# UMBRA APPLIED TECHNOLOGIES GROUP, INC.

## FINANCIAL STATEMENTS

(A Development Stage Company)
March 31, 2015 Quarterly Financial Statements
(Unaudited)


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**Umbra Applied Technologies Group, Inc.**
(A Development Stage Company)
Balance Sheets
(Unaudited)

| | Quarter Ended March 31, 2015 | Year Ended December 31, 2014 |
|---|---|---|
| ASSETS | | |
| Current Assets | | |
| Cash | $ 5,348 | $ 31,117 |
| Accounts Receivable | 10,500 | 10,500 |
| Securities | 200,000 | 700,000 |
| Inventory | 358,000 | 358,000 |
| Total Current Assets | 574,848 | 1,099,617 |
| Property, Plant and Equipment | | |
| Equipment | 2,831,800 | 2,831,800 |
| Less: Accumulated depreciation | (87,780) | (69,724) |
| Total Property, Plant and Equipment | 2,744,020 | 2,762,076 |
| Other Assets | | |
| R& D products | 20,000 | 12,000 |
| Leasehold improvements, net | 53,500 | 22,500 |
| Oil Lease, net of depletion | 769,392 | 778,015 |
| Total other assets | 842,892 | 812,515 |
| Goodwill | 4,896,800 | 4,896,800 |
| Total Assets | $ 9,057,560 | $ 9,571,008 |
| LIABILITIES AND SHAREHOLDERS' DEFICIT | | |
| Current | | |
| Accounts Payable | $ 52,650 | 84,210 |
| Short Term debt | 50,055 | 50,055 |
| Total Current Liabilities | 102,705 | 134,265 |
| Total Liabilities | $ 102,705 | 134,265 |
| STOCKHOLDERS' EQUITY | | |
| Authorized: 200,000,000 common Issued and outstanding, $0.001 par value March 31, 2015 and December 31, 2014-33,262,639 common shares, respectively | 33,262 | 33,262 |
| Preferred shares, Series A $0.001 par value 5,000,000 Authorized and outstanding March 31, 2015 and December 31, 2014 | 5,000 | 5,000 |
| Preferred shares, Series B, $0.001 par value 5,428,682 Authorized and outstanding March 31,2015 and December 31, 2014 | 5,429 | 5,429 |
| Additional paid-in capital - | 10,149,641 | 20,144,988 |
| Deficit Accumulated During the Developmental Stage | (11,233,824) | (10,751,926) |
| Total Stockholders' Equity | 8,954,855 | 9,436,743 |
| Total Liabilities and Stockholders'Equity | $ 9,057,560 | $ 9,571,008 |

The accompanying notes are an integral part of these Financial Statements

**Umbra Applied Technologies Group, Inc.**
(A Development Stage Company)
Statements of Operations
(Unaudited)

| | Three Months Ended March 31, 2015 | Year Ended December 31, 2014 |
|---|---|---|
| Revenue | | |
| Income | $ 103,500 | $ 148,850 |
| Less: cost of goods sold | (9,467) | (13,697) |
| Gross Profit | 112,960 | 136,153 |
| Expenses | | |
| Professional Fees | 3,500 | 634,323 |
| Public company expenses | 2,500 | 6,817 |
| Consulting | 512,429 | 3,738,198 |
| Wages | 20,000 | 39,332 |
| Office | 5,809 | 23,234 |
| Rent | 9,971 | 39,884 |
| General and admin | 4,500 | 159,079 |
| Depreciation | 18,056 | 72,224 |
| **Total Expenses** | 576,765 | 4,713,091 |
| Net Loss from Operations | (473,265) | (4,563,241) |
| Other Income and Expenses | | |
| Depletion allowance | (8,623) | (12,485) |
| Loss on conversion of debt | -0- | (4,204,232) |
| Loss on sale of assets | -0- | (700,000) |
| Interest expense | -0- | (15,000) |
| Total other income and expenses | (8,623) | (5,041,967) |
| Loss For The Period | $ (481,888) | $ (9,605,208) |

The accompanying notes are an integral part of these Financial Statements

**Umbra Applied Technologies Group, Inc.**
(A Development Stage Company)
Statements of Cash Flows
(Unaudited)

| | Three Months Ended February 28, 2014 | Year ended December 31, 2014 |
|---|---|---|
| Cash Flows From Operating Activities | | |
| Net Income (Loss) | $ (481,888) | $ (9,605,208) |
| Adjustments To Reconcile Net Loss To Net Cash Provided by Operations | | |
| Depreciation | 18,056 | 72,224 |
| Unrecognized loss on securities | - | 700,000 |
| Loss on sale of Assets | - | 4,204,232 |
| Depletion | 8,623 | 12,485 |
| Loss on sale of assets | | 109,750 |
| Stock issued for services | | 4,367,415 |
| (Increase) in accounts receivable | | (10,500) |
| (Increase) in inventory | - | 358,000 |
| Increase (decrease) in Accrued Liabilities and Payables | (31,560) | (500,236) |
| Net Cash Provided (Used) by Operating Activities | (486,769) | (9,328,870) |
| Cash Flows From Investing Activities | | |
| Leasehold improvements | (31,000) | (25,000) |
| R & D Products | (8,000) | |
| Sale of securities | 500,000 | |
| Purchase equipment | -0- | (17,600) |
| Net Cash Provided (Used) by Investing Activities | 461,000 | (42,600) |
| Cash Flows From Financing Activities | | |
| Proceeds from sale of stock | - | 300,000 |
| Cash Received from issuance of stock | -0- | 50,055 |
| Net Cash Provided (Used) by Financing Activities | -0- | 350,055 |
| Increase (Decrease) in Cash from Continuing Operations | (25,769) | - |
| Cash and Cash Equivalents at Beginning of Period | 31,117 | $ |
| Cash and Cash Equivalents at End of Period | $ 5,348 | $ 31,117 |
| Supplemental Information | | |
| Cash Paid For: | | |
| Interest | -0- | -0- |
| Income Taxes | -0- | -0- |

The accompanying notes are an integral part of these Financial Statements

**Umbra Applied Technologies Group, Inc.**
(A Development Stage Company)
Notes to Financial Statements
(Unaudited)

## NOTE 1 - BASIS OF PRESENTATION AND DESCRIPTION OF BUSINESS

a) Basis of Presentation

The information presented in the accompanying financial statements for the three months ended March 31, 2015 and December 31, 2014, are unaudited and includes all adjustments, which are, in the opinion of the management of Umbra Applied Technologies Group, Inc. (the "Company"), necessary to present fairly the financial position, results of operations and cash flows in the periods presented.

b) Reclassifications

Certain reclassifications have been made to the prior years' financial statements to conform to the current year presentation. On the Statement of Operation, we have consolidated expense item Filing Fees into Office Administration, Legal and Consulting, and Audit Fees are now included under Professional Fees. These reclassifications had no effect on previously reported results of operations or retained earnings.

c) Development Stage Activities

The Company is in the development stage and has not yet realized any revenues from its planned operations. Based upon the Company's business plan, it is a development stage enterprise.

d) Organization

Umbra Applied Technologies Group, Inc. (the "Company") was incorporated on January 4, 2008 with the name "Utah Kaolin Products, Inc." On November 6, 2009 the Company changed its name to "Green Processing Technologies, Inc." In December 2013 the Company changed its name to "Umbra Applied Technologies Group, Inc. (hereinafter "UATG-Delaware"). We own 70 percent of the equity of Alberta Province, Canadian company called "KeyEco Tech, Inc." through which we propose to develop our technologies for various applications in Alberta Province but primarily for companies involved directly in the processing of mined oil sands and in the remediation of lakes polluted by the waste from oil sands mining operations.

The Company purchased Intrepid Innovations Corporation in October 2013 and has accounted for the transaction as a reverse acquisition.

**NOTE 1 - BASIS OF PRESENTATION AND DESCRIPTION OF BUSINESS –continued**

The Company entered into a purchase transaction to acquire Umbra Applied Technologies, Inc. in December 2013 that was approved by the Company's Board of Directors in January 2014. The Company has issued the shares required to complete its side of the transaction but has not received all of the consideration from Umbra Applied Technologies, Inc.'s shareholders as required in the purchase agreement. This transaction has been accounted for as a reverse acquisition.

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles in the United States of America and have been consistently applied in the preparation of the financial statements. The financial statements are stated in United States of America dollars.

Organizational and Start-up Costs

Costs of start-up activities, including organizational costs, are expensed as incurred in accordance with ASC 720-15.

Income Taxes

The Company uses the asset and liability method of accounting of income taxes. Under the asset and liability method deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Basic and Fully-Diluted Loss Per Share

The basic loss per common share is computed by dividing net loss available to common stockholders by the weighted average number of common shares outstanding. Fully-Diluted loss per common share is computed similar to basic loss per common share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive. At March 31, 2015 and December 31, 2014 the Company had no stock equivalents that were anti-dilutive and excluded in the earnings per share computation.

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES -continued**

Estimated Fair Value of Financial Instruments

The carrying value of the Company's financial instruments, consisting of accounts payable and accrued liabilities approximate their fair value due to the short-term maturity of such instruments. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial statements.

Basic and Fully-Diluted Loss Per Share

The basic loss per common share is computed by dividing net loss available to common stockholders by the weighted average number of common shares outstanding. Fully-Diluted loss per common share is computed similar to basic loss per common share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive. At March 31, 2015 and December 31, 2014 the Company had no stock equivalents that were anti-dilutive and excluded in the earnings per share computation.

Revenue Recognition

The Company has had limited revenues to date. It is the Company's policy that product revenues (or service revenues) will be recognized when persuasive evidence of an arrangement exists, delivery has occurred (or service has been performed), the sales price is fixed and determinable and collectability is reasonably assured.

Concentrations

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents. At March 31, 2015 and December 31, 2014, the Company had $5,348 and $31,117 respectively, in funds in deposits in a business bank account, which are not insured by agencies of the U.S. Government.

Currency

The functional currency of the Company is the United States Dollar.

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES-continued**

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles in the United States of America require the use of estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities known to exist as of the date the financial statements are published, and the reported amounts of revenues and expenses during the reporting period. Uncertainties with respect to such estimates and assumptions are inherent in the preparation of the Company's financial statements; accordingly, it is possible that the actual results could differ from these estimates and assumptions and could have a material effect on the reported amounts of the Company's financial position and results of operations.

Cash and Cash Equivalents

The Company considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

Recent Accounting Pronouncements

The Company management has reviewed recent accounting pronouncements issued through the date of the issuance of financial statements. In management's opinion, except for those pronouncements detailed below, no other pronouncements apply or will have a material effect on the Company's financial statements.

In May 2009, the FASB issued ASC 855 Subsequent Events, which establishes principles and requirements for subsequent events. In accordance with the provisions of ASC 855, the Company currently evaluates subsequent events through the date the financial statements are available to be issued.

## NOTE 3 - BASIS OF PRESENTATION – GOING CONCERN

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles ("GAAP") in the United States of America, which contemplates the Company's continuation as a going concern. However, the Company is entering into a new business operation and has losses to date of approximately $11,233,824. These matters raise substantial doubt about its ability to continue as a going concern. In view of these matters, realization of certain of the assets in the accompanying balance sheet is dependent upon its ability to meet its financing requirements, raise additional capital, and the success of its future operations. The Company acquired operating capital through equity offerings to the public and through the sale of notes to related parties, to fund its business plan. There is no assurance that the funds received will be sufficient to assure the Company's eventual profitability. Management believes that actions planned and presently being taken to revise it's operating and financial requirements provide the opportunity for it to continue as a going concern. The financial statements do not include any adjustments that might result from these uncertainties.

## NOTE 4 - INCOME TAXES

The Company is subject to U.S. federal income taxes. It has had losses to date, and therefore, has paid no income tax.

Deferred income taxes arise from temporary timing differences in the recognition of income and expenses for financial reporting and tax purposes. The Company's deferred tax assets consist entirely of the benefit from net operating loss ("NOL") carry-forwards. Its deferred tax assets are offset by a valuation allowance due to the uncertainty of the realization of the NOL carry-forwards. NOL carry-forwards may be further limited by a change in Company ownership and other provisions of the tax laws.

## NOTE 5 – RELATED PARTY TRANSACTIONS

The officers and directors of the Company are involved in other business activities and they may, in the future, become involved in additional business ventures, which may also require their time and attention. If a specific business opportunity becomes available, such persons may face a conflict in selecting between the Company and their other business interests. The Company has not formulated a policy for the resolution of such conflicts.

In January 2014, the Company issued 3, 000,000 Series B Preferred shares to Chuck Winters as part of the purchase transaction of Umbra Applied Technologies, Inc (see also note 6 Change of Control).

In July 2014, the Company issued 15,000,000 common shares to three related parties with a value of $5,300,000 for services and $3,000,000 for debt payment.

## NOTE 6- CHANGE OF CONTROL

In October 2013 through the purchase of Intrepid Innovations Corporation, Chuck Winters received 5,000,000 shares of Series A Preferred Stock. These shares include voting rights on an as converted basis of 20:1 which provided Mr. Winters with voting control of the Company at that time.

In January 2014 with the issuance of shares for the purchase of Umbra Applied Technologies, Inc the 5,000,000 shares received by Mr. Winters in the October 2013 transaction were returned and re-issued to Alex Umbra with the same provisions effecting a change of control to Mr. Umbra. The voting rights were subsequently modified to vote as if converted at 50:1

## NOTE 6- LITIGATION

None

## NOTE 8- SUBSEQUENT EVENTS

The Company has reviewed subsequent events up to and including the issuance date of these statements, and determined that except for those events disclosed herein, no additional subsequent events have occurred.