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1	10-Q	10Q
2	EX-31.1	ex-31.1
3	EX-32.1	ex-32.1

Note: This is not an official filing. It is a *Consolidated Proof* listing of the main document, exhibits, cover letter, correspondence and other attachments that are part of this filing.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2019

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 000-54219

TRUTANKLESS, INC.

(Exact name of registrant as specified in its charter)

Nevada	**26-2137574**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

15720 N. Greenway Hayden Loop, Suite 2	
Scottsdale, Arizona	**85260**
(Address of principal executive offices)	(Zip Code)

(480) 275-7572
(Registrant's telephone number, including area code)

Indicate by check mark whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes [X] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Ruble 12b-2 of the Exchange Act.

Large accelerated filer [ ]	Accelerated filer [ ]
Non-accelerated filer [ ]	Smaller reporting company [X]
(Do not check if a smaller reporting company)	Emerging growth company [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [X]

The number of shares of Common Stock, $0.001 par value, outstanding on November 8, 2019, was 44,174,307 shares.

TRUTANKLESS, INC.
QUARTERLY PERIOD ENDED SEPTEMBER 30, 2019

Index to Report on Form 10-Q

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

TRUTANKLESS INC.
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	September 30, 2019	December 31, 2018
ASSETS		
Current assets		
Cash	$ 6,972	$ 9,668
Accounts receivable	316,331	214,260
Inventory	230,009	403,322
Prepaid expenses	202,214	227,111
Total current assets	755,526	854,361
Fixed assets, net of accumulated depreciation	416	1,227
Other Assets		
Right to use asset	54,295	-
Security deposits	1,781	3,281
Trademarks	11,914	11,914
Software	-	22
Total other assets	67,990	15,217
Total assets	$ 823,932	$ 870,805
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	1,265,042	1,171,562
Lease liability	14,290	-
Accrued interest payable - related party	16,838	10,166
Customer deposits	-	600
Advances	27,800	7,123
Notes payable- related party	71,150	99,150
Notes payable, net of debt discount	388,568	45,717
Convertible notes payable, net of debt discount	1,425,465	983,220
Total current liabilities	3,209,153	2,317,538
Lease liability - long-term	41,036	-
Convertible notes payable - long term, net of debt discount	-	226,880
Notes payable - long-term, net of debt discount	-	282,233
Total long-term liabilities	41,036	509,113
Total liabilities	3,250,189	2,826,651
Stockholders' deficit		
Preferred stock, $0.001 par value, 10,000,000 shares authorized, 76,000 shares issued and outstanding as of September 30, 2019 and December 31, 2018, respectively	76	76
Common stock, $0.001 par value, 100,000,000 shares authorized, 41,940,303 and 34,739,902 shares issued and outstanding as of September 30, 2019 and December 31, 2018, respectively	41,940	34,740
Additional paid in capital	27,629,932	25,364,090
Subscriptions payable	603,000	178,000
Accumulated deficit	(30,701,205)	(27,532,752)
Total stockholders' deficit	(2,426,257)	(1,955,846)
Total liabilities and stockholders' equity	$ 823,932	$ 870,805

See accompanying notes to consolidated financial statements.

TRUTANKLESS INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	For the three months ended September 30,		For the Nine months ended September 30,	
	2019	**2018**	**2019**	**2018**
Revenue	$ 442,781	$ 351,413	$ 1,500,950	$ 1,130,798
Cost of goods sold	(364,352)	(304,381)	(1,297,494)	(1,037,813)
Gross profit (loss)	78,429	47,032	203,456	92,985
Operating expenses				
General and administrative	284,370	366,933	1,102,066	1,014,306
Research and development	120,000	121,572	290,574	126,058
Professional fees	266,261	260,482	1,286,502	514,098
Total operating expenses	670,631	748,987	2,679,142	1,654,462
Other expenses				
Interest expense	(193,428)	(188,872)	(565,953)	(445,580)
Loss on settlement of notes payable	-	-	(126,814)	-
Total other expenses	(193,428)	(188,872)	(692,767)	(445,580)
Net loss	$ (785,630)	$ (890,827)	$ (3,168,453)	$ (2,007,057)
Net loss per common share - basic	$ (0.02)	$ (0.03)	$ (0.08)	$ (0.07)
Weighted average number of common shares outstanding - basic	39,960,400	31,338,076	38,090,901	30,008,817

See accompanying notes to consolidated financial statements.

TRUTANKLESS INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(UNAUDITED)

	Preferred Stock		Common Stock		Additional Paid-in Capital	Subscriptions Payable	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount				
		($)		($)	($)	($)	($)	($)
Balance, December 31, 2017	76,000	76	27,924,842	27,925	21,986,722	548,780	(23,997,135)	(1,433,632)
Stock issued for cash	-	-	141,560	141	70,639	414,220	-	485,000
Stock issued for cancelation of royalty agreement	-	-	550,000	550	274,450	(275,000)	-	-
Stock issued for services	-	-	163,500	164	81,587	-	-	81,751
Net loss							(394,752)	(394,752)
Balance, March 31, 2018	76,000	76	28,779,902	28,779	22,413,398	688,000	(24,391,887)	(1,261,634)
Stock issued for cash	-	-	1,110,000	1,110	453,890	(430,000)	-	25,000
Stock issued for services	-	-	150,000	150	74,850	-	-	75,000
Stock issued for debt discounts	-	-	271,000	271	135,229	-	-	135,500
Warrants issued with beneficial conversion feature	-	-	-	-	80,898	-	-	80,898
Net loss							(721,478)	(721,478)
Balance, June 30, 2018	76,000	76	30,310,902	30,310	23,158,265	258,000	(25,113,365)	(1,666,714)
Stock issued for cash	-	-	225,000	225	112,275	100,000	-	212,500
Stock issued for services	-	-	775,000	775	386,725	15,000	-	402,500
Stock issued for debt discounts	-	-	414,000	414	206,586	-	-	207,000
Warrants issued with beneficial conversion feature	-	-	-	-	95,764	-	-	95,764
Net loss			-	-	-	-	(890,827)	(890,827)
Balance, September 30, 2018	76,000	76	31,724,902	31,724	23,959,615	373,000	(26,004,192)	(1,639,777)
Balance, December 31, 2018	76,000	76	34,739,902	34,740	25,364,090	178,000	(27,532,752)	(1,955,846)
Stock issued for cash	-	-	134,000	134	66,866	627,500		694,500
Stock issued for services	-	-	900,000	900	449,100	-	-	450,000
Stock issued for debt discounts extensions	-	-	150,000	150	74,850	95,000	-	170,000
Stock issued for settlement of notes payable	-	-	-	-	-	276,384	-	276,384
Net loss	-	-	-	-	-	-	(1,261,643)	(1,261,643)
Balance, March 31, 2019	76,000	76	35,923,902	35,924	25,954,906	1,176,884	(28,794,395)	(1,626,605)
Stock issued for cash	-	-	2,867,000	2,867	753,883	(294,000)	-	462,750
Stock issued for services	-	-	196,300	196	55,129	-	-	55,325
Stock to be issued for settlement of notes payable	-	-	-	-	-	13,333	-	13,333
Net loss	-	-	-	-	-	-	(1,121,180)	(1,121,180)
Balance, June 30, 2019	76,000	76	38,987,202	38,987	26,763,918	896,217	(29,915,575)	(2,216,377)
Stock issued for cash	-	-	1,194,000	1,194	289,806	(3,500)	-	287,500
Stock issued for services	-	-	878,000	878	218,622	-	-	219,500
Stock issued for debt discounts extensions	-	-	275,000	275	68,475	-	-	68,750
Stock issued for settlement of notes payable	-	-	606,101	606	289,111	(289,717)	-	-
Net loss	-	-	-	-	-	-	(785,630)	(785,630)
Balance, September 30, 2019	76,000	76	41,940,303	41,940	27,629,932	603,000	(30,701,205)	(2,426,257)

See accompanying notes to consolidated financial statements.

TRUTANKLESS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	For the nine months ended September 30,	
	2019	**2018**
Cash Flows from Operating Activities		
Net loss	$ (3,168,453)	$ (2,007,057)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Shares issued for services	724,825	485,249
Depreciation and amortization	833	4,022
Non cash operating lease expense	10,683	-
Amortization of debt discount	393,733	282,807
Changes in assets and liabilities		
Accounts receivable	(102,071)	(181,837)
Inventory	173,313	74,803
Prepaid expenses	24,897	112,407
Customer deposit	900	(1,781)
Accounts payable	103,234	199,198
Interest payable - related party	(3,082)	3,831
Net cash used in operating activities	(1,841,188)	(1,028,358)
Cash Flows from Investing Activities:		
Purchase of fixed assets	-	(892)
Net cash used in investing activities	-	(892)
Cash Flows from Financing Activities:		
Advances	20,677	-
Lease liability	(9,652)	-
Proceeds from convertible notes payable	151,217	77,823
Repayments of convertible notes payable	122,500	(80,000)
Proceeds from notes payable	137,000	275,000
Proceeds from notes payable - related party	5,000	-
Repayments from notes payable - related party	(33,000)	-
Repayments on line of credit - related party	-	(4,791)
Proceeds from sale of common stock, net of offering costs	1,444,750	722,500
Net cash provided by financing activities	1,838,492	990,532
Net increase in cash	(2,696)	(38,718)
Cash, beginning of period	9,668	78,599
Cash, end of period	$ 6,972	$ 39,881
Supplemental disclosure of cash flow information		
Cash paid for interest	$ 46,933	$ 30,450
Cash paid for taxes	$ -	$ -
SUPPLEMENTARY DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Recognition of right to use asset and liability	$ 64,978	$ -
Reclassification of notes payable to convertible notes payable	$ 100,000	$ -
Convertibles notes and accrued interest settled with stock	$ 162,904	$ -

See accompanying notes to consolidated financial statements.

TRUTANKLESS INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019
(UNAUDITED)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization
The Company was incorporated on March 7, 2008 under the laws of the State of Nevada, as Alcantara Brands Corporation. On October 5, 2010, the Company amended its articles of incorporation and changed its name to Bollente Companies, Inc. On June 4, 2018, the Company amended its articles of incorporation and changed its name to Trutankless, Inc.

Nature of operations
The Company is involved in research and development of a new high quality, whole-house, electric tankless water heater that is more energy efficient than conventional products.

Basis of Presentation
The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States (GAAP) and applicable rules and regulations of the Securities and Exchange Commission (SEC) regarding interim financial reporting. Certain information and note disclosures normally included in the consolidated financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. As such, the information included in the consolidated financial statements for the nine months ended September 30, 2019 should be read in conjunction with the consolidated financial statements and accompanying notes included in the Company's Form 10-K for the Company's fiscal year ended December 31, 2018, as filed with the SEC.

The consolidated balance sheet as of December 31, 2018, included herein was derived from the audited financial statements as of that date, but does not include all disclosures including notes required by GAAP.

The accompanying unaudited consolidated financial statements reflect all normal recurring adjustments necessary to present fairly the financial position, results of operations, and cash flows for the interim periods, but are not necessarily indicative of the results of operations to be anticipated for the year ending December 31, 2019.

The consolidated financial statements include the accounts of Trutankless, Inc. and its wholly owned subsidiaries. On May 16, 2010, the Company acquired 100% of the outstanding stock of Bollente, Inc. On the date of acquisition, Bollente, Inc. was 2.78% owned and controlled 100% by Robertson J. Orr, a majority shareholder and officer and director of Trutankless, Inc. and the acquisition was accounted for by means of a pooling of the entities from the date of inception of Trutankless, Inc. on March 7, 2008 because the entities were under common control. All significant inter-company transactions and balances have been eliminated.

Reclassifications
Certain prior year amounts have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the reported results of operations.

Use of estimates
The preparation of financial statements in conformity with generally accepted accounting principles 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 amounts of revenue and expenses during the reporting period. Actual results could differ significantly from those estimates.

Cash For the purpose of the statements of cash flows, all highly liquid investments with an original maturity of three months or less are considered to be cash equivalents. The carrying value of these investments approximates fair value.

Website

The Company capitalizes the costs associated with the development of the Company's website pursuant to ASC Topic 350. Other costs related to the maintenance of the website are expensed as incurred. Amortization is provided over the estimated useful lives of 3 years using the straight-line method for financial statement purposes. The Company plans to commence amortization upon completion and release of the Company's fully operational website.

Stock-based compensation

The Company follows ASC 718-10, "Stock Compensation", which addresses the accounting for transactions in which an entity exchanges its equity instruments for goods or services, with a primary focus on transactions in which an entity obtains employee services in share-based payment transactions. ASC 718-10 is a revision to SFAS No. 123, "Accounting for Stock-Based Compensation," and supersedes Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees," and its related implementation guidance. ASC 718-10 requires measurement of the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award (with limited exceptions). Incremental compensation costs arising from subsequent modifications of awards after the grant date must be recognized.

Earnings per share

The Company follows ASC Topic 260 to account for the earnings per share. Basic earnings per common share ("EPS") calculations are determined by dividing net income by the weighted average number of shares of common stock outstanding during the year. Diluted earnings per common share calculations are determined by dividing net income by the weighted average number of common shares and dilutive common share equivalents outstanding. During periods when common stock equivalents, if any, are anti-dilutive they are not considered in the computation.

Inventory

Inventories are stated at the lower of cost (average cost) or market (net realizable value).

Revenue recognition

We recognize revenue in accordance with generally accepted accounting principles as outlined in the Financial Accounting Standard Board's ("FASB") Accounting Standards Codification ("ASC") 606, Revenue From Contracts with Customers, which requires that five basic criteria be met before revenue can be recognized: (i) identify the contract with the customer; (ii) identity the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price; and (v) recognize revenue when or as the entity satisfied a performance obligation.

Revenue recognition occurs at the time product is shipped to customers, when control transfers to customers, provided there are no material remaining performance obligations required of the Company or any matters of customer acceptance. We only record revenue when collectability is reasonably assured.

Fair value of financial instruments

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of September 30, 2019. The respective carrying value of certain on-balance-sheet financial instruments approximated their fair values. These financial instruments include cash and accounts payable. Fair values were assumed to approximate carrying values for cash and payables because they are short term in nature and their carrying amounts approximate fair values or they are payable on demand.

Level 1: The preferred inputs to valuation efforts are "quoted prices in active markets for identical assets or liabilities," with the caveat that the reporting entity must have access to that market. Information at this level is based on direct observations of transactions involving the same assets and liabilities, not assumptions, and thus offers superior reliability. However, relatively few items, especially physical assets, actually trade in active markets.

Level 2: FASB acknowledged that active markets for identical assets and liabilities are relatively uncommon and, even when they do exist, they may be too thin to provide reliable information. To deal with this shortage of direct data, the board provided a second level of inputs that can be applied in three situations.

Level 3: If inputs from levels 1 and 2 are not available, FASB acknowledges that fair value measures of many assets and liabilities are less precise. The board describes Level 3 inputs as “unobservable,” and limits their use by saying they “shall be used to measure fair value to the extent that observable inputs are not available.” This category allows “for situations in which there is little, if any, market activity for the asset or liability at the measurement date”. Earlier in the standard, FASB explains that “observable inputs” are gathered from sources other than the reporting company and that they are expected to reflect assumptions made by market participants.

Recent Accounting Pronouncements

ASU 2016-02 - In February 2016, the FASB issued ASU No. 2016-02, "Leases", ("ASC 842") which amended the existing accounting standards for lease accounting, including requiring lessees to recognize most leases on their balance sheets and making targeted changes to lessor accounting. ASC 842 is effective for public companies during interim and annual reporting periods beginning after December 15, 2018, with early adoption permitted. In July 2018, the FASB issued ASU No. 2018-11, which permits entities to record the right-of-use asset and lease liability on the date of adoption, with no requirement to recast comparative periods.

We adopted ASC 842 effective January 1, 2019 using the optional transition method of recognizing a cumulative-effect adjustment to the opening balance of retained earnings on January 1, 2019. Therefore, comparative financial information was not adjusted and continues to be reported under the prior lease accounting guidance in ASC 840. We elected the transition relief package of practical expedients, and as a result, we did not assess 1) whether existing or expired contracts contain embedded leases, 2) lease classification for any existing or expired leases, and 3) whether lease origination costs qualified as initial direct costs. We elected the short-term lease practical expedient by establishing an accounting policy to exclude leases with a term of 12 months or less, as well as the land easement practical expedient for maintaining our current accounting policy for existing or expired land easements.

NOTE 2 - GOING CONCERN

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business.

Management evaluated all relevant conditions and events that are reasonably known or reasonably knowable, in the aggregate, as of the date the consolidated financial statements are issued and determined that substantial doubt exists about the Company’s ability to continue as a going concern within one year from the date of this filing. The Company’s ability to continue as a going concern is dependent on the Company’s ability to generate revenues and raise capital. The Company has not generated sufficient revenues from product sales to provide sufficient cash flows to enable the Company to finance its operations internally. As of September 30, 2019, the Company had $6,972 cash on hand. At September 30, 2019 the Company has an accumulated deficit of $30,701,205. For the nine months ended September 30, 2019, the Company had a net loss of $3,168,453, and cash used in operations of $1,841,188. These factors raise substantial doubt about the Company’s ability to continue as a going concern.

Over the next twelve months the Company intends to invest its working capital resources in sales and marketing in order to increase the distribution and demand for its products. If the Company fails to generate sufficient revenue and obtain additional capital to continue at its expected level of operations, the Company may be forced to scale back or discontinue its sales and marketing efforts. However, there is no guarantee the Company will generate sufficient revenues or raise capital to continue operations. The consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

NOTE 3 - INVENTORY

Inventories consist of the following at:

	September 30, 2019	**December 31, 2018**
Finished goods	230,009	403,322
Total	$230,009	$403,322

NOTE 4 - NOTES PAYABLE TO RELATED PARTIES

The Company has two notes payable due to an officer and director of the Company. The notes have interest rate that range from 0%-8% and are due upon demand. During the nine months ended September 30, 2019, the Company has made payments in the amount of $30,000 towards these notes. As of September 30, 2019, and December 31, 2018, the outstanding balance on the notes was $4,150 and $34,150, respectively.

On January 25, 2018, the Company issued a $100,000 12% secured promissory grid notes. The note is due on December 31, 2020. As of September 30, 2019, and December 31, 2018, there was $65,000 and $65,000 outstanding on the note, respectively.

Interest expense associated with the related party notes for the nine months ended September 30, 2019 and 2018 was $6,139 and $7,081, respectively.

NOTE 5 - NOTES PAYABLE

Notes payable consist of the following at:

	September 30, 2019		December 31, 2018	
Note payable, secured, 12% interest, due July 2020	$	150,000	$	150,000
Note payable, secured, 12% interest, due July 2020		100,000		100,000
Note payable, secured, 12% interest, due January 2020		50,000		50,000
Note payable, secured, 12% interest, due September 2020		--		50,000
Note payable, secured, 12% interest, due July 2020		100,000		--
Note payable, secured, 12% interest, due October 2019		12,500		--
Note payable, secured, 12% interest, due March 2020		12,000		--
Total Notes Payable	$	424,500	$	350,000
Less discounts		(35,932)		(22,050)
Total Notes Payable		388,568		327,980
Less current portion		(388,568)		(45,717)
Total Notes Payable - long term	$	--	$	282,263

On September 2, 2016, the Company issued a $100,000 12% promissory note. The note was due on September 1, 2017. As an incentive to enter into the agreement the noteholder was also granted 25,000 shares valued at $25,000. On May 16, 2019, the maturity date of the note was extended to July 1, 2020 for the issuance of 50,000 shares of common stock valued at $12,500. As of September 30, 2019, $4,483 of the debt discount has been amortized and the note was shown net of unamortized discount of $8,017.

On February 2, 2018, the Company entered into an agreement with the note holder to split a certain note payable dated July 1, 2015 into two notes in the amount of $150,000 and $50,000, respectively. In addition to the splitting the notes the noteholder also agreed to the extend the due date of the new $50,000 note to July 1, 2018 and on June 4, 2018, for consideration of 15,000 shares the noteholder further agreed to extend the due date of the new $50,000 note to April 1, 2019. On November 15, 2018, both notes were further extended to January 1, 2020. On May 16, 2019, the maturity dates of both notes were extended to July 1, 2020 for the issuance of 105,000 shares of common stock valued at $26,250. As of September 30, 2019, $8,908 of the debt discount has been amortized and the note was shown net of unamortized discount of $17,342.

On January 30, 2019, the Company issued a $100,000 12% promissory note. The note is due on September 30, 2019. As an incentive to enter into the agreement the noteholder was also granted 100,000 shares valued at $50,000. On May 16, 2019, the maturity date of the note was extended to September 30, 2020 for the issuance of 55,000 shares of common stock valued at $13,750. As of September 30, 2019, $3,745 of the debt discount was amortized. As of September 30, 2019, the note was shown net of unamortized discount of $10,005.

On February 11, 2019, the Company issued a $12,500 12% promissory note. The note is due on October 11, 2019. As an incentive to enter into the agreement the noteholder was also granted 25,000 shares valued at $12,500. As of September 30, 2019, $7,180 of the debt discount was amortized. On May 17, 2019, the Company agreed to settle the note along with $833 in accrued interest for 53,334 shared valued at $13,333.

On February 11, 2019, the Company issued a $12,500 12% promissory note. The note is due on October 11, 2019. As an incentive to enter into the agreement the noteholder was also granted 25,000 shares valued at $12,500. As of September 30, 2019, $7,180 of the debt discount was amortized. As of September 30, 2019, the note was shown net of unamortized discount of $568.

On March 1, 2019, the Company issued a $12,000 12% promissory note. The note is due on March 1, 2020. As of September 30, 2019, the note was shown net of unamortized discount of $0.

Interest expense including amortization of the associated debt discount for the nine months ended September 30, 2019 and 2018 was $65,112 and $42,264, respectively.

NOTE 6 - CONVERTIBLE NOTES PAYABLE

Convertible notes payable, net of debt discount consist of the following:

	September 30, 2019	December 31, 2018
Convertible note payable, secured, 12% interest, due March 2019, convertible at $1 per share	$ -	$ 10,000
Convertible note payable, secured, 12% interest, due May 2018, convertible at $1 per share	-	50,000
Convertible note payable, secured, 12% interest, due August 2019, convertible at $1 per share	50,000	50,000
Convertible note payable, secured, 12% interest, due August 2018, convertible at $1 per share	-	50,000
Convertible note payable, secured, 12% interest, due 120 days after delivery of payment notice from lender or November 2019, convertible at $0.25 per share	900,000	900,000
Convertible note payable, secured, 12% interest, due May 2020, convertible at $1 per share	100,000	100,000
Convertible note payable, secured, 12% interest, due May 2020, convertible at $1 per share	50,000	50,000
Convertible note payable from a shareholder, secured, 12% interest, due May 2020, convertible at $1 per share	5,000	5,000
Convertible note payable from a shareholder, secured, 12% interest, due Feb 2020, convertible at $1 per share	75,000	75,000
Convertible note payable from a shareholder, secured, 4% interest, due August 2019	75,000	--
Convertible note payable from a shareholder, secured, 12% interest, due January 2020, convertible at $0.50 per share	160,000	160,000
Convertible note payable, secured, 10% interest, due Sept 2020, convertible at $0.50 per share	50,000	--
Convertible note payable, secured, 10% interest, due Sept 2020, convertible at $0.50 per share	50,000	--
Note payable, secured, 12% interest, due May 2020	32,700	--
Less discounts	(121,035)	(239,900)
Total notes payable, net	$ 1,425,465	$ 1,210,100
Less current portion	(1,425,465)	(983,220)
Convertible notes payable, net - Long-term	$ --	$ 226,880

On September 17, 2018, the Company issued a $50,000 10% promissory note. The note is due on September 18, 2020. As an incentive to enter into the agreement the noteholder was also granted 10,000 shares valued at $5,000. On February 9, 2019, the note was amended for the issuance of 50,000 shares of common stock valued at $25,000, the note holder agreed to a convert the note at a price of $0.50 per share. Additionally, the maturity date of the note was changed to February 8, 2020. As of September 30, 2019, the shares have not been issued and were included in stock payable. As of September 30, 2019, $22,279 of the debt discount has been amortized and the note was shown net of unamortized discount of $7,721.

During the year ended December 31, 2016, the Company issued $160,000 of principal amount of 12% secured convertible promissory notes and warrants to purchase our common stock. The notes were due between May and August 2018 and bear interest of percent (12%). The notes are secured by all of the Company's assets. The outstanding principal amounts and accrued but unpaid interest of the notes is convertible at any time at the option of the holder into common stock at a conversion price of $1.00 per share. The notes were issued with warrants to purchase up to 160,000 shares of the Company's common stock which were valued at $119,616. On May 16, 2019, the maturity date of the note was extended to January 11, 2020 for the issuance of 90,000 shares of common stock valued at $22,500.As of September 30, 2019, $138,315 of the debt discount was amortized and the note was shown net of unamortized discount of $3,861.

During the nine months ended September 30, 2019, the notes holders of $110,000 of the convertible notes agreed to convert the notes and accrued interest at a conversion price of $0.25 per share into 552,767 shares of common stock. The Company evaluated the adjustment of the conversion price under ASC 470, and recorded an additional loss on conversion of $126,813, which was recognized as an expense equal to the fair value of all securities and other consideration transferred in the transaction in excess of fair value of securities issuable pursuant to the original conversion terms.

On December 14, 2018, the Company issued a $50,000 4% convertible note. The note is due on February 14, 2019 and is convertible at a rate of $0.50 per shares. As an incentive to enter into the agreement the noteholder was also granted 10,000 shares valued at $5,000. As of September 30, 2019, $5,000 of the debt discount was amortized. As of September 30, 2019, the note was shown net of unamortized discount of $0.

On February 8, 2019, the Company issued a $50,000 10% promissory note. The note is due on September 8, 2020. As an incentive to enter into the agreement the noteholder was also granted 60,000 shares valued at $30,000. As of September 30, 2019, $19,233 of the debt discount has been amortized and the note was shown net of unamortized discount of $10,767.

On February 19, 2019, the Company issued a $25,000 4% convertible note. The note is due on August 19, 2019 and is convertible at a rate of $0.50 per shares. As an incentive to enter into the agreement the noteholder was also granted 5,000 shares valued at $2,500. As of September 30, 2019, the shares have not been issued and were included in stock payable. As of September 30, 2019, $2,500 of the debt discount was amortized and the note was shown net of unamortized discount of $0.

On January 25, 2019, the Company issued a $100,000 8% promissory grid note. The note is due on July 25, 2019 and is convertible at a rate of $0.50 per shares. Additionally, the note holder is two shares of common stock for every dollar funded. As of September 30, 2019, the note holder has advanced a total of $47,500 and the Company has made payments of $16,000. As of September 30, 2019, there was an outstanding balance on the note in the amount of $31,500. As of September 30, 2019, $21,824 of the debt discount was amortized and the note was shown net of unamortized discount of $15,676.

Interest expense including amortization of the associated debt discount for the nine months ended September 30, 2019 and 2018 was $246,703 and $394,356, respectively.

NOTE 7 - ROYALTY PAYMENTS

The Company has agreed to allow accredited investors the ability to receive a royalty on products sold in an effort to fund its distribution and marketing advances internationally by purchasing units. Each unit represents 0.625% royalty interest in the Gross Margin of product sold by Bollente International, Inc., costing $25,000 per unit.

On October 18, 2017, the Company entered into royalty termination agreements whereas the Company converted all royalties interest into a total of 1,400,000 shares of common stock valued at $700,000. As of September 30, 2019, the Company has issued 1,200,000 shares of common stock and has recorded the balance of the common stock due to stock payable.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Office Lease

During 2018, the Company executed a lease agreement. The lease term is 39 months at a rate of $1,780 per month with rent commencing on January 1, 2019. The Company was required to pay a $1,781 security deposit. On January 1, 2019, the Company has recorded a $64,978 right to use asset and lease liability associated with this lease in accordance with ASC 842. The lease was recorded as at the present value of the minimum lease payments over the 51- month term with a borrowing rate of 12%. As of September 30, 2019, the right to use asset and lease liability were $54,295 and $55,326, respectively.

In January 2019, the Company executed a sublease agreement with Templar Asset Group, LLC, a related party. The lease term is one year at a rate of $3,200 per month for a period of one year with an option to continue a month to month basis thereafter.

Rent expense for the year ended September 30, 2019 and 2018 was $88,645 and $63,000, respectively.

NOTE 9 - STOCK WARRANTS

During the nine months ended September 30, 2019, we issued 82,500 warrants in conjunction with units which included shares sold for cash to purchase 426,500 shares of the Company's common stock at an exercise price of $1.00 per share associated with. The warrants are exercisable at any time until three (3) years after the closing date.

The following is a summary of stock warrants activity during the three months ended September 30, 2019.

	Number of Shares	Weighted Average Exercise Price
Balance, December 31, 2018	2,395,624	$1.00
Warrants granted and assumed	82,500	$1.00
Warrants expired	--	--
Warrants canceled	--	--
Warrants exercised	--	--
Balance, September 30, 2019	2,478,124	$1.00

As of September 30, 2019, there are warrants exercisable to purchase 2,478,124 shares of common stock in the Company.

NOTE 10 - STOCKHOLDERS' EQUITY

The Company is authorized to issue 10,000,000 shares of it $0.001 par value preferred stock and 100,000,000 shares of its $0.001 par value common stock.

Each share of Preferred Stock is convertible, at any time, at the option of the holder, is convertible into five shares of our common stock and one warrant to purchase one share of our common stock at $1.00 per share. All Preferred Stock will be automatically converted into shares of the Company's common stock and warrants after three years from the original issue date of the Preferred Stock.

During the nine months ended September 30, 2019, the Company issued 1,974,300 shares of common stock with a fair value of $792,825 for services. Additionally, the Company cancelled two consulting agreements entered into during the year ended December 31, 2018. As a result, the Company, received and cancelled 100,000 shares of common stock valued at $50,000. The Company valued the shares at their fair market value which was considered the most readily determinable value.

During the nine months ended September 30, 2019, the Company issued 4,195,000 shares of common stock for $1,111,250 cash. Additionally, the Company received $330,000 for the sale of common stock which has not been issued and has been recorded as stock payable.

During the nine months ended September 30, 2019, the Company issued 425,000 shares of common stock valued at $143,750 as incentives for certain noteholders to enter into financing agreements.

During the nine months ended September 30, 2019, the Company issued 606,101 shares of common stock valued at $289,717 to settle certain convertible notes payable and accrued interest (See note 6).

NOTE 11 - SUBSEQUENT EVENTS

Subsequent to quarter end, the Company issued 1,075,000 shares of common stock for $275,000 cash that was received during the September 30, 2019 and recorded as stock payable.

Subsequent to quarter end, the Company issued 280,000 shares of common stock for services valued at $70,000.

On November 5, 2019, we entered into a master convertible promissory note pursuant to which we could borrow up to $500,000. The note was convertible at any date after the issuance date at the noteholder's option into shares of our common stock at a variable conversion price, The Conversion price equals the lesser of (1) 70% multiplied by the lowest "Trading Price" during the previous 25 Trading Day period ending on the latest complete Trading Day prior to the date of this Note and (2) 70% multiplied by the lowest "Trading Price" for the Common Stock during the 25 Trading Day period ending on the latest complete Trading Day prior to the Conversion Date. The "Trading Price" as defined by the agreement is the lesser of: (a) the lowest trade price on the OTC Pink, OTCQB, or applicable trading market (the "OTC Market") as reported by a reliable reporting service ("Reporting Service") designated by the Holder and (b) the lowest closing bid price on the OTC Market as reported by a Reporting Service designated by the Holder.

On November 5, 2018 the Company borrowed $337,000, including a debt discount of $34,000. Interest under the convertible promissory note is 12% per annum, and the principal and all accrued but unpaid interest is due on May 5, 2020. The Lender also received [amount] commitment shares at execution as an inducement for entering into the agreement.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

This Quarterly Report on Form 10-Q contains forward-looking statements. Any statements contained herein that are not historical fact may deem to be forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The words "believes," "anticipates," "plans," "expects," "intends," and similar expressions identify some of the forward-looking statements. Forward-looking statements are not guarantees of performance or future results and involve risks, uncertainties and assumptions. These statements include, among other things, statements regarding:

- our ability to diversify our operations;
- inability to raise additional financing for working capital;
- the fact that our accounting policies and methods are fundamental to how we report our financial condition and results of operations, and they may require our management to make estimates about matters that are inherently uncertain;
- our ability to attract key personnel;
- our ability to operate profitably;
- deterioration in general or regional economic conditions;
- adverse state or federal legislation or regulation that increases the costs of compliance, or adverse findings by a regulator with respect to existing operations;
- changes in U.S. GAAP or in the legal, regulatory and legislative environments in the markets in which we operate;
- the inability of management to effectively implement our strategies and business plan;
- inability to achieve future sales levels or other operating results;
- the unavailability of funds for capital expenditures;
- other risks and uncertainties detailed in this report;

as well as other statements regarding our future operations, financial condition and prospects, and business strategies. These forward-looking statements are subject to certain risks and uncertainties that could cause our actual results to differ materially from those reflected in the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in this Quarterly Report on Form 10-Q, and in particular, the risks discussed under the heading "Risk Factors" in Part II, Item 1A and those discussed in other documents we file with the Securities and Exchange Commission. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

References in the following discussion and throughout this Quarterly Report to "we", "our", "us", "TKLS", "Trutankless", "Bollente", "the Company", and similar terms refer to Trutankless, Inc. unless otherwise expressly stated or the context otherwise requires.

AVAILABLE INFORMATION

The Company's stock symbol is TKLS, and is presently traded on the OTCQB maintained by OTC Markets Group, Inc. We file annual, quarterly and other reports and other information with the SEC. You can read these SEC filings and reports over the Internet at the SEC's website at www.sec.gov or on our website at www.trutanklessinc.com. You can also obtain copies of the documents at prescribed rates by writing to the Public Reference Section of the SEC at 100 F Street, NE, Washington, DC 20549 on official business days between the hours of 10:00 am and 3:00 pm. Please call the SEC at (800) SEC-0330 for further information on the operations of the public reference facilities. We will provide a copy of our annual report to security holders, including audited financial statements, at no charge upon receipt of a written request to us at Trutankless, Inc., 15720 N. Greenway Hayden Loop, Suite 2, Scottsdale, Arizona 85260.

General

Trutankless Inc. was incorporated in the state of Nevada on March 7, 2008. On June 5, 2018, we changed our name from Bollente Companies Inc. to Trutankless Inc. The Company is headquartered in Scottsdale, Arizona and currently operates through its wholly-owned subsidiary, Bollente, Inc., a Nevada corporation incorporated on December 3, 2009.

Trutankless is involved in sales, marketing, research and development of a high quality, whole-house, smart electric tankless water heater that is more energy efficient than conventional products. Management anticipates the Company's trutankless water heater, with Wi-Fi capability and trutankless' proprietary apps offered in the iOS and Android store, will augment existing products in the hope automation space.

Trutankless® Products

We manufacture and distribute trutankless® water heaters, a line of new, high-quality, highly efficient electric tankless water heaters. Our trutankless® water heaters are engineered to outperform and outlast both its tank and tankless predecessors in energy efficiency, output, and durability. It provides endless hot water on demand for a whole household and it also integrates with home automation systems.

We have several features and design innovations which are new to the electric tankless water heater market that we believe will give our products a sustainable competitive advantage over our rivals in the market.

Our trutankless® water heaters are available through wholesale plumbing distributors, including Ferguson, Hajoca, WinSupply locations, Morrison Supply, and several regional distributors. A partial listing of wholesalers may be found on our website (www.trutankless.com).

Our trutankless® water heaters are designed to provide an endless hot water supply because they are designed to heat water as it flows through the system. We believe that our products are capable of higher temperature rise than competitive units at given flow rates because of its improved design and greater efficiency. Our trutankless® water heaters can save energy and reduce operating costs compared to tank systems because unlike tanks, if there is no hot water demand, no energy is being used. In addition, we intend to improve life-cycle costs with an improved design conceived not only to increase efficiency, but also the longevity of our products versus competitive units. Generally, a typical tank water heater lasts about 9 years, whereas gas tankless systems may last longer, but requires more routine maintenance. Our product line is designed to last longer than tank water heaters without any routine maintenance required under most conditions.

We created a custom heat exchanger for our trutankless® product line that utilizes our patented technology to heat water as it flows through the system, which means customers need not worry about running out of hot water. We believe we've selected the best materials available and a collection of exclusive design elements and features to maximize capacity, minimize energy use, and provide a truly maintenance free experience.

Our trutankless® water heaters were officially launched in the first quarter of 2014 and is sold throughout the wholesale plumbing distribution channel. We began generating revenue in the first quarter of 2014. As of the fiscal year ended December 31, 2014, we generated $238,912 in revenue. As of the fiscal year ended December 31, 2015, we generated $265,504 in revenue. As of the fiscal year ended December 31, 2016, we generated $429,582 in revenue. As of the fiscal year ended December 31, 2017, we generated $695,857 in revenue. As of the fiscal year ended December 31, 2018, we generated $1,537,958 in revenue. As of the nine months ended September 30, 2019, we generated $1,500,950 in revenue.

In July of 2014, we launched a customizable online control panel for our trutankless® line of smart electric water heaters. From the dashboard, residential and commercial users can obtain real-time status reports, adjust unit temperature settings, view up to three years of water usage data, and change notification settings from anywhere in the world, using a computer or web-enabled smart device at www.home.mytankless.com.

Additionally, service professionals can also use the www.pro.trutankless.com dashboard to monitor system status on every unit they install, allowing them to proactively contact their customers if a service or warranty appointment is needed.

Our primary markets, Florida, Texas, Arizona, and the rest of the Sunbelt region are centers of growth in the U.S. construction industry with green building at an all-time high, and an unprecedented appliance replacement cycle. We intend to take advantage of these powerful macro-economic trends.

Home.trutankless.com is available as a service to consumers of trutankless® water heaters. We have applications available for download from the Google Play and Apple iOS stores, which like the online control panels, allows monitoring and control of the tankless systems.

Industry Recognition and Awards

Trutankless® received the Best of IBS 2014 Award for Best Home Technology Product from the National Association of Home Builders (NAHB) at that year's International Builders Show (IBS) in Las Vegas. The IBS is produced by NAHB and is the largest annual light construction show in the world - featuring more than 1,100 exhibitors and attracting 75,000 attendees including high level decision makers from some of the largest homebuilders in the world as well as plumbing and HVAC professionals from top outfits in major markets.

Trutankless® received the Governor's Award of Merit for Energy and Technology Innovation for the trutankless line of electric tankless heaters at Arizona Forward's 2014 Environmental Excellence Awards.

Trutankless® received Kitchen and Bath Business Magazine's 2014 K*BB Product Innovator's Award Judges Choice Product.

In 2015, Trutankless was named in Buildings Magazine's 2015 listing of "Money Savings Products" in the Energy Saving Measures category and received a Special Mention in the Architizer A+ Awards.

That same year, Appliance Design Magazine named Trutankless among the winners of their annual Excellence in Design Award, and the editors of Green Builder Magazine named Trutankless as one of their picks as "Hot Product".

Consumer Reports Magazine featured Trutankless in its Top 5 Remodeling Trends for 2016, and leading home improvement website, houzz.com, honored the company with 4 consecutive "Best of Houzz" honors from 2014 through 2018.

Customers and Markets

We sell our products to plumbing wholesale distributors and dealers.

Approximately 81% of our sales in 2018, 90% of our sales in 2017, 96.1% of our sales in 2016, 98.3% of our sales in 2015 and 93.5% of our sales in 2014 were to wholesale plumbing equipment distributors for commercial and residential applications. We rely on commissioned manufacturers' representatives to market our product lines. Additionally, our products are sold to independent dealers throughout the United States.

Manufacturing and Logistics

Our principal supplier is Sinbon Electronics, a contract manufacturer and engineering company based in Taiwan with manufacturing facilities in China, Taiwan, in the U.S., and other global locations. Sinbon handles procurement and supply chain management. We have a Manufacturing Services Agreement establishing our pricing and payment terms, warranty, shipping, and delivery terms. We are also negotiating our engineering agreement with Sinbon, which is ongoing and currently being re-negotiated.

Finished products are generally shipped Free on Board (FOB) Shanghai via ocean freight and are warehoused at Associated Global Systems located in Phoenix, Arizona. Merchandise is typically shipped using common carriers or freight companies which are selected at the time of shipment based on order volume and the best available rates.

RESULTS OF OPERATIONS

Results of Operations for the three months ended September 30, 2019 compared with the three months ended September 30, 2018.

Revenues

In the three months ended September 30, 2019, we generated $442,781 in revenues, as compared to $351,413 in revenues in the prior year. The increase in sales was attributable to sales of our trutankless® residential and light commercial products. Cost of goods sold was $364,352 in the three months ended September 30, 2019, as compared to $304,381 in the three months ended September 30, 2018. This increase in cost of goods sold was primarily attributable to an increase in cost of inventory.

To the knowledge of management, the Company is unaware of any trends or uncertainties in the sales or costs of our products and services for the periods discussed.

Expenses

Operating expenses totaled $670,631 during the three months ended September 30, 2019 as compared to $748,987 in the prior year. In the three-month period ended September 30, 2019, our expenses primarily consisted of General and Administrative of $284,370, Research and Development of $120,000 and Professional fees of $266,261.

General and administrative fees decreased $82,563, or approximately 22% to $284,370 for the three months ended September 30, 2019 from $366,933 for the three months ended September 30, 2018. This decrease was primarily due to a decrease in wages and marketing.

Research and development decreased $1,572, or approximately 1% to $120,000 for the three months ended September 30, 2019 from $121,572 for the three months ended September 30, 2018. This decrease is attributed primarily to the additional consulting fees associated with the Company's research and development efforts during the previous three-month period.

Professional fees increased $5,779, or approximately 2% to $266,261 for the three months ended September 30, 2019 from $260,482 for the three months ended September 30, 2018. Professional fees increased due to an increase in consulting fees associated with business development.

Other Expenses

Interest expense increased $4,556 to $193,428 in the three months ended September 30, 2019 from $188,872 in the three months ended September 30, 2018. The increase was the result of an increase in notes payable with interest accruals.

Net Loss

In the three months ended September 30, 2019, we generated a net loss of $785,630, a decrease of $105,197 from $890,827 for the three months ended September 30, 2018. This decrease was attributable to the Company spending less towards developing its technology.

Results of Operations for the nine months ended September 30, 2019 compared with the nine months ended September 30, 2018.

Revenues

In the nine months ended September 30, 2019, we generated $1,500,950 in revenues, as compared to $1,130,798 in revenues in the prior year. Cost of goods sold was $1,297,494, as compared to $1,037,813 in the nine months ended September 30, 2018. This increase in cost of goods sold was primarily attributable to an increase in cost of inventory.

To the knowledge of management, the Company is unaware of any trends or uncertainties in the sales or costs of our products and services for the periods discussed.

Gross Profit

Our gross profit increased $110,471, or approximately 118%, to $203,456 for the nine months ended September 30, 2019 from $92,985 for the nine months ended September 30, 2018. This increase in gross profit was primarily attributable to a higher volume of units sold.

Expenses

Operating expenses totaled $2,679,142 during the nine months ended September 30, 2019 as compared to $1,654,462 in the prior year. In the nine-month period ended September 30, 2019, our expenses primarily consisted of General and Administrative of $1,102,066, Research and Development of $290,574, and Professional fees of $1,286,502.

General and administrative fees increased $87,760, or approximately 8% to $1,102,066 for the nine months ended September 30, 2019 from $1,014,306 for the nine months ended September 30, 2018. This increase was primarily due to an increase in wages and marketing.

Research and development increased $164,516, or approximately 130% to $290,574 for the nine months ended September 30, 2019 from $126,058 for the nine months ended September 30, 2018. This increase is attributed primarily to the Company spending more towards developing its technology.

Professional fees increased $772,404, or approximately 150% to $1,286,502 for the nine months ended September 30, 2019 from $514,098 for the nine months ended September 30, 2018. Professional fees increased due to an increase in consulting fees associated with business development.

Other Expenses

Interest expense increased $120,373 to $565,953 in the nine months ended September 30, 2019 from $445,580 in the nine months ended September 30, 2018. The increase was the result of an increase in notes payable with interest accruals.

Net Loss

In the nine months ended September 30, 2019, we generated a net loss of $3,168,453, an increase of $1,161,396 from $2,007,057 for the nine months ended September 30, 2018. This increase was attributable to increased cost of goods sold and consulting fees associated with business development.

Going Concern

The financial statements included in this filing have been prepared in conformity with generally accepted accounting principles that contemplate the continuance of the Company as a going concern. The Company may not have a sufficient amount of cash required to pay all the costs associated with operating and marketing of its products. Management intends to use borrowings and security sales to mitigate the effects of cash flow deficits; however, no assurance can be given that debt or equity financing, if and when required, will be available. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and classification of liabilities that might be necessary should the Company be unable to continue existence.

Liquidity and Capital Resources

At September 30, 2019, we had an accumulated deficit of $30,701,205. Primarily because of our history of operating losses and our recording of note payables, we have a working capital deficiency of $2,480,373 at September 30, 2019. Losses have been funded primarily through issuance of common stock and borrowings from our stockholders and third-party debt. As of September 30, 2019, we had $6,972 in cash, $316,331 in accounts receivable, $230,009 in inventory, and $202,214 in prepaid expenses. We used net cash in operating activities of $1,841,188 for the nine months ended September 30, 2019.

Cash Flows from Operating, Investing and Financing Activities

The following table provides detailed information about our net cash flow for all financial statement periods presented in this Quarterly Report. To date, we have financed our operations through the issuance of stock and borrowings.

The following table sets forth a summary of our cash flows for the three months ended September 30, 2019 and 2018:

	Three months ended September 30,	
	2019	2018
Net cash used in operating activities	$ (1,841,188)	$ (1,028,358)
Net cash used in investing activities	-	(892)
Net cash provided by financing activities	1,838,492	990,532
Net increase/(decrease) in Cash	(2,696)	(38,718)
Cash, beginning	9,668	78,599
Cash, ending	$ 6,972	$ 39,881

Operating activities - Net cash used in operating activities was $1,841,188 for the three months ended September 30, 2019, as compared to $1,028,358 used in operating activities for the same period in 2018. The increase in net cash used in operating activities was primarily due to a higher volume of units sold and increase in research and development and consulting contract cost.

Investing activities - Net cash used in investing activities for the three months ended September 30, 2019 was $0, as compared to $892 for the same period of 2018. The decrease of net cash used in investing activities was attributable to not purchasing equipment during the current period.

Financing activities - Net cash provided by financing activities for the three months ended September 30, 2019 was $1,838,492, as compared to $990,532 for the same period of 2018. The increase of net cash provided by financing activities was mainly attributable to more equity financing.

Ongoing Funding Requirements

As of September 30, 2019, we continue to use traditional and/or debt financing to provide the capital we need to run the business. It is possible that we may need additional funding to enable us to fund our operating expenses and capital expenditures requirements.

Until such time, if ever, as we can generate substantial product revenues, we intend to finance our cash needs through a combination of equity offerings, debt financings, collaborations, strategic alliances and licensing arrangements. There can be no assurance that any of those sources of funding will be available when needed on acceptable terms or at all. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interests of existing stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of existing stockholders. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we raise funds through collaborations, strategic alliances or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates or to grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings or relationships with third parties when needed or on acceptable terms, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts; abandon our business strategy of growth through acquisitions; or grant rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

Critical Accounting Policies and Estimates

The preparation of our financial statements in conformity with accounting principles generally accepted in the United States requires us to make estimates and judgments that affect our reported assets, liabilities, revenues, and expenses, and the disclosure of contingent assets and liabilities. We base our estimates and judgments on historical experience and on various other assumptions we believe to be reasonable under the circumstances. Future events, however, may differ markedly from our current expectations and assumptions. See Note 1 - Summary of Significant Accounting Policies in our Notes to Consolidated Financial Statements.

Item 3. Quantitative and Qualitative Disclosure About Market Risk

This item in not applicable as we are currently considered a smaller reporting company.

Item 4. Controls and Procedures

Evaluation of disclosure controls and procedures

As required by Rule 13a-15 under the Exchange Act, as of the end of the Company's last fiscal quarter, the Company carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures. This evaluation was carried out under the supervision and with the participation of the Company's current management, including the Company's Chief Executive Officer and Principal Financial Officer (Principal Financial and Accounting Officer), who concluded that the Company's disclosure controls and procedures are effective.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in the Company reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in Company reports filed under the Exchange Act is accumulated and communicated to management, including the Company's Chief Executive Officer and Principal Financial Officer (Principal Financial and Accounting Officer), as appropriate, to allow timely decisions regarding required disclosure.

Changes in internal control over financial reporting

Management reviews the Company’s system of internal control over financial reporting and makes changes to the Company’s processes and systems to improve controls and increase efficiency, while ensuring that the Company maintains an effective internal control environment. Changes may include such activities as implementing new, more efficient systems, consolidating activities and migrating processes.

During the Company’s last fiscal quarter, there was no change in the Company’s internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, we may become involved in various lawsuits and legal proceedings which arise in the ordinary course of business. However, litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm our business. We are not presently a party to any material litigation, nor to the knowledge of management is any litigation threatened against us, which may materially affect us.

Item 1A. Risk Factors

The risk factors listed in our 2018 Form 10-K, filed with the Securities Exchange Commission on April 10, 2019, are hereby incorporated by reference.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

During the nine months ended September 30, 2019, the Company issued 1,974,300 shares of common stock with a fair value of $792,825 for services. Additionally, the Company cancelled two consulting agreements entered into during the year ended December 31, 2018. As a result, the Company, received and cancelled 100,000 shares of common stock valued at $50,000. The Company valued the shares at their fair market value which was considered the most readily determinable value.

During the nine months ended September 30, 2019, the Company issued 4,195,000 shares of common stock for $1,111,250 cash. Additionally, the Company received $330,000 for the sale of common stock which has not been issued and has been recorded as stock payable.

During the nine months ended September 30, 2019, the Company issued 425,000 shares of common stock valued at $143,750 as incentives for certain noteholders to enter into financing agreements.

During the nine months ended September 30, 2019, the Company issued 606,101 shares of common stock valued at $289,717 to settle certain convertible notes payable and accrued interest (See note 6).

We believe that the above issuances and sale of the securities was exempt from the registration and prospectus delivery requirements of the Securities Act of 1933 by virtue of Section 4(2) and Regulation D Rule. The securities were sold directly by us and did not involve a public offering or general solicitation. The recipients of the securities were afforded an opportunity for effective access to files and records of the Registrant that contained the relevant information needed to make their investment decision, including the financial statements and 34 Act reports. We reasonably believed that the recipients, immediately prior to the sale of the securities, were accredited investors and had such knowledge and experience in our financial and business matters that they were capable of evaluating the merits and risks of their investment. The management of the recipients had the opportunity to speak with our management on several occasions prior to their investment decision. There were no commissions paid on the issuance and sale of the securities.

Subsequent Issuances

Subsequent to quarter end, the Company issued 1,075,000 shares of common stock for $275,000 cash that was received during the September 30, 2019 and recorded as stock payable.

Subsequent to quarter end, the Company issued 280,000 shares of common stock for services.

We believe that the above issuances and sale of the securities was exempt from the registration and prospectus delivery requirements of the Securities Act of 1933 by virtue of Section 4(2) and Regulation D Rule. The securities were sold directly by us and did not involve a public offering or general solicitation. The recipients of the securities were afforded an opportunity for effective access to files and records of the Registrant that contained the relevant information needed to make their investment decision, including the financial statements and 34 Act reports. We reasonably believed that the recipients, immediately prior to the sale of the securities, were accredited investors and had such knowledge and experience in our financial and business matters that they were capable of evaluating the merits and risks of their investment. The management of the recipients had the opportunity to speak with our management on several occasions prior to their investment decision. There were no commissions paid on the issuance and sale of the securities.

Issuer Purchases of Equity Securities

The Company did not repurchase any of its equity securities during the period ended September 30, 2019.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibit No.	Description
31.1*	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase

* Filed herewith.

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, thereunto duly authorized.

TRUTANKLESS, INC.
(Registrant)

By: */s/ Michael Stebbins*
Michael Stebbins, President,
Principal Financial Officer and
Principal Executive Officer

Date: November 12, 2019

2: ex-31.1 (EX-31.1)

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EXHIBIT 31.1

CERTIFICATION

I, Michael Stebbins, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Trutankless, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 12, 2019

/s/ Michael Stebbins
Michael Stebbins
President, Principal Financial Officer and
Principal Executive Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Trutankless, Inc. (the “Company”) on Form 10-Q for the period ended September 30, 2019, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Michael Stebbins, President, Principal Financial Officer, and Principal Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Michael Stebbins
Michael Stebbins
President, Principal Financial Officer, and
Principal Executive Officer
November 12, 2019