

Quantum Bit Induction Technology, Inc.
(a Nevada Corporation)

3rd QUARTER 2011 INFORMATION AND DISCLOSURE STATEMENT

Item 1 - Exact name of the issuer and the address of its principal office.

Quantum Bit Induction Technology, Inc.
11152 Westheimer #118, Houston, Texas 77042
phone: 832-377-7149
email: qbitoffice@quantumbit.com
website: www.quantumbit.com

Item 2 - Shares Outstanding

Class of Securities	Period Ending	Shares Authorized	Shares Outstanding	Tradable Shares / Public Float (1)	Beneficial Owners (2)	Shareholders of Record (3)
Common Stock	September 30, 2011	2,500,000,000	2,017,333,000	167,049,978	551	258
	December 31, 2010	2,500,000,000	1,842,333,000	1,120,978	586	271
	December 31, 2009	2,500,000,000	2,500,000,000	915,238	455	142
Class B Stock	September 30, 2011	100,000,000	N/A	N/A	N/A	N/A
	December 31, 2010	100,000,000	N/A	N/A	N/A	N/A
	December 31, 2009	100,000,000	1,605,666	N/A	97	117

- (1) Represents shares held in street name, and shares held by registered shareholders where the transfer agent's records indicate the shares do not contain a restrictive legend. Does not include restricted shares held by registered shareholders that may be sold under Rule 144.
- (2) Represents estimated street name and registered shareholders.
- (3) Represents registered shareholders only.

Item 3 - Interim financial statements.

The following financial statements for the Company for the quarterly period ended September 30, 2011 have been attached to the end of this document and are incorporated herein by reference:

1. Balance Sheet as of September 30, 2011;
2. Statement of Income for the three months ended September 30, 2011;
3. Statement of Changes in Stockholders' Equity for the three months ended September 30, 2011;
4. Statement of Cash Flows for the three months ended September 30, 2011;
5. Notes to Financial Statements.

The financial statements were prepared internally by the company's management. Financial archive for earlier years is available on the Company's website.

Item 4 - Management's Discussion and Analysis or Plan of Operation.

Forward Looking Statements

This report contains forward-looking statements that involve risks and uncertainties, such as statements about our plans, objectives, expectations, assumptions, or future events. In some cases, you can identify forward-looking statements by terminology such as "anticipate," "estimate," "plan," "project," "predict," "potential," "continue," "ongoing," "expect," "believe," "intend," "may," "will," "should," "could," or the negative of these terms or other comparable terminology. These statements involve estimates, assumptions, known and unknown risks, uncertainties and other factors that could cause

actual results to differ materially from any future results, performances, or achievements expressed or implied by the forward-looking statements. Actual future results and trends may differ materially from those made in or suggested by any forward-looking statements due to a variety of factors, including, for example, our ability to compete with other payment systems, the risk of loss due to fraud and disputes between senders and recipients; and the fact that our status under state, federal and international financial services regulation is unclear. Consequently, you should not place undue reliance on these forward-looking statements.

The forward-looking statements speak only as of the date on which they are made and, except as required by law, we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Overview

The Company continues to protect and develop its technical work. The Company was founded to pursue the technologies that sound theory was telling serious science were possible. In our history we have taken tight budgets and attempted to commercialize. Most of the money raised by the Company came from its founders over the years and our mission progress continues. We have historically raised capital and expensed the money on technical work. We have learned in the recent few years this is corporately unsound.

The Company became a 9% limited partner of QBIT Investment Fund, LP by investing Common Shares. QBIT Investment Fund, LP is controlled by Craig Nelson of Houston, Texas. QBIT Investment Fund, LP's business objective is to provide stable limited partnership income to the Company while protecting or growing capital value.

The Company plans to use income to perfect our technologies and products. QBIT Investment Fund, LP has committed to develop adequate partnership income and cash distribution to satisfy the cash requirements of the Company into the future.

A. Plan of Operation.

1. Describe the issuer's plan of operation for the next twelve months.

- i. The Company anticipates partnership income from QBIT Investment Fund to satisfy its cash requirements;
- ii. We hope to embody negative group delay in digital signal processors and cascade the devices. This should give us usable time advance in data streams.
- iii. We hope to build an ultrasonic and electrically resonant water electrofusion device and quantify its operating results.
- iv. We do not expect significant expenditures for equipment or facilities.
- v. We expect the number of full time employees to be approximately 5 over the next year.

B. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The Company received \$6,529.50 over the previous three months from QBIT Investment Fund, LP. QBIT Investment Fund's obligation to the Company reduced by \$5,885,000 during the quarter in exchange for NEL Resources, Inc. (QBIT Investment Fund's General Partner) sponsoring 400M QBII shares under The Company's standard Sponsorship Agreement.

C. Off-Balance Sheet Arrangements.

We do not currently have off-balance sheet arrangements.

Item 5 - Legal Proceedings

There are no past, pending or threatened legal proceeding or administrative actions by or against the issuer.

Item 6 - Defaults upon senior securities.

There were no defaults on any debts or securities during the period.

Item 7 - Other Information

The Company implemented a Sponsorship plan in which Sponsors agree to pay fees in proportion to cash dividends or distributions that are paid to the Company's common shares. Sponsors receive rights to use and commercialize technologies developed by the company. Sponsors indicate the size of their sponsorship commitment by choosing a number of QBII share to sponsors, i.e., the "sponsored shares".

Item 8 - Exhibits.

Not Applicable

Item 9 - Certifications.

I, Mike Skillern, certify that:

1. I have reviewed this 3rd QUARTER INFORMATION AND DISCLOSURE STATEMENT of Quantum Bit Induction Technology, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statements 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 statement were made, not misleading with respects to the period covered by this disclosure statement, and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

September 30, 2011

/s/ Mike Skillern

Mike Skillern
President & Director

09/30/11
Accrual Basis

Quantum Bit Induction Technology, Inc.
Balance Sheet
As of September 30, 2011

	<u>September 30, 2011</u>
ASSETS	
Current Assets	
Checking/Savings	5,763.75
Other Current Assets	<u>990,809.10</u>
Total Current Assets	996,572.85
Fixed Assets	6,044.36
Other Assets	<u>31,218.77</u>
TOTAL ASSETS	<u>1,033,835.98</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	43,607.72
Credit Cards	29,234.00
Other Current Liabilities	<u>9,720,567.78</u>
Total Current Liabilities	<u>9,793,409.50</u>
Total Liabilities	9,793,409.50
Equity	<u>-8,759,573.52</u>
TOTAL LIABILITIES & EQUITY	<u>1,033,835.98</u>

09/30/11
Accrual Basis

Quantum Bit Induction Technology, Inc.
Profit & Loss
As of September 30, 2011

	<u>June – Sept. 2011</u>
Ordinary Income/Expense	
Income	
Return on Investment	\$6,529.50
Total Income	\$6,529.50
Expense	
Office Expenses	\$2,400.00
Compensation of Officers	\$67,500.00
Computer/Internet	
Software	<u>\$35.00</u>
Total Computer/Internet	\$35.00
Director's Fees	\$4,500.00
Professional Services	
Public Relations	
News Releases	<u>\$375.00</u>
Total Public Relations	\$375.00
Legal Fees	\$1,800.00
Transfer Agent	\$0.00
Professional Services - Other	<u>\$900.00</u>
Total Professional Services	\$3,075.00
Rent	\$2,865.00
Telephone	
Cellular	<u>\$99.00</u>
Total Telephone	<u>\$99.00</u>
Total Expense	<u>\$80,474.00</u>
Net Ordinary Income	<u>-\$73,944.50</u>
Net Income	<u>-\$73,944.50</u>

09/30/11
Accrual Basis

Quantum Bit Induction Technology, Inc.
Cash Flow Statement
As of September 30, 2011

	<u>June – Sept. 2011</u>
OPERATING ACTIVITIES	
Net Income	-\$73,944.50
Adjustments to reconcile Net Income to net cash provided by operations:	
Loan - Peter McCain	\$22,500.00
Loan- Ellis Gibson	\$22,500.00
Loan- Mike Skillern	\$22,500.00
Loan- Other	<u>\$0.00</u>
Net cash provided by Operating Activities	<u>-\$6,444.50</u>
Net cash increase for period	-\$6,444.50
Cash at beginning of period	<u>\$12,208.25</u>
Cash at end of period	<u>\$5,763.75</u>

09/30/11
Accrual Basis

Quantum Bit Induction Technology, Inc.
Stockholder's Equity
September 30, 2011

	Sep 30, 2011	Jun 30, 2011	Mar 31, 2011	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008
Class B	\$0	\$0	\$0	\$0	\$56,661	\$56,661
Common Stock	\$936,717	\$936,717	\$936,717	\$936,717	\$880,056	\$880,056
Paid in Capital	\$63,610	\$63,610	\$63,610	\$63,610	\$43,610	\$30,110
Retained Earnings	-\$8,619,511	-\$8,545,566	-\$8,480,808	-\$8,416,950	-\$4,448,554	-\$446,076
Net Income	-\$73,945	-\$64,758	-\$63,858	-\$1,106,890	-\$3,968,396	-\$4,002,479
Total Equity	-\$8,759,574	-\$8,685,629	-\$8,620,871	-\$8,557,013	-\$7,450,123	-\$3,481,727
Class B Outstanding	0	0	0	0	1,605,666	1,612,643
Equity Per Class B Share	n/a	n/a	n/a	n/a	n/a	n/a
Common Shares Outstanding	2,017,333,000	2,017,333,000	1,842,333,000	1,842,333,000	2,500,000,000	1,100,668,801
Equity Per Common Share	-\$0.00434	-\$0.00431	-\$0.00468	-\$0.00464	-\$0.00298	-\$0.00316

Notes to Financial Statements

1. The Financial Statements were prepared from the Company's records program by Management. Professional accountants were not used in preparing the reports.
2. Debt to officers is mostly accrued it does not reflect money paid.

Jonathan F. Elliston, PhD, MBA, JD
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Houston, TX 77042
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September 30, 2011

Quantum Bit Induction Technology, Inc.
11152 Westheimer #118
Houston, Texas 77042

Re: Quantum Bit Induction Technology, Inc. information (the "Company" or "Issuer")

Greetings:

Please be advised;

1. Issuer and its shareholders are entitled to rely on this letter in determining whether the Issuer has made current information publicly available within the meaning of Rule 144(c)(2) of the Securities Act of 1933.
2. I am a United States resident and have retained by the Issuer for the purposes of rendering this letter and other matters; specifically, I am a law firm acting as special and limited counsel to the Issuer.
3. I have examined such corporate records and other documents and such questions of law, as I considered necessary or appropriate for purposes of rendering this letter.
4. I am authorized to practice law in the state of Texas (State Bar of Texas - #24004635). This letter applies to the United States of American and all jurisdictions therein. This letter does not rely on the work of other counsel.
5. I am permitted to practice before the United States Securities and Exchange Commission (The "SEC") and have not been prohibited from practicing thereunder.
6. As to matter of fact, I have relied on information obtained from public officials, officers of the Issuer and other sources and all such sources are believed to be reliable. In my examination, I have assumed the genuineness of all signatures on all documents, the legal capacity of all natural persons, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as copies, and authenticity of the originals of such latter documents.
7. I have reviewed the Company Information and Disclosure Statement – Quarterly Report including financial statements for the quarter ending September 30, 2011 which was published on the Issuer's website. It is my opinion that said documents are accurate, up to date, and contain the most current and accurate information available from the Issuer.
8. The information referred to above (i) constitutes "adequate current public information" concerning the securities of the issuer and "is available" within the meaning of Rule 144(c)(2) under the Securities Act, (ii) includes all of the information that a broker-dealer would be required to obtain from the issuer to publish a quotation for the securities under Rule 15c2-11 under the Securities Exchange Act of 1934 (the "Exchange Act"), (iii) complies as to form with the generally accepted reporting requirements of OTC issuers.
9. The person responsible for the preparation of the financial statements contained in the information is Ellis Gibson, who is qualified to prepare such financial statements by virtue of over 12 years of professional experience and acting as Treasurer of the Issuer. The financial statements have not been audited.

10. The Issuer's transfer agent is Nevada Agency and Transfer Company, 50 West Liberty Street, Suite 880, Reno, Nevada 89501. The transfer agent is registered with the SEC. I have confirmed the number of outstanding shares in the information by reviewing the shareholder list and speaking with the transfer agent.
11. I have (i) personally met with management of the Issuer and its board of directors, (ii) reviewed the Information, as amended, published by the Issuer through its website, and (iii) discussed the Information with management and its directors.
12. To the best of my knowledge, after inquiry of management and its directors, neither the issuer, any 5% shareholder, nor counsel is under investigation by any federal, or state regulatory authority for any violation of federal or state securities laws.
13. This letter is given solely to Issuer and its shareholders, and may not be released to or relied upon by, nor is it intended to benefit, any other person or for any other purpose without prior written consent; provided, however, Issuer has full and complete permission to publish the letter through its website for viewing by the public and regulators.
14.
 - A) Executive Officers, Directors, Control Persons, and persons who acquired shares directly from Issuer within the last three years;
 - 1) Mike Skillern, President, Director
 - i. Michael Don Skillern
 - ii. 11152 Westheimer #118, Houston, TX 77042
 - iii. 377,726,000 Common Shares
 - iv. All of Mr. Skillern's stock certificates contain legends stating that the securities have not been registered and restrictions on resale apply.
 - 2) Ellis Gibson, Treasurer, Director
 - i. Ellis Geoffrey Gibson
 - ii. 11152 Westheimer #118, Houston, TX 77042
 - iii. 239,749,000 Common Shares
 - iv. All of Mr. Gibson's stock certificates contain legends stating that the securities have not been registered and restrictions on resale apply.
 - 3) Pete McCain, Secretary, Director
 - i. Peter Kevin McCain
 - ii. 11152 Westheimer #118, Houston, TX 77042
 - iii. 207,390,000 Common Shares
 - iv. All of Mr. McCain's stock certificates contain legends stating that the securities have not been registered and restrictions on resale apply.
 - 4) Manuel Gonzalez, Director
 - i. Manuel Gonzalez
 - ii. 11152 Westheimer #118, Houston, TX 77042
 - iii. 50,050,000 Common Shares
 - iv. All of Mr. Gonzalez's stock certificates contain legends stating that the securities have not been registered and restrictions on resale apply.

- 5) QBIT Investment Fund, LP, obtained securities of the issuer in connection with a negotiation with the Issuer within three years of the date of this writing.
 - i. QBIT Investment Fund, LP – Craig Nelson, General Partner
 - ii. 16422 Stuebner Airline, Suite 747, Spring, Texas 77379
 - iii. 18,334,662 Common Shares ("QBII")
 - iv. 16,934,662 of QBIT Investment Fund, LP's QBII share certificates contain legends stating that the securities have not been registered and restrictions on resale apply.

- 6) Wakabayashi Fund, LLC, obtained securities of the issuer in connection with a negotiation with the Issuer within three years of the date of this writing.
 - i. Wakabayashi Fund, LLC – Tadaharu Wakabayashi, Managing Director
 - ii. 4-13-20 Mita Minato-Ku, Tokyo, Japan 108-0073
 - iii. 176,997,000 Common Shares ("QBII")
 - iv. 47,500,000 of Wakabayashi Fund, LLC's QBII share certificates contain legends stating that the securities have not been registered and restrictions on resale apply.

B) Promoters, finders, consultants, and other advisors of the Issuer that assisted, prepared, or provided information with respect to the Issuer's disclosure or who received securities as consideration for services rendered to the Issuer.

None

15. I have made specific inquiry of each of the persons listed above, persons engaged in promotional activities regarding the Issuer, and persons owning more than ten percent (10%) of either class of the Securities (collectively, the "Insiders"), and based upon such inquiries and other information available to me, any sales of the Securities by Insiders within the twelve-month period prior to this opinion have been made in compliance with Rule 144, including, without limitation, any required filings of Form 144. Nothing has come to my attention indicating that any of the insiders is in possession of any material non-public information regarding the Issuer or the Securities that would prohibit any of them from buying or selling the Securities under of Rules 10b-5 or 10b5-1 of the Exchange Act.

Regards,

LAW OFFICE OF JONATHAN F. ELLISTON



cc: Quantum Bit Induction Technology, Inc.
Mike Skillern, President