MARINE JET TECHNOLOGY CORP
Form 10QSB
February 13, 2003

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

FORM 10-QSB

[x] QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended **September 30, 2002**

OR

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT
For the transition period from Commission file number __________ to ___________

MARINE JET TECHNOLOGY CORP.

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

Nevada	88-0450923
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

4805 158 Court NE
Redmond, Washington 98052

(Address of principal executive offices)

(425) 869-2723

(Issuer's telephone number)

(Former name, former address and former fiscal year, if changed since last report)

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

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors of
Marine Jet Technology Corp:

We have reviewed the accompanying balance sheets of Marine Jet Technology Corp. (a development Stage Company) (a Nevada corporation) as of September 30, 2002 and 2001, the related statements of operations and accumulated deficit and cash flows for the nine and three months ended September 30, 2002 and 2001, 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 9 to these financial statements, the Company has had limited operations and has not established a long-term source of revenue. This raises substantial doubt about its ability to continue as a going concern. Management's plan in regards to this issue is also described in Note 9. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

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

December 18, 2002
Henderson, Nevada

MARINE JET TECHNOLOGY CORP.
(A Development Stage Company)
BALANCE SHEETS
AS OF SEPTEMBER 30, 2002 & 2001
UNAUDITED

	9/30/02	9/30/01
ASSETS		
CURRENT ASSETS:		
Cash	$ 17,620	$ 48,425
Prepaid expenses	405	-
Total current assets	18,025	48,425
FIXED ASSETS:		
Office equipment	689	-
Equipment and machinery	30,000	30,000
Accumulated depreciation	(6,597)	-
Total fixed assets	24,092	30,000
OTHER ASSETS:		
Amortized Intangible Assets:		
Proprietary rights agreement, net of amortization	831	929
Patents, net of amortization	46,111	46,014
Total other assets	46,942	46,943
TOTAL ASSETS	$ 89,059	$ 125,368
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ -	$ 945
Notes payable-shareholder	-	1,410
Total current liabilities	-	2,355
STOCKHOLDERS' EQUITY:		
Common stock, $0.001 par value, 45,000,000 shares authorized 20,732,570 and 20,468,785 shares issued and outstanding as of 9/30/02 and 9/30/01, respectively.	20,733	20,733
Preferred stock, $0.001 par value, 5,000,000 shares authorized, not shares issued and outstanding as of 9/30/02 and 9/30/01, respectively.	-	-
Additional paid-in capital	158,436	155,257

Accumulated deficit during devolopment stage	(90,110)	(52,977)
Total stockholders' equity	89,059	123,013
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	$ 89,059	$ 125,368

The accompanying independent accountants' review report and notes to 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 AND NINE MONTHS ENDED SEPTEMBER 30, 2002 AND 2001 AND FROM INCEPTION TO SEPTEMBER 30, 2002
UNAUDITED

	Three months ended		Nine months ended		Inception to
	9/30/2002	9/30/2001	9/30/02	9/30/01	9/30/02
REVENUES:	$ -	$ -	$ -	$ -	$ -
EXPENSES:					
General and administrative expenses	5,051	18,608	15,054	30,915	80,379
Depreciation expense	1,537	-	4,561	-	6,596
Amortization expense	1,020	942	2,127	2,754	5,902
TOTAL EXPENSES	7,608	19,550	21,742	33,669	92,877
OPERATING INCOME (LOSS)	(7,608)	(19,550)	(21,742)	(33,669)	(92,877)
Other income (expense):					
Interest expense	-	(590)	-	(590)	(590)
Gain on forgiveness of debt	-	-	-	-	5,850
TOTAL OTHER INCOME (EXPENSE)	-	(590)	-	(590)	5,260
NET INCOME (LOSS)	(7,608)	(20,140)	(21,742)	(34,259)	(87,617)

Accumulated Deficit, beginning of period	(82,502)	(32,837)	(68,368)	(18,718)	
As previously reported					-
Correction of an error (amortization)	-	-	-	-	(2,493)
Adjusted accumulated deficit, beginning of period	(82,502)	(32,837)	(68,368)	(18,718)	(2,493)
Accumulated Deficit, end of period	$ (90,110)	$ (52,977)	$ (90,110)	$ (52,977)	$ (90,110)
Weighted average number of shares outstanding	20,732,570	20,468,785	20,732,570	20,468,785	20,732,570
Net income (loss) per basic shares	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)
Net income (loss) per diluted shares	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)

The accompanying independent accountants' review report and notes to financial statements should be read in conjunction with this Statement 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 SEPTEMBER 30, 2002
UNAUDITED

	Shares	Amount	Additional Paid-in Capital	Accumulated Deficit During Dev. Stage	Total Stockholders' Equity
Issued for cash February 11, 2000	105,000	$ 105	$ -	$ -	$ 105
Issued for cash February 12, 2000	3,125,000	3,125	-	-	3,125

Issued for cash May 18, 2000	100,000	100	-	-	100
Issued for proprietary rights agreement May 19, 2000	1,000,000	1,000	-	-	1,000
Issued for patents May 19, 2000	15,875,000	15,875	7,552,125	-	7,568,000
Expense paid for by an officer & director December 31, 2000	-	-	4,790	-	4,790
Net income (loss) December 31, 2000	-	-	-	(310,575)	(310,575)
Prior Period Adjustment (Amortization)	-	-	-	291,857	291,857
Prior Period Adjustment (Patents valuation)	-	-	(7,518,219)	-	(7,518,219)
504 Offering July 31, 2001	527,570	528	104,986	-	105,514
Expenses paid for by an officer & director September 30, 2001	-	-	11,575	-	11,575
Net income (loss) for the nine months ended September 30, 2001	-	-	-	(34,259)	(34,259)

Balance September 30, 2001	20,732,570 -	20,733	155,257	(52,977)	123,013
Expenses paid for by an officer & director December 31, 2001	-	-	3,179	-	3,179
Net income (loss) for the three months ended December 31, 2001	-	-	-	(15,391)	(15,391)
Net income (loss) for the nine months ended September 30, 2002	-	-	-	(21,742)	(21,742)
Balance September 30, 2002	20,732,570	$ 20,733	$ 158,436	$ (90,110)	$ 89,059

The accompanying independent accountants' review report and notes to financial statments should be read in conjunction with this Statements of Changes in Stockholders' Equity.

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MARINE JET TECHNOLOGY CORP.
(A Development Stage Company)
STATEMENT OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2002 AND 2001
UNAUDITED

	1/1/2002 - 9/30/2002	1/1/2001- 9/30/2001
CASH FLOWS FROM OPERATING ACTIVITIES: Net income (loss)	$ (21,742)	$ (34,259)
Adjustments to reconcile net (loss) net cash (used in) provided by operating activites:		
Depreciation and amortization	7,590	2,794
(Increase) decrease in prepaid expenses	405	-

(Increase) decrease in accounts payable	-	-
NET CASH USED IN OPERATING ACTIVITIES	(13,747)	(31,465)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of capital assets	-	(30,000)
Purchase of licensing agreement, patents	-	(1,449)
NET CASH USED IN INVESTING ACTIVITIES	-	(31,449)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Decrease in note payable-shareholder	-	(5,965)
Proceeds from issuance of capital stock		117,089
NET CASH PROVIDED BY INVESTING ACTIVITIES	-	111,124
NET INCREASE (DECREASE) IN CASH	(13,747)	48,210
CASH, BEGINNING OF PERIOD	31,367	215
CASH, END OF PERIOD	$ 17,620	$ 48,425
Supplemental disclosures:		
Interest paid	$ -	$ -
Taxes paid	$ -	$ -

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

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MARINE JET TECHNOLOGY CORP.
(A Development Stage Company)
NOTES TO FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2002

NOTE 1 - ORGANIZATION AND BACKGROUND

Marine Jet Technology Corp. (a U.S. Operating Company and Nevada corporation) incorporated on February 9, 2000.The company was formed to develop and market a boat propulsion technology developed by the President of the Company. The Company currently has minimal operations and in accordance with SFAS #7, the Company is considered a development stage company.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements of Marine Jet Technology Corp. have been prepared on the accrual basis. Revenues are recognized when earned and expenses are recognized in the period incurred. The fiscal year end is December 31.

Cash and cash equivalents

The Company considers short-term investments with an original maturity of three months or less to be cash equivalents.

Prepaid expenses

The Company amortizes prepaid expenses over a period equivalent to the term of commitment. Prepaid expenses for the periods ended September 30, 2002 and September 30, 2001 were $405 and $0, respectively.

Fixed assets

Fixed assets are recorded at cost. Ordinary maintenance and repairs are charged to expense as incurred and costs that materially increase the life of the assets are capitalized. Depreciation is recorded using the straight-line method over the estimated useful life of the assets, which are as follows:

Office equipment	7 years
Equipment and machinery	5 years
Computer equipment	5 years
Software	5 years
Office furniture	7 years

Depreciation for the periods ended September 30, 2002, and September 30, 2001 was $4,561 and $0, respectively.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Earnings Per Share Calculations

Basic earnings per common share ("EPS") is computed by dividing income available to common stockholders by the weighed-average number of common shares outstanding for the period. The weighed-average number of common shares outstanding for computing basic EPS was 20,732,570 and 20,468,785 for the periods ended September 30, 2002 and 2001, respectively. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock. As of September 30, 2002 and 2001, the Company had no outstanding securities that could have a dilutive effect on the outstanding common stock, respectively.

Amortized Intangible assets

Intangible Assets are recorded at their historical cost. Amortization is recorded using the straight-line method over the estimated useful life of the assets, which are as follows:

Proprietary rights agreement	14 years
Patents	13-14 years

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions 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 reported period. Actual results could differ from those estimates.

Income taxes

The Company accounts for income taxes under Statement of Financial Accounting Standards No. 109 (SFAS #109) "Accounting for Income Taxes" ("SFAS No. 109"), which require the use of the liability method. SFAS No. 109 provides that deferred tax assets and liabilities are recorded based on the differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, referred to as temporary differences. Deferred tax assets and liabilities at the end of each period are determined using the currently enacted tax rates applied to taxable income in periods in which the deferred tax assets and liabilities are expected to be settled or realized.

MARINE JET TECHNOLOGY CORP.

(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

AS OF SEPTEMBER 30, 2002

NOTE 3 - COMMITMENTS

The Company entered into a two-year lease agreement for office space and mail forwarding services for $135 per month that ends on May 31, 2002. On July 18, 2001, the Company paid the lease in full.

NOTE 4 - AMORTIZED INTANGIBLE ASSETS

Proprietary Rights Agreement (non-cash transaction

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The Company has recorded the purchase of a proprietary rights agreement on May 18, 2000 from David Lyman, co-developer of the boat propulsion technology. The Company recorded the agreement for a consideration of 1,000,000 shares of $0.001 par value stock of the Company, valued at $1,000.

The Company has adopted SFAS 142. Under guidance from SFAS 142, Management has determined that the value of the proprietary rights agreement, purchased in May of 2000, has not significantly decreased and there has been no reduction in the usefulness of the asset for the periods ended September 30, 2002 and September 30, 2001.

Patent Licensing Agreement

The Company has recorded the purchase of a patent licensing agreement using the seller's historical cost of $55,238. The licensing agreement provides the company with proprietary, licensing, patent, marketing and other intellectual property rights related to the patents. The patents secure the rights to the development of marine jet propulsion technology used to provide more efficient inlet ducts, power transfer, and jet pump operation.

The Company has adopted SFAS 142. Under guidance from SFAS 142, Management has determined that as the major intangible asset, the value of the patent licensing agreement, purchased in April of 2000, has not significantly decreased and there has been no reduction in the usefulness of the asset for the periods ended September 30, 2002 and September 30, 2001.

Because the patents have not demonstrated their technological or commercial feasibility as September 30, 2002 and September 30, 2001, and since significant risks exist because of uncertainties the Company may face in the form of time and costs necessary to produce technological and commercial feasibility, there is uncertainty that the Company will be able to realize any value from the intangible asset should the technology fail to become viable.

MARINE JET TECHNOLOGY CORP.

(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

AS OF SEPTEMBER 30, 2002

NOTE 4 - AMORTIZED INTANGIBLE ASSETS (CONTINUED)

Amortized Intangible Assets

Amortization expense for the periods ended September 30, 2002, and September 30, 2001 was $2,127 and $2,754, respectively.

	For the periods ended September 30:	
	2002	2001
Proprietary rights agreement	$ 1,000	$ 1,000
Patents	55,238	51,230
Gross Carrying Amounts	56,238	52,230
Less: Accumulated Amortization	9,296	5,287
Net Amortized Intangible Assets	$ 46,942	$ 46,943

Scheduled amortization expense for each of the next five fiscal years are as follows:

Period ended September 30,	
2003	$ 3,992
2004	3,992
2005	3,992
2006	3,992
2007	26,982
Thereafter	$ 46,942

NOTE 5 - STOCKHOLDER'S EQUITY

On February 11, 2000, the Company issued 105,000 of its $0.001 par value common stock to an officer and director of the Company for cash in the amount of $105. Of the total amount received, $105 is considered common stock and $0 is considered additional paid-in capital.

On February 12, 2000, the Company issued 3,125,000 shares of its $0.001 par value common stock as founder's shares to the Company's officers and directors for cash of $3,125. Of the total amount received, $3,125 is considered common stock and $0 is considered additional paid-in capital.

MARINE JET TECHNOLOGY CORP.
(A Development Stage Company)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF SEPTEMBER 30, 2002

NOTE 5 - STOCKHOLDER'S EQUITY (CONTINUED)

On May 18, 2000, the Company issued 100,000 shares of its $0.001 par value common stock to an officer and director of the Company for cash in the amount of $100. Of the total amount received, $100 is considered common stock and $0 is considered additional paid-in capital.

On May 19, 2000, the Company issued 1,000,000 shares of its $0.001 par value common stock as consideration for a "Proprietary Rights Agreement" valued at $1,000 (See Note 4). Of the total amount received, $1,000 is considered common stock and $0 is considered additional paid-in capital.

On May 19, 2000, the Company issued 15,875,000 shares of its $0.001 par value common stock as consideration for a "Patent Licensing Agreement" valued at $55,238 (See Note 8). Of the total amount received, $15,875 is considered common stock and $33,906 is considered additional paid-in capital.

During the period ended December 31, 2001, an officer, director and shareholder of the Company paid for expenses on behalf of the Company totaling $4,790. Of the total amount received, $0 is considered common stock and $4,790 is considered additional paid-in capital.

On July 31, 2000, the Company closed its Rule 504 offering and issued 527,570 shares of its $0.001 par value common stock for cash in the amount of $105,514. Of the total amount paid, $528 is considered common stock and $104,986 is considered additional paid-in capital.

During the period ended September 30, 2001, an officer, director and shareholder of the Company paid for expenses on behalf of the Company totaling $11,575. Of the total amount received, $0 is considered common stock and $11,575 is considered additional paid-in capital.

During the period ended December 31, 2002, an officer, director and shareholder of the Company paid for expenses on behalf of the Company totaling $3,179. Of the total amount received, $0 is considered common stock and $3,179 is considered additional paid-in capital.

For the periods ended September 30, 2002 and September 30, 2001, the Company had 20,732,570 and 20,468,785 shares of common stock issued and outstanding, held by 113 shareholders of record for both periods.

MARINE JET TECHNOLOGY CORP.
(A Development Stage Company)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF SEPTEMBER 30, 2002

NOTE 6 - WARRANTS AND OPTIONS

There are no warrants or options outstanding to acquire any additional shares of common stock that are not disclosed on the balance sheets.

NOTE 7 - RELATED PARTY TRANSACTIONS

The Company entered into a Patent License Agreement ("Agreement") with Jeff P. Jordan and Robert J. Tomlinson ("Licensors"), officers and directors of the Company, to issue rights to all of the marketing, proprietary, licensing, patent and intellectual rights to US Patent #5,658,176, "Marine Jet propulsion System", US Patent #5,679,035, "Marine Jet Propulsion Nozzle and Method", and US Patent #5,683,276, "Marine Jet Propulsion Inlet Duct and Method", in exchange for 15,875,000 shares of the company's $0.001 par value common stock (See Note 6). The Agreement grants to the Company exclusive rights to the use of the Patents for all applications under 400hp.

The Company also entered into NonCompetition Agreements with the Licensors whereby for a period of 5 years from the date of the agreement, Licensors will not engage in or carry on, directly or indirectly, any business in competition with the business of the Company relating to the Patents that are the subject of the Patent License Agreement. No valuable consideration was given for the NonCompetition Agreements.

The Company purchased equipment from an officer and director of the Company on August 31, 2001 with cash in the amount of $30,000.

NOTE 8 - INCOME TAXES

As of September 30, 2002, the Company has a net operating loss carryforward of approximately $111,852 for tax purposes, which will be available to offset future taxable income. If not used, this carryforward will expire in 2022. The deferred tax asset relating to the net operating loss carryforward of approximately $17,780 has been fully reserved at June 30, 2002.

MARINE JET TECHNOLOGY CORP.
(A Development Stage Company)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

AS OF SEPTEMBER 30, 2002

NOTE 9 - 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 anticipates being listed as an Over-the-Counter Bulletin Board stock, which will provide an additional source of working capital for the Company. Finally, 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.

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 September 30, 2002, we accumulated a deficit of $(90,110). 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 2002, 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.

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.

Jeff Jordan, Principal Executive Officer and Principal Financial Officer of Marine Jet Technology Corp., has established and is currently maintaining disclosure controls and procedures for our company. The disclosure controls and procedures have been designed to ensure that material information relating to our company is made known to them as soon as it is known by others within our company.

Our Principal Executive Officer and Principal Financial Officer conducts an update and a review and evaluation of the effectiveness of the Company's disclosure controls and procedures and have concluded, based on their evaluation within 90 days of the filing of this Report, that our disclosure controls and procedures are effective for gathering, analyzing and disclosing the information we are required to disclose in our reports filed under the Securities Exchange Act of 1934. There have been no significant changes in our internal controls or in other factors that could significantly affect these controls subsequent to the date of the previously mentioned evaluation.

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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 12th day of February, 2003.

MARINE JET TECHNOLOGY CORP.
(Registrant)

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

CERTIFICATION

I, Jeff Jordan, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Marine Jet Technology Corp.;

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly report.

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures 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 quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Dated this 12th day of February, 2003.

/s/ Jeff Jordan
Jeff Jordan
Principal Executive Officer and Principal Financial Officer

CERTIFICATION PURSUANT TO
18 U.S.C. Section 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Marine Jet Technology Corp. (the "Company") on Form 10-QSB for the period ended September 30, 2002 as filed with the Securities and Exchange Commission on the date here of (the "Report"), I, Jeff Jordan, Chief Executive Officer and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 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 this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated this 12th day of February, 2003.

/s/ Jeff Jordan
Jeff Jordan
Chief Executive Officer and Chief Accounting Officer