



June 29, 2018

Dear Shareholders,

We have had several people contacting us in a panic with regards to the recent selloff of shares by shareholders no longer wishing to hang onto their shares of NanoTech stock. While we understand that the drop is an unwelcome change, it has no relevance to the state of the company and does not indicate any change as such. Although our performance is not yet where it should be, the pace and level of improvements is extremely good and allows us to remain as confident as ever about our vision of the future of the company.

We are currently focused on our three primary companies, UltraFlix, 4K Studios, and Iron Dragon TV. UltraFlix continues to add hundreds of new users per day and with over a half million users, is positioned very well to significantly increase both revenues and profits the moment we can add more content to the platform. 4K Studios is focused on remastering the current library to the latest HDR standards, as well as now running all masters in an 8K workflow to future proof the library and all new releases to take advantage of TV technology well into the 2020's. Iron Dragon TV is about to launch its subscription based stand alone channel on the Roku platform, with other platforms to follow.

While we're not yet in a strong financial position, we feel particularly good about the new investment partners that we are working with, and are staying focused on the business and pursuing the targeted growth; we have dramatically cut expenses and waste; – the potential to suffer setbacks because of share price is not a challenge or source of concern.



Questions have continued to come in with regards to removing the CE symbol and bringing our OTC updates current. This has been predicated on the closing of interim funding to complete the tasks needed. The Transfer Agent has refused to acknowledge our January shareholder meeting and vote and refuses to release the information necessary to complete the removal process. We therefore had to hire additional legal counsel to resolve the issue. This process has been delayed due to funding. Once we have closed interim funding to pay to complete that process, we can then move forward with the removal of the CE.

Ultimately, we will succeed based upon the talent, dedication and diligence of our dedicated management team and their amazing teams. Based on this measure, you, our shareholders, should be extremely happy and excited. Your management team regularly reviews all aspects of our business in an open and honest way, assessing our strengths and weaknesses, and our prioritizing the opportunities and risks associated with all decisions that we make. The tight knit level of collaboration among business units is higher than ever and is key to our success. Everyone here takes pride in the work that they provide and the products they develop. Having a team that works well together across all business units is critical to our success.

Last quarter we outlined in detail our plan to rebuild the company and move forward with our growth in the entertainment sector, specifically in the Over-The-Top (OTT) video market. Nothing has changed with regards to our plans, our product road maps or our focus. The plan is predicated on closing a new round of investments which are budgeted for three basic uses: elimination of previous debts (including closing out all settlements previously agreed upon), long term licensing of content, and strategic acquisitions to enable the planned growth.



Due to issues outside of our control the original investment commitments that we had received have not closed. The fact that those investors have been continually harassed by several of our shareholders has not helped that situation. In addition to the contracts that have been signed for a \$21M investment, we have also been working with two other firms that have committed to an additional \$5M that we are in the process of closing that will allow us to accomplish our goals of debt elimination and content licensing in the short term until such time as we are able to close the \$21M investment.

We will be holding our quarterly conference call for shareholders on Tuesday July 10th at 1:30pm PST. The line will open at 1:20pm and the call will start at 1:30pm.

To join, call 1.408.618.5430 enter the access code 373508.

The following topics will be discussed:

- Funding
- OTC Markets
- Legal Settlements
- Portfolio
 - UltraFlix
 - Iron Dragon
 - 4K Studios
- Staff
- Facilities



If you have questions beyond the already planned topics that you would like answered on the call, please call anytime between now and 10am on Friday July 6th to 1.408.354.7283. When leaving your question, please state your first name, how long you have been a shareholder and state your question. Your phone number will be automatically recorded. We will attempt to cover all questions during the call.

We have an outstanding strategic position, great brands, strong character, fantastic employees and a remarkable future. We look forward to continuing this journey forward.