

## CERTIFICATION

I, Stuart Burchill, Chief Executive Officer of Industrial Nanotech, I hereby certify that the financial statements filed herewith and any notes thereto, fairly present, in all material respects, the financial position, results of operations and cash flows for the periods presented, in conformity with principles generally accepted in the United States, consistently applied.



---

Stuart Burchill

# Industrial Nanotech, Inc (INTK) Financial Statements and Status Report

September 5, 2018



Figure 1. Profit Loss Trending Graph

**INTRODUCTION:** The Company's founding strategy was the pursuit of creating and obtaining nanotechnology based intellectual property, followed by commercialization of the same.

The Company raised and allocated significant resources to R&D to conduct both in-house and collaborative research with top scientists and laboratories in the nation. This investment resulted in international patents and a unique, world-class best-in-class, nano-engineered product line of sustainable energy saving and asset protection coatings that are used globally across a very diverse group of industries.

The Company's strategy of focusing primarily on R&D while relying on the markets for funding and independent distributors for near-term revenue while pursuing OEM deals for longer-term steady revenue, was an excellent model prior to the recession of 2007-2009.

Subsequent to 2009, management underestimated the significant time required for allocations to maintenance, repair, and overhaul (MRO) to recover for our product class and this substantially impacted the results of the strategy that was employed from 2009-2016. This resulted in financial conditions that represented a significant risk to the continued viability of the Company.

In August of 2016, Industrial Nanotech embarked on corporate turnaround path focused on profitability, financial self-sufficiency and utilizing the Company's profitability to fund R&D.

The Company is now completely financially independent and functions profitably and self-sufficiently without funding from the investment marketplace or reliance on revenue from independent distributors.

The Company may at some point source financing for capital expenditures if the terms are favorable to the Company and the existing shareholders and the Company will continue to nurture relationships with independent distributors, but the Company will maintain its ability to support its ongoing operations and R & D with revenue produced solely by the Company.

This independence from the demands of the investing community and the vagaries of the stock market price will continue to permit the Company to take the long view in enhancing shareholder value and growing successful operations and to implement and execute solid, thoughtful, methodical strategies that will stand the true test of time... not the "quiz" of one quarter's numbers or one day's stock price.

The following are the financial highlights for the past 23 months since the turnaround began in August 2016 through June 2018 (Q2):

-Payroll expenses were slashed by over 83% in the last 3 years, as seen by the mid-year, June 30<sup>th</sup> numbers from pre-turnaround 2015 thru the first six-months of 2018: \$228,185 in 2015, \$43,316 in 2016, to current year 2018 at \$37,017. The Founders have not taken payroll, but will be receiving a significant bonus for achieving profitability when cash flow permits.

-General & Administrative Expenses were slashed 86.7% from \$54,276 in Q2 of 2016 to \$7,215 Q2 2018. An aggressive model of deploying the technological advances available for a mobile, telecommuting and outsourced workforce have been deployed to reduce physical overhead and costs.

-Operating Expenses were slashed almost 85% percent, looking at a mid-year comparison of \$463,093 in 2016 down to \$76,010 in the first six-months of 2018

R&D expenditures have decreased, but in order to monetize the sunk cost of prior R&D, it is being conducted as cash flow permits.

### Profitability

Management is pleased to announce that INI is now profitable for the first time since inception. We believe that we are at a pivotal point in the course of the corporation's history. It is not smooth sailing yet, but significant progress has been made in building a book of multinational accounts that are increasing the number of, and the value of, their purchases on a consistent basis as they expand implementation of the Company's products throughout their factories and throughout the world. We project

continued exponential revenue growth as our Fortune 100 and Fortune 500 customers continue to rapidly expand their implementation of our products as standard operating procedures globally. That is what will turn Industrial Nanotech, Inc from a \$1 million dollar annual revenue company to a \$50 million dollar annual revenue company.

Management continues to shift in the global marketplace in terms of the focus on sustainability. In 2015 our new website for a wholly owned sales and marketing division of INI was launched that branded our company as Sustainability Simplified and Sustainability Accelerated. This was a timely branding as it predated the Paris Accord and the worldwide emphasis on global warming and sustainability. We have witnessed this global awareness transition from the inspirational but theoretical “green movement” of the early 2000 to 2007 time period to today when universities are offering degree programs in sustainability, companies include sustainability reports in their annual reports, sustainability stock indexes, upper level sustainability management positions at almost all major corporations, and corporations finding us, rather than us finding them. We now have a track record of over 103 case studies that we have permission to publish and many more.

It has been a balancing act to slash expenses and personnel and to continue to balance the sales mix between short term sales cycle, “bread and butter” sales, and the longer-term OEM and joint venture possibilities. Management has determined that the sales cycles for industry range from 6-18 months and for OEM 2 years+. Management has worked to launch Healthy House Paint to fill the sales funnel with quick closing sales. Management has also allocated significant resources to our specialty product: LeadX and has increased sales for this product by over 400% in the last two years. In the Year ended December 31<sup>st</sup>, 2016 LeadX sales were \$27,735 compared to the first half of 2018 sales of \$131,619. Management has also allocated significant R & D to the successful major reformulation the Company’s most powerful and most popular industrial product, EPX-H<sub>2</sub>O, to make it dramatically more user friendly. This has resulted in increased sales and a shift in our product mix. Management has raised prices of all product and has increased the overall profit margins to an average gross profit margin of near 55%.

The Company’s revenue cycles will likely not be 100% smooth, however, strategic decisions have been made to continue to flood it.

#### SALES FUNNEL:

Residential, Building, Industrial, OEM, Joint Venture, R & D,

##### 1) Residential

Working with a major builder of large communities to incorporate the Company’s zero VOC, mold/mildew resistant, energy saving interior and exterior house paint into their standard offerings.

##### 2) Commercial Building

Several large contractor customers have been established for our specialty LeadX product which continues to gain market share and brand awareness. Energy Protect is a lower volume product which we anticipate gaining market share.

### 3) Industrial

We have multiple major multinational industrial customers in various stages of trial and adoption. The industrial sales cycle has proven to be quite variable depending upon the company. The rates of adoption between plants is also highly variable. For this reason, the strategic shift to pursue a more varied product mix has been implemented and management thinks that this will continue to smooth out the revenue curves and assist in providing cashflow between industrial sales' revenue bursts.

### 4) OEM

The company remained an ongoing concern during those years with fundraising to support the R & D and sales activities which notably resulted in an OEM deal with the largest concrete roof tile operation in the US.

Although the rollout to all factories has been delayed from the original plan, it is anticipated that the plans to rollout from 1 factory currently to the remaining 4 factories will resume per the management. Hurricane Irma has further delayed this rollout due to extraordinary demand for current line options.

Currently, there is one other OEM deal in the international concrete roof tile industry in due diligence phase in the sales pipeline.

Management has allocated significant resources to target OEM deals to provide an ongoing and consistent source of revenue. The length of the sales cycle due to due diligence for these deals and due to the necessity to create or retrofit existing lines results in a multi-year process of a minimum of 2 years.

### 5) Joint Venture of Technology

A joint venture is currently being negotiated between a start-up firm in possession of patented and revolutionary technology in a high-volume industry. This technology is a trade secret at this time. INI's e-commerce platform and existing customer relationships are intended to be utilized to rapidly launch this product line and expectations are that there will be revenues beginning within 24-36 months. It is anticipated that this could eventually result both an OEM and/or aftermarket revenue streams.

### 6) R&D

During the past two years internal R&D has been focused on several ventures:

#### a) Internal R&D: Healthy House Paint

R&D for Healthy House Paint has been completed and Healthy House Paint has been launched as a standalone website and as a product line on the Synavax™ site. Brand awareness is occurring with publications in Architect magazine and over a dozen publication mentions such as product announcements, buyer's guide recommendations in magazines and industry related magazine articles. We anticipate that our market share will continue to grow.

#### b) Prototype Prepared For Manufacturing

One new product is revolutionary, and a lab scale prototype has been presented to several Fortune 500 firms. There is significant demand. Management hopes to be able to bring this technology to the market within the next 36 months. In order to do this, revenues will need to increase to fund a production line in-house or to fit a toll manufacturing line. Engineering specifications have been procured and designed. Alternatively, subsequent rounds of funding may be considered to bring this high volume, high profit product line to market.

#### c) External R&D Projects Initiated By Other Corporations/ Universities

Our coatings are currently in R&D for OEM applications for several different companies in for solutions involving thermal, hydrophobic and ice phobic properties. Due to confidentiality agreements, no further information can be disclosed. Management did not solicit these trials and cannot make any assumptions about the probability of these OEM deals coming to fruition due to the many variables involved, including but not limited to product performance and the viability of manufacturing.

All in all, in the past 2 years while significant progress has been made to increase profit margins, reduce operating expenses and clear payables, R & D has continued and the sales mix has been shifted.

Management firmly believes that INI has executed a turnaround pivot and that we are poised to accelerate our profits due to the aggressive cost cutting measures, R & D initiatives that are beginning to be capitalized on, and the increased profit margins resulting from price remodeling.

**Industrial Nanotech, Inc.**  
**Consolidated Financial Statements**  
**For the Period Ended June 30, 2018**  
**(Unaudited)**

Exhibits, Financial Statement Schedules

(a) Documents filed as part of this report.

(1) Financial Statements

Consolidated Balance Sheet as of June 30, 2018 and June 30, 2017

Consolidated Statements of Operations for the Period ended  
June 30, 2018, and June 30, 2017 and the Year ended December  
31, 2017 and December 31, 2016

Consolidated Statements of Stockholders' Equity for the Year ended  
December 31, 2015 through the Period ended June 30, 2018

Consolidated Statements of Cash Flows for the Period ended  
June 30, 2018 and June 30, 2017 and the Year ended December  
31, 2017 and Year ended December 31, 2016

Notes to the Consolidated Financial Statements

(2) Financial Statement Schedules

Additional Schedules are omitted as the required information is in applicable  
or the information is presented in the financial statements or related notes

Industrial Nanotech, Inc.  
Consolidated Balance Sheet  
(Unaudited)

	June 30, 2018	June 30, 2017
<b>ASSETS</b>		
Current Assets		
Cash	274	(9,722)
Accounts Receivables	3,607	3,230
Inventory	-	14,165
Total Current Assets	3,880	7,673
Equipment, Net	14,857	14,857
Note Receivable	-	45,266
Pre-Paid Expenses	-	290,358
Total Assets	\$ 18,738	\$ 462,272
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities		
Customer Deposits	124,791	77,099
Accounts Payable	114,133	313,282
Accrued Payroll Expenses	158,584	145,557
Accrued Expenses	179,188	176,970
Notes Payable	105,814	159,284
Notes Payable - Related Party (see Note )	413,308	648,080
Total Current Liabilities	1,095,817	1,535,363
Total Liabilities	1,095,817	1,535,363
Stockholders' Equity		
Preferred Stock, Par Value \$0.0001 25,000,000 shares authorized, 5,000,000 issued and outstanding	500	500
Common Stock, authorized 2,000,000,000 shares, Par Value \$0.0001, issued and outstanding on June 30th, 2018 and 2017 respectively	235,229	214,554
Paid in Capital	17,279,972	17,066,979
Paid in Capital - Pending	-	-
Accumulated Deficit	-18,592,780	-18,334,766
Total Stockholders' Equity	-1,077,079	-1,073,092
Total Liabilities and Stockholders' Equity	\$ 18,738	\$ 462,272

See accompanying Notes to the Consolidated Financial Statements

Industrial Nanotech, Inc.  
Consolidated Balance Sheet  
(Unaudited)

	December 31, 2017	December 31, 2016
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	1,240	-22,479
Accounts Receivables	-2,181	91,485
Inventory	0	18,024
<b>Total Current Assets</b>	<b>-941</b>	<b>87,030</b>
Equipment, Net	14,857	14,857
Note Receivable	58,089.92	56,579
Pre-Paid Expenses	0.00	270,891
<b>Total Assets</b>	<b>\$72,007</b>	<b>\$429,357</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Customer Deposits	0.00	97,916
Accounts Payable	124,004.85	313,282
Accrued Payroll Expenses	150,786.22	139,443
Accrued Expenses	139,828.53	185,801
Notes Payable	230,614.00	224,514
Notes Payable - Related Party	462,024.00	696,838
<b>Total Current Liabilities</b>	<b>1,107,258</b>	<b>1,657,794</b>
<b>Total Liabilities</b>	<b>\$1,107,258</b>	<b>\$1,657,794</b>
<b>Stockholders' Equity</b>		
Preferred Stock, Par Value \$0.0001 25,000,000 shares authorized, 5,000,000 issued and outstanding	500	500
Common Stock, authorized 2,000,000,000 shares, Par Value \$0.0001, issued and outstanding on on December 31st, 2017 and 2016 respectively	223,228.76	186,139
Paid in Capital	17,141,171.93	16,898,429
Paid in Capital - Pending		0
Accumulated Deficit	-18,400,151.73	-18,313,505
<b>Total Stockholders' Equity</b>	<b>-1,035,251</b>	<b>-1,228,437</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$72,007</b>	<b>\$429,357</b>

See accompanying Notes to the Consolidated Financial Statements

**Industrial Nanotech Inc.**  
**Consolidated Statement of Stockholder's Deficit**  
**Unaudited**  
**June 30, 2018**

	<b>Shares</b>	<b>Amount</b>	<b>Shares</b>	<b>Amount</b>	<b>Capital</b>	<b>Deficit</b>	<b>Equity</b>
<b>Balance December 31, 2015</b>	<b>5,000,000</b>	<b>500</b>	<b>1,304,976,476</b>	<b>136,798</b>	<b>15,590,395</b>	<b>(17,417,649)</b>	<b>(1,589,956)</b>
Common Shares Issued for Cash			11,111,111	1,111	23,889		25,000
Common Shares Issued for Consulting			283,500,000	30,200	961,500		991,700
Common Shares issued for Private Placement			12,250,000	4,100	138,900		143,000
Common Shares Issued for Services			110,000,016	11,000	112,293		123,293
Net Income/(Loss)						(1,086,609)	(1,086,609)
<b>Balance December 31, 2016</b>	<b>5,000,000</b>	<b>500</b>	<b>1,721,837,603</b>	<b>183,209</b>	<b>16,826,977</b>	<b>(18,504,258)</b>	<b>(1,393,572)</b>
Common Shares Issued for Consulting			87,500,000	8,750	27,000		35,750
Common Shares issued for Private Placement			186,000,000	16,600	297,600		316,200
Common Shares Issued for Debt Conversion/Interest Expense			120,650,000	12,065	24,130		36,195
Net Income/(Loss)						(86,541)	(86,541)
<b>Balance December 31, 2017</b>	<b>5,000,000</b>	<b>500</b>	<b>2,115,987,603</b>	<b>222,624</b>	<b>17,175,707</b>	<b>(18,590,899)</b>	<b>(1,092,068)</b>
Common Shares Issued for Cash							-
Common Shares Issued for Consulting							-
Common Shares issued for Private Placement							-
Common Shares Issued for Interest Expense							-
Net Income/(Loss)							-
<b>Balance June 30, 2018</b>	<b>5,000,000</b>	<b>500</b>	<b>2,115,987,603</b>	<b>222,624</b>	<b>17,175,707</b>	<b>(18,590,899)</b>	<b>(1,092,068)</b>

See accompanying Notes to the Consolidated Financial Statements

Industrial Nanotech Inc.  
Consolidated Statement of Operations  
(Unaudited)

	Three Months Ended		Six Months Ended		For the Twelve Months Ended	
	June 30,		June 30,		December 31,	
	2018	2017	2018	2017	2017	2016
<b>INCOME</b>						
Revenue	101,936	24,831	248,509	90,711	305,942	409,546
Less: Cost of Goods Sold	43,346	4,740	90,319	14,075	77,290	135,673
Gross Profit	58,590	20,091	158,190	76,636	228,653	273,872
<b>OPERATING EXPENSES</b>						
Professional and Consulting	7,091	22,546	10,480	23,546	127,544	402,523
Payroll Expenses	12,834	12,747	37,017	34,288	71,478	90,950
General and Administrative	7,215	1,061	25,224	29,986	84,366	427,089
Research and Development					0	17,276
Sales and Marketing	6,765	3,183	13,203	5,323	28,564	59,967
Total Expenses	33,905	39,536	85,925	93,143	311,951	997,804
Interest Expense	14,464	2,065	15,311	4,875	3,342.85	362,688.06
Net Profit/Loss	\$10,221	-\$21,510	\$56,953	-\$21,382	-\$86,641	-\$1,086,620
<b>Basic and Diluted</b>						
Loss per Common Share	\$ 0.000004	\$ (0.000010)	\$ 0.000024	\$ (0.000010)	\$ (0.000039)	\$ (0.000591)
<b>Number of Weighted Average</b>						
Common Shares Outstanding	2,350,287,602	2,182,287,602	2,350,287,602	2,182,287,602	2,232,287,602	1,838,137,602

See accompanying Notes to the Consolidated Financial Statements

Industrial Nanotech, Inc.  
Consolidated Statement of Cash Flows  
(Unaudited)

	Three Months Ended		Six Months Ended		Twelve Months Ended	
	June 30,		June 30,		December 31,	
	2018	2017	2018	2017	2017	2016
<b>OPERATING ACTIVITIES</b>						
Net Income (Loss)	10,221	-34,115	56,953	-129,002	-86,641	-1,086,620
<b>Non-Cash Changes</b>						
Depreciation					-	4,180
Change in Accounts Receivable	18,878	-	-5,788	50,082	79,406	-56,462
Change in Customer Deposits	-57,025	-	-124,791	-96,294	-97,916	78,906
Change in Inventory	-	-	-	34,140	23,492	-7,669
Change in Accounts Payable	2,219	-	3,854	-188,493	-189,277	51,116
Increase/(Decrease) in Other Assets	1,324	-	86,009	-48,420	-90,802	-8,934
Increase/(Decrease) in Accrued Expenses	7,964	-900	8,811	-14,929	-17,429	-18,469
Change in Accrued Payroll	-3,300	-	-3,300	35,795	26,692	-15,385
Net Cash Provided by Operations	-29,939	-900	-35,204	-228,119	-265,834	27,283
<b>FINANCING ACTIVITIES</b>						
Proceeds from Loans	26,000	92,654	26,000	259,904	285,927	992,692
Stock Issued for Services	-	-	-	270,891	270,891	203,307
Proceeds from Notes Payable - Related Party	-9,252	-49,879	-48,716	-152,120	-194,882	-135,810
Net Cash Provided by Financing Activities	16,748	42,774	-22,716	378,675	361,935	1,060,188
Net Increase/(Decrease) in Cash	-2,971	7,760	-967	21,553	9,459	852
Cash, Beginning of Period	3,244	24,494	4,485	35,571	-8,219	-9,071
Cash, End of Period	274	32,254	3,518	57,124	1,240	-8,219

See accompanying Notes to the Consolidated Financial Statements

Industrial Nanotech Inc.  
Notes to Consolidated Financial  
Statements June 30, 2018

1. General Organization and Business

Industrial Nanotech, Inc. (the "Company") is a Delaware corporation organized on February 7, 2005. On March 14, 2005, the Company acquired a corporation with the same name organized in Wyoming on January 14, 2004. The Delaware corporation is the surviving legal entity with the Wyoming corporation being the historical accounting entity for reporting purposes. Both companies were organized by the same founders, therefore there was no change of control. The Wyoming corporation is operated as a wholly owned subsidiary.

The Company develops, manufactures and markets industrial grade insulation products utilizing emerging nanotechnology. The Company currently owns patent rights to the combination of a specific category of nanocomposites and a variety of secondary "carrier" components used in these products. The Company is an active participant in research and development with leading laboratories exploring nanotechnology.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") on the accrual basis of accounting.

Basis of Consolidation

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

## Earnings (Loss) per Share

The basic earnings (loss) per share is calculated by dividing the Company's net (loss) available to common shareholders by the weighted average number of common shares during the year. The diluted earnings (loss) per share are calculated by dividing the Company's net income (loss) available to common shareholders by the diluted weighted average number of shares outstanding during the year. The diluted weighted average number of shares outstanding is the basic weighted average number of Shares adjusted as of the first of the year for any potentially dilutive debt or equity. Basic and diluted losses per share were the same at the reporting dates as there were no common stock equivalents outstanding at December 31, 2015 and 2014

## Use of Estimates

The preparation of financial statements in conformity with CAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## Cash and Cash Equivalents

The Company considers cash on hand, cash in banks and other highly liquid instruments purchased with an original maturity date of three months or less to be cash equivalents.

## Property and Equipment

Property and Equipment is stated at cost less accumulated depreciation. The Company capitalizes all additions and improvements with a cost greater than \$500. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, ranging from five to seven years. Maintenance and repairs are charged to expense as incurred. Property and equipment consists of the following:

	June 30, 2018
Computer Equipment	\$ 43,208
Equipment	16,195
Furniture and Fixtures	6,527
Less: Accumulated Depreciation	-51,074
Property and Equipment, Net	\$ 14,857

## Revenue Recognition

The Company recognizes revenue when a sale is made and the product is shipped. The Company receives payment for orders that have not yet met the revenue recognition criteria. These payments are recorded as customer deposits within current liabilities until the revenue is earned.

Accounts receivable consist of amounts due from customers which arise in the normal course of business. Management determines the allowance for doubtful accounts based on historical losses and current economic conditions. On a continuing basis, management analyzes delinquent receivables, and once those receivables are determined to be uncollectible, they are written off against an existing allowance account. As of December 31, 2017 and 2016, the Company has determined that an allowance for doubtful accounts is not necessary.

## Shipping and Handling Fees

All amounts billed to a customer in sales transaction related to shipping and handling represent revenues and are reported as revenues in the consolidated statements of operations. Costs incurred by the Company for shipping and handling are reported within costs of revenues in the consolidated statements of operations.

## Income Tax

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Additionally, the recognition of future tax benefits, such as net operating loss carry forwards, is required to the extent that realization of such benefits is more likely than not. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the assets and liabilities are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income tax expense in the period that includes the enactment date.

In the event the future tax consequences of differences between the financial reporting bases and the tax bases of the Company's assets and liabilities result in deferred tax assets. Periodic reviews of the carrying amount of deferred tax assets are made to determine if the establishment of a valuation allowance is necessary. A valuation allowance is provided for the portion of the deferred tax asset when it is more likely than not that some or all of the deferred tax asset will not be realized. Management considers the scheduled reversals of deferred tax liabilities, projected future taxable income, and tax planning strategies when making this determination.

The Company's income tax returns are subject to examination by tax authorities. Generally, the statute of limitations related to the Company's federal and state income tax return is three years from the date of filing. The state impact of any federal changes for prior years remains subject to examination for a period up to five years after formal notification to the states.

Management has evaluated tax positions in accordance with Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") 740, Income Taxes, and has not identified any significant tax positions.

## Fair Value of Financial Instruments

FASB ASC 820, Fair Value Measurements and Disclosures, establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below.

Level 1 Valuations based on unadjusted quoted market prices in active markets for identical assets and liabilities.

Level 2 Valuations based on observable inputs (other than Level 1), such as quoted prices for similar assets at the measurement date; quoted prices in markets that are not active; or other inputs that are observable, either directly or indirectly.

Level 3 Valuations based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value measurement.

## Recent Accounting Pronouncements

The Company has implemented all new accounting standards and does not believe there are any other new accounting pronouncements that have been issued that may have a material impact on the consolidated financial statements.

## Subsequent Events

In accordance with FASB ASC 855, Subsequent Events, the Company evaluated subsequent events through the date of this report, which is the date the consolidated financial statements were available for issue.

## Note 3: Going Concern

Management is presently creating new technologies and is pursuing the acquisition of additional intellectual property in nanotechnology. The overall objective is to develop a nanocomposite manufacturing and research facility and expansion of distribution networks worldwide. The Company must continue to raise funds to support the growth of product development. Management has been successful in the past in raising these funds; however, failure to do so would cause the Company to further increase its negative working capital deficit and could result in the Company having to curtail or cease operations. Additionally, even if the Company does raise sufficient funds and create new technologies, there can be no assurance that the revenue will be sufficient to enable the Company to develop business to a level where it will generate profits and cash flows from operations.

**INDUSTRIAL NANOTECH, INC.**  
DISCLOSURE STATEMENT as of June 30, 2018

---

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

Industrial Nanotech, Inc.

**2) Address of the issuer's principal executive offices**

Company Headquarters

Address 1: 1415 Panther Lane

Address 2: Suite 1

Address 3: Naples, FL 34109

Phone: 800-767-3998

Email: info@ini-worldwide.com

Website(s): ini-worldwide.com

**3) Security Information**

Trading Symbol: INTK

Exact title and class of securities outstanding: Common Equity

CUSIP: 456277 102

Par or Stated Value: \$ .0001

Total shares authorized: 2,500,000,000 as of: 4/12/18

Total shares outstanding: 2,232,287,602 as of: 4/12/18

Total restricted shares: 1,280,600,525 as of: 4/12/18

Additional class of securities (if necessary):

Trading Symbol: None

Exact title and class of securities outstanding: Series A Participating Preferred Stock

CUSIP: None

Par or Stated Value: \$ .001

Total shares authorized: 25,000,000 as of: 4/12/18

Total shares outstanding: 5,000,000 as of: 4/12/18

Transfer Agent

Name: Pacific Stock Transfer Company

Address 1: 6725 Via Austi Pkwy

Address 2: Suite 300

Address 3: Las Vegas, Nevada 89119

Phone: 571-485-9999

This Transfer Agent is registered under the Exchange Act

Restrictions on the transfer of security: N/A

Trading suspension orders by the SEC: N/A

Current or anticipated list of stock split, stock dividend, recapitalization, merger, spin-off or reorganization: N/A

**4) Investor Relations**

ValueCorp Trading Company

[info@valuecorptrading.com](mailto:info@valuecorptrading.com)

786-375-0556 or 888-381-9628

## 5) Financial Statements

Interim Financial Statements for the Quarter ending June 30, 2018 are awaiting OTC Markets Publication

## 6) Issuer's Business, Products and Services

A) Issuer's Business Operations: The Issuer develops, manufactures and markets industrial grade insulation products utilizing emerging nanotechnology. The Issuer currently owns patent rights to the combination of a specific category of nanocomposites and a variety of secondary "carrier" components used in these products. The Issuer is an active participant in research and development with leading laboratories exploring nanotechnology. The current product line developed, patented, and sold by the Issuer is called Nansulate(R) and is the Issuer's line of specialty coatings containing a nanotechnology based material and which are well-documented to provide the combined performance qualities of thermal insulation, corrosion prevention, and resistance to mold growth in an environmentally safe, water-based, coating formulation. The Nansulate(R) product line includes both industrial and residential coatings. Additional products are either in the Research and Development Phase or the Product Launch Phase of development and commercialization. The Issuer's products are sold by the Issuer throughout the world both directly to the consumer through the Issuer's websites and through a network of exclusive distributors, non-exclusive distributors, and independent sales representatives

### B) Date and Jurisdiction of Incorporation:

The Issuer is a Delaware corporation organized on February 7, 2005. On March 14, 2005 the Company acquired a Wyoming corporation with the same name organized on January 14, 2004. The Delaware corporation is the surviving legal entity with the Wyoming corporation being the historical accounting entity for reporting purposes. Both companies were organized by the same founders therefore there is no change of control. The Wyoming corporation is operated as a wholly owned subsidiary.

### C) Issuer's primary and secondary SIC Codes: SIC Code: 3999, Secondary: 8731

### D) Issuer's fiscal year end date: December 31<sup>st</sup>

E) Principal products or services, and their markets: The current product line developed, patented, and sold by the Issuer is a line of specialty coatings containing a nanotechnology based material and which are well-documented to provide the combined performance qualities of thermal insulation, corrosion prevention, and resistance to mold growth in an environmentally safe, water-based, coating formulation

7) The issuer rents warehouse space and office space in Denver, CO and Naples, FL. Total rent is \$1,175 and is on a month to month basis. The majority of issuer's research, manufacturing, warehousing, and order processing is performed at the facilities of third party vendors or contract partners at their facilities.

## 8) Management

**CEO/President/Co-Founder/Member Board of Directors - Stuart Burchill:** Mr. Burchill's business experience began with marketing for a publicly held company, Mcfaddin Ventures, the world's largest nightclub chain owner (Confetti, Todd's, Rialto, Ocean Club) with an additional portfolio of hotels and restaurants. Subsequent to leaving them, he has started and developed, without partners or investors, the largest nightclub in the state of Florida (sold), a local medical journal (sold), a real estate sales and commercial property management company (sold in market segments), and directed sales and marketing for a concrete manufacturing company. He also worked for three years consulting with high net worth individuals regarding their investment in, or acquisition of, medium sized businesses. Mr. Burchill is the inventor of the products and has other patents pending. Mr. Burchill began his study of nanotechnology in 2002 with a Cooperative Research and Development Agreement with Sandia National Laboratory's Advanced Materials Laboratory in Albuquerque, NM and developed a passion for the science and its potential. He created the vision of Industrial Nanotech, Inc. and quickly assembled a team of associates, mentors, scientists, and friends among the world's leading nanotechnology, polymer, and thermal dynamics scientists who understood and shared his vision and had the talent to carry it out. Mr. Burchill is a control person.

### B. Legal/Disciplinary History of the foregoing persons:

1. The entry of an order or judgment limiting involvement in any type of business, commodities, securities or banking activities - None
2. A finding or judgment by the SEC, the Commodity Futures Trading Commission - None
3. Temporary or permanent suspension by a self-regulatory organization None

## 8) Third Party Providers

### Legal Counsel:

Kenneth Bart, Partner  
Bart and Associates, LLC  
8400 East Prentice Avenue  
Suite 1500  
Greenwood Village, CO 80111

Phone: 720-226-7511  
E-Mail: [info@kennethbartesq.com](mailto:info@kennethbartesq.com)

### Investor Relations:

ValueCorp Trading Company  
1926 Hollywood Blvd., Upperlevel  
Hollywood, FL 33020

[info@valuecorptrading.com](mailto:info@valuecorptrading.com)

786-375-0556 or 888-381-9628