

MARINE JET TECHNOLOGY CORP  
Form 10QSB  
May 14, 2004

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-QSB

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the quarterly period ended March 31, 2004

OR

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: **000-33297**

MARINE JET TECHNOLOGY CORP.

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

Nevada  
(State or other jurisdiction of incorporation or  
organization)

88-0450923  
(IRS Employer Identification No.)

4805 158 Court NE  
Redmond, Washington 98052

(Address of principal executive offices)

(425) 869-2723

(Issuer's telephone number)

Check whether the issuer (1) 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

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PART I.

Item 1. Financial Statements

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors of  
Marine Jet Technology, Corp:

We have reviewed the accompanying balance sheet of Marine Jet Technology, Corp. (a Development Stage Company incorporated in Nevada) as of March 31, 2004, the related statements of operations and accumulated deficit for the three months ended March 31, 2004 and March 31, 2003, and from February 9, 2000 (date of inception) to March 31, 2004, the statement of changes in stockholders' equity from February 9, 2000 (date of inception) to March 31, 2004, and the statements of cash flows for the three months ended March 31, 2004 and March 31, 2003, and from February 9, 2000 (date of inception) to March 31, 2004 in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Marine Jet Technology, Corp.

A review consists principally of inquiries of Company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles in the United States of America.

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As disclosed in Note 1, certain conditions indicate that the Company may be unable to continue as a going concern. The accompanying financial statements do not include any adjustments to the financial statements that might be necessary should the Company be unable to continue as a going concern.

May 6, 2004  
Henderson, Nevada

/s/ Chavez & Koch, CPA's  
Chavez & Koch, CPA's

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| <u>MARINE JET TECHNOLOGY, CORP.</u>                                       |                  |                   |
|---|------------------|-------------------|
| <u>(A Development Stage Company)</u>                                      |                  |                   |
| <u>BALANCE SHEETS</u>   |                  |                   |
| <u>AS OF MARCH 31, 2004 (UNAUDITED) &amp; DECEMBER 31, 2003 (AUDITED)</u> |                  |                   |
|   | <u>3/31/2004</u> | <u>12/31/2003</u> |
| <u>ASSETS</u>   |                  |                   |
| CURRENT ASSETS:   |                  |                   |
| Cash  | \$ 1,198         | \$ 9,766          |
| Total current assets  | <u>1,198</u>     | <u>9,766</u>      |
| FIXED ASSETS:   |                  |                   |
| Office equipment  | 689              | 689               |
| Equipment and machinery   | 30,000           | 30,000            |
| Accumulated depreciation  | (15,749)         | (14,232)          |
| Total fixed assets  | <u>14,940</u>    | <u>16,457</u>     |
| OTHER ASSETS:   |                  |                   |

|   |           |           |
|---|-----------|-----------|
| Amortized Intangible Assets:  |           |           |
| Proprietary rights agreement  | 1,000     | 1,000     |
| Patents   | 55,238    | 55,238    |
| Accumulated amortization  | (15,369)  | (14,363)  |
|   | <hr/>     | <hr/>     |
| Total other assets  | 40,869    | 41,875    |
|   | <hr/>     | <hr/>     |
| TOTAL ASSETS  | \$ 57,007 | \$ 68,098 |
|   | <hr/>     | <hr/>     |
| <u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>   |           |           |
| CURRENT LIABILITIES:  |           |           |
| Notes payable-shareholder   | \$ 15,428 | \$ 15,203 |
|   | <hr/>     | <hr/>     |
| Total current liabilities   | 15,428    | 15,203    |
|   | <hr/>     | <hr/>     |
| STOCKHOLDERS' EQUITY:   |           |           |
| Common stock, \$0.001 par value, 45,000,000 shares authorized<br>20,782,570 issued and outstanding as of 3/31/04 and 12/31/03.      | 20,783    | 20,783    |
| Preferred stock, \$0.001 par value, 5,000,000 shares authorized,<br>no<br>shares issued and outstanding as of 3/31/04 and 12/31/03. | -         | -         |
| Additional paid-in capital  | 177,595   | 177,595   |
| Accumulated deficit during development stage  | (156,799) | (145,483) |
|   | <hr/>     | <hr/>     |
| Total stockholders' equity  | 41,579    | 52,895    |
|   | <hr/>     | <hr/>     |
| TOTAL LIABILITIES & STOCKHOLDERS' EQUITY  | \$ 57,007 | \$ 68,098 |
|   | <hr/>     | <hr/>     |

The accompanying independent accountants' review report and notes to the financial statements should be read in conjunction with these Balance Sheets.

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MARINE JET TECHNOLOGY, CORP.  
(A Development Stage Company)  
STATEMENT OF OPERATIONS AND ACCUMULATED DEFICIT  
FOR THE THREE MONTHS ENDED MARCH 31, 2004 & 2003  
AND FROM INCEPTION TO MARCH 31, 2004

UNAUDITED

| <hr/>          |           | <hr/>        |
|----------------|-----------|--------------|
| 3 months ended |           | Inception to |
| <hr/>          |           | <hr/>        |
| 3/31/2004      | 3/31/2003 | 3/31/2004    |
| <hr/>          |           | <hr/>        |

|  |    |                   |    |                   |    |                   |
|--|----|-------------------|----|-------------------|----|-------------------|
| REVENUES:  | \$ | -                 | \$ | -                 | \$ | -                 |
| EXPENSES:  |    |                   |    |                   |    |                   |
| General and administrative expenses              |    | (8,568)           |    | (13,988)          |    | (130,514)         |
| Depreciation expense                             |    | (1,517)           |    | (1,504)           |    | (15,748)          |
| Amortization expense                             |    | (1,006)           |    | (998)             |    | (15,369)          |
|  |    | <u>          </u> |    | <u>          </u> |    | <u>          </u> |
| TOTAL EXPENSES                                   |    | (11,091)          |    | (16,489)          |    | (161,631)         |
|  |    | <u>          </u> |    | <u>          </u> |    | <u>          </u> |
| OPERATING INCOME (LOSS)                          |    | (11,091)          |    | (16,489)          |    | (161,631)         |
|  |    | <u>          </u> |    | <u>          </u> |    | <u>          </u> |
| Other income (expense):                          |    |                   |    |                   |    |                   |
| Interest expense                                 |    | (225)             |    | -                 |    | (1,018)           |
| Gain on forgiveness of debt                      |    | -                 |    | -                 |    | 5,850             |
|  |    | <u>          </u> |    | <u>          </u> |    | <u>          </u> |
| TOTAL OTHER INCOME (EXPENSE)                     |    | (225)             |    | -                 |    | 4,832             |
|  |    | <u>          </u> |    | <u>          </u> |    | <u>          </u> |
| NET INCOME (LOSS)                                |    | (11,316)          |    | (16,489)          |    | (156,799)         |
|  |    | <u>          </u> |    | <u>          </u> |    | <u>          </u> |
| Accumulated deficit, beginning of period         |    | (145,483)         |    | (103,917)         |    | -                 |
|  |    | <u>          </u> |    | <u>          </u> |    | <u>          </u> |
| Accumulated deficit, end of period               | \$ | (156,799)         | \$ | (120,406)         | \$ | (156,799)         |
|  |    | <u>          </u> |    | <u>          </u> |    | <u>          </u> |
| Weighted average number<br>of shares outstanding |    | 20,782,570        |    | 20,732,570        |    | 20,782,570        |
|  |    | <u>          </u> |    | <u>          </u> |    | <u>          </u> |
| Net income (loss) per basic shares               | \$ | (0.00)            | \$ | (0.00)            | \$ | (0.01)            |
|  |    | <u>          </u> |    | <u>          </u> |    | <u>          </u> |
| Net income (loss) per diluted shares             | \$ | (0.00)            | \$ | (0.00)            | \$ | (0.01)            |
|  |    | <u>          </u> |    | <u>          </u> |    | <u>          </u> |

The accompanying independent accountants' review report and notes to the financial statements should be read in conjunction with these Statements of Operations and Accumulated Deficit.

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MARINE JET TECHNOLOGY, CORP.  
(A Development Stage Company)  
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

FROM INCEPTION TO MARCH 31, 2004  
(UNAUDITED)

|   | <u>Shares</u>     | <u>Common<br/>Stock</u> | <u>Additional<br/>Paid-in<br/>Capital</u> | <u>Accumulated<br/>Deficit During<br/>Dev. Stage</u> | <u>Total<br/>Stockholders'<br/>Equity</u> |
|---|-------------------|-------------------------|---|--|---|
| <u>Issued for cash</u>                                |                   |                         |   |  |   |
| February 11, 2000                                     | 105,000           | \$ 105                  | \$ -                                      | \$ -   | \$ 105                                    |
| <u>Issued for cash</u>                                |                   |                         |   |  |   |
| February 12, 2000                                     | 3,125,000         | 3,125                   | -   | -  | 3,125                                     |
| <u>Issued for cash</u>                                |                   |                         |   |  |   |
| May 18, 2000  | 100,000           | 100                     | -   | -  | 100                                       |
| <u>Issued for proprietary rights agreement</u>        |                   |                         |   |  |   |
| May 19, 2000  | 1,000,000         | 1,000                   | -   | -  | 1,000                                     |
| <u>Issued for patents</u>                             |                   |                         |   |  |   |
| May 19, 2000  | 15,875,000        | 15,875                  | 33,906                                    | -  | 49,781                                    |
| <u>Expense paid for by an officer &amp; director</u>  |                   |                         |   |  |   |
| December 31, 2000                                     | -                 | -                       | 4,790                                     | -  | 4,790                                     |
| <u>Net income (loss)</u>                              |                   |                         |   |  |   |
| December 31, 2000                                     | -                 | -                       | -   | (18,718)   | (18,718)                                  |
| <u>Balance December 31, 2000</u>                      | <u>20,205,000</u> | <u>20,205</u>           | <u>38,696</u>                             | <u>(18,718)</u>                                      | <u>40,183</u>                             |
| <u>504 Offering</u>                                   |                   |                         |   |  |   |
| July 31, 2001   | 527,570           | 528                     | 104,986                                   | -  | 105,514                                   |
| <u>Expenses paid for by an officer &amp; director</u> |                   |                         |   |  |   |
| September 30, 2001                                    | -                 | -                       | 11,575                                    | -  | 11,575                                    |
| <u>Expenses paid for by an officer &amp; director</u> |                   |                         |   |  |   |
| December 31, 2001                                     | -                 | -                       | 3,179                                     | -  | 3,179                                     |
| <u>Net income (loss)</u>                              |                   |                         |   |  |   |
| December 31, 2001                                     | -                 | -                       | -   | (49,650)   | (49,650)                                  |
| <u>Balance December 2001</u>                          | <u>20,732,570</u> | <u>20,733</u>           | <u>158,436</u>                            | <u>(68,368)</u>                                      | <u>110,801</u>                            |
| <u>Expenses paid for by an officer &amp; director</u> |                   |                         |   |  |   |
| December 31, 2002                                     | -                 | -                       | 9,844                                     | -  | 9,844                                     |
| <u>Net income (loss)</u>                              |                   |                         |   |  |   |
| December 31, 2002                                     | -                 | -                       | -   | (35,549)   | (35,549)                                  |
| <u>Balance December 31, 2002</u>                      | <u>20,732,570</u> | <u>20,733</u>           | <u>168,280</u>                            | <u>(103,917)</u>                                     | <u>85,096</u>                             |

The accompanying independent accountants' review report and notes to the financial statements should be read in conjunction with this Statement of Changes in Stockholders' equity.

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MARINE JET TECHNOLOGY, CORP.  
(A Development Stage Company)  
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY  
FROM INCEPTION TO MARCH 31, 2004  
(UNAUDITED)

|   | Shares            | Common<br>Stock  | Additional<br>Paid-in<br>Capital | Accumulated<br>Deficit<br>During<br>Dev. Stage | Total<br>Stockholders'<br>Equity |
|---|-------------------|------------------|----------------------------------|--|----------------------------------|
| <u>Expense reimbursement to an officer &amp; director</u> |                   |                  |                                  |  |                                  |
| March 31, 2003  | -                 | -                | (635)                            | -  | (635)                            |
| <u>Issued for cash</u>                                    |                   |                  |                                  |  |                                  |
| December 16, 2003   | 50,000            | 50               | 9,950                            | -  | 10,000                           |
| <u>Net income (loss)</u>                                  |                   |                  |                                  |  |                                  |
| December 31, 2003   | -                 | -                | -                                | (41,566)                                       | (41,566)                         |
| <u>Balance December 31, 2003</u>                          | <u>20,782,570</u> | <u>20,783</u>    | <u>177,595</u>                   | <u>(145,483)</u>                               | <u>52,895</u>                    |
| <u>Net income (loss)</u>                                  |                   |                  |                                  |  |                                  |
| March 31, 2004  | -                 | -                | -                                | (11,316)                                       | (11,316)                         |
| <u>Balance December 31, 2004</u>                          | <u>20,782,570</u> | <u>\$ 20,783</u> | <u>\$ 177,595</u>                | <u>\$ (156,799)</u>                            | <u>\$ 41,579</u>                 |

The accompanying independent accountants' review report and notes to the financial statements should be read in conjunction with this Statement of Changes in Stockholders' equity.

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MARINE JET TECHNOLOGY, CORP.  
(A Development Stage Company)  
STATEMENT OF CASH FLOWS  
FOR THE THREE MONTHS ENDED MARCH 31, 2004 & 2003  
AND FROM INCEPTION TO MARCH 31, 2004

|  | UNAUDITED          |                 | Inception to<br>3/31/2004 |
|--|--------------------|-----------------|---------------------------|
|  | Three months ended |                 |                           |
|  | 3/31/2004          | 3/31/2003       |                           |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                                     |                    |                 |                           |
| Net income (loss)  | \$ (11,316)        | \$ (16,489)     | \$ (156,799)              |
| Adjustments to reconcile net loss with net cash<br>used in operating activities: |                    |                 |                           |
| Depreciation and amortization  | 2,523              | 2,502           | 31,119                    |
| Increase (decrease) in interest<br>payable                                       | 225                | -               | 225                       |
| <b>NET CASH USED IN OPERATING ACTIVITIES</b>                                     | <b>(8,568)</b>     | <b>(13,987)</b> | <b>(125,455)</b>          |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                                     |                    |                 |                           |
| Purchase of capital assets   | -                  | -               | (30,689)                  |
| Purchase of licensing agreement, patents   | -                  | -               | (5,458)                   |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>                                     | <b>-</b>           | <b>-</b>        | <b>(36,147)</b>           |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>                                     |                    |                 |                           |
| Note payable-shareholder   | -                  | -               | 15,203                    |
| Proceeds from issuance of capital stock  | -                  | -               | 118,843                   |
| Capital contributions through expenses pd. by officer                            | -                  | -               | 28,754                    |
| Decrease in additional paid-in-capital   | -                  | (636)           | -                         |



|   |                             |                             |                             |
|---|-----------------------------|-----------------------------|-----------------------------|
| NET CASH PROVIDED BY FINANCING ACTIVITIES | -                           | (636)                       | 162,800                     |
|   | <u>                    </u> | <u>                    </u> | <u>                    </u> |
| NET INCREASE (DECREASE) IN CASH           | (8,568)                     | (14,623)                    | 1,198                       |
| CASH, BEGINNING OF PERIOD                 | 9,766                       | 16,214                      | -                           |
|   | <u>                    </u> | <u>                    </u> | <u>                    </u> |
| CASH, END OF PERIOD                       | \$ 1,198                    | \$ 1,591                    | \$ 1,198                    |
|   | <u>                    </u> | <u>                    </u> | <u>                    </u> |
| Supplemental disclosures:                 |                             |                             |                             |
| Interest paid                             | \$ -                        | \$ -                        | \$ -                        |
|   | <u>                    </u> | <u>                    </u> | <u>                    </u> |
| Taxes paid                                | \$ -                        | \$ -                        | \$ -                        |
|   | <u>                    </u> | <u>                    </u> | <u>                    </u> |

The accompanying independent accountants' review report and notes to the financial statements should be read in conjunction with these Statements of Cash Flows.

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MARINE JET TECHNOLOGY, CORP.  
(A Development Stage Company)  
**NOTES TO FINANCIAL STATEMENTS**  
AS OF MARCH 31, 2004

#### BASIS OF PRESENTATION

The unaudited financial statements as of March 31, 2004 included herein have been prepared without audit pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with United States generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. It is suggested that these financial statements be read in conjunction with the December 31, 2003 audited financial statements and notes thereto.

#### NOTE 1 - GOING CONCERN

The Company's financial statements are prepared using the generally accepted accounting principles applicable to a going concern, which assumes the realization of assets and liquidation of liabilities in the normal course of business.

Since the Company has not commenced its planned principal operations, the Company intends to raise sufficient capital needed to continue operating until its planned principal operations commence.

The Company anticipates the ability to raise additional money through Private Placement Memorandums. Additionally, the Company plans to curtail expenses so that the current cash balance will allow the company to continue to operate.

Without realization of additional capital, it would be unlikely for the Company to continue as a going concern.

The officers and directors are involved in other business activities and may, in the future, become involved in other business opportunities. If a specific business opportunity becomes available, such persons may face a conflict in selecting between the Company and their other business interests. The Company has not formulated a policy for the resolution of such conflicts.

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## ITEM 2. - MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS

### Forward-Looking Statements

This Quarterly Report contains forward-looking statements about Marine Jet Technology Corporation's business, financial condition and prospects that reflect management's assumptions and beliefs based on information currently available. We can give no assurance that the expectations indicated by such forward-looking statements will be realized. If any of our management's assumptions should prove incorrect, or if any of the risks and uncertainties underlying such expectations should materialize, Marine Jet's actual results may differ materially from those indicated by the forward-looking statements.

The key factors that are not within our control and that may have a direct bearing on operating results include, but are not limited to, acceptance of our services, our ability to expand our customer base, managements' ability to raise capital in the future, the retention of key employees and changes in the regulation of our industry.

There may be other risks and circumstances that management may be unable to predict. When used in this Quarterly Report, words such as, "believes," "expects," "intends," "plans," "anticipates," "estimates" and similar expressions are intended to identify forward-looking statements, as defined in Section 21E of the Securities Exchange Act of 1934, although there may be certain forward-looking statements not accompanied by such expressions. The safe harbors of forward-looking statements provided by Section 21E of the Exchange Act are unavailable to issuers of penny stock. As we issued securities at a price below \$5.00 per share, our shares are considered penny stock and such safe harbors set forth under the Reform Act are unavailable to us.

### General

Marine Jet Technology Corporation is a corporation formed in the State of Nevada in February 9, 2000. We intend to develop marine jet propulsion systems for sale and to license the rights to manufacture these systems and/or boats incorporating our technology under the name "Quick Jet." We plan to develop and market the Quick Jet technology to produce a proprietary marine jet propulsion system that offers the low-speed thrust and acceleration of a propeller drive, while retaining the safety, convenience and maneuverability of a traditional jet design.

Our goal is to sell the Quick Jet system in combination with available marine motors to boat manufacturers, who we expect to produce boats incorporating our licensed technology. We may also license one or more manufacturers to sell systems based on the technology. In return, manufacturers will pay us a royalty on each boat or engine sold that utilizes our technology. We currently do not intend to produce the Quick Jet engines in-house. Marine Jet anticipates that the use of existing production and sales capacity offers the most rapid market penetration. For this reason, our strategy centers on developing joint venture and licensing relationships with boat and motor manufacturers. We have yet to identify such companies or enter into any manufacturing relationships or joint ventures. Our Internet site, "www.marinejettech.com," is available for industry participants and consumers to learn about our Quick Jet technology. We believe that our web site is ideal for answering technical questions, building credibility and creating market interest.

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We have developed a fully-operational prototype propulsion system. This system has been undergoing test, research and further development by our management. Our management has been working on the controls for the system to improve the maneuverability and convenience of the QuickJet. Although the prototype has generally met our management's expectations, we have been unable to retain either an independent firm or the instrumentation to accurately measure the performance specifications of the prototype.

#### Plan of Operation

Since our formation on February 9, 2000 through March 31, 2004, we accumulated a deficit of \$(156,799). Marine Jet's efforts have focused primarily on the development of our plan of operations, entering into agreements to utilize proprietary technology, obtaining assets to further develop a prototype Quick Jet motor and raising working capital through equity financing.

Our management anticipates the need to recruit a management team experienced in the marketing of new technology in similar markets, to generate interest in our Quick Jet technology. However, due to the limited availability of funds with which to pay salaries, we intend to make stock options a substantial portion of the compensation package for such a management team. The conversion of such securities may dilute your interest in our company as a shareholder.

We have developed controls for the test boat and used it to produce a promotional video, which we are disseminating to industry participants. Our management believes that the cash on hand will limit the progress on these tasks and that failure to obtain additional financing will delay or prevent the completion of such promotional material.

To fund our operations for the remaining three quarters of 2004, our management believes that our current financial resources will not be adequate to provide for our working capital needs. There are no preliminary loan agreements or understandings between us, our officers, directors or affiliates or lending institutions. We have no arrangements or commitments for accounts and accounts receivable financing. There are no plans or intentions to acquire a significant plant and/or any equipment, nor to divest any of our current assets or equipment.

Our management expects the need to raise additional capital via a public or private offering of equity or debt securities to provide funding for ongoing operations. There are no formal or informal agreements to attain such financing. Any capital attained from the sale of equity or debt securities will be utilized to manufacture an initial production run of Quick Jet systems to provide to potential customers for testing in their boats. In order to be able to begin producing marketable Quick Jet systems, we intend to use any proceeds from sales of our equity or debt securities to purchase patterns for castings, tooling for machining those castings and labor to assemble and test the production Quick Jet systems that result.

However, we cannot assure you that any financing can be obtained or, if obtained, that it will be on reasonable terms. Without realization of additional capital, our management believes that it would be unlikely for us to continue as a going concern.

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To generate revenues, we plan to:

1. Begin selling Quick Jet systems to boat builders;
2. Enter into joint venture marketing agreements with one or more engine builders to sell a propulsion package to boat builders; or
3. Enter into a joint venture licensing agreement with one or more manufacturers to build and sell systems and boats based upon the Quick Jet technology.

Because we are a development stage company with no significant operating history and a poor financial condition, we may be unsuccessful in obtaining such financing or the amount of the financing may be minimal and therefore inadequate to implement our plan of operations. We have no alternative plan of operations. In the event that we do not receive financing or our financing is inadequate or if we do not adequately implement an alternative plan of operations that enables us to conduct operations without having received adequate financing, we may have to liquidate our business and undertake any or all of the following actions:

1. Sell or dispose of our assets;
2. Pay our liabilities in order of priority, if we have available cash to pay such liabilities;
3. If any cash remains after we satisfy amounts due to our creditors, distribute any remaining cash to our shareholders in an amount equal to the net market value of our net assets;
4. File a Certificate of Dissolution with the State of Nevada to dissolve our corporation and close our business;
5. Make the appropriate filings with the Securities and Exchange Commission so that we will no longer be required to file periodic and other required reports with the Securities and Exchange Commission, if, in fact, we are a reporting company at that time.

If we have any liabilities that we are unable to satisfy and we qualify for protection under the U.S. Bankruptcy Code, we may voluntarily file for reorganization under Chapter 11 or liquidation under Chapter 7. Our creditors may also file a Chapter 7 or Chapter 11 bankruptcy action against us. If our creditors or we file for Chapter 7 or Chapter 11 bankruptcy, our creditors will take priority over our shareholders. If we fail to file for bankruptcy under Chapter 7 or Chapter 11 and we have creditors, such creditors may institute proceedings against us seeking forfeiture of our assets, if any. We do not know and cannot determine which, if any, of these actions we will be forced to take.

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Item 3. Controls and Procedures.

Quarterly evaluation of our disclosure controls and internal controls

Within the 90 days prior to the date of this report on Form 10-KSB, we evaluated the effectiveness of the design and operation of our "disclosure controls and procedures" (Disclosure Controls), and our "internal controls and procedures for financial reporting" (Internal Controls). This evaluation (the Controls Evaluation) was done under the supervision and with the participation of our management, including our chief executive officer (CEO) and chief financial officer (CFO). Our CEO performs the same functions as a principal executive officer and our CFO performs the same functions as a principal financial officer. Rules adopted by the SEC require that in this section of the quarterly report we present the conclusions of our CEO and our CFO about the effectiveness of our Disclosure Controls and Internal Controls based on and as of the date of the Controls Evaluation.

Disclosure controls and internal controls

Disclosure Controls are procedures that are designed with the objective of ensuring that information required to be disclosed in our reports filed under the Securities Exchange Act of 1934 (Exchange Act), such as this quarterly report, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's (SEC) rules and forms. Disclosure Controls are also designed with the objective of ensuring that such information is accumulated and communicated to our management, including the CEO and CFO, as appropriate to allow timely decisions regarding required disclosure. Internal Controls are procedures which are designed with the objective of providing reasonable assurance that (1) our transactions are properly authorized; (2) our assets are safeguarded against unauthorized or improper use; and (3) our transactions are properly recorded and reported, all to permit the preparation of our financial statements in conformity with generally accepted accounting principles.

Limitations on the Effectiveness of controls

Our management, including our CEO and CFO, confirm that the control systems are at the "reasonable assurance" level, however, management does not expect that our Disclosure Controls or our Internal Controls will prevent all error and all fraud as a control system. No matter how well conceived and operated, they cannot provide absolute assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon 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. However, upon discovery that the controls have become inadequate, they will be changed.

### Scope of the Controls Evaluation

Our CEO/CFO evaluation of our Disclosure Controls and our Internal Controls included a review of the controls' objectives and design, the controls' implementation by us and the effect of the controls on the information generated for use in this quarterly report. In the course of the Controls Evaluation, we sought to identify data errors, controls problems or acts of fraud and to confirm that appropriate corrective action, including process improvements, were being undertaken. This type of evaluation will be done on a quarterly basis so that the conclusions concerning controls effectiveness can be reported in our Quarterly Reports on Form 10-QSB and Annual Report on Form 10-KSB. The overall goals of these various evaluation activities are to monitor our Disclosure Controls and our Internal Controls and to make modifications as necessary; our intent in this regard is that the Disclosure Controls and the Internal Controls will be maintained as dynamic systems that change (including with improvements and corrections) as conditions warrant.

Among other matters, we sought in our evaluation to determine whether there were any "significant deficiencies" or "material weaknesses" in our Internal Controls, or whether we had identified any acts of fraud involving personnel who have a significant role in our Internal Controls. This information was important both for the Controls Evaluation generally and because items 5 and 6 in the Section 302 Certifications of the CEO and CFO require that the CEO and CFO disclose that information to our Board of Directors Audit Committee and to our independent auditors and to report on related matters in this section of the quarterly report. In the professional auditing literature, "significant deficiencies" are referred to as "reportable conditions"; these are control issues that could have a significant adverse effect on the ability to record, process, summarize and report financial data in the financial statements. A "material weakness" is defined in the auditing literature as a particularly serious reportable condition where the internal control does not reduce to a relatively low level the risk that misstatements caused by error or fraud may occur in amounts that would be material in relation to the financial statements and not be detected within a timely period by employees in the normal course of performing their assigned functions. We also sought to deal with other controls matters in the Controls Evaluation, and in each case if a problem was identified, we considered what revision, improvement and/or correction to make in accord with our on-going procedures.

In accord with SEC requirements, our CEO and CFO note that, since the date of the Controls Evaluation to the date of this Quarterly Report, there have been no significant changes in Internal Controls or in other factors that could significantly affect Internal Controls, including any corrective actions with regard to significant deficiencies and material weaknesses.

### Conclusions

Based upon the Controls Evaluation, our CEO and CFO have concluded that, our disclosure controls are effective to ensure that material information relating to us and our subsidiary is made known to management, including our CEO and CFO, particularly during the period when our periodic reports are being prepared. Our internal controls are effective to provide reasonable assurance that our financial statements are fairly presented in conformity with generally accepted accounting principles.

Item 6. Exhibits and Reports on Form 8-K

| (a) | Exhibits | Document Description  |
|-----|----------|---|
|     | 31.1     | Certification of Principal Executive Officer and Principal Financial Officer pursuant to Rule 13a-15(a) and Rule 15d-15(a), promulgated under the Securities Exchange Act of 1934, as amended |
|     | 32.1     | Certification Pursuant To 18 U.S.C. Section 1350, As Adopted Pursuant To Section 906 Of The Sarbanes-Oxley Act of 2002 (Chief Executive Officer and Chief Financial Officer)                  |

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SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on this 13<sup>th</sup> day of May, 2004.

MARINE JET TECHNOLOGY CORP.

(Registrant)

BY:

/s/ Jeff Jordan  
Jeff Jordan  
President, Principal Executive Officer, Treasurer,  
and Principal Financial Officer

