

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): November 27, 2018

Integral Technologies, Inc.

(Exact Name of Registrant as Specified in Charter)

Nevada	000-28353	98-0163519
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

412 Mulberry, Marietta, Ohio	45750
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (812) 550-1770

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 DFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4 (c) under the Exchange Act (17 CFR 240.

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

Certificate of Designation, Preferences and Rights of Series B Convertible Preferred Stock

On November 26, 2018, the Board of Directors of the Company approved, by written consent, a Certificate of Designation of the Rights, Preferences and Privileges of its Series B Convertible Preferred Stock (the "Series B Certificate of Designation"). On November 27, 2018, the Company filed the Series B Certificate of Designation with the Nevada Secretary of State.

Pursuant to the Series B Certificate of Designation, the Company has authorized 1,000 shares of the Series B Preferred Stock (the "Shares").

Each Share carries an annual 12% dividend compounded annually for three (3) consecutive years. The Company will pay dividends on a quarterly basis at the discretion of the Board to the extent cash or other assets are available. Dividends may be paid in cash or other property. The Shares have no voting rights.

The Shares are convertible into shares of common stock of the Company at the option of the holder on a 1:12,500 basis (subject to adjustments for stock dividends, splits, combinations and similar events) at any time within 12 to 36 months from the date of issuance of the Shares provided that the Company has enough authorized and unissued shares of common stock available for the conversion. Any accrued but unpaid interest or dividends related to the Shares may also be converted into common stock at the discretion of the Board of Directors.

The Company also has the option to call the Shares and purchase some or all of the Series B Preferred Stock owned by investors at any time at on a pro rata, nearest whole share basis. The redemption value of the Shares is \$2,500.00 per Share (subject to adjustments for stock dividends, splits, combinations and similar events) (the "Redemption Value"). On the date 36 months from the issuance date of the Shares, if not already converted to common, the Company shall redeem the Shares at the Redemption Value and pay all accrued but unpaid dividends and interest to the extent assets are available.

If the assets of the Company legally available are insufficient to pay the Redemption Value, then Company shall (i) take all appropriate action reasonably within its means to maximize the assets legally available for paying the Redemption Value; (ii) redeem out of all such assets legally available therefor the maximum possible number of shares of Series B Preferred Stock that it can redeem on such date, pro rata among the holders of such shares; and (iii) thereafter at any time and from time to time when additional assets of the Company become legally available to redeem the remaining shares, the Company shall immediately use such assets to pay the remaining balance of the Redemption Value.

Upon liquidation, dissolution, or winding up of the Company, before any distribution or payment is made to any holders of any shares of common stock or any other class or series of capital stock of the Company designated to be junior to the Shares, and subject to the liquidation rights and preferences of any class or series of preferred stock designated to be senior to, or on a parity with, the Shares, the holders of the Shares are entitled to be paid first out of the assets of the Company available for distribution to holders of the Company's capital stock whether such assets are capital, surplus or earnings, at an amount equal to the Redemption Value plus any dividends accrued or declared but unpaid on the Shares. The Redemption Value and any dividends and interest accrued but unpaid may be payable in cash, property, securities or rights to acquire securities at the discretion of the Board of Directors.

The Company may not issue any series of preferred stock that may be treated *in pari passu* or senior to the Shares without approval of a majority of the holders of the Shares.

The Shares have no preemptive or subscription rights.

The Series B Certificate of Designation is filed as Exhibit 3.1 to this Current Report on Form 8-K and is incorporated herein by reference. The foregoing description of the Series B Certificate of Designation and the Series B Preferred Stock is a summary and is qualified in its entirety by Exhibit 3.1 attached hereto.

Item 8.01 Other Events

On December 3, 2018, the Company issued a letter from its CEO to stockholders on its website. A copy of the letter is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

The following exhibits are filed herewith:

Exhibit 3.1 [Certificate of Designation of the Rights, Preferences and Privileges of Series B Convertible Preferred Stock](#)

Exhibit 99.1 [Letter to Stockholders](#)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

INTEGRAL TECHNOLOGIES, INC.

Dated: December 3, 2018

By: /s/Doug Bathauer

Name: Doug Bathauer

Title: CEO

CERTIFICATE OF DESIGNATION
of the
Rights, Preferences and Privileges
of
SERIES B CONVERTIBLE PREFERRED STOCK
of
INTEGRAL TECHNOLOGIES, INC.

The undersigned, Doug Bathauer, certifies that:

- A. He is the duly acting President and Chief Executive Officer of Integral Technologies, Inc., a Nevada corporation organized and existing under the Nevada Revised Statutes (the "Corporation").
- B. Pursuant to authority conferred upon the Board of Directors of the Corporation by the Articles of Incorporation of the Corporation, as amended, and pursuant to the provisions of Nevada Revised Statutes Section 78.1955, said Board of Directors of the Corporation, on November 27, 2018, approved and adopted a resolution establishing the rights, preferences, privileges and restrictions of, and the number of shares comprising, the Corporation's Series B Convertible Preferred Stock, which resolution is as follows:

RESOLVED, that a series of Preferred Shares of the Corporation be, and it hereby is, authorized by the Board of Directors of the Corporation, to consist of 1,000 shares of the Corporation's Preferred Shares (par value \$0.001 per share), such series to be designated Series B Convertible Preferred Stock (the "Series B Preferred Stock"), of which the preferences and relative and other rights, and the qualifications, limitations or restrictions thereof, shall be (in addition to those set forth in the Corporation's Articles of Incorporation, as amended) as set forth below.

1 . *Certain Definitions.* Unless the context otherwise requires, the terms defined in this paragraph 1 shall have, for all purposes of this resolution, the meanings herein specified.

Board of Directors. The term "Board of Directors" shall mean the Board of Directors of this Corporation, and, to the extent permitted by law and the Articles of Incorporation and Bylaws of this Corporation, any committee of such Board of Directors authorized to exercise the powers of such Board of Directors.

Certificate. The term "Certificate" shall mean this Certificate of Designation of the Rights, Preferences and Privileges of Series B Convertible Preferred Stock of the Corporation.

Common Stock. The term "Common Stock" shall mean all shares now or hereafter authorized of any class of common shares of the Corporation.

Issue Date. The term "Issue Date" shall mean the date that shares of Series B Preferred Stock are issued by the Corporation to the holder.

Preferred Stock. The term "Preferred Stock" shall mean all shares now or hereafter authorized of any class of preferred shares of the Corporation.

Series B Preferred Stock. The term "Series B Preferred Stock" shall mean the Series B Convertible Preferred Stock, \$0.001 par value per share, of this Corporation.

Series B Value. The term "Series B Value" shall equal \$2,500.00 per one share of Series B Preferred Stock, which such amount shall be subject to equitable adjustment whenever there shall occur a stock dividend, stock split, combination, reorganization, recapitalization, reclassification or other similar event.

2. *Number and Designation.* This series shall consist of one thousand (1,000) shares of Preferred Stock of the Corporation and shall be designated the Series B Convertible Preferred Stock ("Series B Preferred Stock"). No shares of Series B Preferred Stock have been issued as of the date of this Certificate. The number of authorized shares of Series B Preferred Stock may be reduced to the extent no shares of Series B Preferred Stock are issued and outstanding by further resolution duly adopted by the Board of Directors of the Corporation and by filing amendments to this Certificate pursuant to the provisions of the Nevada Revised Statutes stating that such reduction has been so authorized.

3. *Dividends.* Subject to provisions of law, from and after the date of issuance, the holders of record of shares of the Series B Preferred Stock shall be entitled to receive quarterly dividends, whether payable in cash, property, securities or rights to acquire securities, which shall be payable when, as and if declared by the Board of Directors of the Corporation, out of assets which are legally available for the payment of such dividends, including any special dividends declared by the Board of Directors of the Corporation as well as ordinary dividends, at an annual rate of 12% of the Series B Liquidation Value per share of Series B Preferred Stock (which amount shall be subject to equitable adjustment whenever there shall occur a stock dividend, stock split, combination, reorganization, recapitalization, reclassification or other similar event), provided that such dividends shall not be currently payable and shall only be payable when and if specifically provided herein. Such dividends shall also be paid upon a liquidation or redemption of the Series B Preferred Stock in accordance with the provisions of paragraph 6 of this Certificate or paragraph 7 of this Certificate. Dividends shall be cumulative, with compounding annually on each share of Series B Preferred Stock from the Issue Date thereof. Dividends payable on the Series B Preferred Stock for any period less than a full year shall be computed on the basis of the actual number of days elapsed and a 365-day year. Dividends and any interest accrued thereon shall be payable in cash, property, securities or rights to acquire securities at the discretion of the Board of Directors. All accrued and accumulated dividends on the Series B Preferred Stock shall be prior and in preference to any dividend on the Common Stock of the Corporation and shall be fully declared and paid before any dividends are declared and paid, or any other distributions or redemptions are made, on any Common Stock.

4. *Voting Rights.* The holders of the issued and outstanding shares of Series B Preferred Stock shall have no voting rights.

5. *Conversion Rights.*

- A. Voluntary Conversion. One share of Series B Preferred Stock is convertible into 12,500 fully-paid, non-assessable shares of Common Stock (the "Conversion Ratio") at any time within 12 to 36 months from the Issue Date (the "Conversion Period"); provided however, that at the time of filing this Certificate, the Corporation does not have a sufficient number of authorized but unissued shares to permit the conversion of the Series B Preferred Stock into fully-paid and non-assessable shares of Common Stock. The holder of the Series B Preferred Stock may not convert the Series B Preferred Stock into Common Stock during the Conversion Period unless the Company has a sufficient number of authorized shares of Common Stock available (the "Conversion Event"). Following the Conversion Event, the holder may convert the Series B Preferred Stock in whole or in part, during the Conversion Period, upon written notice of the conversion signed by the holder, delivered to the Corporation, together with any certificate(s) for the Series B Preferred Stock properly endorsed. As soon as possible after a conversion has been effected, the Corporation will deliver to the converting holder a certificate or book-entry evidence representing the number of shares of Common Stock issuable by reason of such conversion in such name or names and such denomination or denominations as the converting holder has specified. The issuance of certificates for shares of Common Stock upon conversion of Series B Preferred Stock will be made without charge to the holder of Series B Preferred Stock. Any accrued but unpaid interest or dividends related to such shares may also be converted into Common Stock at the discretion of the Board of Directors.
- B. Subdivision or Combination of Common Stock. If the Corporation at any time subdivides (by any stock split, stock dividend or otherwise) its outstanding shares of Common Stock into a greater number of shares, the Conversion Ratio in effect immediately prior to such subdivision will be proportionately reduced, and if the Corporation at any time combines (by reverse stock split or otherwise) its outstanding shares of Common Stock into a smaller number of shares, the Conversion Ratio in effect immediately prior to such combination will be proportionately increased. Any fractional shares shall be rounded up to the next share. For example, if the Corporation completes a 1:100 reverse stock split of its Common Stock (resulting in each 100 shares of Common Stock outstanding being converted into a single share), the Series B Preferred Stock will then be convertible into 125 shares of Common Stock, and if the Corporation completes a 100:1 forward stock split of its Common Stock (resulting in each 1 share of Common Stock outstanding being converted into 100 shares), the Series B Preferred Stock will then be convertible into 1,250,000 shares of Common Stock,
- C. Notices. Following any adjustment of the Conversion Ratio pursuant to paragraph 5(B), the Corporation will send written notice thereof to the holder of its Series B Preferred Stock, although a failure to provide such written notice will not negate the effect of the adjustment. All notices and other communications from the Corporation to a holder of Series B Preferred Stock shall be mailed by first class registered or certified mail, postage prepaid, at such address as may have been furnished to the Corporation in writing by such holder, or, until an address is so furnished, to and at the address of the last holder who has so furnished an address to the Corporation or to its transfer agent.

D. Converted, Redeemed or Cancelled Shares. Shares of Series B Preferred Stock which have been issued and cancelled in any manner (including upon conversion) shall, upon compliance with any applicable provisions of the laws of the State of Nevada, be returned to authorized but unissued shares of Series B Preferred Stock.

6. *Liquidation, Dissolution or Winding Up.*

A. Treatment at Sale, Liquidation, Dissolution or Winding Up. In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, before any distribution or payment is made to any holders of any shares of Common Stock or any other class or series of capital stock of the Corporation designated to be junior to the Series B Preferred Stock, and subject to the liquidation rights and preferences of any class or series of Preferred Stock designated to be senior to, or on a parity with, the Series B Preferred Stock, the holders of shares of Series B Convertible Stock shall be entitled to be paid first out of the assets of the Corporation available for distribution to holders of the Corporation's capital stock whether such assets are capital, surplus or earnings, at an amount equal to the Series B Value plus any dividends accrued or declared but unpaid on such shares (such amount, as so determined, is referred to herein as the "Series B Liquidation Value" with respect to such shares). The Series B Liquidation Value may be payable in cash, property, securities or rights to acquire securities at the discretion of the Board of Directors.

B. Insufficient Funds. If upon such liquidation, dissolution or winding up the assets or surplus funds of the Corporation to be distributed to the holders of shares of Series B Convertible Preferred Stock and any other then-outstanding shares of the Corporation's capital stock ranking on a parity with respect to payment on liquidation with the Series B Convertible Preferred Stock (such shares being referred to herein as the "Series B Parity Stock") shall be insufficient to permit payment to such respective holders of the full Series B Liquidation Value and all other preferential amounts payable with respect to the Series B Convertible Preferred Stock and such Series B Parity Stock, then the assets available for payment or distribution to such holders shall be allocated among the holders of the Series B Convertible Preferred Stock and such Series B Parity Stock, pro rata, in proportion to the full respective preferential amounts to which the Series B Convertible Preferred Stock and such Series B Parity Stock are each entitled.

C. Certain Transactions Treated as Liquidation. For purposes of this paragraph 6, (i) any acquisition of the Corporation by means of merger or other form of corporate reorganization or consolidation with or into another corporation in which outstanding shares of this Corporation, including shares of Series B Preferred Stock, are exchanged for securities or other consideration issued, or caused to be issued, by the other corporation or its subsidiary and, as a result of which transaction, the stockholders of this Corporation own 50% or less of the voting power of the surviving entity (other than a mere re-incorporation transaction); or (ii) a sale, transfer or lease (other than a pledge or grant of a security interest to a bona fide lender) of all or substantially all of the assets of the Corporation, shall be treated as a liquidation, dissolution or winding up of the Corporation and shall entitle the holders of Series B Preferred Stock to receive the amount that would be received in a liquidation, dissolution or winding up pursuant to paragraph 6(A) hereof, if the holders of at least 50% of the then outstanding shares of Series B Preferred Stock so elect by giving written notice thereof to the Corporation at least three days before the effective date of such event, or have voted in favor of such event at a stockholders meeting (or pursuant to a written consent in lieu of a meeting). The Corporation will provide the holders of Preferred Stock with notice of all transactions which are to be treated as a liquidation, dissolution or winding up pursuant to this paragraph 6, fifteen (15) days prior to the earlier of the vote relating to such transaction or the closing of such transaction.

D. Distributions of Property. Whenever the distribution provided for in this paragraph 6 shall be payable in property other than cash, the value of such distribution shall be the fair market value of such property as determined in good faith by the Board of Directors.

7. *Redemption.*

A. Call Option. At any time after the Issue Date, the Company shall have an option to call for the redemption of some or all of the Series B Preferred Stock owned by the holder at the Series B Liquidation Value per share on a pro rata per holder, nearest whole share basis. The Series B Liquidation Value may be payable in cash, property, securities or rights to acquire securities at the discretion of the Board of Directors.

B. Mandatory Redemption. Unless otherwise converted in accordance with paragraph 5 of this Certificate or redeemed by the Company in accordance with paragraph 6 of this Certificate, all outstanding Series B Preferred Stock shall be redeemed at the Series B Liquidation Value on the date that is 36 months from the Issuance Date. If the assets of the Corporation legally available are insufficient to pay the Series B Liquidation Value, the Corporation shall (i) take all appropriate action reasonably within its means to maximize the assets legally available for paying the Series B Liquidation Value; (ii) redeem out of all such assets legally available therefor the maximum possible number of shares of Series B Preferred Stock that it can redeem on such date, pro rata among the holders of such shares; and (iii) thereafter at any time and from time to time when additional assets of the Corporation become legally available to redeem the remaining shares, the Corporation shall immediately use such assets to pay the remaining balance of the Series B Liquidation Value.

C. Rights Subsequent to Redemption. At such time that the Series B Liquidation Value is paid (or payment is tendered) for any shares of the Series B Preferred Stock to be redeemed, on such date all rights of the holder so redeemed and paid or tendered, including any rights to dividends on such shares, shall cease, and such shares of Series B Preferred Stock shall no longer be deemed issued and outstanding.

8. *Miscellaneous.*

- A. Priority. The Corporation may not issue any series of Preferred Stock that may be treated *in pari passu* or senior to the Series B Preferred Stock without approval of a majority of the holders of the Series B Preferred Stock.
- B. Exclusion of Other Rights. Except as may otherwise be required by law, the shares of Series B Preferred Stock shall not have any preferences or relative, participating, optional or special rights, other than those specifically set forth in this Certificate of Designation (as such resolution may be amended from time to time) and in the Corporation's Articles of Incorporation. The shares of Series B Preferred Stock shall have no preemptive or subscription rights.
- C. Amendment and Waiver. No amendment, modification or waiver will be binding or effective with respect to any provision hereof without the prior approval of a majority of the outstanding shares of Series B Preferred Stock.
- D. Generally Accepted Accounting Principles. When any accounting determination or calculation is required to be made, such determination or calculation (unless otherwise provided) will be made in accordance with generally accepted accounting principles, consistently applied.
- E. Headings of Subdivisions. The heading of the various subdivisions hereof are for convenience of reference only and shall not affect the interpretation of any of the provisions hereof.
- F. Severability of Provisions. If any right, preference or limitation of the Series B Preferred Stock set forth in this resolution (as such resolution may be amended from time to time) is invalid, unlawful or incapable of being enforced by reason of any rule of law or public policy, all other rights, preferences and limitations set forth in this resolution (as so amended) which can be given effect without the invalid, unlawful or unenforceable right, preference or limitation shall, nevertheless, remain in full force and effect, and no right, preference or limitation herein set forth shall be deemed dependent upon any other such right, preference or limitation unless so expressed herein.

IN WITNESS WHEREOF, said Integral Technology, Inc. has caused this Certificate to be signed by its Board of Directors this 27th day of November 2018.

INTEGRAL TECHNOLOGIES, INC.

/s/Doug Bathauer

Doug Bathauer, President & CEO

Integral Technologies, Inc. Letter to Stockholders

Dear Integral Stockholder:

As I was preparing to write this letter to you, I reviewed my past CEO letters and was reminded that I have now been CEO for six years. My first feeling was “wow” is that even possible. I then began to reflect on those six years and as many of you know it has been quite a ride. We had our fair share of successes and plenty of disappointments as well. When I first took the role, I was excited about the possibilities for ElectriPlast, I was well aware of the tremendous market opportunities for our conductive plastic as well the breadth of our intellectual property. In my first CEO letter to you I stated that our business model was, “...collaborating with leading technology innovators to develop new product applications for ElectriPlast and to license our IP for its production and commercialization across many industries.” We stayed true to this model by partnering with the following companies in some capacity, either as a manufacturing partner or an application development partner:

- Hanwha Advance Materials (“Hanwha”) of South Korea -Signed an industry first conductive plastics licensing agreement. This agreement for the first time created real value in our patent portfolio since a business partner paid to use our patents.
- BASF – Signed letter of intent to jointly explore the North American market for ElectriPlast
- Delphi - Co-Development agreement to develop wire and cable insulation applications using ElectriPlast.
- East Penn – Development and supply agreement.
- Advanced Battery Concepts (“ABC”) - Joint technology assessment program agreement regarding bipolar battery (“JTAP”).
- Conductive Composites – Strategic agreement.
- Nova Polymers – Strategic alliance.
- Illuminer – Joint validation agreement.
- Ultimate Battery – Definitive MOU.
- PolyOne- Exclusive license agreement to manufacture, distribute, sell and market ElectriPlast for shielding applications.

Some of these were great successes, others vital stepping stones and still important partners and a few that were flops. My biggest surprise was just how long it took us to get to the point of finding a true global partner with PolyOne. Our technology has always been viable, but the market just wasn't ready for it until now. The PolyOne relationship is the type of relationship we have been working towards for many years. They have a global presence and the infrastructure to support the manufacturing, sales, and marketing of long fiber technology (“LFT”) for conductive plastics. This partnership is in part driven by a shared corporate vision for our material to enable the development of revolutionary applications, such as with the advanced driver-assistance systems (“ADAS”) which will enhance and improve the automotive driving experience.

We are now working to finalize the sale of our bipolar battery technology. We have agreed to a nonbinding term sheet with a prospective buyer and are now negotiating the terms for a final agreement. The highlights of the term sheet include payment for the technology, a royalty component based on the number of bipolar plates sold and making Integral an exclusive supplier for its ElectriPlast material to be used in the plates. The initial terms also call for the company to assume some of our current engineering costs which will further reduce overhead. We anticipate the closing of the bipolar battery technology during the next quarter. We are also pursuing another battery project with a different battery partner that would provide bipolar plates for a US Government program. The project has progressed to the award stage, and if successful, the award will be made in the first half of 2019.

Now that we have licensed the shielding business and have identified a prospective buyer for the battery technology, we are taking several steps to better align the operation and infrastructure with our current business model of generating reoccurring licensing revenue with upfront payments and annual royalties for our applications. By taking these steps we believe we will be positioning the company to better enhance stockholder value as well as provide a more efficient company, for example the PolyOne relationship provides us more than an upfront fee and royalties, it also allows us to more efficiently use our capital by eliminating our need for internal manufacturing, and our own sales and marketing team, resulting in lower overhead.

I recognize and share the frustration our stockholders have experienced over the last 2-3 years that in spite of our commercial success, it has not translated into a higher share price. I like you am greatly disappointed with the share price. As previously mentioned, we are taking steps to improve and enhance stockholder value. Throughout this letter I will discuss a few of those steps.

Today we filed a Form 8-K today disclosing the creation of the Series B Convertible Preferred Stock (the "Series B Preferred Stock") under our already authorized preferred share class. We intend on using these preferred shares for retiring debt and other obligations as well as providing the appropriate infrastructure to ensure the timely filing of required SEC filings. We believe the Series B Preferred Stock is an appropriate vehicle to use at this time with our present capital structure and they do not reduce the voting power of the common stockholders since the holders of Series B Preferred do not have voting rights. These shares are authorized, but they have not yet been issued.

We have taken aggressive steps to dramatically reduce our expenses going forward and expect our operating expenses for calendar year 2019 to be in the neighborhood of less than \$1 million dollars. We anticipate that the reduction in our operating expenses coupled with the issuance of the Series B Preferred Stock will greatly reduce or eliminate the need to go to the capital markets for future funding.

As you know we remain delinquent with our SEC filings. Our new CFO is working diligently with our audit firm to get us caught up. We have made one annual report filing and two quarterly report filings in the last nine weeks and have an aggressive plan with our auditor to expedite the remaining filings. Our goal is to be current in January and back to our normal filing calendar in February. This is a top priority for me and I know the plan that I have laid out is an aggressive one.

As I stated at the beginning of this letter, monetizing our IP is a critical part of our business plan. The prospective sale of our battery IP is an example of the type of business model we will continue to follow, which is to leverage our intellectual property by developing applications and then monetize either through a sale of the technology, just like the battery, or through other options that may better maximize stockholder value including a spinoff, joint venture, or a license agreement as we did with our materials manufacturing partners. Although we are working to sell the battery technology, we will remain focused on the vehicle electrification opportunity having gained a great deal of industry knowledge and expertise during our development process and have identified several key opportunities in the vehicle electrification market that are not being met.

In addition to our continued focus in vehicle electrification, we have several projects in the pipeline that have been delayed due to the resources having been dedicated in developing the bipolar battery prototypes and finding a buyer. Once the sale of the battery is concluded, we will again focus on these projects to continue moving forward in commercializing our conductive plastics technology in areas such as:

- Electrostatic dissipation (ESD) solutions.
- Highly conductive applications such as antennas and heating devices.
- Consumer products.
- Medical devices.
- Lightweighting for aviation.
- Heat dissipation.
- Defense applications.
- Battery accessories.
- Energy storage devices.
- Business products.

We have also started a business and advisory board that will be assisting us in identifying new applications and target markets. The mission of the Business and Advisory Board is to advise the company on a broad range of strategic and commercial topics that relate to the long-term success of the company. The Advisory Board will assist in identifying new commercial opportunities and participate in developing go-to-market strategies. The Advisory Board will also advise on ways to improve the internal processes to ensure an efficient corporate operation. Our Advisory Board members with their deep and diverse technical, entrepreneurial and commercial backgrounds have the experience and expertise in their fields to help provide direction for the development of new products to better service the needs of the fast-growing conductive plastics market. The Advisory Board members will also serve as ambassadors of the company.

Thank you for your continued support and your constructive criticism at times when it was warranted. I wish you and your family a Happy Holidays and I look forward to speaking with you in the new year.

Very sincerely,

/s/Doug Bathauer

Doug Bathauer

This document contains forward-looking statements regarding future events and the Company's future results that are subject to the safe harbors created under the 1933 Act and the Securities Exchange Act of 1934 (the "1934 Act"). These statements are based on current expectations, estimates, forecasts, and projections about the industry in which the Company operates and the beliefs and assumptions of the Company's management. Words such as "expects," "anticipates," "targets," "goals," "projects," "intends," "plans," "believes," "seeks," "estimates," "continues," "may," variations of such words, and similar expressions are intended to identify such forward-looking statements. In addition, any statements that refer to projections of the Company's future financial performance, anticipated growth and potentials in its business and other characterizations of future events or circumstances are forward-looking statements. Readers are cautioned that these forward-looking statements are only predictions and are subject to risks, uncertainties, and assumptions that are difficult to predict, including those identified in the Company's Annual Report on Form 10-K for the period ended June 30, 2017 as filed with the Securities and Exchange Commission on September 19, 2018. Therefore, actual results may differ materially and adversely from those expressed in any forward-looking statements.