PROPELLUS, INC.

32 Monmouth Street, Suite 312, Red Bank, NJ 07701
(212) 220-9755
Website http://www.propelluscorp.net
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SIC Code 6153

QUARTERLY REPORT

For the period ending June 30, 2024 (the "Reporting Period")

Outstanding Shares

The number of shares outstanding of our Common Stock was:

8,996,016 as of June 30, 2024

8,996,016 as of March 31, 2024

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: ☐ No: ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

Change in Control

Indicate by check mark whether a Change in Control[1] of the company has occurred over this reporting period:

Yes: ☐ No: ☒

[1] "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

Incorporation/Name Change:

On January 19, 2021, Propellus, Inc., an Oklahoma corporation, was incorporated and became the parent and successor issuer of SV Propellus, Inc., an Oklahoma corporation, trading under the symbol (PRPS), pursuant to an Agreement and Plan of Reorganization. The predecessor issuer, SV Propellus, Inc., an Oklahoma corporation was incorporated on January 5, 2021, and was the resulting and surviving corporation of a domiciliary merger with SV Propellus, Inc. of Nevada. SV Propellus, Inc. was originally incorporated in Nevada under the name Western Ridge Minerals, Inc. On July 6, 2010, Western Ridge Minerals, Inc. changed its name to Sun Valley Solar, Inc. The Company's name was thereafter changed to Propellus, Inc. on November 20, 2020, and on January 8, 2021, the name was changed to SV Propellus, Inc.

Current State and Date of Incorporation or Registration: Oklahoma
Standing in this jurisdiction: (e.g. active, default, inactive): Active

Prior Incorporation Information for the issuer and any predecessors during the past five years:

None

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:

None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None

The address(es) of the issuer's principal executive office:

Propellus, Inc., 32 Monmouth Street, Suite 312, Red Bank, NJ 07701

The address(es) of the issuer's principal place of business:

☒ Check if principal executive office and principal place of business are the same address:

Propellus, Inc., 32 Monmouth Street, Suite 312, Red Bank, NJ 07701

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No: ☒ Yes: ☐ If Yes, provide additional details below:

2) Security Information

Transfer Agent

Name: Issuer Direct Corporation
Phone: 801-272-9294
Email: info@issuerdirect.com
Address: 1981 Murray Holladay Rd., Suite 100, Salt Lake City, UT 85117

Publicly Quoted or Traded Securities:

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

Trading symbol:	PRPS
Exact title and class of securities outstanding:	Common
CUSIP:	74349T101
Par or stated value:	$0.0001
Total shares authorized:	500,000,000 as of date June 30, 2024
Total shares outstanding:	8,996,016 as of date June 30, 2024
Total number of shareholders of record:	240 as of date June 30, 2024

Please provide the above-referenced information for all other publicly quoted or traded securities of the issuer.

NA

Other classes of authorized or outstanding equity securities that do not have a trading symbol:

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g. preferred shares that do not have a trading symbol). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

Exact title and class of the security:	Class A Convertible Preferred Stock
CUSIP (if applicable):	NA
Par or stated value:	$0.0001 Par Value
Total shares authorized:	10,000 as of date as June 30, 2024
Total shares outstanding (if applicable):	94.15 as of date as June 30, 2024
Total number of shareholders of record	3 as of date as June 30, 2024

Exact title and class of the security:	Class B Convertible Preferred Stock
CUSIP (if applicable):	NA
Par or stated value:	$0.0001 Par Value
Total shares authorized:	10,000 as of date as June 30, 2024
Total shares outstanding (if applicable):	345.85 as of date as June 30, 2024
Total number of shareholders of record	7 as of date as June 30, 2024

Exact title and class of the security:	Class C Convertible Preferred Stock
CUSIP (if applicable):	NA
Par or stated value:	$0.0001 Par Value
Total shares authorized:	1,000 as of date as June 30, 2024
Total shares outstanding (if applicable):	55 as of date as June 30, 2024
Total number of shareholders of record	2 as of date as June 30, 2024

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

1. **For common equity, describe any dividend, voting and preemption rights.**

Voting rights and dividends as declared and approved by the Board of Directors.

2. **For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.**

Class A Convertible Preferred Stock shall be entitled to dividends as may be declared by and at the sole discretion of the Board of Directors out of funds that are legally available for that purpose. Such shares shall have a liquidation preference over common shares. At any time following December 31, 2022, the Company at its option may redeem such shares, in whole or part, at a Redemption Value determined on December 31, 2021. Holders of Series A Preferred shall have conversion rights any time following December 31, 2022 at a 10% discount of the 15-day VWAP at the time of written demand to the Company. The shares carry no voting rights.

Class B Convertible Preferred Stock shall be entitled to dividends as may be declared by and at the sole discretion of the Board of Directors out of funds that are legally available for that purpose. Such shares shall have a liquidation preference over common shares. At any time following the determination of the Redemption Value, by the Board of Directors, the Company at its option may redeem such shares, in whole or part. Holders of Series B Preferred shall have conversion rights at any time following determination by the Board of the Redemption Value at a future date TBD, at a 20% discount of the 15-day VWAP at the time of written demand to the Company. The shares carry no voting rights.

Class C Convertible Preferred Stock shall not be entitled to dividends as may be declared by and at the sole discretion of the Board of Directors out of funds that are legally available for that purpose. Such shares shall not have a liquidation preference over common shares. Each share Class C preferred share shall have a stated value of $250,000 per share. On or after December 31, 2024, at the option of the holder of the Class C Convertible preferred share, each share of Class C convertible preferred stock shall be convertible into 120,000 shares of common stock, subject to standard anti-dilutive provisions. Each share of Class C convertible preferred share shall be entitled to 200,000 votes.

3. **Describe any other material rights of common or preferred stockholders.**

<u>None</u>

4. **Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.**

<u>None</u>

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities ***in the past two completed fiscal years and any subsequent interim period****.*

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares for the two most recently completed fiscal years and any subsequent period.

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: ☐ Yes: ☒ (If yes, you must complete the table below)

Shares Outstanding as of Second Most Recent Fiscal Year End: Opening Balance Date 3/31/2023 Common:10,387,116 Preferred: 7,297.13			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	**Transaction type (e.g., new issuance, cancellation, shares returned to treasury)**	**Number of Shares Issued (or cancelled)**	**Class of Securities**	**Value of shares issued ($/per share) at Issuance**	**Were the shares issued at a discount to market price at the time of issuance? (Yes/No)**	**Individual/ Entity Shares were issued to.** ***You must disclose the control person(s) for any entities listed.**	**Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided**	**Restricted or Unrestricted as of this filing.**	**Exemption or Registration Type.**
10/31/2023	Class A Preferred Conversion into Common Stock	2,271,779	Common Stock	$1.80	Yes	See schedule	Conversion	Unrestricted	None
10/31/2023	Class B Preferred Conversion into Common Stock	1,827,121	Common Stock	$1.80	Yes	See schedule	Conversion	Unrestricted	None
02/29/2024	Class C Preferred Shares issued for cancellation of Common Stock	(5,000,000)	Common Stock	-	No	Juris Capital Management LLC	Conversion	Restricted	None
02/29/2024	Class C Preferred Shares issued for cancellation of Common Stock	(500,000)	Common Stock	-	No	Pelham LLC	Conversion	Restricted	None
02/29/2024	Class C Preferred Shares issued for cancellation of Common Stock	50	Class C Preferred Stock	-	No	Juris Capital Management LLC	Conversion	Restricted	None
02/29/2024	Class C Preferred Shares issued for cancellation of Common Stock	5	Class C Preferred Stock	-	No	Pelham LLC	Conversion	Restricted	None
03/01/2024	Shares issued for services	10,000	Common Stock	$1.24	No	Seymour Weinberg	Services	Restricted	
Shares Outstanding on Date of This Report: Date 6/30/2024 Ending Balance: Common: 8,996,016 Class A and B Preferred: 440 Class C: 55									

Example*:* A company with a fiscal year end of December 31st 2023, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2022 through December 31, 2023 pursuant to the tabular format above.

Use the space below to provide any additional details, including footnotes to the table above:

Please see attached Issuance6 Schedule on the following pages.

PREFERRED TO COMMON STOCK CONVERSION SCHEDULE
ISSUANCE6

NAME	DATE	PREFERRED CLASS	COMMON SHARE FROM CONVERSION
Adams, William	10/31/23	A	1,993
Alcock, Jacqueline & Wayne	10/31/23	A	69,267
Barenholtz, Melvin	10/31/23	A	29,835
Berman Trust	10/31/23	A	20,995
Berman, Nina	10/31/23	A	22,100
Berman, Ron	10/31/23	A	6,764
Berman, Ron IRA	10/31/23	A	8,508
Branstetter, Brian IRA	10/31/23	A	3,583
Buck, Craig IRA	10/31/23	A	25,069
Carrothers, Troy	10/31/23	A	5,525
Chadi, Joseph and Farnosh	10/31/23	A	276,249
Chatelin, Dominque IRA	10/31/23	A	10,618
Clifton, Greg	10/31/23	A	3,966
Dreier, Frank	10/31/23	A	4,673
Feller, Dennis	10/31/23	A	7,522
FGR Akel LLC	10/31/23	A	17,036
Friedman, Danielle Shapiro SEP IRA	10/31/23	A	12,808
Friedman, Theodore	10/31/23	A	13,813
Friedman, Theodore IRA	10/31/23	A	12,808
Frohlich, Michael and Witkowski, Louise	10/31/23	A	11,446
Garrett, Michael	10/31/23	A	2,045
Geiger, Erich	10/31/23	A	308,659
Hall, Kenwood	10/31/23	A	5,835
Hines, Richard	10/31/23	A	20,225
Hoenes, Rolf	10/31/23	A	22,100
Jerry Shapiro Living Trust DTD 8-3-16	10/31/23	A	55,250
Kelsey, Neil R.	10/31/23	A	7,921
Kenost, Robert	10/31/23	A	87,127
Kenost, Robert and Jared	10/31/23	A	1,411
Kirshbaum, Kenneth SEP-IRA	10/31/23	A	10,471
Kreitenberg Family Trust	10/31/23	A	55,477
Kreitenberg, Josef IRA	10/31/23	A	11,050
Kreitenberg, Steve and Rena	10/31/23	A	38,675
Laule, Robert & Marie JTWROS	10/31/23	A	20,887
Laybourn, Cherie	10/31/23	A	48,471
Laybourn, Cherie IRA	10/31/23	A	69,887
Laybourn, Darren	10/31/23	A	48,471
Laybourn, Darren IRA	10/31/23	A	69,887
Levi Family Trust	10/31/23	A	11,050
Manzi, Joseph	10/31/23	A	27,625
Martins, Mervyn	10/31/23	A	3,082
Martins, Mervyn & Nachtegaele, Reeba	10/31/23	A	39,212
Matyi, Kathleen IRA	10/31/23	A	5,525
Melmed, Jonathan	10/31/23	A	11,050
Mishelevich, Anatoly	10/31/23	A	11,050

Montgomery, Christopher	10/31/23	A	20,106
Newsom, Richard	10/31/23	A	15,422
Pauly, Whitney J. IRA	10/31/23	A	25,914
Rabbani, Shahram IRA	10/31/23	A	85,582
Rupp, Fabio	10/31/23	A	4,743
Sansone, Paul	10/31/23	A	27,625
Sefaradi, Esther	10/31/23	A	479,143
Siegel, Eliot	10/31/23	A	1,418
Valente, Jean-Luc	10/31/23	A	18,930
Valente, Jean-Luc IRA	10/31/23	A	6,309
Walker, Ron and Jane JTWROS	10/31/23	A	7,819
Wells, Claude	10/31/23	A	19,537
Zarin, Helen	10/31/23	A	2,210
			2,271,779
Akel, Sara J.	10/31/23	B	4,473
Almhem Trust	10/31/23	B	6,009
Atkins, Nicholas	10/31/23	B	2,755
Aufiero, Daniel ROLLOVER IRA	10/31/23	B	10,294
Bauerbach, Brian	10/31/23	B	6,432
Bennet, Peter	10/31/23	B	5,429
Brinskelle, Dian IRA	10/31/23	B	13,014
Brinskelle, John	10/31/23	B	46,286
Brinskelle, John IRA	10/31/23	B	90,266
Buchanan, Sheila	10/31/23	B	5,722
Burns, James	10/31/23	B	59,778
Carapella, George IRA	10/31/23	B	7,012
Cill Chuile	10/31/23	B	6,799
Clifton, Greg	10/31/23	B	1,690
Clover, James IRA	10/31/23	B	19,490
Cohen, Martin IRA	10/31/23	B	13,564
Cross, Peggy	10/31/23	B	5,722
Cumberland, Gary	10/31/23	B	8,956
Danielson, Bjorn	10/31/23	B	4,710
DeBoer, Mark Antonio	10/31/23	B	20,187
Demeo, Michael IRA	10/31/23	B	7,529
Desmond, Ciaran and Fionnula	10/31/23	B	10,249
Diamandis, Maria IRA	10/31/23	B	3,650
Diamandis, Mario IRA	10/31/23	B	5,171
Donalds, Concetta IRA	10/31/23	B	2,233
Dreier, Frank	10/31/23	B	4,586
Eurex International Corp	10/31/23	B	34,159
Feller, Dennis and Jennifer	10/31/23	B	19,896
Field, Alan	10/31/23	B	83,211
Finklestein, Nat SEP IRA	10/31/23	B	3,860
Gaines, Ira Revocable Trust	10/31/23	B	4,697
Gannon, Michael	10/31/23	B	10,485
Hall, Kenwood	10/31/23	B	8,301
Hawkins, Lemuel	10/31/23	B	5,978
Hawkins, Lemuel IRA	10/31/23	B	9,493
Hines, Richard	10/31/23	B	17,847
Hisler, Clayton	10/31/23	B	2,803

Hisler, Clayton IRA	10/31/23	B	16,836
Horrell, Tony	10/31/23	B	2,955
Johnson, Angel IRA	10/31/23	B	5,715
Johnson, James Ira	10/31/23	B	8,540
Johnson, Natalie	10/31/23	B	7,259
Kelsey, Neil	10/31/23	B	9,959
Kirshbaum, Ellen IRA	10/31/23	B	5,719
Kirshbaum, Ken IRA	10/31/23	B	8,655
Kreitenberg, Josef IRA	10/31/23	B	30,286
Kreitenberg, Marlene	10/31/23	B	4,138
Langhamer, Joan	10/31/23	B	10,947
Langhamer, Roy	10/31/23	B	9,719
Langhamer, Roy Ira	10/31/23	B	11,162
LaRoche Team	10/31/23	B	20,926
Lee, Kok Weng	10/31/23	B	4,162
Levi, Lana	10/31/23	B	4,270
Marsh, T. Patrick	10/31/23	B	8,355
Maturo, Antonio	10/31/23	B	15,381
Matyi, Kathleen IRA	10/31/23	B	9,776
McCarthy, Roger	10/31/23	B	5,295
Mello, Christina IRA	10/31/23	B	5,694
Missal, David	10/31/23	B	2,135
Moerk, Kent	10/31/23	B	17,934
Monnette, Stephen And Beth	10/31/23	B	12,685
Moult, Gerald	10/31/23	B	4,328
Mowrey, Daniel	10/31/23	B	4,843
Mowrey, Daniel IRA	10/31/23	B	126,939
Mowrey, Darlene and Daniel	10/31/23	B	2,821
Negler Family Trust	10/31/23	B	7,643
Negler, Joseph	10/31/23	B	10,747
Newcomer, John IRA	10/31/23	B	41,604
Newcomer, John ROTH IRA	10/31/23	B	1,647
Newsom, Richard	10/31/23	B	35,107
Newsom, Richard IRA	10/31/23	B	4,878
Nolletti, Victor	10/31/23	B	37,680
Nunez, Stephanie	10/31/23	B	31,255
Nunez, Stephanie IRA	10/31/23	B	2,021
One and Done	10/31/23	B	1,730
Palmer, Michael and Jean	10/31/23	B	31,229
Pauly, Brenda IRA	10/31/23	B	54,701
Perdue, Henry	10/31/23	B	2,698
Peters, James	10/31/23	B	25,619
Peters, James IRA	10/31/23	B	63,510
Peters, Joyce	10/31/23	B	12,810
Rabbani, Shahram and Diane	10/31/23	B	42,699
Reents, William	10/31/23	B	11,056
Reents, William IRA	10/31/23	B	19,556
Renee Vermeersch Casillas Revocable Trust	10/31/23	B	22,508
Reynolds, Monica SEP IRA	10/31/23	B	9,637
Rupp, Fabio	10/31/23	B	20,751
Saunders, David and Elizabeth	10/31/23	B	4,331
Schmerein, John	10/31/23	B	8,540

Schulte, Oliver	10/31/23	B	7,089
Siegel, Elliot	10/31/23	B	1,452
Siegel, Rachel Novak	10/31/23	B	42,960
Skolnik, Susan	10/31/23	B	5,722
Sucharow, Lawrence	10/31/23	B	69,951
Suchy, Gregoria Karides	10/31/23	B	51,638
Van't Hek, Koen	10/31/23	B	126,764
Vermeersch, Ron	10/31/23	B	9,608
Vermeersch, Ron IRA	10/31/23	B	21,350
Walker, Ron and Jane	10/31/23	B	33,080
Wilkinson, James	10/31/23	B	3,380
			1,827,121

B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities:

No: ☐ Yes: ☒ (If yes, you must complete the table below)

Date of Note Issuance	**Outstanding Balance ($)**	**Principal Amount at Issuance ($)**	**Interest Accrued ($)**	**Maturity Date**	**Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)**	**Name of Noteholders *You must disclose the control person for any entities listed.**	**Reason for Issuance (e.g. Loan, Services, etc.)**
3/31/2023 6/30/2023 4/30/2024	$770,000.00 $758,000.00 $300,000.00	$770,000.00 $758,000.00 $300,000.00	$28,8755.00 $28,800.00 $7,500.00	3/31/2024 6/30/2024 4/30/2025	Convertible into common shares of PRPS at the choice of holders anytime following nine (9) months at the greater of $1.00 or 50% of the average daily Volume Weighted Average Price of the Company's Common Stock as reported on a National Quotations Bureau or Over the Counter Market upon which the Common Stock may be traded, for the fifteen (15) prior trading days.	See attached: Issuance5	Expansion
5/24/2024	$1,000,000.00	$1,000,000.00	$17,500.00	5/30/2025	Promissory Note paying 15% annual interest quarterly, with 50,000 common shares to be issued as an equity kicker at maturity.	See attached: Issuance6	Expansion
TOTALS	$2,828,000.00	$2,828,000.00	$82,675.00				

Use the space below to provide any additional details, including footnotes to the table above:

Please see attached Issuance5 and Issuance6 Schedules on the following page.

CONVERTIBLE DEBENTURE SCHEDULE
ISSUANCE5

NAME	ISSUANCE DATE	AMOUNT
Burns, James	3/31/23	$150,000.00
Hawkins, Lemuel	3/31/23	$ 10,000.00
Newcomer, John	3/31/23	$ 25,000.00
Schmerein, John	3/31/23	$100,000.00
Sucharow, Lawrence	3/31/23	$200,000.00
Schulte, Oliver	3/31/23	$ 50,000.00
Carrothers, Troy	3/31/23	$ 30,000.00
Kenost, Robert	3/31/23	$100,000.00
Chadi, Joseph	3/31/23	$ 35,000.00
Sefaradi, Esther	3/31/23	$ 35,000.00
Rabbani, Shahram	3/31/23	$ 35,000.00
		$770,000.00
Wells, Claude	4/30/23	$ 25,000.00
Martins, Mervyn	4/30/23	$ 80,000.00
Buck, Craig	4/30/23	$ 50,000.00
Barenholtz, Melvyn	4/30/23	$ 25,000.00
Aufiero, Daniel	4/30/23	$ 50,000.00
Nolletti, Victor	4/30/23	$100,000.00
Clifton, Greg	5/31/23	$ 15,000.00
Walker, Ron	5/31/23	$ 50,000.00
Geiger, Erich	5/31/23	$100,000.00
Atkins, Nicholas	6/30/23	$ 3,000.00
Rivera, Isaia	6/30/23	$ 20,000.00
Alcock, Jacqueline & Wayne	6/30/23	$240,000.00
		$758,000.00
Valente, Jean-Luc	4/30/24	$150,000.00
Wilkinson, Jim	4/30/24	$ 50,000.00
Laule, Robert	4/30/24	$ 50,000.00
Reents, William	4/30/24	$ 50,000.00
		$300,000.00

PROMISSORY NOTE SCHEDULE
ISSUANCE6

Kinosian Trust	5/24/24	$1,000,000.00
TOTALS		$2,828,000.00

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations.
(Please ensure that these descriptions are updated on the Company's Profile on www.otcmarkets.com).

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

Propellus, Inc. ("Company") is a for-profit stock corporation registered in the State of Oklahoma with its headquarters located in New Jersey. The Company offers small businesses a variety of financing alternatives, including merchant cash advances and payroll advances directly and through third party professional employer organizations, accounts receivable factoring, short-term line of credit loans, and other types of loan products and cash flow financing.

B. List any subsidiaries, parent company, or affiliated companies.

Propellus Financial Services, Inc.

C. Describe the issuers' principal products or services.

The Company (www.propelluscorp.com) currently has more than 200 small businesses clients that it provides a variety of alternative financing solutions, as enumerated below:

Payroll Advances:
The Company offers payroll advances ("Payroll Advances") for Clients seeking to increase cash flow in the short term. Payroll Advances consist of advances of funds rendered to employers (the "Clients") by Professional Employer Organizations ("PEOs") for all costs relating to payroll, including taxes. The Company works with a Client's PEO, though the Company may, in its sole discretion, make exceptions to this criterion. There are now over seven hundred (700) PEOs in the United States, handling payrolls for approximately three million (3,000,000) Client employees. Of these PEOs, over three hundred (300) belong to the National Association of Professional Employer Organizations. Typically, the PEO generates a Payroll Advance for supplying its Client with employees who, for this purpose, are on the PEO's payroll. The PEO pays the wages of these employees as well as their health insurance and other benefits in accordance with the Client's instructions. The PEO also maintains worker's compensation coverage on the employees, withholds and pays the employees' income taxes in compliance with Internal Revenue Service withholding regulations, pays all required payroll related taxes and fees, and files all payroll tax and other returns and reports required by law. The Company pays a Client's payroll by buying the Payroll Advance rendered to the Client by the Company may allow prepayments without penalty. The Company enables a Client to match its cash outflow from payroll expenses to its incoming cash flow. Employers may find it difficult do this because the payroll usually occurs in a large lump sum on a set date, while incoming cash flow may be more unpredictable.

Factoring Invoices:
Factoring goes by many names, including invoice discounting, receivables factoring and debtor financing (any of the foregoing, a "Factor Advance"). "Factored Invoices" includes invoices purchased at a discount from a company's accounts receivable, thereby assuming the ownership of the invoice and receiving cash as debtors settle their accounts. This may include accounts receivable, purchase orders, work-in-process orders, and other receivables against which the Company may advance funds. Factoring ("Factoring") is a practice wherein one company purchases a debt or invoice from another company. It refers to the acquisition of accounts receivable, which are discounted to allow the buyer to make a profit upon collection of monies owed. Factoring transfers ownership of such accounts to another party that then works vigorously to collect the debt. While factoring may allow the liable party to be relieved of the debt for less than the full amount, it is generally designed to be more beneficial to the factor, or new owner, and the seller of the account than to the debtor. The seller receives working capital, while the buyer is able to make a profit by buying the account for substantially less than what it is worth and then collecting on it. Generally speaking, we believe that factoring allows a buyer to purchase such accounts for about 25% less than what they are actually worth. The "Factor" takes full responsibility for collecting the debt. The Factor is required to pay additional fees, usually a small percentage, once collection efforts prove successful. The new owner of the account may offer the liable person or entity a small discount on the outstanding debt. Other arrangements are sometimes made, in which the debt is considered paid in full if a lump sum payoff is made under certain terms and conditions.

Merchant Cash Advances:
A merchant cash advance ("MCA") is, in essence, a purchase and sale agreement of receivables between the provider and a business. MCAs include lump sum discounted payments made to a business for future receivables. A percentage of daily credit card and/or cash sales is collected by the provider at an agreed upon percentage until obligation is satisfied. An immediate lump sum payment (the "Purchase Price") is made to the business for an agreed upon amount of the Company's future receivables (the "Purchased Amount"). The Purchase Price is commonly paid at a healthy discount to the Purchased Amount. The Company's

pricing model objective is similar to its approach to factoring individual invoices. The discount in many cases will aim to be between twenty to thirty percent (20%- 30%) for receivables expected to be collected in less than one year. The Purchased Amount is collected by the provider's payment processor at an agreed upon percentage of daily or weekly sales (the "Holdback") until the advance is repaid. The Holdback will generally be between ten and twenty percent (10%-20%) but can vary depending on the type of business and other factors. An MCA agreement can call for daily, weekly, bi- weekly, or monthly payments from the business. This can vary based on the business cycle and revenue pattern of the business. The Company aims to have most of its transactions collected on a daily basis, some on a weekly basis, and less commonly on a bi-weekly basis. Monthly payments will only be considered under certain conditions beneficial to both parties. Payments are automatically collected by a third-party processor directly out of the credit card or cash deposits made from sales by the business. The top line nature of an MCA transaction allows the Company to collect payment so long as the business is generating revenue. When a business enters into an MCA agreement with the Company, the principal(s) of the business will execute a notarized agreement and the Company receives the right to file a UCC- 1 lien on the business's cash collateral, and a blanket lien on other collateral as protection for the advance. In addition, the agreement contains a fee schedule for returned payments, blocked payments, default fees, and collection costs, if necessary. A processing fee of 1% is usually paid to the Company at closing. The Company aims to effect MCA transactions with a purchase price between $5,000 and $100,000, with the average purchase being approximately $50,000. Opportunities may present themselves that allow the Company to consider transactions that may vary from these objectives, and they will be evaluated on a case-by-case basis.

Spot Loan Advances:

Spot loan advances ("Spot Loan Advances" or "Spot Loans") are short-term, generally unsecured loans made either on an initial issue discount or an interest-bearing basis. Spot Loans are also defined as loans provided on a line of credit. In general, Spot Loan Advances do not have an initial grace period during which interest charges do not apply, and so the borrower will usually incur financing charges from the first day of the Spot Loan Advance until the day that it is repaid in full. Nearly all these structured notes are secured by hard assets by more than a one-to-one ratio (1:1), and most notes include a personal guarantee from one or more principals of the business. These Spot Loan Advances, if made on an original issue discount, may be in the form of an MCA, whereby the Company purchases future sales at a present value discount. Collection of future receipts may be initiated automatically by the Company, via Automated Clearing House (ACH), lockbox, or it may receive checks and direct deposits from its customers. In these instances, the amount of collection can be designated as a specific percentage of the customers' receipts, and may be collected monthly, weekly, or even daily. The Company will aim to structure repayment periods from four (4) months to two (2) years but reserves the right to structure the term for other lengths of time at its discretion. If not structured as an original issue discount transaction, the Company may enter into similar transactions, but instead of taking a percentage of sales, the Company may elect to collect a fixed dollar amount from its customers and structure it as a Spot Loan. These payments may be collected monthly, weekly, or daily, and will usually have a similar term to the original issue discount transactions. The Company reserves the right to structure the term for other lengths of time at its discretion. These transactions are considered full recourse and may be secured or unsecured. When secured, the transactions are usually collateralized by the account's receivables and other assets of the customers. It is preferred that the Company be either the exclusive financier for its customers, or have senior position, but in the current landscape, this is rare and many of its customers have other existing banking and possibly other alternative financing relationships. In these cases, the Company will evaluate its position and endeavor to protect its interests accordingly. In some cases, the Company may encumber other assets as additional collateral. In most cases, the Company will also garner personal guarantees from the principal owners of its business customers and in states where enforceable, draft an Affidavit of Judgment in advance as part of the agreement to further protect its interests.

Credit Underwriting:

The Company does occasionally use an external business credit scoring and review system to aid in its due diligence of evaluating potential customers and transaction opportunities. The Company has also developed and has implemented an internal scoring system which it applies to prospective Obligors before making or purchasing Payroll Advances. The system contains criteria, some of which are recited below. These criteria rely heavily on the previous experience of the principals of the Company. For instance, the Company has determined that the size of a client's typical advance must be not more than twenty percent (20%) of the total amount of the Company's portfolio, once it is fully funded, and the total Advances owed to the Company by a Client must be at least ten thousand dollars ($10,000) at minimum. In addition, a Payroll Advance Client is generally required to have been in business at least three (3) years and in business with the PEO who is recommending the Client, for at least one (1) year. A Factor Advance may not be more than ninety-five percent (95%) of the face value of the invoice being factored, and a Spot Loan Advance must be secured by assets or guarantees of the principals and senior officers of the Company. Management reserves the right to vary from these criteria if Management believes it to be in the best interests of the Company. The Company retains the right and agrees to use its best efforts (but does not guarantee) to collect any Advance that becomes overdue. Collections on overdue Advances will be applied first towards accrued fees and expenses charged to the Client and then to the repayment of interest and finally to principal outstanding. Collections on principal will be applied first against the oldest outstanding Advance. Any out-of-pocket costs incurred in this collection effort (but not overhead or personnel costs) are borne by the Company. The Company will not be required to deliver periodic accountings to the Company or the Members, but it will keep a complete and accurate database of all transactions involving the Company as well as copies of all Advances purchased by the Company and all documentation relating to such purchases. Each Investor will agree not to compete with the Company in the business of buying

Factor Advances, Spot Loan Advances, MCA, and Payroll Advances for a period of six (6) years following termination of the Member's membership in the Company. The Company expects that a typical Payroll Advance will require an origination fee of approximately five-point seventy- five percent (5.75%) of the amount of the Advance (typically deducted from the proceeds of the Advance at closing). The Company expects that its Advances will typically have a term of one hundred twenty (120) to one hundred eighty (180) days, which should allow the Company to reinvest the net proceeds of Payroll Advances at least two (2) times per year. It is important to understand that the Company seeks Clients, especially Payroll Advance Clients, who need strategic capital out of growth rather than losses. In fact, the Company has installed numerous prerequisites in its underwriting approval process that a company must meet before even being considered for the payroll funding program. Once approved, the capital provided through the Company's investment program usually enables companies to reach their objectives and grow substantially following the advance. Given the current landscape in business financing, opportunity abounds for private factors serving the growing small businesses seeking capital in a tight credit environment. The Company intends to service this niche market by providing Advance funding through many traditional factoring transactions. The Company plans to take a balanced approach in building its portfolio which will contain a mix of advance repayment times, rates, sizes, and collateral.

5) Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer. Describe the location of office space, data centers, principal plants, and other property of the issuer and describe the condition of the properties. Specify if the assets, properties, or facilities are owned or leased and the terms of their leases. If the issuer does not have complete ownership or control of the property, describe the limitations on the ownership.

The Issuer owns no real estate but utilizes office space provided by our officers and directors and/or their Affiliates, and we do lease a virtual office. Our office is located at 32 Monmouth Street, Suite 312, Red Bank, NJ 07701.

6) All Officers, Directors, and Control Persons of the Company

Using the table below, please provide information, as of the period end date of this report, regarding all officers and directors of the company, or any person that performs a similar function, regardless of the number of shares they own.

In addition, list all individuals or entities controlling 5% or more of any class of the issuer's securities.

If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity. Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

See table on the next page:

Names of All Officers, Directors and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a Corporate entity
Ralph Johnson	CEO, Director	32 Monmouth St. Suite 312 Red Bank, NJ	2,000,000	Common Shares	22.23%	Mr. Johnson's Shares are held by Juris Capital Management LLC, an affiliate that he controls
Ralph Johnson	CEO, Director	32 Monmouth St. Suite 312 Red Bank, NJ 07701	50	Class C Convertible Preferred Shares	90.9%	Mr. Johnson's shares are held by Juris Capital Management LLC, an affiliate that he controls
Kelvin Joseph	Director	32 Monmouth St. Suite 312 Red Bank, NJ 07701	100,000	Common Shares	1.11%	
Michael Colombo	Director	32 Monmouth St. Suite 312 Red Bank, NJ 07701	50,000	Common Shares	0.56%	
Pelham LLC	Shareholder	250 Ocean Pkwy Rye, NY 10580	500,000	Common Shares	5.56%	Control Person Howard Allen

7) Legal/Disciplinary History

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, <u>in the past 10 years</u>:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

   <u>No</u>

2. Been the subject of the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, financial- or investment-related, insurance or banking activities;

   <u>Yes</u>

3. Been the subject of a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding, or judgment has not been reversed, suspended, or vacated;

   <u>Yes</u>

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above; or

   <u>Yes</u>

5. Been the subject of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

   <u>Yes</u>

6. Been the subject of a U.S. Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S. mail.

No

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

YES – See NOTE 10 - Legal

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name:	John Heskett
Address 1:	Heskett & Heskett
Address 2:	2401 Nowata Place Suite A Bartlesville, OK 74006
Phone:	918-336-1773
Email:	jheskett@hesklaw.com

Accountant or Auditor

Name:	Seymour Weinberg
Firm:	Seymour Weinberg, CPA
Address 1:	2003 E21st
Address 2:	Brooklyn, NY 11229
Phone:	951-616-5582
Email:	sjw@sjweinbergcpa.com

Investor Relations

Name:	Howard Allen
Firm:	Pelham LLC
Address 1:	411 Theodore Friend Ave
Address 2:	Rye, NY 10580
Phone:	212-812-8900
Email:	hallen@allenps.com

All other means of Investor Communication:

Twitter:	NA
Discord:	NA
LinkedIn	NA
Facebook:	NA
Other:	NA

Other Service Providers

Provide the name of any other service provider(s) **that assisted, advised, prepared, or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name: NA
Firm: _______
Nature of Services: _______
Address 1: _______
Address 2: _______
Phone: _______
Email: _______

9) Disclosure and Financial Information

A. The following Disclosure Statement wase prepared by[2]:

Name: Ralph Johnson
Title: CEO and Principal Financial Officer
Relationship to Issuer: Officer and Director

B. The following financial statements were prepared in accordance with:

☐ IFRS
☒ U.S. GAAP

C. The following financial statements were prepared by[2]:

Name: Ralph Johnson
Title: CEO and Principal Financial Officer
Relationship to Issuer: Officer and Director

Describe the qualifications of the person or persons who prepared the financial statements:

CEO and Principal Financial Officer of the Company.

Provide the following qualifying financial statements for the most recent fiscal year or quarter.

a. Audit letter, if audited;
b. Balance Sheet;
c. Statement of Income;
d. Statement of Cash Flows;
e. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
f. Financial Notes

Financial Statement Requirements:

- Financial statements must be published together with this disclosure statement as one document.
- Financial statements must be "machine readable". Do not publish images/scans of financial statements.
- Financial statements must be presented with comparative financials against the prior FYE or period, as applicable.
- Financial statements must be prepared in accordance with U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.

[2] The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Ralph Johnson certify that:

1. I have reviewed this Disclosure Statement for Propellus Inc.;

2. Based on my knowledge, this disclosure statement 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 disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

September 20, 2024 [Date]

/s/ Ralph Johnson [CEO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

Principal Financial Officer:

I, Ralph Johnson certify that:

1. I have reviewed this Disclosure Statement for Propellus Inc.;

2. Based on my knowledge, this disclosure statement 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 disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

September 20, 2024 [Date]

/s/ Ralph Johnson [CFO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

PROPELLUS, INC.

FINANCIAL STATEMENTS
FOR THE QUARTERS ENDED JUNE 30, 2024 and JUNE 30, 2023
(UNAUDITED)

PROPELLUS, INC.
INDEX TO FINANCIAL STATEMENTS
For the Quarters Ended JUNE 30, 2024 and JUNE 30, 2023
(Unaudited)

CONTENTS

PROPELLUS, INC.
BALANCE SHEETS
For The Quarters Ended JUNE 30, 2024 and JUNE 30, 2023
(UNAUDITED)

		June 30, 2024		June 30, 2023
ASSETS				
Current Assets				
Cash and Cash Equivalents	$	136,912	$	14,687
Receivable-Direct Funding (net of allowance $3,789,410)		6,534,952		10,396,354
Prepaid Expenses		3,840		-
Back End Fees Receivable		293,508		446,050
Deposits in Transit		11,767		14,843
Processor Cash Reserve Security Deposit		5,000		5,000
Total Current Assets		6,985,979		10,876,934
TOTAL ASSETS	**$**	**6,985,979**	**$**	**10,876,934**
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current Liabilities				
Convertible Debentures and Notes Payable	$	2,828,000	$	1,428,000
Due to Factor		45,000		256,994
Redemptions Payable		1,735,580		2,057,114
Deferred Revenue		293,508		444,050
Dividends Payable		398		144,843
Due to Non-Exchanging Members (NEM)		9,889		204,287
Accounts Payable		28,350		418,736
Interest Payable		102,050		39,188
Total Current Liabilities		5,042,775		4,993,212
Total Liabilities	**$**	**5,042,775**	**$**	**4,993,212**
Commitments and Contingencies (note 3)		-		-
Stockholder's Equity				
Additional Paid in Capital		17,548,775		17,216,235
Common Stock $0.0001 par value 500,000,000 shares authorized…10,387,116 issued and outstanding as of June 30, 2023, and 8,996,016 issued and outstanding as of June 30, 2024		900		1,039
Common Stock Issuable, 150,000 shares		15		15
Preferred Stock Class A		1		1
Preferred Stock Class B		1		1
Preferred Stock Class C		1		-
Accumulated Deficit		(15,277,449)		(11,055,963)
Net Income		(309,038)		(277,605)
Total Stockholders' Equity (Deficit)		**1,963,204**		**5,883,722**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$**	**6,985,979**	**$**	**10,876,934**

See accompanying Notes to Financial Statements

PROPELLUS, INC.
STATEMENTS OF OPERATIONS
For The Quarters Ended JUNE 30, 2024 and JUNE 30, 2023
(UNAUDITED)

		June 30, 2024		June 30, 2023
INCOME				
Application and Processing Fees and Other Income	$	21,940	$	1,050
Back End Fees		11,855		9,900
MCA Revenue-Fee Income		28,994		60,331
Total Income		62,789		71,281
GROSS PROFIT	**$**	**$62,789**	**$**	**71,281**
OPERATING EXPENSES				
Bad Debt Expense		-		(135,060)
Preferred Dividend Expense		-		125,911
Consulting Expense - Cash		91,000		93,000
Interest Expense		82,675		39,188
General and Administrative		22,239		48,012
Insurance		11.876		6,352
Non-Cash Expense – Stock Compensation – Employee		80,000		80,000
Payroll Expense		70,912		67,319
Professional Fees		112,220		24,165
Total Operating Expenses	$	470,922		348,887
Other Income		110,330		-
Bad Debt Write-off Expense		(11,235)		-
NET OPERATING INCOME (LOSS)	**$**	**(309,038)**	**$**	**(277,605)**
Basic and Diluted earnings per share on net gain (loss)		**(0.03)**		**(0.03)**
Basic and diluted weighted average shares used in the calculation of net gain (loss) per common share		8,996,016		10,387,116

See accompanying Notes to Financial Statements

PROPELLUS , INC.
Statements Of Changes In Stockholders' Equity
For the Quarter Ended June 30, 2024
(UNAUDITED)

	Preferred Stock		Common Stock		Common Stock Issuable		Additional Paid-in Capital	Accumulated Earnings (Deficit)	Total Stockholder's Equity
	Shares	Amount	Shares	Amount	Shares	Amount			
Balance March 31, 2021	**7,298**	**$2**	**10,387,116**	**$1,039**	**150,000**	**$15**	**$15,985,857**	**($7,813,368)**	**$8,173,544**
Net Loss March 31, 2022								(2,569,018)	**(2,569,018)**
Additional Paid in Capital March 31,2022							830,378		**830,378**
Balance March 31, 2022	**7,298**	**$2**	**10,387,116**	**$1,039**	**150,000**	**$15**	**$16,816,235**	**($10,382,386)**	**$6,434,904**
Net Loss March 31, 2023								($671,566)	**(671,566)**
Accretion of Stock Based Compensation March 31, 2023							320,000		**320,000**
Balance March 31, 2023	**7,298**	**$2**	**10,387,116**	**$1,039**	**150,000**	**$15**	**$17,136,235**	**($11,055,963)**	**$6,081,327**
Net Loss March 31, 2024								($4,221,486)	**($4,221,486)**
Common Stock issued for services			10,000	1			12,400		**12,400**
Class C Preferred Stock issued	**55**		(5,500,000)	(550)			550		
Common stock for conversion of Class A Preferred	(3,569)	(1)	2,271,779	227			(227)		
Common stock for conversion of Class B Preferred	(3,289)	(1)	1,827,121	183			(183)		
Accretion of Stock Based Compensation March 31, 2024							320,000		**320,000**
Balance March 31, 2024	**495**		**8,996,016**	**$900**	**150,000**	**$15**	**$17,468,776**	**($15,277,449)**	**$2,192,242**
Net Loss June 30, 2024								($309,038)	**(309,038)**
Additional Paid in Capital June 30, 2024							80,000		**80,000**
Balance June 30, 2024	**495**		**8,996,016**	**$900**	**150,000**	**$15**	**$17,548,776**	**($15,586,487)**	**$1,963,204**

PROPELLUS, INC
STATEMENTS OF CASH FLOW
For The Quarters Ended JUNE 30, 2024 and JUNE 30, 2023
(UNAUDITED)

		June 30, 2024		June 30, 2023
OPERATING ACTIVITIES				
Net Gain (Loss)	$	(309,038)	$	(277,605)
ADJUSTMENTS TO RECONCILE NET GAIN (LOSS) TO NET CASH FROM OPERATING ACTIVITIES				
Receivables		(30,837)		(517,907)
Deposits in Transit		(4,337)		6,260
Convertible Debenture Payable		1,300,000		658,000
Due to Factor		(28,971)		(320,049)
Redemptions Payable		(10,807)		(7,358)
Accrued Payroll		(104,167)		-
Accounts Payable		(185,727)		(20,000)
Deferred Revenue		(276,291)		307,842
Interest and Dividends Payable		(310,270)		31,158
Total Adjustments to reconcile net income to net cash from operating activities	**$**	**348,594**	**$**	**137,946**
NET CASH PROVIDED BY OPERATING ACTIVITIES	**$**	**39,557**	**$**	**(139,659)**
FINANCING ACTIVITIES				
Additional Paid in Capital	$	80,000		80,000
Common Stock				
Preferred Stock Class C				
NET CASH PROVIDED BY FINANCING ACTIVITIES	**$**	**80,000**	**$**	**80,000**
NET CASH INCREASE FOR PERIOD	**$**	**119,557**	**$**	**(59,659)**
CASH AT BEGINNING OF PERIOD		**17,355**		**74,346**
CASH AT END OF PERIOD	**$**	**136,912**	**$**	**14,687**

See accompanying Notes to Financial Statements

PROPELLUS, INC.
CONDENSED NOTES TO FINANCIAL STATEMENTS
FOR THE QUARTERS ENDED JUNE 30, 2024 and JUNE 30, 2023
(UNAUDITED)

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

History and Nature of Business

Propellus Inc. (the "Company"), is an Oklahoma domiciled publicly-traded company with its wholly-owned subsidiary, Propellus, Inc., ("Wyoming") a Wyoming domiciled company incorporated on July 21, 2020. On January 19, 2021 (the "Share Exchange Date") Propellus, Inc., the Oklahoma entity ("Propellus OK") acquired all of the common shares of Wyoming under a share exchange agreement. The shareholders of Wyoming controlled approximately 97% of the voting common shares of the combined entity just after the share exchange. Accordingly, the share exchange was treated as a reverse acquisition and recapitalization of Wyoming. The historical financial statements of the Company are those of Wyoming and include the operations of Propellus OK from the share exchange date. Simultaneous with the share exchange, the existing business of Propellus OK, which was held in a subsidiary of Propellus OK, was sold to the former major shareholder of Propellus OK.

The Company currently trades on the OTC Pink Sheets under the symbol PRPS. The Company operates an office located in New Jersey. The primary objective of the Company is to provide cash flow financing to small businesses that is repaid from the collection future accounts receivable of its customers. The fiscal year-end for the Company is March 31.

Going Concern

The accompanying unaudited financial statements have been prepared assuming that the Company will continue as a going concern which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. As reflected in the accompanying unaudited financial statements, the Company had a net loss of $277,605 and $309,038 for the quarters ended June 30, 2023 and June 30, 2024, respectively. On June 30, 2024, the Company had an accumulated deficit of $15,586,487 which could have a material impact on the Company's financial condition and operations. For the year ended June 30, 2024, net loss was primarily attributable to the recording of bad debt expense and from non-cash stock compensation expense from stock and warrants as described later.

The Company is seeking to raise additional capital through additional debt and/or equity financings to fund its operations in the future . Management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive or raise additional debt and/or equity capital. .

The unaudited financial statements do not include any adjustments relating to the recoverability or classification of recorded assets and liabilities that might result should the Company be unable to continue as a going concern.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited financial statements are presented in conformity with accounting principles generally accepted in the United States of America ("US GAAP").

Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly- owned subsidiaries. All intercompany accounts and transactions have been consolidated.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying disclosures. Although these estimates are based on management's best knowledge of current events and actions the Company may undertake in the future, actual results could differ from the estimates. Significant estimates in the accompanying unaudited financial statements include the allowance for estimated receivable losses, valuation of equity-based instruments issued for other than cash and valuation allowance on deferred tax assets.

Cash and Cash Equivalents

The Company considers all highly liquid debt instruments and other short-term investments with maturities of three months or less, when purchased, to be cash equivalents. The Company held no cash equivalents as of June 30, 2024 and 2023.

Concentrations – Concentration of Credit Risk

Certain financial instruments potentially subject the Company to concentrations of credit risk and consist primarily of cash. The Company principally maintains all cash with one financial institution, which, at times, may exceed the amount insured by the Federal Deposit Insurance Corporation. The exposure to the Company is solely dependent upon daily bank balances and the respective strength of the financial institution. The Company has not incurred any losses on these accounts. On June 30, 2024, the Company did not have deposits with a financial institution that exceeded the FDIC deposit insurance coverage.

Receivables

The Company advances money to small businesses through direct funding. The advances are structured by management to reflect a purchase price of future receivables at a discount to face value. Management aims for these transactions to be one year or less, and payments are usually collected through an automated recurring direct bank withdrawal. A third-party service provider is used to process these transactions.

Allowance for Estimated Receivable Losses

The Company recognizes an allowance for losses on receivables in an amount equal to the estimated probable losses net of recoveries under the current expected credit loss method. The allowance is based on an analysis of historical bad debt experience, current receivables aging and expected future write-offs, as well as an assessment of specific identifiable customer receivable considered at risk or uncollectible. On April 1, 2023, the Company adopted ASC 326, "Financial Instruments - Credit Losses". In accordance with ASC 326, an allowance is maintained for estimated forward-looking losses resulting from the possible inability of customers to make the required payments (current expected losses). The amount of the allowance is determined principally on the basis of past collection experience and known financial factors regarding specific customers. The expense associated with the allowance for doubtful accounts on receivables is recognized in bad debt expenses.

The Company maintains an allowance for uncollectible receivables that reflects the higher risk nature of its transactions. The allowance account is calculated on a line-by-line basis, evaluating each receivable internally by management. The Company writes off receivable balances that management believes to be uncollectible against the allowance. Recoveries of balances previously written off are credited to operations when recovered. On June 30, 2024 and 2023, the allowance for uncollectible receivables was $3,789,410 and $1,093,285, respectively.

Fair Value of Financial Instruments

ASC 820, Fair Value Measurements and Disclosures requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. ASC 820 prioritizes the inputs into three levels to be used to measure fair value:

Level 1 – Level 1 applies to assets or liabilities with quoted prices in active markets for identical assets or liabilities.

Level 2 - Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model- derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities. The Company's financial instruments consist principally of cash, receivables acquired from an exchange agreement, receivables – direct funding, accounts payable, and promissory note – related party. Pursuant to ASC 820, Fair Value Measurements and Disclosures and ASC 825, Financial Instruments, the Company believes that the recorded values of the other financial instruments approximate their current fair values because of their nature and respective maturity dates or durations.

ASC 825-10 "Financial Instruments", allows entities to voluntarily choose to measure certain financial assets and liabilities at fair value (fair value option). The fair value option may be elected on an instrument-by-instrument basis and is irrevocable unless a new election date occurs. If the fair value option is elected for an instrument, unrealized gains and losses for that instrument should be reported in earnings at each subsequent reporting date. The Company did not elect to apply the fair value option to any outstanding instruments.

Leases

In February 2016, the Financial Accounting Standards Board issued Accounting Standards Update No. 2016-02: "Lease (Topic 842)" whereby lessees need to recognize leases on their balance sheet as a right of use asset and a corresponding lease liability. The Company adopted this standard using the effective date method. As a part of our policy, we have chosen to exclude leases with a lease term of one year or less. Accordingly, we have no leases over one year and thus the adoption of this standard did not have any effect on the accompanying unaudited financial statements. The Company adopted ASC 606 "Revenues from Contracts with Customers". There was no cumulative effect upon this adoption.

Revenue Recognition

The Company generates revenue by purchasing the future receivables of small businesses (direct funding) or by advancing money to a financing company and collecting a stated financing fee (participation funding). Direct funding, also referred to as "merchant cash advances", is the advance of money for the purchase of future receivables of its customers at a discount to the agreed upon purchase amount. For direct funding, management endeavors to structure the payments so that the purchased amount is repaid within one year. Fee income is recognized on a pro-rata basis over the term of the respective transaction.

Stock-Based Compensation

Stock-based compensation is accounted for based on the requirements of ASC 718 – *"Compensation – Stock Compensation*", which requires recognition in the financial statements of the cost of employee, director, and non-employee services received in exchange for an award of equity instruments over the period the employee, director, or non-employee is required to perform the services in exchange for the award (presumptively, the vesting period). The ASC also requires measurement of the cost of employee, director, and non-employee services received in exchange for an award based on the grant-date fair value of the award. The Company has elected to recognize forfeitures as they occur as permitted under ASU 2016-09 *Improvements to Employee Share-Based Payment*.

Income Taxes

Deferred income tax assets and liabilities arise from temporary differences associated with differences between the financial statements and tax basis of assets and liabilities, as measured by the enacted tax rates, which are expected to be in effect when these differences reverse. Deferred tax assets and liabilities are classified as current or non- current, depending upon the classification of the asset or liabilities to which they relate. Deferred tax assets and liabilities not related to an asset or liability are classified as current or noncurrent depending on the periods in which the temporary differences are expected to reverse. Valuation allowances are established when necessary to reduce the deferred tax assets to the amount expected to be realized.

The Company follows the provisions of FASB ASC 740-10 "Uncertainty in Income Taxes" (ASC 740-10). Certain recognition thresholds must be met before a tax position is recognized in the financial statements. An entity may only recognize or continue to recognize tax positions that meet a "more- likely-than-not" threshold. The Company does not believe it has any uncertain tax positions as of June 30, 2024 and 2023 that would require either recognition or disclosure in the accompanying unaudited financial statements.

Net Loss per Share of Common Stock

The Company computes net earnings (loss) per share in accordance with ASC 260-10, “Earnings per Share.”, which requires presentation of both basic and diluted earnings per share (“EPS”) on the face of the income statement. Basic EPS is computed by dividing net income (loss) available to common stockholders by the weighted average number of common shares outstanding during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period and diluted EPS excludes all dilutive potential shares if their effect is anti-dilutive.

On June 30, 2024, potential dilutive securities consisted of the following:

	June 30, 2024
Stock options	800,000
Warrants	2,839,148
Convertible debt	1,528,000
Class A preferred stock	52,222
Class B preferred stock	192,222
Class C preferred stock	6,600,000
Total	12,011,592

Contingencies

Certain conditions may exist as of the date the financial statements are issued which may result in a loss to the Company, but which will only be resolved when one or more future events occur or fail to occur. Company management and its legal counsel assess such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein. If the assessment of a contingency indicates that it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated, then the estimated liability would be accrued in the Company's financial statements. If the assessment indicates that a potentially material loss contingency is not probable but is reasonably possible, or is probable but cannot be reasonably estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable would be disclosed. The Company does not include legal costs in its estimates of amounts to accrue.

Related Parties

Parties are related to the Company if the parties, directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with the Company. Related parties also include principal owners of the Company, its management, members of the immediate families of principal owners of the Company and its management and other parties with which the Company may deal with if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests. The Company discloses all related party transactions. All transactions are recorded at fair value of the goods or services exchanged.

Recent Accounting Pronouncements

The Company has evaluated recent accounting pronouncements and their adoption, and has not had, and is not expected to have a material impact on the Company’s financial position or results of operations. New pronouncements issued but not yet effective are not expected to have a significant effect on the Company’s financial position or results of operations.

NOTE 2 – TRUSTEE AGREEMENTS AND EXCHANGE AGREEMENTS

On November 16, 2020, Global Factors LLC ("Global"), a Wyoming limited liability company, American Growth Factors, LLC ("AGF"), a Nevada limited liability company, and Wyoming entered into an agreement for Wyoming to act as Trustee in the liquidation of Global and AGF's assets (the "Trustee Agreements"). Under the Trustee Agreements, all of Global and AGF's assets that were being liquidated were transferred to Wyoming to manage and distribute in accordance with the terms of the Exchange Agreements, as defined below. Under the Exchange Agreements, there will be Non-Exchanging Members ("NEM") and Exchanging Members ("EM"). The Trustee shall hold liquidation proceeds for distribution, in the time and fashion, to NEM in accordance with the Exchange Agreements.

In accordance with the Exchange Agreements, EM's, agreed to exchange the pro-rata share of proceeds, due to them, from the liquidation of their respective funds. Under the terms of the Agreements, EM's received Class A Convertible Preferred Shares, and Class B Convertible Preferred Shares, respectively, of Propellus OK after the triangular merger occurred. Both Class A and Class B preferred shares will be issued in consideration of an Initial Stated Value of $1,000 per share. Both Class A and Class B preferred shares will be eligible for redemption and/or conversion into common shares of Propellus OK after determination of their respective Final Stated Value. Redemption or Conversion will be at the Final Stated Value that will be determined during Final Valuation on December 31, 2021, and at December 31, 2023, respectively. None of the Preferred Shares shall contain any voting rights. Both Series of Preferred contain dividend provisions in each of the Series designations.

Additionally, the EM's received restricted common shares and warrants to purchase restricted shares of Propellus OK upon the finalization of the triangular merger, which occurred effective January 19, 2021, and the Company became a subsidiary of Propellus OK.

Effective March 30, 2021, the Global Exchanging Members agreed to exchange their projected proceeds of $21,101,403 that the Company valued initially, based on its impairment analysis at $3,662,561. Effective March 31, 2021, the Company issued to the Global Exchanging Members, 3,663 shares of its $0.0001 par value Class A Convertible Preferred Stock; 549,388 bonus shares of its restricted common stock; and bonus warrants allowing for the purchase of 1,098,776 restricted common shares. The warrants have a conversion price of $2.00 and a three (3) year term.

Effective March 30, 2021, the AGF Exchanging Members agreed to exchange their projected proceeds of $23,645,175 that the Company valued initially, based on its impairment analysis at $3,634,573. Effective March 31, 2021, the Company issued to the AGF Exchanging Members, 3,635 shares of its $0.0001 par value Class A Convertible Preferred Stock; 545,188 bonus shares of its restricted common stock; and bonus warrants allowing for the purchase of 1,090,372 restricted common shares. The warrants have a conversion price of $2.00 and a three (3) year term.

Certain AGF investors were in the process of redeeming their Membership Units prior to AGF electing to liquidate and unwind its operations ("AGF Redeemers"). The aggregate redemption claims that were commenced by AGF Redeemers prior to its election to liquidate was $2,145,260. Effective December 31, 2020, AGF and the Company, as the Trustee, entered into a Redemption Priority Funding Agreement with AGF Redeemers relative to satisfaction of their claims against AGF. Under the terms of the Agreement, beginning at the conclusion of 2021, and until such time as all Redemption Claims are entirely satisfied, the Company as Trustee for AGF, will pay and distribute, on a pro rata basis, to all AGF Redeemers any funds collected pursuant to the Liquidation, in the following fashion:

Redemption Claims: At least Eighty (80%) percent of all funds it collects pursuant to the liquidation will be distributed on a pro-rata basis to AGF Redeemers; and AGF Members: Up to twenty (20%) percent of all funds it collects will be allocated to AGF Members and will be allocated further by the Trustee between AGF Exchanging Members and AGF Non-Exchanging Members in accordance with the terms of the AGF Exchange Agreement. As consideration for the pro-rata funds that the Trustee shall collect pursuant to b) above and allocated to AGF Exchanging Members, the Company issued 214,526 bonus shares of its restricted common stock to the AGF Redeemers to be distributed on a pro-rata basis by AGF Redeemers.

The Company has recorded $2,057,114 liability as Redemptions payable on the accompanying unaudited balance sheets on June 30, 2023. For the current report, fiscal year ending June 30,2024, based on payments applied, the Company has reduced the Redemptions Payable, a contingent liability based upon AGF Exchange Receivables, to $1,735,580. Depending on certain factors in the future that cannot be guaranteed by the Company, the actual receivables collected may be higher or lower than the amount reported due to successful or unsuccessful collection attempts, settlements, and/or litigation with the obligors.

NOTE 3 – RECEIVABLES

Receivables – Direct Funding

In accordance with the Trustee Agreements, the Company has the authority to reinvest collections of EM receivables into new customers and as such, these amounts were funded directly by the Company in accordance with its normal business practices.

On December 31, 2023 with the determination of the Final Stated Value of Class B preferred shares at $ 98.09 per share, Receivables From Direct Funding and Exchange Agreement have been combined into Direct Funding.

On June 30, 2024 and 2023, receivable – Direct Funding consisted of the following:

	June 30, 2024	June 30, 2023
Direct funding receivables	$ 10,324,362	$ 11,489,639
Less: allowance for doubtful accounts	(3,789,410)	(1,093,285)
Direct funding receivables, net	$ 6,534,952	$ 10,396,354

In the course of purchasing receivables at a discount, the Company internally records the purchase cost and the expected premium separately for internal management monitoring. However, under GAAP, only the cost is reported on the balance sheet as an asset and the premium is recorded as income prorated after each payment is received. In the past, the Company reported the expected premium on the balance sheet as both an asset (under Receivables Premium), and a liability (under Deferred Receivable Premium). This resulted in a higher gross amount of both assets and liabilities but had a net zero effect on the balance sheet totals because they were offsetting. In this period's report and moving forward, the Company will only report the purchase price of the receivables on the balance sheet but will include the details of the expected Receivables Premium in a footnote. The Receivables Premium data for this reporting period is contained in the table below.

	June 30, 2024	June 30, 2023
Direct funding receivables, net	$ 6,534,952	$ 10,396,354
Receivables Premium	2,867,565	2,366,230
TOTAL	9,402,517	12,762,584

Back End Fees Receivable are fees owed to the Company from transactions with merchants in the ordinary course of business and include but are not limited to: NSF fees, document fees, change of bank account fees, default fees, UCC filing fees, and other administrative fees. These fees are usually collected at the end of the transaction term and thus are carried as a receivable until collected which then reduces the receivable and recognizes the fee income. The Back End Fees Receivable for June 30, 2023 and June 30, 2024 were $446,050 and $293,508, respectively.

NOTE 4 – CASH FROM EXCHANGING MEMBERS

As described previously in Note 3, the Global Exchanging Members agreed to exchange their projected proceeds of $21,101,403 that the Company valued initially, based on its impairment analysis at $3,662,561. AGF Exchanging Members agreed to exchange their projected proceeds of $23,645,175 that the Company valued initially, based on its impairment analysis at $3,634,573. Additionally, the AGF Redeemers valuation was $2,145,260 and the Company recorded $367,966 of valuation for transactions with non-exchanging members prior to the Exchange Agreement, and $418,736 for transactions representing the portion of liabilities with exchanging members prior to the Exchange Agreement. The total amount recorded by the Company initially as a receivable was $6,074,898.

On March 31, 2023, the Company was carrying a total of $418,736 in payables from pre-Exchange obligations, classified under Exchange A/P on the accompanying unaudited balance sheet. As of December 31, 2023 the Payables have been canceled and as a result was removed from the Company's liabilities. By virtue of this adjustment, during the year ended March 31, 2024, the Company recorded non-cash, one-time revenue in the amount of $418,736, which was included in Application and Processing Fees and Other Income in the prior reporting period's unaudited statement of operations. As reported this period of June 30, 2024, the Exchange A/P balance is $0.

NOTE 5 – NON-EXCHANGING MEMBERS

On June 30, 2024 and 2023, the Company had recorded a liability of $9,889 and $204,287 due to non-exchanging members for transactions prior to the Exchange Agreement, which is reflected on the accompanying unaudited balance sheets, respectively.

NOTE 6 – CONVERTIBLE DEBENTURES PAYABLE

On March 31, 2023, the Company issued convertible debentures in the amount of $770,000. The term is one (1) year, and they are renewable, at the holder's option. The debentures accrue daily interest at the rate of 15% simple interest per annum and interest will be paid quarterly. The Debentures are convertible into common shares of PRPS at the choice of holders anytime following nine (9) months at the greater of $1.00 or 50% of the average daily Volume Weighted Average Price of the Company's Common Stock as reported on a National Quotations Bureau or Over the Counter Market upon which the Common Stock may be traded, for the fifteen (15) prior trading days.

On September 30, 2023, the Company issued convertible debentures in the amount of $758,000. The debentures accrue daily interest at the rate of 15% simple interest per annum and interest will be paid quarterly. The Debentures are convertible into common shares of PRPS at the choice of holders anytime following nine (9) months at the greater of $1.00 or 50% of the average daily Volume Weighted Average Price of the Company's Common Stock as reported on a National Quotations Bureau or Over the Counter Market upon which the Common Stock may be traded, for the fifteen (15) prior trading days.

On April 30, 2024, the Company issued convertible debentures in the amount of $300,000. The debentures accrue daily interest at the rate of 15% simple interest per annum and interest will be paid quarterly. The Debentures are convertible into common shares of PRPS at the choice of holders anytime following nine (9) months at the greater of $1.00 or 50% of the average daily Volume Weighted Average Price of the Company's Common Stock as reported on a National Quotations Bureau or Over the Counter Market upon which the Common Stock may be traded, for the fifteen (15) prior trading days.

On May 24, 2024, the Company issued a Promissory Note in the amount of $1,000,000. The note accrues daily interest at the rate of 15% simple interest per annum and interest will be paid quarterly. The Note is accompanied by an equity kicker of 50,000 common shares to be issued at maturity.

On June 30, 2024 and 2023, principal amounts due under the convertible debentures and notes combined amounted to $2,828,000 and $1,428,000, respectively, On June 30, 2024 and 2023, interest payable under the convertible debentures amounted to $102,050 and $39,188, respectively, which is included in accounts payable and accrued expenses on the accompanying unaudited balance sheets.

NOTE 7 – STOCKHOLDERS' EQUITY

Preferred Stock

The Company is authorized to issue up to 100,000,000 shares of preferred stock at $0.0001 par value per share. Additionally, the Company has 10,000 shares of Class A Convertible Preferred stock and 10,000 shares of Class B Convertible Preferred stock designated. Effective March 31, 2021, in connection with the Exchange Agreement, the

Company issued 3,663 shares of Convertible Class A Preferred Stock and 3,635 shares of Convertible Class B Preferred Stock and these are issued and outstanding on March 31, 2023 and 2022.

The Final Stated or Redemption Value of the shares was determined on December 31, 2021 and December 31, 2022, for Global and AGF, respectively ("Final Valuation"), based on the actual transfer of proceeds pursuant to Global and AGF's Liquidation and Exchange Offer, as well as the performance of all reinvested transferred funds minus all fees, expenses and cash distributions made to Class A and Class B Preferred Stockholders. Until the date of the Final Valuation, the Initial Value per share shall be $1,000. The shares shall carry no voting rights and may be redeemed by either the Company or the Class A and B Preferred Stockholders, in whole or in part, at any time following December 31, 2022.

The holders of shares of Class A shall be entitled to a 12% dividend of the Initial Value on a quarterly basis beginning in the first quarter of calendar year 2021 and Class B Preferred Share shall be entitled to a 12% dividend of the Final Valuation on a quarterly basis beginning in the first quarter of calendar year 2023. The holders of both series of Preferred shall be entitled to a 12% quarterly dividend on the Final Valuation until such time as redeemed. All dividend payments shall be made within 10 days of the end of each quarter. Dividends are cumulative. No dividends shall be paid on any Common Shares unless all dividends are currently paid on all Class A and Class B Preferred Stock. The holders of the Class A and Class B Convertible Preferred Stock shall have the right following written demand to the Company, to convert any or all their Class A and Class B Convertible Preferred Stock to common stock, after December 31, 2022.

The number of shares of common stock deliverable upon the conversion of one (1) share of Class A and Class B Convertible Preferred Stock shall be the number equal to the Stated or Redemption Value divided by 10%, in the case of Class A, and 20% in the case of Class B, below the average daily VWAP of the Company's Common Stock as reported on a National Quotations Bureau or Over the Counter Market upon which the Common Stock may be traded, for the fifteen (15) prior trading days, if the Company is publicly traded at the time of conversion. In the event the Company is not publicly traded, the number of shares of common stock deliverable upon the conversion of one (1) share of Class A and Class B Convertible Preferred Stock shall be the number equal to the Stated or Redemption Value divided by $2.00. Any accrued but unpaid dividends will also have the right to be converted at the option of the holder. No fractional shares of common stock shall be issued, but any issuance under conversion shall be rounded to the nearest whole number. On October 17, 2023, the Company offered all Class A Preferred ("Class A Preferred") shareholders the opportunity to convert their Class A Preferred into Propellus common shares at $1.80 through October 31, 2023. Under the Company proposal, the number of common shares deliverable to each converting Class A Preferred shareholder would be equal to the Final Stated Value of their Preferred Series A divided by $1.80. Prior to this Offer, there were 3,663 Class A Preferred shares issued and outstanding. Shareholders opted to convert 3,568.4 or 97.4% of the issued shares, under the terms of the offer, resulting in the issuance of 2,271,779 new common shares in exchange for the converted Class A Preferred shares.

On October 17, 2023, the Company offered all Class B Preferred ("Class B Preferred") shareholders the opportunity to convert their Class B Preferred into Propellus common shares at $1.80 through October 31, 2023. Under the Company proposal, the number of common shares deliverable to each converting Class B Preferred shareholder would be equal to the Interim Stated Value of their Preferred Class B shares divided by $1.80. Prior to this Offer, there were 3,665 Class B Preferred shares issued and outstanding. Shareholders opted to convert 3,288.7 or 90.5% of the issued shares, under the terms of the offer, resulting in the issuance of 1,827,121 new common shares in exchange for the converted Class B Preferred shares.

On June 30, 2024 and 2023, the Company accrued $398 and $144,843 of dividends classified as Class A dividends payable on the accompanying unaudited balance sheets.

On January 4, 2024 the Company filed a Certificate of Designation with the Oklahoma Secretary of State for the creation of Class C Convertible Preferred Stock. As such, the newly created Series C will consist of One Thousand shares, and shall have the following powers, designations, preferences, limitations and rights:

1. Designation. This series of Preferred Stock shall be designated and known as "Class C Convertible Preferred Stock." The number of shares constituting the Class C Convertible Preferred Stock shall be one thousand (1,000) shares and may be issued in fractional shares.

2. Par Value. The Par Value of the Class C Convertible Preferred Stock shall be $0.0001 per share.

3. Stated or Redemption Value. The Stated or Redemption Value shall be Two Hundred –Fifty Thousand Dollars ($250,000).

4. Dividends. Class C Convertible Preferred Stock shall not be eligible to receive dividends.

5. Liquidation Preference. In the event of any liquidation or winding up of the Company, the holders of the Class C Convertible Preferred Stock shall be treated the same as if they were the holder of common stock. For liquidation purposes each share of Class C Convertible Preferred Stock is equivalent to One Hundred Thousand (100,000) shares of common stock. At the option of the holders of the Class C Convertible Preferred Stock, a merger, sale of all or substantially all of the assets of the Company, reorganization or other transaction in which control the Company is transferred may be treated as a liquidation, dissolution or winding up for purposes of the liquidation preference.

6. Optional Conversion of Class C Convertible Preferred Stock. The holders of the Class C Convertible Preferred Stock shall have the right following delivery of written demand to the Company, to convert any or all of their Class C Convertible Preferred Stock to common stock, following December 31, 2024. The number of shares of common stock deliverable upon the conversion of one (1) share of Class C Convertible Preferred Stock shall be One Hundred Thousand (100,000) shares of common stock. issuance under a conversion shall be rounded down to the nearest whole number.

7. Anti-Dilution Provisions. The conversion price of the Class C Convertible Preferred Stock shall be subject to appropriate adjustment in the event of a stock split, stock dividend or similar event.

8. Voting. Two Hundred Thousand (200,000) votes are attached to each of the Class C Convertible Preferred Stock except as otherwise provided herein.

9. Authorization. Notwithstanding any provision herein, the Company is authorized to provide for the issuance of any number of additional designations of Preferred Stock, by filing the appropriate Certificate of Designation with the Secretary of State of Oklahoma, and it is authorized to establish the number of shares to be included in each class and series and the preferences, limitations, and relative rights of each class and series.

On February 29, 2024, the Company issued 55 Class C preferred shares for the cancellation of 5,500,00 common shares.

Common Stock

The Company is authorized to issue up to 500,000,000 shares of $0.0001 par value common stock and on March 31, 2024, 8,996,016 shares were issued and outstanding.

Common Stock Issued for Conversion of Preferred Shares

In October 2023, the Company issued 2,271,779 of its common shares upon the conversion of 3,568.4 Class A preferred shares, or 97.4%, of the Class A issued shares, under the terms of the offer.

In October 2023, the Company issued 1,827,121 of its common shares upon the conversion of 3,288.7 Class B preferred shares, or 90.5%, of the Class B issued shares, under the terms of the offer.

Common Stock Issued for Services

On March 1, 2024 and effective March 15, 2024, the Company entered into an employment with an individual. In connection with the employment agreement the Company issued 10,000 restricted shares of its common stock for services rendered. The shares vest immediately. The Company valued these common shares at a fair value of $12,400 or $1.24 per common share based on the quoted closing price of the Company's common stock on the measurement date. During the year ended March 31, 2024, the Company recorded stock-based compensation expense of $12,400, which was included in non-cash expense – stock compensation in the accompanying unaudited statement of operations.

Cancellation of Common Stock for Issuance of Class C Preferred Stock

On February 29, 2024, the Company issued 55 Class C preferred shares for the cancellation of 5,500,00 common shares.

Common Stock Issuable

Effective December 15, 2020, the Company entered into a consulting agreement related to investor relation services. The term of the consulting agreement is two years through December 15, 2022, with monthly fee of $15,000 paid for services. Additionally, the Company agreed to grant the consultant 150,000 shares of its $0.0001 par value common stock on January 3, 2021. However, the Company amended the consulting agreement such that the shares of common stock were not earned and vested until March 30, 2021. As a result, the shares of common stock were valued for accounting purposes at $2.02 per share and resulted in $303,000 of valuation. The Company recorded $43,997 of consulting experience for amortization of the total valuation for the period from December 15, 2020, to March 31, 2021. The remainder of the valuation was $259,003 and was recorded as prepaid consulting in the accompanying financial statements, to be amortized over the remaining term of the consulting agreement through December 15, 2022. See Note 9 Related Party Transactions.

The transfer agent had not issued the shares of stock and as a result, the Company recorded the 150,000 shares as Common Stock Issuable on the accompanying unaudited financial statements on June 30, 2024 and 2023, As of June 30, 2024**,** the 150,000 shares have not been issued.

Stock Options

Stock option activities for the years ended March 31, 2024 and 2023 are summarized as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Balance Outstanding, March 31, 2023	800,000	$ 3.00	2.75	-
Exercised	-	-	-	-
Balance Outstanding, March 31, 2024	800,000	3.00	1.75	-
Exercised	-	-	-	-
Balance Outstanding, June 30, 2024	800,000	$ 3.00	1.50	$ -
Exercisable, June 30, 2024	600,000	$ 3.00	1.50	$ -

During the years ended March 31, 2024 and 2023, accretion of stock-based option expense amounted to $320,000 and $320,000, respectively. Another $80,000 was accreted for the quarter ended June 30, 2024. On June 30, 2024, remaining unamortized stock-based stock option expense amounted to $479,102, which will amortized over a period of 2 years.

Stock Warrants Outstanding

Warrant activities for the years ended June 30, 2024 and 2023 are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Balance Outstanding, March 31, 2023	2,839,148	$ 2.00	2.00	-
Exercised	-	-	-	-
Balance Outstanding, March 31, 2024	2,839,148	2.00	1.75	-
Exercised	-	-	-	-
Balance Outstanding, June 30, 2024	2,839,148	$ 2.00	1.50	$ -
Exercisable, June 30, 2024	2,839,148	$ 2.00	1.50	$ -

On December 30, 2022, the Company extended the term to exercise of all the outstanding purchase warrants to December 31, 2025.

NOTE 8 – INCOME TAXES

The Company accounts for income tax using the liability method prescribed by ASC 740, "Income Taxes". Under this method, deferred tax assets and liabilities are determined based on the difference between the financial reporting and tax bases of assets and liabilities using enacted tax rates that will be in effect in the year in which the differences are expected to reverse. The deferred tax assets on June 30, 2024 and 2023 consist of net operating loss carryforwards and differences in book and tax basis of assets. The net deferred tax asset has been fully offset by a valuation allowance because of the uncertainty of the attainment of future taxable income. The items accounting for the difference between income taxes at the effective statutory rate and the provision for income taxes for the years ended June 30, 2024 and 2023 were as follows:

	2024	2023
Statutory federal rate	(21.00) %	(21.00) %
Change in valuation allowance	21.0 %	21.0 %
Total provision for income taxes	0 %	0 %

The Company's approximate net deferred tax asset as of June 30, 2024 and 2023 was as follows:

	2024	2023
Deferred tax assets:		
Net operating loss carry forward	$3,273,162	$ 2,380,049
Allowance for bad debt	-	-
Total deferred tax assets	3,273,162	2,380,049
Less: deferred tax asset valuation allowance	(3,273,162)	(2,380,049)
Total net deferred tax assets	$ -	$ -

The net operating loss carryforward was approximately $11,333,568 on June 30, 2023. The Company provided a valuation allowance equal to the net deferred income tax asset as of June 30, 2024 and 2023 because it was not known whether future taxable income will be sufficient to utilize the loss carryforward. During the quarter ended June 30, 2024, the valuation allowance increased to $3,273,162. Additionally, the future utilization of the net operating loss carryforward to offset future taxable income is subject to an annual limitation as a result of ownership changes that may occur in the future. The potential tax benefit arising from the loss carryforward may be carried forward indefinitely subject to usage limitations

The Company does not have any uncertain tax positions or events leading to uncertainty in a tax position.

NOTE 9 – RELATED PARTY TRANSACTIONS

Effective December 15, 2020, the Company entered into a consulting agreement with an entity controlled by one of the founder shareholders of the Company. The consulting agreement was for two years and has an automatic two-year renewal if either the Company or the consultant do not terminate. The services provided are of corporate and structural strategy, identification and purchase of a publicly traded vehicle, introductions to strategic partners, and all other areas requested by the Company that will assist with the advancement of Company's business and stated goals. The compensation for these services is up to $6,500 monthly. During the years ended June 30, 2024 and 2023, the Company recorded a total consulting expense of $93,000 and $91,000, included in Professional Fees on the accompanying unaudited statements of operations.

Effective December 15, 2020, the Company entered into a consulting agreement with an entity controlled by one of the founder shareholders of the Company. The consulting agreement was for two years and has an automatic two-year renewal if either the Company or the consultant do not terminate. The services provided are for investor relation services. The compensation for these services is up to $15,000 monthly. During the quarters ended June 30, 2024 and 2023, the Company recorded consulting expense of $65,000 and $80,000, which is included in professional fees on the accompanying unaudited statements of operations. See also Note 7 – Stock.

From time to time, Juris Capital. Management, LLC, a limited liability company that is owned and controlled by Ralph Johnson, CEO of the Company, conducts business with a few customers of Propellus. In these instances, Juris or other entities Mr. Johnson may form or control may provide funds or services to these joint customers that may not typically be provided by Propellus, such as inventory financing.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company invests its funds in various finance transactions with its customers either directly or through a third party or affiliate. These types of transactions carry a higher-than-average amount of risk. The Company attempted to mitigate risk by executing security and collateralization agreements with its customers. Due to the nature of the Company's business, there is a potential for default, which may lead the Company to lose some or all of their investment.

Legal

In July 2022, the Company filed a Motion for Summary Judgment in Lieu of Complaint, in the Supreme Court of the State of New York County of New York, against Royal Sovereign Group LLC, Royal Sovereign Costino S.A.C., Minera Ranala, S.A.C. and Anthony Cappaze for damages in excess of $16,000,000 plus interest, costs, and attorney fees owed by Defendants pursuant to a series of loans advanced to them by American Growth Funds LLC ("AGF"). On November 16, 2020, the Company entered into an agreement with AGF, and became the successor in interest to all AGF's assets, including the monies owed by the Defendants in this action. On July 6, 2023 the Court denied the motion for summary judgment in lieu of complaint. The Company filed a Notice of Appeal of the decision, and pursuant to the Court's order, a complaint on July 31, 2023. The defendants' answers were due on September 25, 2023. Defendants Royal Sovereign Group LLC and Anthony Cappaze filed an answer and affirmative defenses on November 10, 2023. The remaining defendants have defaulted, and the Company will request that the court enter default judgments against them.

On July 7, 2022, Randy Langhamer, Debra Langhamer and Terri Weller filed suit in the Southern District of New York against the Company alleging that plaintiffs are owed approximately $2,200,000 pursuant to redemption claims initiated by the Plaintiff's from American Growth Funding II, LLC. ("AGF II"), an investment fund that Plaintiffs were Limited Members of the LLC. The Company, initially as Trustee, and later as successor in interest, believes that it has operated in accordance with agreements entered into between AGF II and the Plaintiffs, and that allegations in the complaint are without merit. The named plaintiffs signed general releases and lack standing to bring claims on behalf of their UGMA accounts. The Company intends to vigorously defend the lawsuit. The case is presently in discovery. The parties held settlement conferences on June 25, 2024 and again on September 5, 2024 to discuss a potential amicable resolution to avoid further litigation expenses.

NOTE 11 – SUBSEQUENT EVENTS

None