

Propell Corporation.
Form 10-Q
November 14, 2011

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

FORM 10 – Q

[mark one]

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

For the quarterly period ended: September 30, 2011

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 CORPORATION
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

26-1856569
(IRS Employer Identification Number)

305 San Anselmo Avenue, Suite 300, San Anselmo, CA 94960
(Address of principal executive offices including zip code)

(415) 747-8775
(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

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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: 26,051,068 shares of common stock, \$.001 par value per share, as of November 13, 2011.

PROPELL CORPORATION

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PART I.—FINANCIAL INFORMATION
 Propell Corporation and Subsidiaries
 Consolidated Balance Sheets
 As of September 30, 2011 and December 31, 2010
 (Unaudited)

	September 30, 2011	December 31, 2010
Assets		
Current Assets		
Cash	\$ 6,257	\$ 56,639
Accounts receivable (net of allowances)	13,563	4,590
Prepaid expenses	104,805	5,053
Due from others	3,058	1,360
Inventory	2,394	521
Deposits - current	1,849	1,499
Total Current Assets	131,926	69,662
Property and Equipment, net	999	1,772
Other Assets		
Website URL, net	2,800	4,000
Total Other Assets	2,800	4,000
Total Assets	\$ 135,725	\$ 75,434
Liabilities and Stockholders' Deficit		
Current Liabilities		
Accounts payable	\$ 283,667	\$ 185,758
Accrued liabilities	70,228	34,124
Accrued interest	295,218	138,879
Notes payable – related parties	353,000	203,000
Convertible notes payable	1,314,954	1,067,500
Liabilities from Discontinued Operations	1,221,008	1,221,008
Total Liabilities	3,538,075	2,850,269
Stockholders' Deficit		
Common stock, \$0.001 par value; 75,000,000 shares authorized, 25,433,596 issued and outstanding; (22,757,575 issued and outstanding – 2010)	25,433	22,757
Additional paid-in capital	2,138,367	1,762,059
Accumulated deficit	(5,566,150)	(4,559,651)
Total Stockholders' Deficit	(3,402,350)	(2,774,835)
Total Liabilities and Stockholders' Deficit	\$ 135,725	\$ 75,434

The accompanying notes are an integral part of the financial statements.

Propell Corporation and Subsidiaries
 Consolidated Statements of Operations
 (Unaudited)

	For the three months ended September 30,		For the nine months ended September 30,	
	2011	2010	2011	2010
Net Revenues	\$ 77,641	\$ 15,081	\$ 137,334	\$ 62,013
Cost of Goods Sold	59,911	10,675	101,887	46,910
Gross Profit (Loss)	17,730	4,406	35,447	15,103
Operating Expenses	470,416	366,197	1,041,946	1,038,458
Loss from Continuing Operations	(452,686)	(361,791)	(1,006,499)	(1,023,355)

