QMC owns 100% of Solterra Renewable Technologies, Inc. ("Solterra"), an operating subsidiary that is focused on the photovoltaic (solar cell) market.

Quantum dots are tiny nanoparticles of a semiconductor material which emit light, or fluoresce, when excited with energy. The color of light emitted varies depending on the size of the quantum dot so that photonic emissions can be tuned by the creation of quantum dots of different sizes. Their unique properties as highly efficient, next generation semiconductors have led to the use of quantum dots in a range of electronic and other applications, including in the biomedical, display and lighting industries. Quantum dots also have applications in solar cells, where their characteristics enable conversion of light energy into electricity, with the potential for significantly higher efficiencies and lower costs than existing technologies, thereby creating the opportunity for a step change in the solar energy industry through the use of quantum dots in printed photovoltaic cells.

The Company has the exclusive license to a patented chemical process that permits it to produce high performance, heavy metal-free TQDs using a lower cost and environmentally friendly solvent for greater manufacturing flexibility. The Company has developed a proprietary method that it believes will allow it to mass produce consistent quantities of TQDs in a continuous process at lower costs than other existing processes, and has filed a provisional patent application on same. It also has the exclusive license to a patented screen printing technique for manufacture of quantum dot enhanced electronic displays and other electronic components. The Company believes that these three proprietary technologies position the Company to become a leader in the overall quantum dot industry, and a preferred supplier of high performance tetrapod quantum dots to an expanding range of applications.

Critical Accounting Policies

Fair value of financial instruments

The Company's financial instruments consist of cash and cash equivalents, prepaid expenses, accounts payable and debt. The carrying amount of these financial instruments approximates fair value due either to length of maturity or interest rates that approximate prevailing market rates unless otherwise disclosed in these consolidated financial statements.

Use of estimates

The preparation of financial statements in conformity with GAAP 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

Long-lived assets

We review our long-lived assets, which include intangible assets subject to amortization, for recoverability whenever events or changes in circumstances indicate that the carrying amount of such long-lived asset or group of long-lived assets (collectively referred to as "the asset") may not be recoverable. Such circumstances include, but are not limited to:

- a significant decrease in the market price of the asset;
- a significant change in the extent or manner in which the asset is being used;
- a significant change in the business climate that could affect the value of the asset;
- a current period loss combined with projection of continuing loss associated with use of the asset; and
- a current expectation that, more likely than not, the asset will be sold or otherwise disposed of before the end of its previously estimated useful life

Beneficial conversion

Debt instruments that contain a beneficial conversion feature are recorded as a deemed dividend to the holders of the convertible debt instruments. The deemed dividend associated with the beneficial conversion is calculated as the difference between the fair value of the underlying common stock less the proceeds that have been received for the debt instrument limited to the value received. The beneficial conversion amount is recorded as a deemed dividend or interest expense and an increase to additional paid-in-capital. The beneficial conversion has been fully accreted to the face value of the original loan and interest expense has been recognized.

Plan of Operation

The Company has recently entered the commercialization stage of its business with the launch of the Wet Lab in July, 2013, its first permanent facility. The Wet Lab is located in San Marcos, Texas, approximately 30 miles south of Austin, Texas. This facility is part of the Star Park Technology Center, an extension of Texas State University, the fifth largest university in Texas and one of eight Texas Emerging Research Universities. This arrangement provides the Company with the opportunity to expand its operations within this 30 acre technology park. The Company has a year to year lease agreement and the option to add additional lab and office space on an as-needed basis. This location provides the Company with convenient access to an experienced faculty and specialized laboratory facilities that can support joint research and development efforts with Texas State University, and is in proximity to a number of leading companies in the life sciences, lighting, solar and electronics markets.

The Wet Lab will be the center of operations of the Company and will be used by the Company to produce small sample quantities of Nanomaterials as well as larger quantities of Nanomaterials via its patented process for supply to research facilities, customers and potential customers, and potential development joint ventures. The facility is used to support test production runs, to fine tune the characteristics of the materials for optimized performance in the customer's specific application, and for continued R&D activities. The Wet Lab was established through funds raised in a private placement of common shares of the Company completed in early June 2013.

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The Company has established its first continuous manufacturing process at the Wet Lab and can now produce kilogram volumes of Nanomaterials for supply to customers on a commercial scale. This first unit is being used to validate synthesis protocols for customized materials development to meet customer specification and is also being used to produce samples and is capable of fulfilling small to medium-size orders. The Company has also negotiated an agreement with the equipment provider for the delivery of a production scale equipment unit capable of producing up to 4000 kilograms per year. This unit is intended to be used to fulfill large commercial orders. Subject to the Company obtaining financing for this larger equipment acquisitions, the sample size and production size equipment units are expected to be delivered to the Wet Lab during the first calendar quarter of 2015. The second unit will be commissioned and tested upon delivery, with a view towards commencing initial production runs of materials within 30-60 days after installation. While the Company plans to work extensively with this provider of equipment units, the Company owns all rights to the designs and intellectual property resulting from the development project, and could contract with one or more other competent suppliers of equipment if that became necessary.

The Company is preparing to enter the next phase of its development – production and supply of commercial scale volumes of materials to potential customers and joint ventures in order to develop a platform of initial customers in various industries. In order to finance the development of its business, including the establishment of its continuous process manufacturing facility, purchase of the second equipment unit and the expansion of its marketing and sales capabilities. The Company expects to commence generating limited revenues from the production of materials at the Wet Lab before the end of fiscal year 2015. Such revenues are expected to be modest at first and will be dependent upon the Company generating purchase orders from potential customers currently under NDAs and evaluating the Company's technology. As part of this strategy, the Company has engaged in discussions with numerous target customers and has signed a number of NDAs and Sample Agreements to increase the probability of receiving firm orders from one or more of these entities.

The Company's ongoing research and development functions are considered key to maintaining and enhancing its competitive position in the growing nanomaterials and quantum dot market. Nanomaterials and Quantum dot technology continue to evolve, with new discoveries and refinements being made on an ongoing basis. The Company intends to be at the forefront of technological development, and will focus a significant part of its efforts on this, as it has done historically. Continuing R&D activities at the Wet Lab will be an important aspect of the Company's strategy, as will the Company's collaboration with Rice University, University of Arizona, Texas State University and the numerous research centers and departments with which the Company has relationships.

The key assets of the Company are its patents, high volume process equipment, licenses and other intellectual property rights, its knowhow and the expertise, capabilities and relationships brought to the Company by its management team. The Company will continue to develop its intellectual property portfolio and licensing rights. The Company is also working closely with numerous universities and public and private labs to develop and expand its intellectual property portfolio. As the business progresses, the Company will continually build out its portfolio of owned and licensed intellectual property, and take all appropriate steps to protect these rights.

The Licenses with Rice and University of Arizona include provisions for milestones and milestone payments. To date, these have been paid as agreed, waived and/or extended by both Rice and University of Arizona, respectively, illustrating the support each university has given to the Company as it has attempted to advance its business with measured resources. As the Company moves forward, it expects to be able to meet all payment and other obligations under the Licenses, and the Company's funding strategy takes account of these requirements.

The business of the Company is subject to various types of government regulations, including restrictions on the chemical composition of nanomaterials used in life sciences and other sensitive applications, and regulation of hazardous materials used in or produced by the manufacture or use of quantum dots. Management believes that its patented technology, licensed patented chemistry and proprietary manufacturing process allow the Company to comply with current regulations by producing nanomaterials and by using environmentally friendly solvents, which are nevertheless contained and recycled in the production process. However, new regulations or requirements may develop that could adversely affect the Company or its products in the future.

Shipping Samples to Potential Clients

As a result of our automated production system, we have increased our rate of shipping samples to potential customers and we have delivered more than two dozen shipments. To our knowledge this represents the first shipments of automated production, not manual "batch" production. Our volume production process assures our clients that we can deliver high volumes of quantum dots for industrial use. Industries or uses intended include – displays, lighting, biotech, anti-counterfeiting, Sensors, Solar, Paint, and Coatings.

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For the most part, our shipments of samples are to client's specifications, and for others, these samples are preliminary shipments for evaluation for secondary purposes as we collaborate toward the development of their specific quantum dot enabled product.

Today we have a very active pipeline of potential clients that grows daily. These potential clients require a broad range of nanomaterials from relatively simple Red emitting quantum dots to both near and far Infrared emitting Quantum Dots, Thick-Shell Quantum Dots and/or Non-Heavy Metal Quantum Dots. Industries or uses intended include – Solid-State Lighting, Hydrogen Conversion, Displays, Solar, Automotive Glass and BIPV films, batteries, lasers, biotech and inks.

To maintain control of quantum dot production and quality, the Company's preferred business relationship is a joint venture that evolves from a collaborative development effort where the parties agree to cooperate in the design and production of a range of new end products utilizing the Company's Nanomaterials and/or screen printing processes, with the other party contributing industry expertise and substantial marketing, distribution and sales capabilities. In most cases, the Company envisions that the industry joint venture party would provide the financial resources to underwrite the project. In some cases, the joint venture may need to seek outside financing for the commercialization phase of the project. In either case, the Company would continue to control the production of the nanomaterials for incorporation into the end products.

Alternatively, the Company may choose to license a manufacturer of end products to incorporate the Company's Nanomaterials into one or more specific products on an exclusive or non-exclusive basis. In some cases, it may be appropriate to dedicate an equipment unit to a single product line (for example, silicon nanocrystals for energy storage) for a single licensee, whether sited at the Company's facilities or at the facilities of the licensee. In all cases, the license would contain provisions restricting the use of the Company's technology and protecting its intellectual property.

In advancing these development activities, the Company follows a disciplined process to protect its intellectual property and foster collaborative arrangements. First, NDAs are entered into, followed by sample agreements. The Company then formulates, manufactures and supplies product samples to the counterparty's specifications for evaluation and testing. If successful, this then leads to discussions on the form of a possible commercial relationship. Each step takes time, and the Company is increasing its sample production capacity to satisfy the backlog of requests for its materials of different compositions. Sample production is currently accommodated through use of the lab facilities at the Company's Wet Lab described below.

In seeking to expand its customer base, the Company's marketing strategy will be to engage in joint ventures or other strategic arrangements with manufacturers and others to jointly develop applications using its patented continuous production process and licensed screen printing technology to maximum effect. Such joint collaborations will involve the Company working closely with the industry counterpart to optimize the performance of the Company's materials in each application or device, and to use the results from product development and testing to further enhance product specifications to meet the requirements of the market. These collaborations will support the Company's internal research and development activities, which will continue to be a primary part of the Company's business. The principal revenue streams for the Company are expected to be from (i) sales of Nanomaterials, (ii) royalties from sales of products and components by third parties incorporating the Company's Nanomaterials, (iii) milestone payments under joint development arrangements with product developers and manufacturers, and (iv) sub-licensing fees where the Company engages in sub-licensing arrangements for its technology.

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As of December 31, 2014, the Company has not entered into any formal commercial joint ventures or licensing agreements, but has executed the following array of agreements and taken the following steps toward commercialization of its Nanomaterials in various market sectors:

	Product Manufacturers	Universities, Researchers, Other
NDA's	31	13
Sample Agreements	12	3
Initial Samples Delivered	8	2
Commercial Discussions Underway	23	5

However, there can be no assurance that the above activities will result in sales of the Company's products or that such sales will result in profits to the Company.

The Company's existing business development team is led by its director of marketing, who handles the North American, U.K. and European Union markets, supported by two staff employees responsible for Asia and the Middle East, respectively. The Company's marketing and sales capabilities, considered to be critical to the success of the business, will also be expanded with the recruitment of one additional full time person during the next twelve months.

Liquidity and Capital Resources

At December 31, 2014 the Company had a working capital deficit of approximately \$493,500 with total current liabilities of approximately \$592,000. Approximately \$456,300 of these liabilities is owed to our officers, directors and employees for services rendered and accrued through December 31, 2014. As a result, the Company has relied on financing through the issuance of common stock and a convertible debenture as well as advances from a director, shareholder and employees' wages being partially or fully accrued but not paid.

As of December 31, 2014, the Company lacks cash or cash equivalent assets and continues to incur losses in its operations. Over the past five years, the Company relied on sales of its Common Stock to support its operations and on various universities performing work and providing U.S. licensing rights under business agreements in which the Company has at times been in arrears in payments as well as employees and consultants agreeing to defer payment of wages and fees owed to them and/or converting such wages and fees into the securities of the Company. Currently, the Company is seeking additional financing in excess of \$3,000,000; however, no definitive agreements for additional financing have been received and the Company cannot provide any assurance that additional funding will be available to finance our operations on terms acceptable to us, if at all, in order to support our plan of operations. If we are unable to achieve the financing necessary to continue our plan of operations, then our stockholders may lose their entire investment in the Company. See "Notes to Financial Statements."

Cash was used in operating activities of \$1,091,059 for the six months ending December 31, 2014. This is a result of a net loss of \$1,275,278, off-set by non-cash items: stock issued for services (\$887,283); debenture interest paid with stock (\$21,806); beneficial conversion charge related to convertible notes (\$171,976); depreciation and amortization (\$30,377) and recognized benefit from reduction in derivative liability (\$579,670), further off-set by changes in working capital components, as in accounts payable of \$46,978 and changes in accrued liabilities for related parties of \$36,271. Cash flows used in investing activities in the six months ended December 31, 2014 were \$190,285 which consisted of purchase of licenses of \$137,743 and purchases of equipment of \$52,542. Cash received from financing activities during the six months ended December 31, 2014 were \$1,193,990 which consisted of proceeds of the sale of common stock of \$567,470, cash received from the exercise of options and warrants of \$101,000 and proceeds from convertible loans of \$525,520.

These consolidated financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying value and classification of assets and liabilities should the Company be unable to continue as a going concern. At December 31, 2014, the Company had not yet achieved profitable operations, has a working capital deficit of \$493,548 and expects to incur further losses in the development of its business, all of which casts substantial doubt about the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. The Company requires immediate and substantial additional financing (estimated at \$3,000,000) during fiscal 2015 to maintain and expand its operations. The Company is exploring all reasonable available financing at this time, including, without limitation, the sale of equity, debt borrowing and/or the receipt of product licensing fees and royalties. We can provide no assurances that such financing will be obtained on terms satisfactory to the Company, if at all. Further, we can provide no assurances that one or more mutually acceptable licensing agreement(s) will be entered into on terms satisfactory to us, if at all. In this respect, see "Note 2" in our notes to the consolidated financial statements for additional information as to the possibility that we may not be able to continue as a "going concern."

Off-balance sheet arrangements

We have no off-balance sheet arrangements including arrangements that would affect our liquidity, capital resources, market risk support and credit risk support or other benefits.

Officers and employees convert accrued salaries and bonus into warrants

In January 2013, Chris Benjamin (\$39,825), Art Lamstein (\$101,139), Toshinon Ando (\$125,000), Robin Squires (\$122,577), and Ghassan Jabbour (\$150,000) converted the amount of monies set forth beside their names into 1,075,275 common shares, 2,730,744 common shares, 3,375,000 common shares, 3,309,570 common shares and 4,050,000 common shares, respectively,

In January 2013, David Doderer (\$120,000), and Robert Glass (\$96,629) converted the amount of monies set forth beside their names into five-year warrants to purchase 3,000,000 common shares and 2,415,725 common shares respectively.

In February 2014, Stephen Squires (\$95,000), David Doderer (\$25,000), Chris Benjamin (\$90,000), Ghassan Jabbour (\$120,000), Andrew Robinson (\$50,000), Toshinori Ando (\$99,870), and Art Lamstein (\$66,405) converted the amount of monies set forth beside their names into five-year warrants to purchase 17,071,082 shares exercisable at \$.06 per share through the expiration date of February 10, 2019.

In June 2014, Stephen Squires (\$125,000), Chris Benjamin (\$80,000), Ghassan Jabbour (\$120,000), Robin Squires (\$75,000), Toshinori Ando (\$86,000) and Andrew Robinson (\$40,000) converted the amount of monies set forth beside their name into an aggregate of 6,575,000 common shares and 5,000,000 five-year warrants exercisable at \$.08 per share through the expiration date of June 6, 2019.

In June 2014, Art Lamstein (\$65,000) converted the amount of monies set forth beside his name into five-year warrants to purchase 1,083,333 shares exercisable at \$.06 per share through the expiration date of June 6, 2019.

Debt Conversions

On April 3, 2014, Morse & Morse, PLLC converted \$200,000 of legal fees into a \$200,000 promissory note convertible at \$.06 per share. On that date, the note was assigned to the firm's partners and an employee. In June 2014, the noteholders converted the principal and accrued interest into an aggregate of 3,363,654 shares of the Company's restricted Common Stock.

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On June 30, 2014, our holders of \$1,000,000 in principal of secured debt, converted the principal of their debt into 16,666,667 shares of the Company's Common Stock at the conversion price of \$.06 per share. Since Mr. Squires pledged his 20 million shares of Common Stock to secure the repayment of their loans, the former debt holders released the pledged securities back to Mr. Squires.

On November 4, 2014, our holders of \$500,000 in principal of secured debt, converted the principal of their debt into 8,333,333 shares of the Company's Common Stock at the conversion price of \$.06 per share.

Results of operations – Three Months Ended December 31, 2014 and 2013

General and administrative expenses

During the three months ended December 31, 2014 the Company incurred \$1,515,185 of general and administrative expenses an increase of \$850,191 from the \$664,994 recorded for the three months ended December 31, 2013. The increase in general and administrative expenses was primarily due to a decrease in remuneration of staff of \$236,131 offset by an increase in professional fees of \$620,229, an increase in travel expense of \$39,121 and an increase in corporate expenses of \$13,276.

Included in the expenses for the current three months ended December 31, 2014 were remuneration of staff \$200,100, legal and audit of \$373,648, travel expense of \$47,506, corporate expense of \$28,596, and other professional fees of \$612,289. This compares to the three months ended December 31, 2013 were remuneration of staff \$249,003, legal and audit of \$19,060, travel expense of \$8,385, corporate expense of \$15,320, and other professional fees of \$346,648.

Research and development expenses.

Research and development expenses of \$16,271 were incurred in the three months ended December 31, 2014, compared to \$934 in the three months ended December 31, 2013. The increase is the result of an increase in licensing expense of \$4,355, an increase in office equipment and supplies of \$11,917, offset by a decrease in raw materials of \$934.

Interest expense on the convertible debenture

This amount relates to the 8% interest associated with the remaining \$500,000 convertible debenture issued in November 2008 which was converted to shares on November 4, 2014 and convertible notes issued February and September 2014.

In November 2014 the Company issued 40,483 shares of common stock to pay accrued interest of \$7,222 for the period of September 1, 2014 to November 4, 2014, at which time the convertible notes were converted to common shares.

Interest expense recorded for the three months ended December 31, 2014 was \$13,101 compared to \$37,877 in the three month period ended December 31, 2013.

According to the provisions of the Convertible Debenture agreement the Company has elected to issue shares of the Company's Stock to pay accrued interest on the debentures. In the three months ended December 31, 2014 the Company issued 40,483 shares of the Company's restricted Common Stock to pay \$7,222 of accrued interest payable. As the provision to pay stock for interest discounts the market price of the stock the Company has attributed this discount to interest expense and additional paid in capital. However the timing of the shares being issued resulted in the share value being less than the interest paid therefore an increase in interest expense was recorded of \$1,806 for the period.

Change in fair value of warrants and embedded conversion feature

This amount relates to the change in value of the derivative liabilities. The change recorded in the three months ended December 31, 2014 and 2013 was a decrease of \$0 and a decrease of \$134,603, respectively, decreasing the fair value of embedded conversion feature liability from \$1,871,337 as of June 30, 2014 to \$1,307,790 as of December 31, 2014.

Results of operations – Six Months Ended December 31, 2014 and 2013

General and administrative expenses

During the six months ended December, 2014 the Company incurred \$1,946,317 of general and administrative expenses an increase of \$357,871 from the \$1,224,317 recorded for the six months ended December 31, 2013. The increase in general and administrative expenses was primarily due to an increase in remuneration of staff of \$12,946, an increase in legal and audit expenses of \$356,019, an increase of other professional fees of \$101,612 and an increase in travel expenses of \$69,283.

Included in the expenses for the current six months ended December 31, 2014 were remuneration of staff \$604,365, legal and audit of \$399,686, travel expense of \$90,248, corporate expense of \$65,775, and other professional fees of \$645,639. This compares to the six months ended December 31, 2013 were remuneration of staff \$520,700, legal and audit of \$43,667, travel expense of \$20,964, corporate expense of \$38,893, and other professional fees of \$544,028.

Research and development expenses.

Research and development expenses of \$47,662 were incurred in the six months ended December 31, 2014, compared to \$4,826 in the six months ended December 31, 2013. The increase is the result of an increase in licensing expense of \$29,860, an increase in office equipment and supplies of \$17,691, offset by a decrease in royalty expense of \$3,892.

Interest expense on the convertible debenture

This amount relates to the 8% interest associated with the remaining \$500,000 convertible debenture issued in November 2008 which was converted to shares on November 4, 2014 and convertible notes issued February and September 2014.

In November 2014 the Company issued 40,483 shares of common stock to pay accrued interest of \$9,028 for the period ending November 4, 2014 on which the debenture holders converted to common shares.

Interest expense recorded for the six months ended December 31, 2014 was \$225,098 compared to \$76,211 in the six month period ended December 31, 2013. Included in the current years interest expense is a beneficial conversion amount of \$171,976, recognized for the September 2014 convertible notes. Accretion of interest related to the convertible note issuances was \$11,948.

According to the provisions of the Convertible Debenture agreement the Company has elected to issue shares of the Company's Stock to pay accrued interest on the debentures. In the six months ended December 31, 2014 the Company issued 92,637 shares of the Company's restricted Common Stock to pay \$17,444 of accrued interest payable. As the provision to pay stock for interest discounts the market price of the stock the Company has attributed this discount to interest expense and additional paid in capital. However the timing of the shares being issued resulted in the share value being less than the interest paid therefore an increase in interest expense was recorded of \$4,362 for the period.

Change in fair value of warrants and embedded conversion feature

This amount relates to the change in value of the derivative liabilities. The change recorded in the six months ended December 31, 2014 and 2013 was a decrease of \$563,547 and a decrease of \$229,173, respectively, decreasing the fair value of embedded conversion feature liability from \$1,871,337 as of June 30, 2014 to \$1,307,790 as of December 31, 2014.

Cash Flow

During the six months ended December 31, 2014, cash was used in operations of \$1,091,059. During this period the Company received proceeds from financing activities of \$1,193,990, and used \$190,285 for investing activities. These changes resulted in a decrease of \$87,354 in the cash position for six months ended December 31, 2013. The opening cash at June 30, 2014 was \$185,811 and the closing balance at December 31, 2014 was \$98,457.

Item 3. Quantitative And Qualitative Disclosures About Market Risk

Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates, foreign currency exchange rates and commodity prices. Our primary exposure to market risk is interest rate risk associated with our short term money market investments. The Company does not have any financial instruments held for trading or other speculative purposes and does not invest in derivative financial instruments, interest rate swaps or other investments that alter interest rate exposure. The Company does not have any credit facilities with variable interest rates.

Item 4. Controls and Procedures

The Company maintains disclosure controls and procedures designed to provide reasonable assurance that material information required to be disclosed by us in the reports we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that the information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. We performed an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. Based on their evaluation, our management, including our Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures are not effective at December 31, 2014.

We do not expect that our disclosure controls and procedures will prevent all errors and all instances of fraud. Disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Further, the design of disclosure controls and procedures must reflect the fact that there are resource constraints, and the benefits must be considered relative to their costs. Because of the inherent limitations in all disclosure controls and procedures, no evaluation of disclosure controls and procedures can provide absolute assurance that we have detected all our control deficiencies and instances of fraud, if any. The design of disclosure controls and procedures also is based partly on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

Changes in Internal Control Over Financial Reporting

In our Management's Report on Internal Control Over Financial Reporting included in the Company's Form 10-K for the year ended June 30, 2014, management concluded that our internal control over financial reporting was not effective as of June 30, 2014.

Management did identify a significant deficiency; a significant deficiency is a deficiency, or a combination of deficiencies, that is less severe than a material weakness, yet important enough to merit attention by those responsible for oversight of the registrant's financial reporting. Currently we do not have sufficient in-house expertise in US GAAP reporting. Instead, we rely very much on the expertise and knowledge of external financial advisors in US GAAP conversion. External financial advisors have helped prepare and review the consolidated financial statements. This deficiency of not having sufficient qualified staff has resulted in the Company being unable to file our 10-K for the years ending June 30, 2013, June 30, 2011 and 2010 and our Form 10-Q for the periods ended September 30, 2010, December 31, 2010, March 31, 2011, September 30, 2011 and December 31, 2011 in a timely manner. Although we have not identified any material errors with our financial reporting or any material weaknesses with our internal controls, no assurances can be given that there are no such material errors or weaknesses existing. To remediate this situation, we are seeking to recruit experienced professionals to augment and upgrade our financial staff to address issues of timeliness and completeness in US GAAP financial reporting. In addition, we do not believe we have sufficient documentation with our existing financial processes, risk assessment and internal controls. We plan to work closely with external financial advisors to document the existing financial processes, risk assessment and internal controls systematically.

We believe that the remediation measures we are taking, if effectively implemented and maintained, will remediate the significant deficiency discussed above.

Except as described above, there have been no changes in our internal controls over financial reporting that occurred during our last fiscal quarter to which this Quarterly Report on Form 10-Q relates that have materially affected, or are reasonably likely to materially affect our internal controls over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings.

In Q4 of FY 2014, the Company commenced an action against Robert Allan Glass in Federal Court in Austin, Texas regarding the termination of his employment agreement. The Company seeks to recover all common stock and cancel all options issued to Mr. Glass as part of his employment agreement. Mr. Glass has filed a counterclaim against the Company alleging breach of contract of the employment agreement seeking allegedly unpaid compensation.

On December 22, 2014, the parties came to a non-appealable judgment agreement. Pursuant to this agreement, Robert Allan Glass and the Company agreed that he may retain 2.4 million shares that were issued to him as part of his prior employment agreement. As part of the agreement, Mr. Glass agreed to forego all accrued and unpaid wages and to terminate all outstanding options or warrants held in his name and to return 2.6 million shares of Common Stock to the Company for cancellation, which shares were part of his signing bonus.

Item 1A. Risk Factors

As a Smaller Reporting Company as defined Rule 12b-2 of the Exchange Act and in item 10(f)(1) of Regulation S-K, we are electing scaled disclosure reporting obligations and therefore are not required to provide the information requested by this Item 1A.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

(a) From July 1, 2014 to December 31, 2014, we had the following sales of unregistered Common Stock.

<u>Date of Sale</u>	<u>Title of Security</u>	<u>Number Sold</u>	<u>Consideration Received and Description of Underwriting or Other Discounts to Market Price or Convertible Security, Afforded to Purchasers</u>	<u>Exemption from Registration Claimed</u>	<u>If Option, Warrant or Convertible Security, terms of exercise or conversion</u>
July 2014	Common Stock	766,667	\$46,000 cash received; no commissions paid	Section 4(2); and/or Rule 506	Not applicable.
August 2014	Common Stock	240,000	\$14,400 cash received; no commissions paid	Section 4(2); and/or Rule 506	Not applicable.
August 2014	Common Stock	262,034	\$60,000 cash received; no commissions paid	Section 4(2); and/or Rule 506	Not applicable.
August 2014	Common Stock	320,000	\$57,600 cash received; no commissions paid	Section 4(2); and/or Rule 506	Not applicable.
August 2014	Common Stock	250,000	\$25,000 cash received; no commissions paid	Section 4(2); and/or Rule 506	Not applicable.
September 2014	Common Stock	300,000	\$20,000 cash received; no commissions paid	Section 4(2); and/or Rule 506	Not applicable.
September 2014	Common Stock	138,899	Shares issued for services valued at \$25,000; no commissions paid	Section 4(2); and/or Rule 506	Not applicable.
September 2014	Common Stock	400,000	\$20,000 cash received; no commissions paid	Section 4(2); and/or Rule 506	Not applicable.
September 2014	Common Stock	538,462	\$35,000 cash received; no commissions paid	Section 4(2); and/or Rule 506	Not applicable.

September 2014	Common Stock	1,617,362	\$210,000 cash received; no commissions paid	Section 4(2); and/or Rule 506	Not applicable.
September 2014	Common Stock	787,922	\$128,000 cash received; no commissions paid	Section 4(2); and/or Rule 506	Not applicable.
September 2014	Common Stock	52,154	Debenture interest paid with stock, valued at \$12,778	Section 4(2); and/or Rule 506	Not applicable.

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October 2014	Common Stock	1,580,077	Shares issued for services valued at \$347,617; no commissions paid	Section 4(2); and/or Rule 506	Not applicable.
October 2014	Common Stock	250,000	Shares issued for services valued at \$60,000; no commissions paid	Section 4(2); and/or Rule 506	Not applicable.
October 2014	Common Stock	2,000,000	Shares issued for services valued at \$300,000; no commissions paid	Section 4(2); and/or Rule 506	Not applicable.
October 2014	Common Stock	250,000	Shares issued for services valued at \$60,000; no commissions paid	Section 4(2); and/or Rule 506	Not applicable.
October 2014	Common Stock	83,333	\$5,000 cash received; no commissions paid	Section 4(2); and/or Rule 506	Not applicable.
October 2014	Common Stock	125,000	\$5,000 cash received; no commissions paid	Section 4(2); and/or Rule 506	Not applicable.
October 2014	Common Stock	1,999,333	Conversion of debenture valued at \$299,900	Section 4(2); and/or Rule 506	Not applicable.
November 2014	Common Stock	40,483	Debenture interest paid with stock, valued at \$9,028	Section 4(2); and/or Rule 506	Not applicable.
November 2014	Common Stock	334,000	Conversion of debenture valued at \$16,700	Section 4(2); and/or Rule 506	Not applicable.
November 2014	Common Stock	8,333,333	Conversion of debenture valued at \$500,000	Section 4(2); and/or Rule 506	Not applicable.
November 2014	Common Stock	366,667	\$20,000 cash received; no commissions paid	Section 4(2); and/or Rule 506	Not applicable.
December 2014	Common Stock	591,667	Shares issued for services valued at \$94,667; no commissions paid	Section 4(2); and/or Rule 506	Not applicable.
December 2014	Common Stock	833,334	Conversion of debenture valued at \$55,000	Section 4(2); and/or Rule 506	Not applicable.
December 2014	Common Stock	283,333	\$21,000 cash received; no commissions paid	Section 4(2); and/or Rule 506	Not applicable.

(b) Rule 463 of the Securities Act is not applicable to the Company.

(c) In the six months ended December 31, 2014, there were no repurchases by the Company of its Common Stock. However, See “Item 1” regarding our settlement agreement with Mr. Glass which resulted in the cancellation of 2.6 million shares of common stock plus all options/warrants that were owned by Mr. Glass.

Item 3. Defaults Upon Senior Securities.

None

Item 4. Mining Safety Disclosures

Not applicable.

Item 5. Other Information.

See "Note 4 to the Financial Statements" for description of Various Related Party and Other Transactions.

Item 6. Exhibits

The following exhibits are all previously filed in connection with our Form 8-K filed November 10, 2008, unless otherwise noted.

2.1	Agreement and Plan of Merger and Reorganization, dated as of October 15, 2008, by and among Quantum Materials Corp., Solterra Renewable Technologies, Inc., the shareholders of Solterra and Greg Chapman, as Indemnitor.
3.1	Articles of Incorporation. (Incorporated by reference to Form SB-2 Registration Statement filed October 5, 2007)
3.2	2010 Amendment to Articles of Incorporation – incorporated by reference to the Form 10K for the fiscal year ended June 30, 2014
3.3	2013 Amendment to Articles of Incorporation – incorporated by reference to the Form 10K for the fiscal year ended June 30, 2014
3.4	By-Laws. (Incorporated by reference to Form SB-2 Registration Statement filed October 5, 2007)
4.1	Form of Securities Purchase Agreement dated as of November 4, 2008.
4.2	Form of Security Agreement dated November 4, 2008.
4.3	Form of Subsidiary Guarantee dated November 4, 2008.
4.4	Form of Stock Pledge Agreement dated November 4, 2008.
4.5	Form of Debenture-- MKM Opportunity Master Fund, Ltd.
4.6	Form of Debenture.-- MKM SP1, LLC
4.7	Form of Debenture-- Steven Posner Irrevocable Trust u/t/a Dated 06/17/65.
4.8	Form of Escrow Agreement
4.9	Form of Amended Waiver and Consent.
4.10	Form of Registration Rights Agreement.
4.11	Standstill Agreement dated June 1, 2009. (Incorporated by reference to Form 8-K filed June 9, 2009)
4.12	Amended Standstill Agreement dated June 1, 2009. (Incorporated by reference to Form 10-K filed for the year ended June 30, 2009.)
4.13	Extension of Standstill Agreement dated October 29, 2009. (Incorporated by reference to Form 10-K filed for the year ended June 30, 2009.)
10.1	License Agreement by and between William Marsh Rice University and Solterra Renewable Technologies, Inc. dated August 20, 2008.
10.2	Letter dated October 2, 2008 from Rice University amending the License Agreement contained in Exhibit 10.1

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10.3	Agreement with Arizona State University executed by ASU on October 8, 2008 and executed by Solterra on September 18, 2008.
10.4	Letters dated November 5, 2009 and November 5, 2009 amending Rice University Agreement. (Incorporated by reference to Form 10-K filed for the year ended June 30, 2009.)
10.5	Consulting Agreement between Steven Posner, Oceanus Capital and The issuer. (Incorporated by reference to Form 10-K filed for the year ended June 30, 2009.)
10.6	Consulting Agreement between Sound Capital Inc. and the issuer dated November 12, 2009 (Incorporated by reference to the Registrant's Form 10-Q for the quarter ended September 30, 2009)
10.7	License Agreement between The University of Arizona and the issuer dated July 2009. (Incorporated by reference to the Registrant's Form 10-Q for the quarter ended September 30, 2009).
10.8	Letter dated December 16, 2010 from Rice University amending the License Agreement contained in Exhibit 10.1 (Incorporated by reference to the Registrant's Form 10-K for its fiscal year ended June 30, 2010.)
10.9	Amendment to Exclusive Patent License Agreement between University of Arizona and Solterra Renewable Technologies (i.e. amendment to exhibit 10.7). (Incorporated by reference to the Registrant's Form 10-K for its fiscal year ended June 30, 2010 filed on February 14, 2011.)
10.10	Amended License Agreement by and between William Marsh Rice University and Solterra Renewable Technologies, Inc. (Incorporated by reference to Form 8-K dated September 19, 2013)
10.11	License Agreement by and between William Marsh Rice University and Quantum Materials Corp. (Incorporated by reference to Form 8-K dated September 19, 2013)
10.12	Second Amendment to Issuer's Agreement with University of Arizona. (Incorporated by reference to Form 10-K for the fiscal year ended June 30, 2012)
10.13	Employment Agreement – Stephen Squires. (Incorporated by reference to Form 8-K filed January 23, 2013)
10.14	Employment Agreement – David Doderer (Incorporated by reference to Form 8-K filed January 23, 2013)
21.1	Subsidiaries of Registrant listing state of incorporation (Incorporated by reference to Form 10-K for fiscal year ended June 30, 2011)
31(a)	Rule 13a-14(a) Certification – Principal Executive Officer *
31(b)	Rule 13a-14(a) Certification – Principal Financial Officer *
32(a)	Section 1350 Certification – Principal Executive Officer *
32(b)	Section 1350 Certification – Principal Financial Officer *
99.1	2009 Employee Benefit and Consulting Services Compensation Plan (Incorporated by reference to the Registrant's Form 10-K for its fiscal year ended June 30, 2014 filed on September 29, 2014.)
99.2	2013 Employee Benefit and Consulting Services Compensation Plan (Incorporated by reference to the Registrant's Form 10-K for its fiscal year ended June 30, 2014 filed on September 29, 2014.)
101.SCH	Document, XBRL Taxonomy Extension *
101.CAL	Calculation Linkbase, XBRL Taxonomy Extension Definition *
101.DEF	Linkbase, XBRL Taxonomy Extension Labels *
101.LAB	Linkbase, XBRL Taxonomy Extension *
101.PRE	Presentation Linkbase *

* Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

QUANTUM MATERIALS CORP.

February 13, 2015

By: /s/ Stephen Squires
Stephen Squires,
Principal Executive Officer

February 13, 2015

By: /s/ Chris Benjamin
Chris Benjamin,
Principal Financial Officer

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, Stephen Squires, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Quantum Materials Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer (if any) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

February 13, 2015

/s/ STEPHEN SQUIRES
Stephen Squires, Principal Executive Officer

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Chris Benjamin, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Quantum Materials Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer (if any) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

February 13, 2015

By: /s/ CHRIS BENJAMIN
Chris Benjamin, Principal Financial Officer

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350**

In connection with the Quarterly Report of Quantum Materials Corp., (the "Company") on Form 10-Q for the period ending December 31, 2014 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Stephen Squires, Principal Executive Officer of the Company, certify, pursuant to 18 U.S.C. ss.1350, as adopted pursuant to ss.906 of the Sarbanes-Oxley Act, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

By: /s/ STEPHEN SQUIRES
Stephen Squires
Principal Executive Officer
February 13, 2015

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350**

In connection with the Quarterly Report of Quantum Materials Corp. (the "Company") on Form 10-Q for the period ending December 31, 2014 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Chris Benjamin, Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. ss.1350, as adopted pursuant to ss.906 of the Sarbanes-Oxley Act, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

By: /s/ CHRIS BENJAMIN
Chris Benjamin,
Principal Financial Officer
February 13, 2015