
MEMORANDUM RECIPIENT

MEMORANDUM NO.



Confidential

Private Placement Memorandum

Qmage, Inc.

UP TO 800,000 SHARES OF COMMON STOCK

**\$1,000 Minimum Investment
Accredited Investors Only**

JUNE 2018

This Confidential Private Placement Memorandum (this “Memorandum” or “PPM”) and the materials provided in connection herewith are the property of the Company and are submitted on a confidential basis for use by a limited number of verified potential accredited investors solely in consideration of the purchase of the above captioned securities in a private placement. The acceptance of this Memorandum constitutes an agreement on the part of the recipient and its representatives and advisors to maintain the confidentiality of the information contained herein and in any other materials delivered in connection with this Memorandum. This Memorandum and any materials provided in connection with this Memorandum may not be reproduced or redistributed in whole or in part and its use for any reason other than to evaluate an investment in the securities described herein is not authorized and is prohibited.

Qmage, Inc.

COMMON STOCK

Qmage, Inc., a Delaware corporation, is offering shares of Common Stock (“Common Stock” or “Common Shares”), at a price per share determined pursuant to Schedule 1 hereto (the “Offering”) to a limited number of investors who qualify as “accredited investors,” as that term is defined in Regulation D promulgated under the Securities Act of 1933, as amended (the “Securities Act”). See “*Section VII: The Offering - Investor Suitability Requirements.*” References in this Memorandum to the “Company”, “Qmage”, “we”, “our” or “us” refer to Qmage, Inc.

The price, terms and conditions of the offering of Common Stock made hereby were determined by the Board of Directors of the Company. The minimum subscription amount for any new individual investor is \$1,000 unless otherwise agreed by the Company. The Company intends to set up a third-party escrow account to hold investor funds pending acceptance by the Company. Pending acceptance, the Company will hold all investor funds and no interest will be paid on subscriptions.

The Company is in the early stages of development and an investment in the Common Stock involves a high degree of risk and must be regarded as speculative due, among other things, to the nature of the Company's business and the size of the Company. Investors should not purchase any Common Shares unless they can afford to lose their entire investment. See “*Section II - Risk Factors.*”

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFERING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This Memorandum does not constitute an offer to sell or the solicitation of an offer to buy any of the Common Stock offered hereby to anyone in any jurisdiction in which such offer or solicitation is unlawful. Neither the delivery of this Memorandum nor any sale made hereunder shall, under any circumstances, imply that there has been no change in the affairs of the Company or that the information herein is correct as of any time subsequent to the dates as of which such information is given.

The securities offered hereby have not been registered under the Securities Act or the securities laws of any state of the United States. Neither such securities nor any interest or participation therein may be sold, assigned, pledged, hypothecated, encumbered or in any other manner transferred or disposed of unless effected pursuant to an effective registration statement related thereto or accompanied by an opinion of counsel acceptable to the Company that such registration is not required under the Securities Act.

Access to Information

The Company will make available to each offeree and his or her representatives, if any, prior to the sale of the Common Stock offered hereby, the opportunity to question the Company or persons acting on its behalf about the terms of this Offering. The Company will also obtain and make available any additional information (to the extent the Company can acquire the information without unreasonable effort or expense) requested to verify the accuracy of the information in this Memorandum or otherwise provided or made available prior to the sale of the Common Stock and any additional information that an offeree or his or her representatives might request to make a decision as to the purchase of any Common Shares. Representatives of the Company will be available to each prospective purchaser during normal business hours and will respond to questions concerning the terms and conditions of the Offering. Offerees and their representatives are encouraged to communicate directly with:

Qmage, Inc.
Adam Diamond, General Counsel
12555 Biscayne Blvd. #861
Miami, Florida 33181
786-860 7797

No persons other than the Company have been authorized to make representations or give any additional information about the Common Stock offered hereby. No information or representation should be relied upon by any prospective investor or his or her investment advisors other than as set forth in this Memorandum or as provided in writing by the executive officers of the Company.

General Notes

This Offering involves a high degree of risk and consequently is suitable only for persons of substantial means who have no need for liquidity, who can afford a total loss of their investment, and who understand, or have been advised as to, the long-term nature and tax consequences of, and risk factors associated with, this investment.

There will be no market for the Common Stock offered hereby. These shares of Common Stock are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and applicable state securities laws in the United States, or pursuant to registration or exemption therefrom. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

The contents of this Memorandum should not be construed by investors as legal or tax advice, and no representations or warranties of any kind are intended or should be inferred regarding the economic return or the tax consequences to investors that acquire the Common Stock. Prospective investors should consult their own attorneys, accountants and financial advisors about the legal and tax consequences and the financial risks and merits of an investment in the Common Stock.

The offering and sale of the Common Shares offered hereby is being made solely to “accredited investors,” as that term is defined pursuant to Regulation D under the Securities Act, whom the Company expects will conduct their own due diligence. Accordingly, this Memorandum contains only selected information believed to be of interest to investors. It does not purport to include all information that might be required in a prospectus or registration statement used in a public offering registered with the Securities and Exchange Commission (the “SEC”), or to include all information that might be presented in an offering memorandum designed to satisfy the requirements for a private placement to non-accredited investors made pursuant to Regulation D under the Securities Act. Investors should make their own examination of the Company and the terms of the Offering, including the merits and risks involved.

The Company reserves the right to reject or reduce the subscription of any prospective investor even if such investor satisfies all suitability standards discussed in this Memorandum. Without limiting the generality of the foregoing, the Company will sell Common Stock offered hereby only to persons whom the Company believes are accredited investors. If the prospective investor receiving this Memorandum does not submit an offer to purchase, or if such offer is submitted but not accepted by the Company, the prospective investor agrees to return promptly this Memorandum and all enclosed documents.

Forward-Looking Statements

Statements contained herein that are not based on historical fact, including, without limitation, statements containing the words “believes,” “may,” “will,” “estimate,” “continue,” “anticipates,” “intends,” “expects” and words of similar import, constitute “forward-looking statements” within the meaning of the “bespeaks caution” doctrine under applicable law. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, events or developments to be materially different from any future results, events or developments expressed or implied by such forward-looking statements. Such factors include, among others, the following: the Company’s limited operating history; uncertain market acceptance of the Company’s products or services; technology changes; competition; changes in the Company’s business strategy or development plans; the ability of the Company to attract substantial additional capital; availability of current management and the ability to attract and retain qualified personnel; and other factors referenced in the Risk Factors and elsewhere in this Memorandum. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company disclaims any obligation to update any such factors or to announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments.

Statements in this Memorandum are made as of the date hereof unless stated otherwise and neither the delivery of this Memorandum at any time, nor any sale hereunder, shall under any circumstances create an implication that the information contained herein is correct as of any time subsequent to its date.

Qmage, Inc.
COMMON STOCK

Confidential Private Placement Memorandum

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SECTION I: SUMMARY OF THE OFFERING

The following summarizes certain provisions of the proposed Offering and does not purport to be complete and is subject to, and qualified in its entirety by, the provisions of the Company's Certificate of Incorporation, the Private Placement Memorandum and such other agreements related to the purchase of the Common Stock to be entered into with each prospective investor, and the provisions of applicable law.

Principal Terms of Offering

- Purchase Price:** The purchase price of the shares of Common Stock offered hereby (the "Offering") is as described in Schedule 1 hereto (the "Purchase Price"), which represents a pre-money valuation for the Company of approximately \$15,000,000.
- Outstanding Securities** As of June 17, 2018, the Company had 7.200,000 shares of Common Stock issued and outstanding.
- Aggregate Proceeds** The Company seeks to receive \$1,500,000 in total subscriptions, but the Company reserves the right to increase in the amount of oversubscription. The Company reserves the right to terminate the Offering at any time in its absolute discretion.
- Minimum Investment:** The minimum investment for any new investor in the Company is \$1,000; provided that the Company reserves the right to waive the minimum subscription amount in its discretion.
- Stock Purchase Agreement** Investors in the Offering will purchase the Common Stock pursuant to a Common Stock Purchase Agreement (the "Stock Purchase Agreement") prepared by the Company that includes customary representations and warranties of the Company and each investor.
- Use of Proceeds:** The proceeds from the Offering will be used for operating expenses (including salaries of our management team), for the ongoing marketing of this Offering, product development, sales and marketing, to attract and retain talented personnel, to explore options for conducting an initial coin offering or further capital raising efforts, and other working capital purposes. The Company reserves the right to alter the use of proceeds in the sole and absolute discretion of the Board of Directors, without notice to investors.
- Funding Platform/Consultant:** FundAthena, Inc. DBA Manhattan Street Capital ("MSC") is a funding platform that is assisting the Company to raise capital via SEC exemptions as the Issuer of securities in this Offering. MSC is entitled to receive (a) monthly retainer fees of \$60,000 over the first six months of the engagement, (b) a technology, administrative and service fee of \$25.00 per investor that purchases shares of Common Stock in the Offering, and (c) warrants to purchase the shares of Common Stock at a total face value equal to \$25.00 multiplied by the amount of investors participating in the Offering.
- Closing Date; Subscription** The Company will evaluate and accept subscriptions, and effect closings, until the full amount offered hereby is received or until the Offering is terminated by

Deadline: the Company. There is no minimum amount that must be received prior to the first closing of this Offering.

Expenses: The Company and the investors in this Offering will each bear their own legal and other expenses with respect to the transaction.

SECTION II: RISK FACTORS

AN INVESTMENT IN THE COMMON STOCK OFFERED HEREBY INVOLVES A HIGH DEGREE OF RISK AND THE COMMON STOCK SHOULD NOT BE PURCHASED BY PERSONS WHO CANNOT AFFORD THE LOSS OF THEIR ENTIRE INVESTMENT. PROSPECTIVE INVESTORS SHOULD CONSIDER CAREFULLY THE RISK FACTORS SET FORTH BELOW, IN ADDITION TO OTHER INFORMATION PRESENTED IN THIS MEMORANDUM IN EVALUATING THE COMPANY AND OUR BUSINESS. THIS MEMORANDUM CONTAINS FORWARD-LOOKING STATEMENTS. THE COMPANY'S ACTUAL RESULTS WILL, IN ALL LIKELIHOOD, DIFFER FROM THOSE PROJECTED OR IMPLIED IN THE FORWARD-LOOKING STATEMENTS, IN SOME INSTANCES MATERIALLY, AS A RESULT OF THE RISKS AND UNCERTAINTIES THAT WE FACE, INCLUDING THOSE SET FORTH BELOW AND ELSEWHERE HEREIN.

We operate in a highly competitive market and we may not be able to compete successfully with existing or new entrants to the marketplace.

The market for digital imaging applications is competitive, quickly evolving, and subject to rapid technological change. New digital imaging applications are appearing daily and it is challenging for small companies to garner consumer attention in such a crowded field. Future possible competitors of the Company include large companies, including Google, Apple, Instagram, SnapChat, Facebook, and Twitter, and smaller companies such as Shutterfly and FreePhotoPrints that operate photo services websites. I would first say that of course no one directly competes with us at the moment. Many of the Company's current and potential competitors have longer operating histories, greater name recognition, larger installed customer bases and significantly greater financial, technical, and marketing resources than those of the Company. Such competition could materially adversely affect the Company's business, operating results or financial condition. While the Company believes that it has the right technology and services to achieve its operating goals, there can be no assurance that the Company will be able to compete successfully against current or future competitors.

We have no history of generating revenue, have a history of operating losses and our technology platform is at an early stage of commercial acceptance.

We have a limited operating history and only a preliminary business plan upon which investors may evaluate our prospects. Since formation, we have never generated revenues and have a history of losses from operations. Through May 31, 2018 we incurred a net loss of approximately \$174,544.67. Our prospects must be considered in light of the risks, expenses and difficulties frequently encountered by enterprises in the early stage of commercial acceptance based on new technology, particularly companies in new and rapidly developing markets. To address these risks, we must, among other things, raise capital, develop and increase our customer base, respond to competitive developments, attract, retain and motivate qualified personnel and continue to develop our technology platform. There can be no assurance that we will be successful in addressing any or all such risks or that we will ever generate revenues or achieve profitability.

We anticipate that we will continue to incur operating losses or break even in 2018, and if we don't perform as projected in our business plan operating losses may continue after this time. As of March 30, 2018, we had approximately \$0 of cash, current assets consisting of office equipment, certain trademarks and patents, and approximately \$30,000 of current liabilities. To date, our operations have been funded by promissory notes with the Company's chief executive officer.

We may not raise sufficient proceeds in this Offering to achieve our business objectives.

The Company is undertaking an expansion strategy to grow its business and is seeking to raise an amount in this Offering that is expected to cover the Company's projected capital needs for the next twelve months. There can be no assurance that the Company will successfully raise all the capital it is seeking. The inability of the Company to successfully complete the Offering in full, or to obtain additional funding in the future as it is

needed, will have a material adverse effect on the Company's ability to achieve its projected operating results. The Company intends to set up a third-party escrow account to hold investor funds pending acceptance by the Company. Any subscription funds delivered to the Company in advance of acceptance will be held by the Company in a segregated Company bank account and will be subject to potential claims of the Company's creditors.

We may need to raise additional capital in the future, which might be on unfavorable terms and could result in significant dilution to our stockholders.

If the Company does not raise all of the capital sought in this Offering or if the Company does not perform as projected in the future, we will be required to seek additional capital in the future. If the Company is required to secure additional financing, it may take the form of issuances of equity and/or debt securities to institutional and strategic investors and commercial lending institutions. No assurance can be given that any additional financing will be available or that, if available, such financing will be obtainable on terms favorable to the Company and the rights of then-existing stockholders may be adversely impacted. In addition, the market for private capital can be unfavorable depending on business cycles, and may be particularly challenging during the times that the Company needs to raise funds. To the extent the Company raises additional capital by issuing equity or securities convertible into equity to new investors, the Company's then-existing stockholders (including investors in this Offering) will incur dilution to their ownership interest and this dilution could be severe.

We intend to explore the possibility of conducting a Regulation A+ offering and/or an Initial Coin Offering (“ICO”) in the future to raise additional capital to support our growth and ongoing operations.

Our business will require additional capital for implementation of our long-term business plan and product development and commercialization. As we require additional funds, we may seek to fund our operations through a Regulation A+ offering or an ICO. To the extent that the Company conducts such future offerings under Regulation A+, it may attempt to do so up to the dollar amount limitation imposed by the rule.

Defects or errors in our technology platform could affect our reputation, result in significant costs to us and impair our ability to sell our products, which would harm our business.

Our technology platform may contain defects or cause errors, which could materially and adversely affect our reputation, result in significant costs to us and impair our ability to sell our services in the future. The costs incurred in correcting any technology platform defects or errors may be substantial and could adversely affect our operating results.

Any defects that cause interruptions to the availability of our solutions could result in:

- lost or delayed market acceptance and sales of our products;
- loss of customers;
- product liability suits against us;
- diversion of development resources;
- injury to our reputation; and
- increased maintenance and warranty costs.

Our business is subject to potential liabilities resulting from security breaches.

The services the Company offers involve some storage of confidential personal information and data. If the Company's security measures are breached as a result of third-party action, employee error, malfeasance or otherwise, the Company could be subject to liability. The Company's security measures may not be effective in preventing these types of activities. In addition, the security measures of the Company's third-party data center

facilities and other vendors may not be adequate. Because techniques used to obtain unauthorized access to, or to sabotage, systems change frequently and often are not recognized until launched against a target, the Company may be unable to anticipate these techniques or implement adequate preventive measures. The Company's customers or third parties may assert liability claims against it as a result of any failure by the Company or third parties to prevent security breaches or the unauthorized disclosure of customer information, failure to comply with applicable data protection laws or the Company's own posted privacy policies, and other activities. In addition to potential legal liability, these activities may adversely impact the Company's reputation and may interfere with its ability to provide services, all of which could adversely impact the Company's business. Insurance for cybersecurity risks are expensive and may not provide us with adequate coverage in the event of a data breach or other cybersecurity incident.

We are reliant on the continued services of our key officers and will need to hire additional qualified personnel.

We are highly dependent upon the principal members of our management team, including Leigh M. Rothschild, our CEO, Scott Breitkopf, our CFO, Christopher J. Medina, our COO, and Adam Diamond, our General Counsel. We will also need to attract and retain a number of new personnel with specialized skills in order to succeed. Our success and strategy will depend, in large part, on our ability to attract and retain additional qualified personnel. There is intense competition for personnel in the Company's industry, and we may be unable to attract and retain qualified personnel necessary for the Company's success. The failure to attract and retain key personnel could have a material adverse effect on our operating results and financial condition.

We may not be able to adequately protect our intellectual property, which would harm our business.

In addition to our patented and licensed technology, we rely (and will continue to rely) upon, among other things, unpatented proprietary technology, processes, trade secrets, trademarks, and know-how. Any involuntary disclosure to or misappropriation by third parties of our confidential or proprietary information could enable competitors to duplicate or surpass our technological achievements, potentially eroding our competitive position in our market. There can be no assurance that others will not develop technology that is similar or superior to our technology or that others will not work around the aspects of our technology that we consider proprietary. Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy aspects of our products or obtain and use information that we regard as proprietary. In the event that we are unable to adequately protect our proprietary rights, our business, financial condition and results of operations could be materially and adversely affected.

We may not be effective in policing unauthorized use of our intellectual property, and even if we do detect violations, litigation may be necessary to enforce our intellectual property rights. Any enforcement efforts we undertake, including litigation, could be time-consuming and expensive, could divert our management's attention and may result in a court determining that our intellectual property rights are unenforceable. If we are not successful in cost-effectively protecting our intellectual property rights, our business would be harmed.

We may in the future be subject to intellectual property rights claims, which are very costly to defend, could require us to pay significant damages and could limit our ability to use the affected technologies in the future.

We may in the future be alleged to have misappropriated or misused other parties' intellectual property rights, and, to the extent we gain greater visibility, we face a higher risk of being the subject of intellectual property infringement claims. Any intellectual property claim against us, with or without merit, could be time consuming, expensive to settle or litigate and could divert our management's attention and other resources. These claims also could subject us to significant liability for damages and could result in our having to stop using materials or marks found to be in violation of a third party's rights. We might be required to seek a

license for third-party intellectual property, which may not be available on commercially reasonable terms, or at all. Even if a license is available, we could be required to pay significant royalties, which would increase our operating expenses. We may also be required to develop alternative non-infringing technology, which could require significant effort and expense. Any of these results would harm our business.

Following the Offering, our founder and management team will own the majority of our outstanding stock and control the outcome of decisions requiring a vote of our stockholders.

An entity controlled by our founder, Leigh M. Rothschild, beneficially owns or controls the majority of the outstanding capital stock of the Company. As a result, he will have the ability to control the outcome of all matters submitted to a vote of our shareholders, including the election of our directors, irrespective of how other Company shareholders may vote. This control may limit the ability of our other shareholders to remove management in the future and may delay or prevent a change in control of the Company.

Projections are inherently unreliable and you should not place undue reliance on them in making a decision whether to invest in the Offering.

The Company's financial projections have been prepared based on management's beliefs concerning our future economic performance in light of a number of factors affecting the Company's business and financial condition. Given that our product offerings are relatively new and in a testing phase, there can be no assurance that our projections will accurately reflect the Company's actual performance in the future. It is likely that the actual results will vary, perhaps materially, from the projections. Potential investors should scrutinize the Company's forecasts and the underlying assumptions and reach their own conclusions as to the reasonableness of those assumptions to evaluate the projections. The Company and management make no representation or warranty as to the accuracy or completeness of the projections included herein or in any materials provided in connection with the Offering.

The Offering is subject to applicable state and federal securities laws and there is a risk that the Company may not comply with applicable exemption requirements.

The Offering pursuant to this private placement memorandum is being made in reliance upon the "private placement" exemption from registration with the SEC provided by Section 4(2) of the Securities Act of 1933, as amended (the "Securities Act") by Rule 506(c) of Regulation D adopted thereunder, and exemptions from registration and qualification provided by the laws of certain states in which the offering is being made. Reliance upon these exemptions is technical and should not be viewed as a guarantee that such exemptions are available. In addition, each prospective investor will be required to represent to us that the investor is an "accredited investor" and is acquiring the Common Shares solely for the investor's own account, for investment purposes only, and not with a view to, or for resale in connection with, any distribution thereof.

There is no public market for the Company's stock and none may ever develop. There are significant restrictions on your ability to resell the Common Stock offered hereby.

The shares of Common Stock sold in the Offering are restricted securities under the Securities Act and applicable state securities laws, and prospective investors should be prepared to hold such securities for an indefinite period. The shares of Common Stock may not be resold unless they are subsequently registered under the Securities Act and applicable state securities laws or exemptions from such laws are available. There is no public market for any of our securities. No assurance can be given that we will ever undertake an initial public offering of our securities, or that any secondary market for our securities will ever develop or be sustained.

Management has broad discretion in determining how to use the proceeds of this Offering.

Our management team has broad discretion in the use of the net proceeds from this Offering and may not use them effectively. We cannot specify with certainty the particular uses of the net proceeds that we will receive from this Offering. Our management will have broad discretion in the application of the net proceeds. Our shareholders may not agree with the manner in which our management chooses to allocate and spend the net proceeds. The failure by our management to apply these funds effectively could have a material adverse effect on our business or delay the development or commercialization of our product candidates. Pending their use, we may invest the net proceeds from this Offering in a manner that does not produce income or that loses value.

SECTION III: BUSINESS

COMPANY OVERVIEW

We are a digital imaging technology company that has developed Qmage™ (the “Application”), an innovative digital imaging application for use on Apple and Android devices, as well as Desktop and Laptop computers. The Company’s technology represents the next generation of digital imaging applications. Developed over a two-year period, the Application allows for the encoding of audio, video, hyperlinks and text to be permanently stored with the digital image on the user’s device and/or computer and/or the Company’s cloud storage services. The Application can be used to both capture the digital image and then to allow the image to be scanned so that the information stored with the image can be retrieved by the user. Images created using the Application can be printed or stored on the Internet and/or posted on social media websites such as Instagram, Facebook and Twitter. Qmage™ has been developed from technology covered by three core patents owned by the Company.

Qmage™ also enables users to purchase goods or services that are represented by the digital image. The Application is currently in Beta testing phase and will be available for both iOS and Android platforms. We anticipate a US release of the Application in the first quarter of 2019, to be followed eventually by a worldwide rollout.

The Company currently holds the following patents:

- US Patent Number 7,475,092
- US Patent Number 7,991,792
- US Patent Number 9,547,667
- US Patent Publication Number 2012/0323914
- US Patent Publication Number 2017/0097947
- US Patent Publication Number 2017/0357876

The Company also holds the following trademarks:

- QMAGE (SN 87459088)
- QCODE (SN 87782086)
- Q (DESIGN) (SN 87800607)

FACILITIES

The Company’s principal offices are located at 12555 Biscayne Blvd, #861, Miami, Florida 33181 and our phone number is 786-860 7797.

EMPLOYEES

The Company currently has six (6) full-time employees and plans to hire up to eight (8) more full-time employees by the end of 2018, specifically in roles related to programming and technology development.

DIRECTORS AND EXECUTIVE OFFICERS

The following individuals are the directors and executive officers of the Company as of June 1, 2018.

Leigh M. Rothschild, CEO & DIRECTOR. Mr. Rothschild directs Qmage’s strategic vision and business development and oversees all technology development. He is credited as the inventor of QR/Barcode code

scanning and holds some of the earliest issued US and worldwide patents for this subject matter. Mr. Rothschild has been the founder and CEO of three public companies, including Barpoint.com (NASDAQ: BPNT), a pioneer in barcode scanning and information technology. Mr. Rothschild has a BA and a graduate degree in Business Administration from the University of Miami.

Scott Breitkopf, CFO. Mr. Breitkopf oversees the finance and accounting for Qmage. He has worked in the finance, accounting and money management fields for over 30 years, has worked at Big 8 accounting firms and has managed investment and wealth management departments for both significant banks as well as wealthy families. Mr. Breitkopf has a BS in Accounting from The George Washington University and a JD from the University of Miami.

Adam Diamond, General Counsel. Mr. Diamond serves as the General Counsel for Qmage and oversees the Company’s legal operations. Prior to joining Qmage, Mr. Diamond was an associate at a boutique intellectual property law firm focusing on helping clients manage their intellectual property. His clients included large existing companies as well as start-up companies. His prior legal experience spans intellectual property and construction law, complex commercial litigation and patent prosecution. Mr. Diamond earned his BS in Chemical and Biomolecular Engineering from Johns Hopkins University and his JD from the University of Florida Levin College of Law.

Christopher Medina, Director of Operations. Mr. Medina oversees daily operations for Qmage. Mr. Medina also currently serves as the Director of Operations for Patent Asset Management, LLC. He previously served as the Director of Operations for Rothschild Trust Holdings, LLC for sixteen years. Mr. Medina studied Business Administration at DeVry University.

COMPENSATION

The following table sets forth the total compensation for all executive officers of the Company paid for the fiscal year ended December 31, 2017 and anticipated for the fiscal year ending December 31, 2018.

2017

<i>Name</i>	<i>Cash compensation (\$)</i>	<i>Other Compensation (\$)</i>	<i>Total Compensation (\$)</i>
Leigh M. Rothschild	\$175,000 ⁽¹⁾	\$0	\$175,000 ⁽¹⁾
Scott Breitkopf	\$130,000 ⁽²⁾	\$0	\$130,000 ⁽²⁾
Adam Diamond	\$130,000 ⁽³⁾	\$0	\$130,000 ⁽³⁾
Christopher Medina	\$90,000 ⁽⁴⁾	\$0	\$90,000 ⁽⁴⁾

2018

<i>Name</i>	<i>Cash compensation (\$)</i>	<i>Other Compensation (\$)</i>	<i>Total Compensation (\$)</i>
Leigh M. Rothschild	\$175,000 ⁽¹⁾	\$0	\$175,000
Scott Breitkopf	\$130,000 ⁽²⁾	\$0	\$130,000
Adam Diamond	\$130,000 ⁽³⁾	\$0	\$130,000
Christopher Medina	\$90,000 ⁽⁴⁾	\$0	\$ 90,000

⁽¹⁾ Accrual of half salary of \$175,000 to be paid upon any successful capital raise of at least \$20,000,000. Start date for the accrual is September 1, 2017. The other half of such salary is paid prior to such capital raise.

⁽²⁾ Accrual of half salary of \$130,000 to be paid upon any successful capital raise of at least \$20,000,000. Start date for the accrual is September 1, 2017. The other half of such salary is paid prior to such capital raise.

⁽³⁾ Accrual of half salary of \$130,000 to be paid upon any successful capital raise of at least \$20,000,000. Start date for the accrual is September 1, 2017. The other half of such salary is paid prior to such capital raise.

⁽⁴⁾ Accrual of half salary of \$90,000 to be paid upon any successful capital raise of at least \$20,000,000. Start date for the accrual is September 1, 2017. As a result, Mr. Medina received \$45,000 in total compensation in 2017. The other half of such salary is paid prior to such capital raise.

Members of the Board of Directors receive no cash compensation for their services but they are reimbursed for expenses incurred with their participation on the Board.

LITIGATION

The Company has never been a party to any litigation. However, from time to time, the Company may become involved in various disputes or injury claims in the normal course of business, some of which may result in litigation. The Company does not yet maintain insurance coverage policies. Management cannot predict the outcome of any future disputes or their impact on the Company's consolidated financial position, results of operations, or cash flows.

SECTION IV: USE OF PROCEEDS

To the extent that the complete Offering is completed, the proceeds to the Company will be approximately \$1,499,800, less fees and expenses incurred in connection with the Offering estimated to be approximately \$192,000. It is currently anticipated that the proceeds will be used for operating expenses (including salaries of our management team), product development, sales and marketing, to attract and retain talented personnel, to make preparations for an initial coin offering, for the ongoing marketing of this Offering or further capital raising efforts, and other working capital purposes. The Company also plans to use proceeds from the Offering to retire promissory notes issued to the founder of the Company in amounts up to an aggregate of \$300,000 loans made to the Company. The Company reserves the right to alter the use of proceeds in the sole and absolute discretion of the Board of Directors, without notice to investors.

SECTION V: CORPORATE CAPITAL STRUCTURE

As of June 17, 2018, the Company had 7,200,000 shares of Common Stock outstanding.

The following table reflects ownership of our capital stock as of June 17, 2018 by our directors, executive officers and certain key employees. Except as reflected in the table below, no other shareholder holds more than 5% of the outstanding Common Stock of the Company.

STOCKHOLDER	POSITION	COMMON STOCK	OPTIONS	PERCENTAGE
Rothschild Labs LLC (Wholly-owned entity of CEO, Leigh Rothschild)		7,200,000		100%
<i>Total Shares Outstanding</i>		7,200,000		100%

SECTION VI: DESCRIPTION OF CAPITAL STOCK

The authorized capital stock of the Company consists of 12,000,000 shares of Common Stock and 100,000 shares of Preferred Stock. The following summary description of the Company's capital stock is qualified in its entirety by reference to the Certificate of Incorporation and the Bylaws of the Company.

Common Stock

As of June 17, 2018, the Company had 7,200,000 shares of Common Stock outstanding. Holders of Common Stock are entitled to one vote per share on all matters submitted to a vote of stockholders and do not have cumulative voting rights. The voting, dividend and liquidation rights of the holders of Common Stock are subject to and qualified by the rights, powers and preferences of the holders of the Preferred Stock.

Preferred Stock.

As of June 17, 2018, the Company had no shares of Preferred Stock authorized or outstanding. Pursuant to the Company's Certificate of Incorporation, the Board of Directors is authorized to issue up to 100,000 shares of Preferred Stock in one or more series, and without further approval of the stockholders, to fix the voting rights (if any), the preferences and relative, participating, optional or other special rights and the qualifications, limitations or restrictions applicable to each series of preferred stock.

Shareholder Agreement

The Company does not currently have any Shareholder Agreements.

Transfer Agent.

The Company acts as transfer agent and registrar for its securities.

SECTION VII: THE OFFERING

The Offering is being made on a best efforts basis, without any firm underwriting commitment, by the Company in reliance on exemptions from registration under the Securities Act and state securities laws. The Company has engaged FundAthena DBA, Manhattan Street Capital (“MSC”) as a consultant and online funding platform to assist the Company in conducting this Offering. MSC is entitled to receive (a) monthly retainer fees of \$60,000 over the first six months of the engagement, (b) a technology, administrative and service fee of \$25.00 per investor that purchases shares of Common Stock in the Offering, and (c) warrants to purchase the shares of Common Stock at a total face value equal to \$25.00 multiplied by the amount of investors participating in the Offering. The warrants shall have a 10 year term, and have a cashless exercise price equal to the per share price of securities sold in the Offering. These fees are not contingent on the success of the offering.

The Company intends to use an online platform provided by MSC, at www.manhattanstreetcapital.com/Qmage, to provide technology tools and support to allow for the sales of shares of Common Stock by Company in this Offering.

In order to purchase shares of Common Stock, each prospective investor must complete, execute, and acknowledge the Stock Purchase Agreement (made available electronically on the online platform noted above) after submitting payment by either a check, ACH, wire transfer, or Bitcoin payment, or debit card for the full subscription amount specified in the Stock Purchase Agreement. Investors will not receive any interest on subscription proceeds whether their subscriptions are accepted by the Company or not.

Procedure for Subscribing

IF YOU DECIDE TO SUBSCRIBE FOR THE SHARES IN THIS OFFERING, YOU SHOULD COMPLETE THE FOLLOWING STEPS:

IF SUBSCRIBING VIA MANHATTAN STREET CAPITAL:

1. GO TO WWW.BITPLUS.ORG OR WWW.MANHATTANSTREETCAPITAL.COM/QMAGE AND CLICK ON THE "INVEST" BUTTON;
2. COMPLETE THE ONLINE INVESTMENT FORM;
3. DELIVER FUNDS DIRECTLY BY ACH, CHECK, WIRE, BITCOIN, OR DEBIT CARD TO THE SPECIFIED ACCOUNT;
4. COMPLETE THE ONLINE ACCREDITED INVESTOR VERIFICATION PROCESS; AND
5. ELECTRONICALLY RECEIVE, REVIEW, EXECUTE AND DELIVER TO US A SUBSCRIPTION AGREEMENT.

Right to Reject Subscriptions

AFTER WE RECEIVE YOUR COMPLETE, EXECUTED SUBSCRIPTION AGREEMENT AND THE FUNDS REQUIRED UNDER THE SUBSCRIPTION AGREEMENT HAVE BEEN TRANSFERRED TO THE ESCROW ACCOUNT ESTABLISHED AT PRIME TRUST, WE HAVE THE RIGHT TO REVIEW AND ACCEPT OR REJECT YOUR SUBSCRIPTION IN WHOLE OR IN PART, FOR ANY REASON OR FOR NO REASON. WE WILL RETURN ALL MONIES FROM REJECTED SUBSCRIPTIONS IMMEDIATELY TO YOU, WITHOUT INTEREST OR DEDUCTION.

Investor Suitability Requirements

Investment in the Common Stock offered by the Company involves significant risks and is suitable only for persons of adequate financial means who have no need for liquidity with respect to this investment and who can bear the economic risk of a complete loss of their investment. This Offering is made in reliance on exemptions from the registration requirements of the Securities Act, and applicable state securities laws or regulations.

The suitability standards set forth herein and in the Stock Purchase Agreement represent minimum suitability standards for prospective investors. The satisfaction of such standards by a prospective investor does not necessarily mean that the Common Stock is a suitable investment for such prospective investor. Prospective investors are encouraged to consult their personal financial advisors to determine whether an investment in the Common Stock is appropriate.

The Company will require each investor to represent in writing, among other things, that (i) by reason of the investor's business or financial experience, or that of the investor's professional advisor, the investor is capable of evaluating the merits and risks of an investment in the Common Stock and of protecting their own interest in connection with the transaction, (ii) the investor is acquiring the Common Stock for their own account, for investment only and not with a view toward the resale or distribution thereof, (iii) the investor is aware that the shares of Common Stock have not been registered under the Securities Act or any state securities laws and that transfer thereof is restricted by the Securities Act, applicable state securities laws, the Stock Purchase Agreement to be entered into in connection with the purchase of the Common Stock, and the investor is aware of the absence of a market for the Common Stock, and (iv) such investor is an "accredited investor" as such term is defined in Rule 501 of Regulation D under the Securities Act.

The Company intends on using general solicitation to market this Offering. Therefore, we are required to comply with Rule 506(c) in third-party verification of the "accredited investor" status of any interested investor. Rule 506(c) sets forth a principles-based method of verification which requires an objective determination by the issuer (or those acting on its behalf) as to whether the steps taken are "reasonable" in the context of the particular facts and circumstances of each purchaser and transaction. Among the factors that an issuer should consider under this principles-based method are:

- the nature of the purchaser and the type of accredited investor that the purchaser claims to be;
- the amount and type of information that the issuer has about the purchaser; and
- the nature of the offering, such as the manner in which the purchaser was solicited to participate in the offering, and the terms of the offering, such as a minimum investment amount.

In addition to this flexible, principles-based method, Rule 506(c) includes a non-exclusive list of verification methods that issuers may use, but are not required to use, when seeking greater certainty that they satisfy the verification requirement with respect to natural person purchasers. This non-exclusive list of verification methods consists of:

- verification based on income, by reviewing copies of any Internal Revenue Service form that reports income, such as Form W-2, Form 1099, Schedule K-1 of Form 1065, and a filed Form 1040;
- verification on net worth, by reviewing specific types of documentation dated within the prior three months, such as bank statements, brokerage statements, certificates of deposit, tax assessments and a credit report from at least one of the nationwide consumer reporting agencies, and obtaining a written representation from the investor; and/or
- a written confirmation from a registered broker-dealer, an SEC-registered investment adviser, a licensed attorney or a certified public accountant stating that such person or entity has taken reasonable steps to verify that the purchaser is an accredited investor within the last three months and has determined that such purchaser is an accredited investor.

In consideration of these factors, we will take reasonable steps to verify that all purchasers of the Company's Common Stock are accredited investors. The Company will objectively assess each prospective investor's eligibility in light of their particular facts and circumstances.

Acceptance

Any subscription for the Common Stock may be accepted at the sole discretion of the Company. The Company will review the Stock Purchase Agreement for completeness, due execution and investor suitability. The Company reserves the right to reject any subscription, in whole or in part, in its sole discretion. In the case of any subscription so rejected, the investor's subscription payment, or portion thereof, will be returned to the investor promptly, without interest. Acceptance of the Stock Purchase Agreement by the Company will be evidenced by execution thereof by an authorized officer of the Company. Deposit of Investor's check, ACH, wire transfer, debit card or Bitcoin payment into the Company's account does not constitute acceptance of the Stock Purchase Agreement. The Stock Purchase Agreement may be revoked by Investor at any time prior to acceptance thereof by the Company. Any such revocation must be in writing and must be received by the Company prior to acceptance thereof. The Company has the right to terminate this Offering at any time, for any reason, in its sole discretion, and to reject all subscriptions not accepted before such termination.

Restrictions on Transfer

The shares of Common Stock offered hereby have not been registered under the Securities Act, or the securities laws of any state, or the securities laws of any jurisdiction. Consequently, investors may not sell the shares of Common Stock unless they are subsequently registered under applicable securities laws or unless an exemption from registration is available. Investors must be able to bear the economic risk of the investment for an extended period and be financially capable of withstanding the total loss of their investment. See "*Risk Factors—Registration Exemption; Limited Transferability.*"

Restrictions have been placed on the sale or other disposition of Common Stock. These restrictions include (i) placing a legend on the certificates that states that the securities have not been registered under the Securities Act or the securities laws of any state and that securities may not be sold or otherwise transferred without such registration or an opinion of counsel, satisfactory in form and substance to the Company, to the effect that an exemption from registration is available with respect to such sale or transfer; (ii) making appropriate notations in the records of the Company to aid in the prevention of transfers of record without compliance with such restrictions; and (iii) requiring each investor to represent in the Stock Purchase Agreement that the investor is purchasing the securities for the investor's own account for investment and not for resale or distribution and that no sale or other disposition of these securities will be made without registration of these securities under the Securities Act and applicable state securities laws or without receipt by the Company of an opinion of counsel, satisfactory in form and substance to the Company, with respect to the availability of an exemption from such registration.

Any violation of the foregoing limitations by the investor could expose both the Company and the investor to serious legal and financial consequences. Because of the limitations on transferability, an investor may be required to hold the Common Stock indefinitely.

Access to Information

Prospective investors are invited to review any materials available to the Company relating to its operations and any other matters regarding this Memorandum or this Offering of Common Stock. All such materials will be available at the offices of the Company by writing the Company at Qmage, Inc., at 12555 Biscayne Blvd. #861, Miami, Florida 33181, Attention: Adam Diamond, General Counsel. Persons interested in arranging for a

review of any such materials or discussing terms of this Offering may contact Mr. Diamond at telephone number 786-860 7797. Management will make available to prospective investors the opportunity to ask questions of and receive answers from it or its representatives concerning the terms and conditions of this Offering and to obtain any additional information relevant to evaluating an investment in the Common Stock or to verify the accuracy of the information set forth herein, to the extent that management possesses such information or can acquire it without unreasonable effort or expense.

NO PROSPECTIVE INVESTOR SHOULD SUBSCRIBE WHO IS NOT SATISFIED THAT EITHER HE OR HIS/HER INVESTMENT REPRESENTATIVE HAS ASKED FOR AND RECEIVED ALL INFORMATION NECESSARY TO EVALUATE THE MERITS AND RISKS OF AN INVESTMENT IN THE COMPANY.

SCHEDULE 1 - PURCHASE PRICE

800,000 Shares of Common Stock

First 5,000 Shares at \$1.50 per Share
Next 10,000 Shares at \$1.55 per Share
Next 15,000 Shares at \$1.60 per Share
Next 25,000 Shares at \$1.65 per Share
Next 45,000 Shares at \$1.70 per Share
Next 60,000 Shares at \$1.75 per Share
Next 80,000 Shares at \$1.80 per Share
Next 100,000 Shares at \$1.85 per Share
Next 120,000 Shares at \$1.90 per Share
Next 155,000 Shares at \$1.95 per Share
Next 185,000 Shares at \$2.00 per Share