

Propell Technologies Group, Inc.
Form 10-Q
May 14, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10 – Q

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

For the quarterly period ended: March 31, 2015

TRANSITION REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number 000-53488

PROPELL TECHNOLOGIES GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

26-1856569

(IRS Employer Identification Number)

1701 Commerce Street, Houston, Texas 77002

(Address of principal executive offices including zip code)

(713) 227 - 0480

(Registrant's telephone number, including area code)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every interactive data file required to be submitted and posted pursuant to Rule 405 of Regulation S-T (section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

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

Large Accelerated Filer Accelerated Filer Non-Accelerated Filer Smaller Reporting Company

Number of shares outstanding of the issuer's common stock as of the latest practicable date: 264,558,931 shares of common stock, \$.001 par value per share, as of May 11, 2015.

PROPELL TECHNOLOGIES GROUP, INC.

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Item 1.

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PROPELL TECHNOLOGIES GROUP, INC.**CONDENSED CONSOLIDATED BALANCE SHEETS**

	March 31, 2015	December 31, 2014
	Unaudited	
Assets		
Current Assets		
Cash	\$3,913,166	\$40,844
Accounts receivable	88,391	5,892
Prepaid expenses	47,502	13,031
Total Current Assets	4,049,059	59,767
Non-Current assets		
Plant and Equipment, net	350,441	319,574
Intangibles, net	280,000	297,500
Deposits	2,200	2,200
Total non-current assets	632,641	619,274
Total Assets	\$4,681,700	\$ 679,041
Liabilities and Stockholders' Equity (Deficit)		
Current Liabilities		
Accounts payable	\$67,308	\$347,437
Accrued liabilities and other payables	267,619	240,426
Notes payable	3,000	117,489
Short-term convertible notes payable, net	-	183,109
Derivative financial liabilities	-	18,455
Total Current Liabilities	337,927	906,916
Long Term Liabilities		
Convertible notes payable, net	-	6,220
Total Long Term Liabilities	-	6,220
Total Liabilities	337,927	913,136
Stockholders' Equity (Deficit)		
Preferred stock, \$0.001 par value, 10,000,000 authorized shares, 0 shares and 5,000,000 shares undesignated.	-	-
Series A-1 Convertible Preferred stock, \$0.001 par value; 5,000,000 shares designated, 3,137,500 and 3,512,500 shares issued and outstanding, respectively. (liquidation preference \$251,000 and \$281,000, respectively)	3,138	3,513
Series B Convertible, Redeemable Preferred Stock, \$0.001 par value; 500,000 shares designated; 75,000 and 0 issued and outstanding (liquidation preference \$900,000 and \$0)	75	75

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Series C Convertible, Preferred Stock, \$0.001 par value; 4,500,000 shares designated; 1,525,424 and 0 issued and outstanding (liquidation preference \$5,000,000 and \$0)	1,525	-
Common stock, \$0.001 par value; 500,000,000 shares authorized, 264,558,931 and 260,169,499 shares issued and outstanding, respectively	264,559	260,169
Additional paid-in capital	15,162,838	9,914,303
Accumulated deficit	(11,088,362)	(10,412,155)
Total Stockholders' Equity (Deficit)	4,343,773	(234,095)
Total Liabilities and Stockholders' Equity (Deficit)	\$4,681,700	\$ 679,041

See notes to the unaudited condensed consolidated financial statements

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PROPELL TECHNOLOGIES GROUP, INC.**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

	Three months ended, March 31, 2015	Three Months ended March 31, 2014
Net Revenues	\$82,500	\$16,583
Cost of Goods Sold	57,823	18,343
Gross Profit (Loss)	24,677	(1,760)
Equity based compensation	241,286	625,397
Sales and Marketing	597	800
Professional Fees	155,731	43,652
Consulting fees	94,387	55,828
General and administrative	141,805	161,886
Depreciation and amortization	32,433	4,591
Total Expense	666,239	892,154
Loss from Operations	(641,562)	(893,914)
Amortization of debt discount and finance costs	(53,100)	(202,405)
Change in fair value of derivative liabilities	18,455	(338,477)
	(34,645)	(540,882)
Loss before Provision for Income Taxes	(676,207)	(1,434,796)
Provision for Income Taxes	-	-
Net Loss	(676,207)	(1,434,796)
Deemed preferred stock dividend	(1,101,696)	(1,604,335)
Undeclared Series B and Series C preferred dividends	(82,575)	-
Net loss available to common stock holders	\$(1,860,478)	\$(3,039,131)
Net Loss Per Share – Basic and Diluted	\$(0.01)	\$(0.01)
Weighted Average Number of Shares Outstanding – Basic and Diluted	250,363,331	205,794,150

See notes to the unaudited condensed consolidated financial statements

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PROPELL TECHNOLOGIES GROUP, INC.**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN****STOCKHOLDERS' EQUITY(DEFICIT)****FOR THE PERIOD JANUARY 1, 2015 TO MARCH 31, 2015**

	Preferred Stock Series A-1		Series B		Series C		Common stock		Additional Paid in Capital	Accumulated deficit
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount		
Balance as of January 1, 2015	3,512,500	\$3,513	75,000	\$75	-	\$-	260,169,499	\$260,169	\$9,914,303	\$(10,412,155)
Conversion of notes and accrued interest thereon to common stock	-	-	-	-	-	-	639,432	640	12,149	-
Subscription for Series C Convertible Preferred Stock	-	-	-	-	1,525,424	1,525	-	-	4,998,475	-
Conversion of Series A-1 preferred stock to common	(375,000)	(375)	-	-	-	-	3,750,000	3,750		