

NANOTECH GAMING, INC.

FINANCIAL INFORMATION FOR YEARLY ENDED DECEMBER 31, 2015

FINANCIAL STATEMENTS

The accompanying unaudited financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission ("SEC"). In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the periods presented have been reflected herein. The results of operations for the periods presented are not necessarily indicative of the results to be expected for the full year.

CAUTIONARY STATEMENT ABOUT FORWARD-LOOKING STATEMENTS

All readers of this document and any document incorporated by reference herein are advised that this document and documents incorporated by reference into this document contain forward-looking statements and statements of historical facts. Forward-looking statements are subject to certain risks and uncertainties, which could cause actual results to differ materially for those indicated by the forward-looking statements. Examples of forward-looking statements include, but are not limited to (i) revenue projections, income (loss), earnings (loss) per share, capital expenditures, dividends, capital structure and other financial items, (ii) statements of the plans and objectives of the Company or its management or Board of Directors, including the introduction of new products, or estimates or predictions with regards to customers, suppliers, competitors or regulatory authorities, (iii) statements of future performance, and (iv) statements of assumptions underlying other statements about the Company or its business.

This document and all documents incorporated herein by reference also identify factors which could cause actual results to differ materially from those indicated by the forward-looking statements.

The cautions outlined made in this statement and elsewhere in this document should not be construed as complete or exhaustive. In many cases, we cannot predict factors which could cause results to differ materially from those indicated by the forward-looking statements. Additionally, many items or factors that could cause actual results to differ materially from forward-looking statements are beyond our ability to control. The Company will not undertake an obligation to further update or change any forward-looking statement, whether as a result of new information, future developments, or otherwise.

NANOTECH GAMING, INC.

Consolidated Balance Sheet
Period Ended December 31, 2015
(unaudited)

ASSETS

Current Assets:

Cash	\$ 57
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Total Current Assets	\$ 57
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Gaming Assets (Intellectual Property)	\$ 739,836
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Total Assets	\$ 748,371
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LIABILITIES and STOCKHOLDERS DEFICIT

LIABILITIES

Current Liabilities

Accounts Payable and Accrued Expenses	\$ 299,380
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Convertible Note Payables	\$ 43,000
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Convertible Note Payables – Related Parties	\$ -
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Discount of Convertible Debt	\$ -
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Total Liabilities	\$ 353,450
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STOCKHOLDERS' DEFICIT

Preferred Stock, \$.001 par value, 5,000,000 shares authorized, 1,834 issued and outstanding	\$ 2
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Common Stock, \$.001 par value, 450,000,000 shares authorized, 181,660,560 issued and outstanding	\$ 181,661
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Additional Paid-In Capital	\$ 701,286
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Deficit accumulated during the development stage	\$ (488,028)
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Total Stockholders' deficit	394,921
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TOTAL LIABILITIES and STOCKHOLDERS' DEFICIT	\$ 748,371
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The accompanying notes are an integral part of these financial statements.

NANOTECH GAMING, INC.

Consolidated Statement of Income Period ended December 31, 2015 (unaudited)

	4th Quarter Ended December 31, 2015	Year Ended December 31, 2015
REVENUES		
Gaming Sales	\$ 0	\$ 0
Licensing Fees	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL REVENUES	\$ 0	\$ 0
Cost of Sales	<u>\$ 0</u>	<u>\$ 0</u>
GROSS PROFIT	\$ 0	\$ 0
EXPENSES		
Depreciation Expense	-	-
General and Administrative	\$ (1,123)	(24,069)
Payroll Expense	\$ (127,631)	(241,872)
Professional and Legal Fees	\$	(5,540)
Sales and Marketing	\$ (24,085)	(39,085)
Rent Expense	<u>\$ (9,024)</u>	<u>(17,882)</u>
TOTAL EXPENSES	\$ (161,863)	(328,448)
Net Income (Or Loss)	<u><u>\$ (150,172)</u></u>	<u><u>(328,448)</u></u>
Weighted Ave. Common Shares	181,660,560	
Net Gain (or Loss) Per Share	(\$0.00089)	(\$0.0018)

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NANOTECH GAMING, INC.**NANOTECH GAMING, INC.**

Consolidated Statement of Cash Flow

Period ended December 31, 2015

(unaudited)

	4th Quarter Ended December 31, 2015	Year Ended December 31, 2015
Starting Cash	<u>\$ 8,478</u>	<u>\$ 16,875</u>
Cash Flow from Operations		
Cash Flow From Operating Activities (Net Income)		
Net Income (or Loss) for Period Ended	\$ (160,863)	\$ (327,448)
Net Cash from Operations	-	-
Cash Flow from Investing	-	-
Cash Flow from Financing		
increase in notes payable	\$ 11,070	\$ 12,070
Increase in Accounts Payable	<u>\$ 141,372</u>	<u>\$ 314,665</u>
Net Cash Increase (Decrease) for Period	<u>\$ (8,241)</u>	<u>\$ (16,818)</u>
Cash and Cash equivalents at Start of Period	\$ 8,478	\$ 16,875
Cash and Cash Equivalents at End of Period	<u><u>\$ 57</u></u>	<u><u>\$ 57</u></u>

The accompanying notes are an integral part of these financial statements.

A. ORGANIZATION AND SUMMARY OF SIGNIFIANT OPERATING POLICIES

ORGANIZATION

NanoTech Gaming, Inc. (the “Company” or “NTGL”), a Nevada corporation, is a public issuer whose shares of Common Stock are quoted on OTC Marketplace’s Pink Sheets under the ticker symbol “NTGL”. The Company is now focused on creating the most compelling gaming experiences by using the latest technology and research for modern social and competitive gaming in land-based casino and arcade gaming markets. The Company was founded by industry veterans from land-based casino and coin-operated video arcade game creators. The Company intends to give players what they want in a social environment where they can choose exactly how they want to gamble and to also be given an avenue to demonstrate their skill and intelligence while they play compelling video experiences that are entertaining independently of the gambling components. When it comes to gaming and gambling, nobody understands how to put the two together quite like NanoTech Gaming.

The Company was formed originally under the laws of the State of Nevada on incorporated under the laws of the state of Nevada on April 5, 2006.

During the 1st quarter ended March 31, 2015 (February 28, 2015), the Company was called HIGH VELOCITY, INC. and its operational business was a wholly-owned subsidiary King Media, Inc., a publishing, marketing, and graphic design company that includes expertise in all facets of the publishing, advertising, marketing, printing, and distribution.

During the 1st quarter ended March 31, 2015, NTGL acquired the certain gaming assets (mainly intellectual property in the form of gaming products source code, trademarks and pending patents) of its parent company, NanoTech Entertainment, Inc., a Nevada corporation.

On March 31, 2015, NTGL assigned back 100% interest in King Media, Inc. to a former control person of NTGL in exchange for their assumption of the liabilities of King Media, Inc. Thus divestiture of King Media, Inc. allowed NTGL to focus on its core business which is described above.

REVENUE AND EXPENSES

The Company’s policy is to prepare its financial statements in accordance with accounting principles generally accepted in the United States of America under the accrual basis of accounting.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the activities of King Media, Inc., its former wholly-owned subsidiary. Prior to the above listed. All material intercompany transactions and balances have been eliminated in consolidation.

CASH AND CASH EQUIVALENTS

For the purposes of the financial statements, cash and cash equivalents are defined as demand deposits and money market accounts.

CURRENT LIABILITIES

During 2nd quarter 2015, Jim and Lindy Swarthout paid \$1,000 in total for the issuance of a convertible note payable that has a term on one year from the date of issuance. During the 4th quarter Galaxy Entertainment paid \$3,100 for the issuance of a convertible note payable that has a term of one year from the date of issuance. During the 4th quarter NanoTech Entertainment paid \$7,970 for the issuance of a note payable that has a term of one year from issuance.

During the year ended December 31, 2015 the company incurred \$299,380 in accounts payable and accrued expenses in development of its intellectual property.

B. RELATED PARTY TRANSACTIONS

From the Company's inception through and including the 4th quarter ended December 31, 2015, the Company received financial assistance to develop and advance operations. The Company received funds primarily from its former parent company NanoTech Entertainment, Inc. The amounts are due on demand and non-interest bearing.

C. USE OF ESTIMATES

USE OF ESTIMATES

The preparation of the Company's financial statements in conformity with accounting principles generally accepted in the United States 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 financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates. The Company's periodic filings with OTC Markets include, where applicable, disclosures of estimates, assumptions, uncertainties and markets that could affect the financial statements and future operations of the Company.