XBRL Rendering Preview

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Document and Entity Information - shares	6 Months Ended Jun. 30, 2016	Sep. 14, 2016
Document And Entity Information		
Entity Registrant Name	NaturalNano, Inc.	
Entity Central Index Key	0000863895	
Document Type	10-Q	
Trading Symbol	NNAN	
Document Period End Date	Jun. 30, 2016	
Amendment Flag	false	
Current Fiscal Year End Date	--12-31	
Entity a Well-known Seasoned Issuer	No	
Entity a Voluntary Filer	No	
Entity's Reporting Status Current	Yes	
Entity Filer Category	Smaller Reporting Company	
Entity Common Stock, Shares Outstanding		3,342,325
Document Fiscal Period Focus	Q2	
Document Fiscal Year Focus	2016	

CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited) - USD ($)	Jun. 30, 2016	Dec. 31, 2015
CURRENT ASSETS:		
Cash	$ 91,800	
Accounts Receivable	221,697	
Inventory	112,980	
Prepaid and Other	$ 2,867	
Current Assets of Discontinued Operations		$ 109,983
Total Current Assets	$ 429,344	109,983
Total Assets	429,344	109,983
CURRENT LIABILITIES:		
Notes Payable	1,788,096	1,929,941
Accounts Payable	670,664	476,127
Accrued Expenses	157,073	101,544
Accrued Interest	466,153	506,598
Accrued Payroll	343,720	429,758
Registration Rights Liability	12,324	12,324
Derivative liability	$ 618,833	687,014
Current Liabilities of Discontinued Operations		721,690
Total Current Liabilities	$ 4,056,863	4,864,996

Total Liabilities	4,056,863	4,864,996
STOCKHOLDERS' DEFICIENCY:		
Common stock at $0.001 par value: 800,000,000 shares authorized; 2,911,658 and 2,293,502 shares issued and outstanding at June 30, 2016 and December 31, 2015, respectively	2,912	2,294
Additional paid-in capital	22,144,372	21,953,148
Accumulated deficit	(25,774,833)	(26,711,654)
Total Stockholders' Deficiency	(3,627,519)	(4,756,213)
Total Liabilities and Stockholders' Deficiency	$ 429,344	109,983
Series B Preferred Stock [Member]		
CURRENT LIABILITIES:		
Preferred Series		$ 1,199
Series D Preferred Stock [Member]		
CURRENT LIABILITIES:		
Preferred Series		
STOCKHOLDERS' DEFICIENCY:		
Total Stockholders' Deficiency		
Series E Preferred Stock [Member]		
CURRENT LIABILITIES:		
Preferred Series	$ 29	
STOCKHOLDERS' DEFICIENCY:		
Total Stockholders' Deficiency	$ 29	

CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited) (Parenthetical) - $ / shares	Jun. 30, 2016	Dec. 31, 2015
Common stock, par value (in dollars per share)	$ 0.001	$ 0.001
Common stock, authorized	800,000,000	800,000,000
Common stock, issued	2,911,658	2,293,502
Common stock, outstanding	2,911,658	2,293,502
Series B Preferred Stock [Member]		
Preferred stock, par value (in dollars per share)	$ 0.001	$ 0.001
Preferred stock, outstanding	0	5,000
Series E Preferred Stock [Member]		
Preferred stock, par value (in dollars per share)	$ 0.001	$ 0.001
Preferred stock, authorized	28,500	28,500
Preferred stock, outstanding	28,500	0

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited) - USD ($)	3 Months Ended		6 Months Ended	
	Jun. 30, 2016	Jun. 30, 2015	Jun. 30, 2016	Jun. 30, 2015
INCOME:				
Revenue	$ 50,852		$ 50,852	

Revenue	$ 50,852		$ 50,852	
Cost of Goods Sold	44,388		44,388	
Gross Profit	6,464		6,464	
OPERATING EXPENSES:				
General and Administrative Expense	47,500		47,500	
Stock based compensation attributable to w arrant grants	61,486	$ 41,676	86,778	$ 102,782
Total operating expenses	108,986	41,676	134,278	102,782
GAIN (LOSS) FROM OPERATIONS	(102,522)	(41,676)	(127,814)	(102,782)
OTHER INCOME (EXPENSE):				
Interest expense	(78,168)	$ (66,533)	(156,201)	(131,628)
Gain on forgiveness, conversions and modifications of debt	496,671		502,305	$ 7,900
Gain on termination of Discontinued Operations	636,831		636,831	
Gain (loss) on change in derivative liability	$ 28,759	$ (230,140)	$ 67,827	$ (83,863)
Other Income				
Other income (expense), net	$ 1,084,094	$ (296,673)	$ 1,050,762	$ (207,591)
Net income (Loss) before income tax provision	$ 981,572	$ (338,349)	$ 922,948	$ (310,373)
Income tax provision				
NET GAIN (LOSS) FROM CONTINUING OPERATIONS	$ 981,572	$ (338,349)	$ 922,948	$ (310,373)
DISCONTINUED OPERATIONS				
Income (loss) from discontinued operations, net of tax	(41,993)	(91,818)	13,873	(197,751)
Net Income (loss)	$ 939,579	$ (430,167)	$ 936,821	$ (508,124)
Basic Earnings; Gain (loss) per share				
Continuing operations	$ 0.34	$ (0.16)	$ 0.33	$ (0.15)
Discontinued Operations	(0.01)	(0.04)	0.00	(0.09)
Diluted Earnings: Gain (loss) per share				
Continuing operations	0.14	(0.16)	0.19	(0.15)
Discontinued Operations	$ (0.01)	$ (0.04)	$ 0.00	$ (0.09)
Weighted average common shares outstanding - Basic (in shares)	2,894,684	2,093,502	2,792,843	2,093,502
Weighted average common shares outstanding - Diluted (in shares)	7,150,185	2,093,502	4,920,593	2,093,502

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIENCY - USD ($)	3 Months Ended	6 Months Ended
	Jun. 30, 2016	Jun. 30, 2016
Common Stock [Member]		
Increase (Decrease) in Stockholders' Equity [Roll Forw ard]		
Balance at Beginning		$ 2,294
Balance at Beginning (in shares)		2,293,502
Exercise of cashless w arrants for		$ 508

services		
Exercise of cashless w arrants for services (in shares)		508,156
Common stock issued upon conversion of convertible debentures		$ 110
Common stock issued upon conversion of convertible debentures (in shares)		110,000
Balance at Ending	$ 2,912	$ 2,912
Balance in Ending (in shares)	2,911,658	2,911,658
Series D Preferred Stock [Member]		
Increase (Decrease) in Stockholders' Equity [Roll Forw ard]		
Balance at Beginning		
Balance at Beginning (in shares)		100
Cancellation of Series B and Series D Preferred stock		
Cancellation of Series B and Series D Preferred stock (in shares)		(100)
Balance at Ending		
Series E Preferred Stock [Member]		
Increase (Decrease) in Stockholders' Equity [Roll Forw ard]		
Balance at Beginning		
Warrants issued for services		
Issuance of Series E Preferred stock upon acquisition of Omni Shrimp (in shares)		29
Net income		$ 28,500
Balance at Ending	$ 29	$ 29
Balance in Ending (in shares)	28,500	28,500
Additional Paid-in Capital [Member]		
Increase (Decrease) in Stockholders' Equity [Roll Forw ard]		
Balance at Beginning		$ 21,953,148
Exercise of cashless w arrants for services		(508)
Common stock issued upon conversion of convertible debentures		110
Cancellation of Series B and Series D Preferred stock		1,199
Warrants issued for services		$ 86,778
Issuance of Series E Preferred stock upon acquisition of Omni Shrimp (in shares)		103,645
Balance at Ending	$ 22,144,372	$ 22,144,372
Accum ulated Deficit [Mem ber]		
Increase (Decrease) in Stockholders' Equity [Roll Forw ard]		
Balance at Beginning		(26,711,654)
Net income		936,821

Balance at Ending	(25,774,833)	(25,774,833)
Balance at Beginning		$ (4,756,213)
Exercise of cashless w arrants for services		
Common stock issued upon conversion of convertible debentures		$ 220
Cancellation of Series B and Series D Preferred stock		1,199
Warrants issued for services		$ 86,778
Issuance of Series E Preferred stock upon acquisition of Omni Shrimp (in shares)		103,674
Net income	939,579	$ 936,821
Balance at Ending	$ (3,627,519)	$ (3,627,519)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited) - USD ($)	6 Months Ended	
	Jun. 30, 2016	Jun. 30, 2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (loss)	$ 936,821	$ (508,124)
(Gain) Loss from Discontinued Operations, net of tax	(13,873)	197,751
Adjustments to reconcile net loss to net cash used in operating activities:		
Issuance of w arrants for Services	86,778	102,782
Gain on forgiveness, conversions and modifications of debt	(502,305)	(7,900)
Change in fair value of derivative liabilities	$ (67,827)	$ 83,863
Provision for excess inventory		
Gain from elimination of assets and liabilities associated w ith Discontinued Operations, net of cash and net income	$ (602,577)	
Changes in operating assets and liabilities:		
Accounts Receivable	(221,697)	
Inventory	(112,980)	
Prepaid and Other	(2,867)	
Notes Payable	(141,845)	
Accounts Payable and Accrued Expenses	250,068	$ 70,628
Accrued Interest	(40,445)	
Accrued Payroll	(86,038)	
NET CASH USED IN OPERATING ACTIVITIES	(518,787)	$ (61,000)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Working Capital acquired in acquisition of Omni Shrimp, Inc	103,674	

Omni Shrimp, Inc.		
NET CASH FROM IN INVESTING ACTIVITIES	103,674	
CASH FLOWS FROM FINANCING ACTIVITIES:		
Debt and accrued interest cancelled through the New Forbearance agreement	496,671	
Liabilities settled through issuance of Common stock	5,500	
Proceeds from Senior secured promissory notes		$ 61,000
NET CASH PROVIDED BY FINANCING ACTIVITIES	502,171	$ 61,000
NET CHANGE IN CASH	$ 87,057	
Cash at beginning of period		
Cash at end of period	$ 91,800	
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the period for interest		
Cash paid during the period for income taxes		
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Common stock issued for settlement of convertible debentures	$ 5,500	
Debt and accrued interest cancelled through the New Forbearance agreement	$ 496,671	

PRINCIPAL BUSINESS ACTIVITY, MATERIAL DEFINITIVE AGREEMENT AND SIGNIFICANT ACCOUNTING POLICIES	6 Months Ended Jun. 30, 2016
Organization, Consolidation and Presentation of Financial Statements [Abstract]	
PRINCIPAL BUSINESS ACTIVITY, MATERIAL DEFINITIVE AGREEMENT AND SIGNIFICANT ACCOUNTING POLICIES	(see below)

1. PRINCIPAL BUSINESS ACTIVITY, MATERIAL DEFINITIVE AGREEMENT AND SIGNIFICANT ACCOUNTING POLICIES

Interim Financial Statements

The condensed consolidated financial statements as of June 30, 2016 and for the three months and six months ended June 30, 2016 and 2015 are unaudited. However, in the opinion of management of the Company, these condensed consolidated financial statements reflect all material adjustments, consisting solely of normal recurring adjustments, necessary to present fairly the consolidated financial position and results of operations for such interim periods. The results of operations for the interim periods presented are not necessarily indicative of the results to be obtained for a full year. The accompanying condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Rule 8-03 of Regulation S-X for smaller reporting companies. Accordingly, these condensed consolidated financial statements do not include all of the information required by U.S. generally accepted accounting principles for complete financial statements. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2015.

Liquidity and Going Concern

Going Concern - The accompanying condensed consolidated financial statements have been prepared on a going concern basis, which

Going Concern – The accompanying condensed consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company generated net income for the six months ended June 30, 2016 of approximately $937,000 and had negative working capital and stockholders' deficiency of approximately $3,628,000 at June 30, 2016. Since, inception the Company's growth has been funded through a combination of convertible and non-convertible debt from private investors, issuances of common stock and from cash advances from its former parent Technology Innovations, LLC. These factors, among others, may indicate that the Company will be unable to continue as a going concern for a reasonable period of time. The Company's continuation as a going concern is dependent upon its ability to generate sufficient cash flow to meet its obligations, to obtain additional financing, renegotiate the terms of existing financing obligations and ultimately to attain successful operations. The ability to successfully achieve those items is uncertain. The financial statements do not include any adjustments that might result from the uncertainty.

As of June 30, 2016, the Company continued to require waivers for debt covenant violations and extensions of maturity dates. Refer to Note 2 for lender waivers and maturity extensions received from the lenders.

Basis of Consolidation
The condensed consolidated financial statements include the accounts of NaturalNano, Inc. ("NaturalNano" or the "Company"), a Nevada corporation, and its wholly owned subsidiaries Omni Shrimp, Inc., a Florida corporation. All significant inter-company accounts and transactions have been eliminated in consolidation.

Accounting for Reverse Capitalization

The Company follows the guidelines set forth in *Topic 12: Reverse Acquisitions and Reverse Capitalizations of the SEC Financial Reporting* Manual ("SEC Manual") for the acquisition of Omni Shrimp, Inc. ("Omni") (See *Material Definitive Agreement* below.) For both accounting and legal purposes, Omni Shrimp, Inc. ("Omni") has been deemed the acquiring entity due to the fact that the owners of Omni have effective voting and operating control of the combined company. The Company believes it was not a shell company

On July 5, 2016, the staff of the Securities and Exchange Commission's Division of Corporation Finance advised the Company that in light of the information set forth in the Form 8-K filed on June 29, 2016, the Staff was of the opinion that the Company was a "shell company" as defined in Rule 405 under the Securities Act of 1933 and Rule 12b-2 of the Exchange Act. The Company replied with a letter to the Staff contesting the factual basis of such determination, and the Staff replied with a subsequent letter affirming its prior determination.

The Company intends to have further communications with the Staff regarding their determination as to the Company's shell company status.

The financial statements enclosed herewith were prepared on the assumption that the Company was not a shell company on June 23, 2016 and is not a shell company at the present time.

Pursuant to the SEC Manual, the Company filed a form 8-K/A on September 1, 2016. In Item 9.01 of that filing, the Company reported the required financial statements, including audited financial statements of Omni and pro forma financial information.

Material Definitive Agreement

The Company announced on June 23, 2016 (the "Effective Date") , it entered into a Share Exchange Agreement (the "Exchange Agreement") with all of the shareholders of Omni Shrimp, Inc., a Florida corporation ("Omni"), pursuant to which the shareholders exchanged with the Company all of the outstanding shares of stock of Omni and Omni thereupon became a wholly owned subsidiary of the Company. In consideration for the exchange of those Omni shares, the Company issued 28,500 shares of a newly created Series E Preferred Stock of the Company (the "Series E Preferred Stock").

As a result of their ownership of the Series E Preferred Stock, the Omni shareholders acquired the right to vote 95% of the voting control of the Company. The Series E Preferred Stock is also convertible into common stock which, in the aggregate, would represent up to 95% of the outstanding common stock after the conversion. In addition, on the Effective Date, the holders of all of the Company's outstanding Series B and Series D Preferred Stock, including James Wemett, who is a director of the Company and was an officer and principal shareholder of the company prior to the effective date, as the holder of the Series D shares, surrendered those shares to the Company.

Additionally, on the Effective Date the Company entered into an Asset Purchase Agreement with James Wemett, the former President and CEO, pursuant to which Mr. Wemett acquired all right, title and interest to the existing business activities of the Company prior to that date; specifically, those activities were (i) developing and commercializing material additives based on a technology utilizing halloysite nanotubes and (ii) reselling Ebola personal protective equipment and ancillary supplies, and assumed the related liabilities. In connection with that transaction, Mr. Wemett waived all accumulated compensation due to him from the Company.

In connection with the Asset Purchase Agreement, the Company and Mr. Wemett exchanged releases, and the Company issued to Mr. Wemett a six year divisible Warrant with cashless exercise to purchase up to 2,000,000 shares of the Company's common stock at a purchase price of $0.05 per share.

New Forbearance Agreement ("New Forbearance")

Concurrent with the Material Definitive Agreement on the Effective Date, owners of the Senior Secured Convertible Notes and Promissory Notes agreed to surrender the following back to the Company:

- $297,873 of face value debt, and

- $198,798 of related accrued interest.

The Company did not issue any additional consideration for these securities and recorded a Gain on forgiveness, conversion and modification of debt for $496,671.

In addition, the Company retired the following owned by its former Chief Executive Officer

- 5,000 shares of Series B Preferred Stock

- 100 shares of Series D Preferred stock

Concurrent with this retirement, the Company issued 2,000,000 warrants and recorded stock based compensation expense of $61,486

Description of the Business

Omni Shrimp ("Omni") is a subsidiary of the Company and was incorporated on September 22, 2015 in the State of Florida. Omni is a provider of shrimp in the United States. According to Marine Science Today Magazine, shrimp is the most eaten seafood within the United States. Shrimps come in many varieties which are differentiated by their color.

The highest quality shrimp are called "pinks" and are primarily located in American waters off the Florida coast. The Company specializes in these "Key West pinks" which are enjoyed as "peel and eat" or in a wide variety of recipes. The harvesting season for pinks is from November through June. Throughout the year, Omni also harvests "brown" and "white" shrimp.

Omni believes that it differentiates itself from its competitors not only by the quality of its product but its relationships with distributors allowing it to get its product to market as quickly as possible in order to guarantee freshness and taste. Our contacted vessels have refrigeration units on board which lock in freshness, and we use a processor in Louisiana which allows our haul to get out to the dining public within two to three days of catch resulting in as tasty a dining experience as possible.

Most consumers in the United States are not aware of the origin of their store-bought shrimp or that which they consume in restaurants. Omni's shrimp product is free of pesticide, chemicals and antibiotics, a fact that we believe is highly attractive and beneficial in terms of our eventual marketing success.

Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires us to make estimates and assumptions that affect the amounts reported and disclosed in the financial statements and the accompanying notes. Actual results could differ materially from these estimates. On an ongoing basis, we evaluate such estimates. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities.

Fair Value of Financial Instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Fair Value Measurement Topic of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) establishes a three-tier fair value hierarchy which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). These tiers include:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument.
- Level 3 inputs are unobservable inputs based on the Company’s own assumptions used to measure assets and liabilities at fair value.

A financial asset or liability’s classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement. The carrying amounts reported in the balance sheet of cash, accounts receivable, inventory, prepaid assets, accounts payable and accrued expenses approximate fair value because of the immediate or short-term maturity of these financial instruments. The fair value of notes payable approximates their carrying value as the terms of this debt reflects market conditions. The Company’s derivative liability was determined utilizing Level 3 inputs.

Derivative Financial Instruments

The Company does not use derivative instruments to hedge exposures to cash flow, market or foreign currency risks. The Company evaluates all of its financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives. For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and then is revalued at each reporting date, with changes in fair value reported in the consolidated statement of operations. For stock based derivative financial instruments, the Company estimated the total enterprise value based upon trending the firm value from December 2006 to June 2016 considering company specific factors including the changes in forward estimated revenues and market factors, market multiples for comparable companies, and the Company’s market share price, all equally weighted. Once the enterprise value was determined an option pricing model was used to allocate the enterprise value to the individual derivative securities in the Company’s capital structure. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or equity, is evaluated at the end of each reporting period. Derivative instrument liabilities are classified in the balance sheet as current or non-current based on whether or not net-cash settlement of the derivative instrument could be required within twelve months of the balance sheet date.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

Discontinued Operations

We classified our Nanotechnology and Viral Protec businesses as discontinued operations. The Balance sheet, Statements of Operations and Statements of Cash flows for these businesses are separately reported as discontinued operations for all periods presented.

Income Taxes

The Company accounts for income taxes in accordance with FASB ASC 740 which requires recognition of estimated income taxes

The Company accounts for income taxes in accordance with FASB ASC 740 which requires recognition of estimated income taxes payable or refundable on income tax returns for the current year and for the estimated future tax effect attributable to temporary differences and carry-forwards. Measurement of deferred income tax items is based on enacted tax laws including tax rates, with the measurement of deferred income tax assets being reduced by available tax benefits not expected to be realized. The Company recognizes penalties and accrued interest related to unrecognized tax benefits in income tax expense. Income tax expense was $0 for the three and six month periods ending June 30, 2016 and 2015.

Net income/ (Loss) Per Share
Loss per common share is computed by dividing net income or loss by the weighted-average number of shares of common stock outstanding during the period. Diluted income or loss per common share gives effect to dilutive convertible preferred stock, convertible debt, options and warrants outstanding during the period. Shares to be issued upon the exercise of these instruments have not been included in the computation of diluted loss per share as their effect is anti-dilutive based on the net loss incurred.

As of June 30, 2016 and 2015 there were 139,561,843 and 25,940,237 shares, respectively, underlying preferred stock, convertible debt, outstanding options and warrants that could potentially dilute future earnings. In addition to these potentially dilutive shares as of June 30, 2015 were an additional 6,666,667 reserved shares underlying the July 23, 2014 Exchange and Right to Shares Agreement with Cape One Master Fund II LLP further described in Note 2 below.

These potentially dilutive shares have been limited by certain debt and equity agreements with lenders. These agreements provide limitations on the conversion of the dilutive instruments such that the number of shares of Common Stock that may be acquired by the holder upon conversion of such instruments shall be limited to ensure that following such conversion the total number of shares of Common Stock then beneficially owned by the holder does not exceed 4.99% of the total number of issued and outstanding shares of Common Stock. The Company does not have sufficient authorized shares to satisfy conversion of all the potentially dilutive instruments.

Shares associated with the issuance of Series E Preferred stock are reported on an as converted basis

Recent Accounting Pronouncements
In July 2015, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2015-011 to Topic 330, Inventory. This ASU requires entities using inventory costing methods other than last-in-first-out and retail inventory method to value their inventory at the lower of cost and net realizable value. This ASU is effective for fiscal years beginning after December 15, 2016 and is to be applied prospectively. Early adoption of this ASU is permitted. The Company does not expect adoption of this ASU to have a material impact on its Consolidated Financial Statements.

NOTES PAYABLE	6 Months Ended Jun. 30, 2016
Debt Disclosure [Abstract]	
NOTES PAYABLE	**2.NOTES PAYABLE**

Notes payable consisted of the following:

Notes Payable	June 23, 2016	December 31, 2015
Senior Secured Convertible Notes	$ 289,115	$ 441,988
Senior Secured Promissory Notes	398,938	398,938
2014-2015 Convertible Promissory Notes	594,515	745,015
Convertible Promissory Notes	344,000	344,000
Total Notes Payable Outstanding	1,626,468	1,929,941
Lines of credit	161,528	
	1,788,096	1,929,941

Senior Secured Convertible Notes and Senior Secured Promissory Notes
As of June 30, 2016 and December 31, 2015 Notes payable on the balance sheets includes $688,053 and $840,926 respectively for senior secured convertible and non-convertible senior secured promissory notes. The conversion rate for principal and accrued interest on Senior Secured Convertible Notes is 75% of the lowest volume weighted average price (VWAP) of the Company's common stock for the 1, 5 or 10 days immediately prior to the conversion. As further described below, the Company has defaulted on certain provisions of the notes. The Company has obtained a waiver of default on the outstanding principal. As a condition of this forbearance the interest rate on certain of these notes has been increased to 18%. The maturity date has been extended to June 30, 2017.

Pursuant to the New Forbearance agreement, $152,873 of this debt was forgiven at the Closing on June 23, 2016.

2014-2015 Convertible Promissory Notes
During six months ended June 30, 2015, the Company entered into two Senior Secured Convertible Promissory Notes aggregating $61,000. The 2014-2015 Senior Secured Promissory Notes are secured by, among other things, (i) the continuing security interest in certain assets of the Company pursuant to the terms of the Initial Notes dated March 7, 2007, (ii) the Pledge Agreement, as defined in the Initial Notes, and (iii) the Patent Security Agreement, dated as of March 6, 2007. The proceeds from the 2014-2015 Senior Secured Promissory Notes are available for general working capital purposes and cannot be used to redeem or make any payment on account of any securities due to the Lenders. As a condition of this forbearance the interest rate on certain of these notes has been increased to 18%. On March 10, 2016, an investor converted $5,500 of principal into 110,000 shares at a conversion price of $.05. The maturity date has been extended to June 30, 2017.

On January 5, 2016 the conversion price on the debt was adjusted to $0.02 per share upon the issuance of 450,000 warrants exercisable at $0.02 per share.

Pursuant to the New Forbearance agreement, $145,000 of this debt was forgiven on June 23, 2016.

Subordinated Secured Convertible Note and Exchange and Right to Shares Agreement - Cape One Master Fund II LP
On July 23, 2014, the Company and Cape One Master Fund II LLP agreed to exchange the Subordinated Secured Convertible Note and related accrued and unpaid interest totaling a combined $379,624 in exchange for 6,666,667 reserved shares of the Company's common stock. The Company and Cape One agreed that a beneficial ownership limitation of 4.99% shall be maintained at all times as to the number of the shares of the common stock outstanding immediately after giving effect to the issuance of the common stock issuable under this agreement. Cape One also agreed to a Lockup provision in the agreement that specifies that Cape One will not sell, transfer or hypothecate any of the reserved shares until Alpha Capital Anstalt has received $3,500,000 from the proceeds of sales of shares obtained upon conversion of notes issued by the Company and held by Alpha as of the date of this agreement. Upon expiration of the Lockup period, Cape One shall be allowed to sell the lesser of (i) 5% of the daily trading volume of the Company's common stock or, (ii) 10% of the reserved shares in any calendar month.

2015 Exchange of Cape One Master Fund II LLP shares for Convertible Promissory Notes
On December 15, 2015, the Company's board of directors determined that it was in the best interest of the corporation to exchange 6,666,667 reserved shares of the Company's common stock, held by Cape One Master Fund II LLP (as described below), for four convertible promissory notes totaling $344,000 with an interest rate of 8% per annum due June 30, 2017. These promissory notes are convertible to common stock at the rate of $0.05 per share. In the event that the Company shall, at any time, issue any additional shares of common stock or equivalents at a price per share less than the $0.05 conversion price then the conversion price for these convertible promissory notes shall be reduced. The Company recognized a loss on the exchange of the rights to reserved commons shares upon the issuance of these convertible promissory notes of approximately $305,000 in 2015. On January 5, 2016 the conversion price on the debt was adjusted to $0.02 per share upon the issuance of 450,000 warrants exercisable at $0.02 per share.

Bridge Loans

Bridge loans are short term notes taken on demand. They totaled $161,528 at June 30, 2016 as follows:

Omni Shrimp, Inc.	$ 133,743
Parent company	27,785

Total	$ 161,528

The $133,743 at Omni Shrimp, Inc. was as follows:

Date Issued	Amount	Interest Rate	Holder
February 12, 2016	$ 85,000	5.25%	Madeira Beach Seafood, Inc.
April 7, 2016	48,743	5.25%	Madeira Beach Seafood, Inc.
Total	$ 133,743		

SEGMENT INFORMATION	6 Months Ended Jun. 30, 2016
Segment Reporting [Abstract]	
SEGMENT INFORMATION	

3. SEGMENT INFORMATION

Subsequent to the Acquisition of Omni and the disposition of the Nanotechnology and Viral Protec businesses, the Company operates in only segment, Shrimp. Therefore, Segment data is not required.

DERIVATIVE LIABILITY	6 Months Ended Jun. 30, 2016
Derivative Instruments and Hedging Activities Disclosure [Abstract]	
DERIVATIVE LIABILITY	

4. DERIVATIVE LIABILITY

For stock based derivative financial instruments, the Company estimated the total enterprise value based upon a combination of the trending of the firm value from December 2006 to June 2016, market comparables, and the market value of the Company's stock, considering company specific factors including the changes in forward estimated revenues and market factors. Once the enterprise value was determined an option pricing model was used to allocate the enterprise value to the individual derivative and other securities in the Company's capital structure. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or equity, is evaluated at the end of each reporting period. Derivative instrument liabilities are classified in the balance sheet as current or non-current based on whether or not net-cash settlement of the derivative instrument could be required within twelve months of the balance sheet date.

The Company's derivative liabilities as of June 30, 2016 and December 31, 2015 are as follows:

- The debt conversion feature embedded in the various Convertible Promissory Notes which contain anti-dilution provisions that would be triggered if the Company issued instruments with rights to the Company's common stock at prices below this exercise price (described in Note 2.)
- Derivative liabilities related to outstanding warrants and options due to the Company having insufficient authorized shares to satisfy the exercise or conversion of all outstanding instruments as of June 30, 2016 and December 31, 2015.

The fair value of the derivative liabilities as of June 30, 2016 and December 31, 2015 are as follows:

	June 30, 2016	December 31, 2015
Note conversion feature liabilities	$ 615,243	$ 686,255

Warrant liability	3,590	759
Total	618,833	687,014

STOCKHOLDERS EQUITY	6 Months Ended Jun. 30, 2016
Stockholders' Equity Note [Abstract]	
STOCKHOLDERS EQUITY	

5. STOCKHOLDERS EQUITY

Authorized Common Stock: In 2013 the Company received a unanimous written consent in lieu of a meeting from the members of the Board of Directors and a written consent from the Series D stockholder to amend its articles of incorporation to increase the Company's authorized common shares to 800,000,000 common shares. As of June 30, 2016 there were approximately 140 million shares underlying preferred stock, convertible debt, outstanding options and warrants that could potentially dilute future earnings. The company does not have sufficient authorized shares to facilitate conversion of all the potentially dilutive instrument.

Preferred Stock Issuances

The Series E Convertible Preferred Stock is convertible into 95% of the Company's common stock and votes on an as-converted basis. The Series E designation limits the holders' rights to convert its Convertible Preferred Stock, and the aggregate voting powers, to no more than 4.99% of the votes attributable to the total outstanding common shares. As a result of the Company not having sufficient authorized shares to satisfy the conversion of all outstanding convertible debt, share rights, convertible preferred stock, warrants and options, the Series B preferred shares have been moved into temporary equity classification on the balance sheet.

Preferred Stock Cancellations

As a part of the New Forbearance agreement, 5,000 shares of Series B Preferred stock and 100 shares of Series D Preferred stock were also cancelled.

Warrants Grants

The Company has issued warrants to purchase shares of its common stock to certain consultants and debt holders. As of June 23, 2016 and December 31, 2015 there were common stock warrants outstanding to purchase an aggregate of 2,917,941 and 1,217,941 shares of common stock, respectively, pursuant to the warrant grant agreements.

On February 15, 2015, the Company granted a total of 300,000 warrants to the Company's board members. These warrants, included in the summary below, grant the right to purchase one share of common stock at an exercise price of $0.10 per share. The warrants were fully vested as of the grant date and contain a cashless exercise provision. The fair value of the warrants on the date of grant was determined using the Black-Scholes model and was measured on the date of grant at $61,106. An expected volatility assumption of 140% was used based on the volatility of the Company's stock price utilizing a look-back basis and the risk-free interest rate of 1.62% which was derived from the U.S. treasury yields on the date of grant. The market price of the Company's common stock on the grant date was $0.22 per share. The expiration date used in the valuation model aligns with the warrant life of five years as indicated in the agreements. The dividend yield was assumed to be zero.

On January 6, 2016, the Company granted a total of 450,000 warrants to the Company's board members and one consultant. These warrants, included in the summary below, grant the right to purchase one share of common stock at an exercise price of $0.02 per share. The warrants were fully vested as of the grant date and contain a cashless exercise provision. The fair value of the warrants on the date of grant was determined using the Black-Scholes model and was measured on the date of grant at $25,292. An expected volatility assumption of 140% was used based on the volatility of the Company's stock price utilizing a look-back basis and the risk-free interest rate of 1.00% which was derived from the U.S. treasury yields on the date of grant. The market price of the Company's common stock on the grant date was $0.06 per share. The expiration date used in the valuation model aligns with the warrant life of five years as indicated in the agreements. The dividend yield was assumed to be zero

On June 23, 2016, the Company granted a total of 2,000,000 warrants to the Company's former Chief Executive Officer. These warrants, included in the summary below, grant the right to purchase one share of common stock at an exercise price of $0.05 per share. The warrants were fully vested as of the grant date and contain a cashless exercise provision. The fair value of the warrants on the date of grant was determined using the Black-Scholes model and was measured on the date of grant at $.031. An expected volatility assumption of 140% was used based on the volatility of the Company's stock price utilizing a look-back basis and the risk-free interest rate of 1.00% which was derived from the U.S. treasury yields on the date of grant. The market price of the Company's common stock on the grant date was $0.034 per share. The expiration date used in the valuation model aligns with the warrant life of six years as indicated in the agreements. The dividend yield was assumed to be zero.

A summary of the outstanding warrants is presented below:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Life-years
Outstanding at January 1, 2016	1,217,941	$ .35	4.07
Issued	2,450,000	$ .05	5.98
Exercised	(750,000)	$ .05	4.75
Warrants outstanding at June 23, 2016	2,917,941	$ .17	4.75

INCENTIVE STOCK PLANS	6 Months Ended Jun. 30, 2016
Disclosure of Compensation Related Costs, Share-based Payments [Abstract]	
INCENTIVE STOCK PLANS	

6. INCENTIVE STOCK PLANS

A summary of the status of the outstanding incentive stock plans is presented below:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Life-years
Options outstanding at January 1, 2016	1,099	$ 2,008	1.32
Options exercisable at June 30, 2016	1,099	$ 2,008	.82

All compensation costs for the above options have been previously recognized in operations. As of June 30, 2016, the aggregate intrinsic value of the stock options outstanding and exercisable was $0. There were no option grants made in the three month periods ended June 30, 2016 and 2015.

SUBSEQUENT EVENTS	6 Months Ended Jun. 30, 2016
Subsequent Events [Abstract]	
SUBSEQUENT EVENTS	

7. SUBSEQUENT EVENTS

Issuance of Common shares and Conversion of debt

On July 6, 2016, the Company issued 142,811 shares due to the conversion of $1,000 of notes payable plus $785 of accrued interest.

On August 9, 2016, the Company issued 143,602 shares due to the conversion of $230 of notes payable plus $653 of accrued interest.

On August 23, 2016, the Company issued 144,254 shares due to the conversion of $125 of notes payable plus $100 of accrued interest.

Change in Independent Registered Public Accounting Firm

On August 3, 2016, the Board of Directors of the Company notified Freed Maxick CPAs, P.C ("Freed Maxick") that it had determined to dismiss them as the Company's independent registered public accounting firm, effective as of August 3, 2016. Also on August 3, 2016, the Board determined to engage Scrudato & Co., PA as its new independent registered public accounting firm to replace Freed Maxick. Please see our form 8-K filed on August 3, 2016 for more detail.

Issuance of Debt

On August 8, 2016, the Company borrowed $15,000 from a third party. The convertible promissory note bears interest at 10% per annum and matures on August 1, 2017. The third party has the option to convert all or a portion of the note plus accrued interest into common stock at a conversion price equal to 50% of the lowest closing bid price for the twenty days prior to the conversion.

On August 29, 2016, the Company borrowed $15,000 from a third party. The convertible promissory note bears interest at 10% per annum and matures on September 1, 2017. The third party has the option to convert all or a portion of the note plus accrued interest into common stock at a conversion price equal to 50% of the lowest closing bid price for the twenty days prior to the conversion.

New Lease

Commencing August 1, 2016, the Company entered into a lease for a period of twelve months for its Madeira Beach location. The monthly rent will be $1,500.

PRINCIPAL BUSINESS ACTIVITY, MATERIAL DEFINITIVE AGREEMENT AND SIGNIFICANT ACCOUNTING POLICIES (Policies)	6 Months Ended Jun. 30, 2016
Organization, Consolidation and Presentation of Financial Statements [Abstract]	
Interim Financial Statements	**Interim Financial Statements** The condensed consolidated financial statements as of June 30, 2016 and for the three months and six months ended June 30, 2016 and 2015 are unaudited. However, in the opinion of management of the Company, these condensed consolidated financial statements reflect all material adjustments, consisting solely of normal recurring adjustments, necessary to present fairly the consolidated financial position and results of operations for such interim periods. The results of operations for the interim periods presented are not necessarily indicative of the results to be obtained for a full year. The accompanying condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Rule 8-03 of Regulation S-X for smaller reporting companies. Accordingly, these condensed consolidated financial statements do not include all of the information required by U.S. generally accepted accounting principles for complete financial statements. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2015.
Liquidity and Going Concern	**Liquidity and Going Concern**

Going Concern - The accompanying condensed consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company generated net income for the six months ended June 30, 2016 of approximately $937,000 and had negative working capital and stockholders' deficiency of approximately $3,628,000 at June 30, 2016. Since, inception the Company's growth has been funded through a combination of convertible and non-convertible debt from private investors issuances of common stock and from cash advances from its former parent Technology Innovations, LLC. These factors, among others, may indicate that the Company will be unable to continue as a going concern for a reasonable period of time. The Company's continuation as a going concern is dependent upon its ability to generate sufficient cash flow to meet its obligations, to obtain additional financing, renegotiate the terms of existing financing obligations and ultimately to attain successful operations. The ability to successfully achieve those items is uncertain. The financial statements do not include any adjustments that might result from the uncertainty.

As of June 30, 2016, the Company continued to require waivers for debt covenant violations and extensions of maturity dates. Refer to Note 2 for lender waivers and maturity extensions received from the lenders.

Basis of Consolidation

Basis of Consolidation

The condensed consolidated financial statements include the accounts of NaturalNano, Inc. ("NaturalNano" or the "Company"), a Nevada corporation, and its wholly owned subsidiaries Omni Shrimp, Inc., a florida corporation. All significant inter-company accounts and transactions have been eliminated in consolidation.

Accounting for Reverse Capitalization

Accounting for Reverse Capitalization

The Company follows the guidelines set forth in *Topic 12: Reverse Acquisitions and Reverse Capitalizations of the SEC Financial Reporting* Manual ("SEC Manual") for the acquisition of Omni Shrimp, Inc. ("Omni") (See *Material Definitive Agreement* below.) For both accounting and legal purposes, Omni Shrimp, Inc. ("Omni") has been deemed the acquiring entity due to the fact that the owners of Omni have effective voting and operating control of the combined company. The Company believes it was not a shell company

On July 5, 2016, the staff of the Securities and Exchange Commission's Division of Corporation Finance advised the Company that in light of the information set forth in the Form 8-K filed on June 29, 2016, the Staff was of the opinion that the Company was a "shell company" as defined in Rule 405 under the Securities Act of 1933 and Rule 12b-2 of the Exchange Act. The Company replied with a letter to the Staff contesting the factual basis of such determination, and the Staff replied with a subsequent letter affirming its prior determination.

The Company intends to have further communications with the Staff regarding their determination as to the Company's shell company status.

The financial statements enclosed herewith were prepared on the assumption that the Company was not a shell company on June 23, 2016 and is not a shell company at the present time.

Pursuant to the SEC Manual, the Company filed a form 8-K/A on September 1, 2016. In Item 9.01 of that filing, the Company reported the required financial statements, including audited financial statements of Omni and pro forma financial information.

Material Definitive Agreement

Material Definitive Agreement

The Company announced on June 23, 2016 (the "Effective Date") , it entered into a Share Exchange Agreement (the "Exchange Agreement") with all of the shareholders of Omni Shrimp, Inc., a Florida corporation ("Omni"), pursuant to which the shareholders exchanged with the Company all of the outstanding shares of stock of Omni and Omni thereupon became a wholly owned subsidiary of the Company. In consideration for the exchange of those Omni shares, the Company issued 28,500 shares of a newly created Series E Preferred Stock of the Company (the "Series E Preferred Stock").

As a result of their ownership of the Series E Preferred Stock, the Omni shareholders acquired the right to vote 95% of the voting control of the Company. The Series E Preferred Stock is also convertible into common stock which, in the aggregate, would represent up to 95% of the outstanding common stock after the conversion. In addition, on the Effective Date, the holders of all of the Company's outstanding Series B and Series D Preferred Stock, including James Wemett, who is a director of the Company and was an officer and principal shareholder of the company prior to the effective date, as the holder of the Series D shares, surrendered those shares to the Company.

Additionally, on the Effective Date the Company entered into an Asset Purchase Agreement with James Wemett, the former President and CEO, pursuant to which Mr. Wemett acquired all right, title and interest to the existing business activities of the Company prior to that date; specifically, those activities were (i) developing and commercializing material additives based on a technology utilizing halloysite nanotubes and (ii) reselling Ebola personal protective equipment and ancillary supplies, and assumed the related liabilities. In connection with that transaction, Mr. Wemett waived all accumulated compensation due to him from the Company.

In connection with the Asset Purchase Agreement, the Company and Mr. Wemett exchanged releases, and the Company issued to Mr. Wemett a six year divisible Warrant with cashless exercise to purchase up to 2,000,000 shares of the Company's common stock at a purchase price of $0.05 per share.

New Forbearance Agreement ("New Forbearance")

New Forbearance Agreement (“New Forbearance”)

Concurrent with the Material Definitive Agreement on the Effective Date, owners of the Senior Secured Convertible Notes and Promissory Notes agreed to surrender the following back to the Company:

- $297,873 of face value debt, and
- $198,798 of related accrued interest.

The Company did not issue any additional consideration for these securities and recorded a Gain on forgiveness, conversion and modification of debt for $496,671.

In addition, the Company retired the following owned by its former Chief Executive Officer

- 5,000 shares of Series B Preferred Stock
- 100 shares of Series D Preferred stock

Concurrent with this retirement, the Company issued 2,000,000 warrants and recorded stock based compensation expense of $61,486

Description of the Business

Description of the Business

Omni Shrimp (“Omni”) is a subsidiary of the Company and was incorporated on September 22, 2015 in the State of Florida. Omni is a provider of shrimp in the United States. According to Marine Science Today Magazine, shrimp is the most eaten seafood within the United States. Shrimps come in many varieties which are differentiated by their color.

The highest quality shrimp are called “pinks” and are primarily located in American waters off the Florida coast. The Company specializes in these “Key West pinks” which are enjoyed as “peel and eat” or in a wide variety of recipes. The harvesting season for pinks is from November through June. Throughout the year, Omni also harvests “brown” and “white” shrimp.

Omni believes that it differentiates itself from its competitors not only by the quality of its product but its relationships with distributors allowing it to get its product to market as quickly as possible in order to guarantee freshness and taste. Our contacted vessels have refrigeration units on board which lock in freshness, and we use a processor in Louisiana which allows our haul to get out to the dining public within two to three days of catch resulting in as tasty a dining experience as possible.

Most consumers in the United States are not aware of the origin of their store-bought shrimp or that which they consume in restaurants. Omni’s shrimp product is free of pesticide, chemicals and antibiotics, a fact that we believe is highly attractive and beneficial in terms of our eventual marketing success.

Estimates

Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires us to make estimates and assumptions that affect the amounts reported and disclosed in the financial statements and the accompanying notes. Actual results could differ materially from these estimates. On an ongoing basis, we evaluate such estimates. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities.

Fair Value of Financial Instruments

Fair Value of Financial Instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Fair Value Measurement Topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") establishes a three-tier fair value hierarchy which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). These tiers include:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument.
- Level 3 inputs are unobservable inputs based on the Company's own assumptions used to measure assets and liabilities at fair value.

A financial asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement. The carrying amounts reported in the balance sheet of cash, accounts receivable, inventory, prepaid assets, accounts payable and accrued expenses approximate fair value because of the immediate or short-term maturity of these financial instruments. The fair value of notes payable approximates their carrying value as the terms of this debt reflects market conditions. The Company's derivative liability was determined utilizing Level 3 inputs.

Derivative Financial Instruments

Derivative Financial Instruments

The Company does not use derivative instruments to hedge exposures to cash flow, market or foreign currency risks. The Company evaluates all of its financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives. For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and then is revalued at each reporting date, with changes in fair value reported in the consolidated statement of operations. For stock based derivative financial instruments, the Company estimated the total enterprise value based upon trending the firm value from December 2006 to June 2016 considering company specific factors including the changes in forward estimated revenues and market factors, market multiples for comparable companies, and the Company's market share price, all equally weighted. Once the enterprise value was determined an option pricing model was used to allocate the enterprise value to the individual derivative securities in the Company's capital structure. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or equity, is evaluated at the end of each reporting period. Derivative instrument liabilities are classified in the balance sheet as current or non-current based on whether or not net-cash settlement of the derivative instrument could be required within twelve months of the balance sheet date.

Reclassifications

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

Discontinued Operations

Discontinued Operations

We classified our Nanotechnology and Viral Protec businesses as discontinued operations. The Balance sheet, Statements of Operations and Statements of Cash flows for these businesses are separately reported as discontinued operations for all periods presented.

Income Taxes

Income Taxes

The Company accounts for income taxes in accordance with FASB ASC 740 which requires recognition of estimated income taxes payable or refundable on income tax returns for the current year and for the estimated future tax effect attributable to temporary differences and carry-forwards. Measurement of deferred income tax items is based on enacted tax laws including tax rates, with the measurement of deferred income tax assets being reduced by available tax benefits not expected to be realized. The Company recognizes penalties and accrued interest related to unrecognized tax benefits in income tax expense. Income tax expense was $0 for the three and six month periods ending June 30, 2016 and 2015.

Net income/ (Loss) Per Share

Net income/ (Loss) Per Share

	Loss per common share is computed by dividing net income or loss by the weighted-average number of shares of common stock outstanding during the period. Diluted income or loss per common share gives effect to dilutive convertible preferred stock, convertible debt, options and warrants outstanding during the period. Shares to be issued upon the exercise of these instruments have not been included in the computation of diluted loss per share as their effect is anti-dilutive based on the net loss incurred. As of June 30, 2016 and 2015 there were 139,561,843 and 25,940,237 shares, respectively, underlying preferred stock, convertible debt, outstanding options and warrants that could potentially dilute future earnings. In addition to these potentially dilutive shares as of June 30, 2015 were an additional 6,666,667 reserved shares underlying the July 23, 2014 Exchange and Right to Shares Agreement with Cape One Master Fund II LLP further described in Note 2 below. These potentially dilutive shares have been limited by certain debt and equity agreements with lenders. These agreements provide limitations on the conversion of the dilutive instruments such that the number of shares of Common Stock that may be acquired by the holder upon conversion of such instruments shall be limited to ensure that following such conversion the total number of shares of Common Stock then beneficially owned by the holder does not exceed 4.99% of the total number of issued and outstanding shares of Common Stock. The Company does not have sufficient authorized shares to satisfy conversion of all the potentially dilutive instruments. Shares associated with the issuance of Series E Preferred stock are reported on an as converted basis.
Recent Accounting Pronouncements	**Recent Accounting Pronouncements** In July 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2015-011 to Topic 330, Inventory. This ASU requires entities using inventory costing methods other than last-in-first-out and retail inventory method to value their inventory at the lower of cost and net realizable value. This ASU is effective for fiscal years beginning after December 15, 2016 and is to be applied prospectively. Early adoption of this ASU is permitted. The Company does not expect adoption of this ASU to have a material impact on its Consolidated Financial Statements.

NOTES PAYABLE (Tables)	6 Months Ended Jun. 30, 2016
Debt Disclosure [Abstract]	
Schedule of notes payable	**Notes payable consisted of the following:**

Notes Payable	June 23, 2016	December 31, 2015
Senior Secured Convertible Notes	$ 289,115	$ 441,988
Senior Secured Promissory Notes	398,938	398,938
2014-2015 Convertible Promissory Notes	594,515	745,015
Convertible Promissory Notes	344,000	344,000
Total Notes Payable Outstanding	1,626,468	1,929,941
Lines of credit	161,528	
	1,788,096	1,929,941

Schedule of bridge loans

Bridge loans are short term notes taken on demand. They totaled $161,528 at June 30, 2016 as follows:

Omni Shrimp, Inc.	$133,743
Parent company	27,785
Total	$161,528

The $133,743at Omni Shrimp, Inc. was as follows:

Date Issued	Amount	Interest Rate	Holder
February 12, 2016	$ 85,000	5.25%	Madeira Beach Seafood, Inc.

April 7, 2016	48,743	5.25%	Madeira Beach Seafood, Inc.
Total	$ 133,743		

DERIVATIVE LIABILITY (Tables)	6 Months Ended Jun. 30, 2016
Derivative Instruments and Hedging Activities Disclosure [Abstract]	
Schedule of the fair value of the derivative liabilities	The fair value of the derivative liabilities as of June 30, 2016 and December 31, 2015 are as follows:

	June 30, 2016	December 31, 2015
Note conversion feature liabilities	$ 615,243	$ 686,255
Warrant liability	3,590	759
Total	618,833	687,

STOCKHOLDERS EQUITY (Tables)	6 Months Ended Jun. 30, 2016
Stockholders' Equity Note [Abstract]	
Schedule of outstanding w arrants	A summary of the outstanding warrants is presented below:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Life-years
Outstanding at January 1, 2016	1,217,941	$ .35	4.07
Issued	2,450,000	$ .05	5.98
Exercised	(750,000)	$ .05	4.75
Warrants outstanding at June 23, 2016	2,917,941	$ .17	4.75

INCENTIVE STOCK PLANS (Tables)	6 Months Ended Jun. 30, 2016
Disclosure of Compensation Related Costs, Share-based Payments [Abstract]	
Schedule of outstanding incentive stock plans	A summary of the status of the outstanding incentive stock plans is presented below:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Life-years
Options outstanding at January 1, 2016	1,099	$ 2,008	1.32
Options exercisable at June 30, 2016	1,099	$ 2,008	.82

PRINCIPAL BUSINESS ACTIVITY, MATERIAL DEFINITIVE AGREEMENT AND SIGNIFICANT ACCOUNTING POLICIES (Details Narrative) - USD ($)		3 Months Ended		6 Months Ended		
	Jun. 23, 2016	Jun. 30, 2016	Jun. 30, 2015	Jun. 30, 2016	Jun. 30, 2015	Dec. 31, 2015
Net income		$ 939,579	$ (430,167)	$ 936,821	$ (508,124)	
Stockholders' deficiency		$ (3,627,519)		$ (3,627,519)		$ (4,756,213)
Number of shares issued				103,674		
Income tax expense						
Percentage of stock conversion limit				4.99%		
Gain on forgiveness, conversions and modifications of debt		$ 496,671		$ 502,305	$ 7,900	
Stock based compensation attributable to w arrant grants		61,486	$ 41,676	86,778	$ 102,782	
Chief Executive Officer [Member]						
Share price (in dollars per share)	$ 0.034					
Warrant term	6 years					
Series E Preferred Stock [Member]						
Net income				28,500		
Stockholders' deficiency		$ 29		$ 29		
Number of shares issued				29		
Percentage of stock conversion limit				4.99%		
Options And Securities [Member]						
Number of shares underlying preferred stock, convertible debt (in shares)				139,561,843	25,940,237	
Series D Preferred Stock [Member]						
Stockholders' deficiency						
Share Exchange Agreement [Member] | Omni Shrimp, Inc [Member] | Series E Preferred Stock [Member]						
Number of shares issued	28,500					
Description of voting rights	95% of the voting control.					
Description of conversion terms	Convertible into common stock which, in the aggregate, would represent up to 95% of the outstanding common stock after the conversion.					
Asset Purchase Agreement [Member] | Mr. James Wemett [Member] | Divisible Warrant [Member]						
Number of shares issued	2,000,000					
Share price (in dollars per share)	$ 0.05					
Warrant term	6 years					
Exchange And Right To Shares Agreement [Member] | Cape One Master Fund II LP [Member]						
Number of potentially dilutive shares (in shares)					6,666,667	

shares)		
New Forbearance Agreement ("New Forbearance") [Member] | Senior Secured Convertible Notes and Senior Secured Promissory Notes [Member]		
Face value debt	$ 297,873	$ 297,873
Debt accrued interest		198,798
Gain on forgiveness, conversions and modifications of debt		$ 496,671
New Forbearance Agreement ("New Forbearance") [Member] | Series B Preferred Stock [Member]		
Number of share retired		5,000
New Forbearance Agreement ("New Forbearance") [Member] | Series B Preferred Stock [Member] | Chief Executive Officer [Member]		
Number of share retired		5,000
New Forbearance Agreement ("New Forbearance") [Member] | Series D Preferred Stock [Member]		
Number of share retired		100
New Forbearance Agreement ("New Forbearance") [Member] | Series D Preferred Stock [Member] | Chief Executive Officer [Member]		
Number of share retired		100
New Forbearance Agreement ("New Forbearance") [Member] | Warrant [Member]		
Number of shares issued		2,000,000
Stock based compensation attributable to w arrant grants		$ 61,486

NOTES PAYABLE (Details) - USD ($)	Jun. 30, 2016	Jun. 23, 2016	Dec. 31, 2015
Short-term Debt [Line Items]			
Total Notes Payable Outstanding		$ 1,626,468	$ 1,929,941
Lines of credit	$ 161,528	161,528	
Notes Payable	$ 1,788,096	1,788,096	1,929,941
Senior Secured Convertible Notes [Member]			
Short-term Debt [Line Items]			
Total Notes Payable Outstanding		289,115	441,988
Senior Secured Promissory Notes [Member]			
Short-term Debt [Line Items]			
Total Notes Payable Outstanding		398,938	398,938
10% Convertible Promissory Note Due On September 1, 2017 [Member]			

Short-term Debt [Line Items]		
Total Notes Payable Outstanding	594,515	745,015
8% Convertible Promissory Notes Due On June 30, 2017 [Member]		
Short-term Debt [Line Items]		
Total Notes Payable Outstanding	$ 344,000	$ 344,000

NOTES PAYABLE (Details 1) - USD ($)	Jun. 30, 2016	Jun. 23, 2016
Lines of credit	$ 161,528	$ 161,528
Omni Shrimp, Inc [Member]		
Lines of credit	133,743	
Parent Company [Member]		
Lines of credit	$ 27,785	

NOTES PAYABLE (Details 2) - USD ($)	Jun. 30, 2016	Jun. 23, 2016
Lines of credit	$ 161,528	$ 161,528
Omni Shrimp, Inc [Member]		
Lines of credit	133,743	
Omni Shrimp, Inc [Member] | 5.25% Madeira Beach Seafood, Inc Issued February 12, 2016 [Member]		
Lines of credit	85,000	
Omni Shrimp, Inc [Member] | 5.25% Madeira Beach Seafood, Inc Issued April 7, 2016 [Member]		
Lines of credit	$ 48,743	

NOTES PAYABLE (Details Narrative) - USD ($)						3 Months Ended		6 Months Ended		
	Jun. 23, 2016	Mar. 10, 2016	Jan. 05, 2016	Dec. 15, 2015	Jul. 23, 2014	Jun. 30, 2016	Jun. 30, 2015	Jun. 30, 2016	Jun. 30, 2015	Dec. 31, 2015
Notes payable current	$ 1,788,096					$ 1,788,096		$ 1,788,096		$ 1,929,941
Proceeds from notes payable									$ 61,000	
Number of shares issued								103,674		
Notes payable	$ 1,626,468									$ 1,929,941
Gain on extinguishment of debt						496,671		$ 502,305	$ 7,900	
Number of warrants purchased	2,917,941									1,217,941
Warrant [Member] | New Forbearance Agreement ("New Forbearance") [Member]										
Number of shares issued								2,000,000		
10% Convertible Promissory Note Due On September 1, 2017 [Member]										
Forbearance interest rate									18.00%	
Number of promissory notes issued									2	
Proceeds from notes payable									$ 61,000	
Description of collateral									Secured by	

Description of collateral			Secured by, among other things, (i) the continuing security interest in certain assets of the Company pursuant to the terms of the Initial Notes dated March 7, 2007, (ii) the Pledge Agreement, as defined in the Initial Notes, and (iii) the Patent Security Agreement, dated as of March 6, 2007.	
Notes payable	$ 594,515			$ 745,015
Description of debt maturity date			The maturity date has been extended to June 30, 2017.	
10% Convertible Promissory Note Due On September 1, 2017 [Member] | New Forbearance Agreement ("New Forbearance") [Member]				
Amount of debt forgiven	145,000			
10% Convertible Promissory Note Due On September 1, 2017 [Member] | Warrant [Member]				
Number of shares issued on conversion		450,000		

Exercise price (in dollars per share)			$ 0.02			
Conversion price (in dollars per share)			0.02			
Senior Secured Convertible Notes and Senior Secured Promissory Notes [Member]						
Notes payable current				$ 688,053	$ 688,053	840,926
Description of conversion terms					The conversion rate for principal and accrued interest on Senior Secured Convertible Notes is 75% of the lowest volume weighted average price (VWAP) of the Company's common stock for the 1, 5 or 10 days immediately prior to the conversion.	
Forbearance interest rate					18.00%	
Description of debt maturity date					The maturity date has been extended to June 30, 2017.	
Senior Secured Convertible Notes and Senior Secured Promissory Notes [Member] | Investor [Member]						
Principal amount		$ 5,500				
Number of shares issued on conversion		110,000				
Conversion price (in dollars per share)		$ 0.05				
Senior Secured Convertible Notes and Senior Secured Promissory Notes [Member] | New Forbearance Agreement ("New Forbearance") [Member]						
Amount of debt forgiven	152,873					
Gain on extinguishment of debt					$ 496,671	
Subordinated Secured Convertible Note [Member] | Cape One Master Fund II LP [Member]						

Notes payable		$ 379,624	
Number of reserve common stock issued		6,666,667	
Percentage of beneficial ow nership limitation		4.99%	
Description of lockup provision		Lockup provision in the agreement that specifies that Cape One will not sell, transfer or hypothecate any of the reserved shares until Alpha Capital Anstalt has received $3,500,000 from the proceeds of sales of shares obtained upon conversion of notes issued by the Company and held by Alpha as of the date of this agreement. Upon expiration of the Lockup period, Cape One shall be allowed to sell the lesser of (i) 5% of the daily trading volume of the Company’s common stock or, (ii) 10% of the reserved shares in any calendar month.	
8% Convertible Promissory Notes Due On June 30, 2017 [Member]			
Notes payable	$ 344,000		$ 344,000

8% Convertible Promissory Notes Due On June 30, 2017 [Member] | Cape One Master Fund II LP [Member]			
Number of promissory notes issued		4	
Proceeds from notes payable		$ 344,000	
Conversion price (in dollars per share)		$ 0.05	
Revised conversion price (in dollars per share)	0.02		
Number of reserve common stock issued		6,666,667	
Loss on modification of debt		$ 305,000	
8% Convertible Promissory Notes Due On June 30, 2017 [Member] | Cape One Master Fund II LP [Member] | Warrant [Member]			
Exercise price (in dollars per share)	$ 0.02		
Number of w arrants purchased	450,000		

DERIVATIVE LIABILITY (Details) - USD ($)	Jun. 30, 2016	Dec. 31, 2015
Derivative Instruments and Hedging Activities Disclosures [Line Items]		
Note conversion feature liabilities	$ 615,243	$ 686,255
Total	618,833	687,014
Warrant Liability [Member]		
Derivative Instruments and Hedging Activities Disclosures [Line Items]		
Total	$ 3,590	$ 759

STOCKHOLDERS EQUITY (Details) - Warrant [Member]	6 Months Ended Jun. 30, 2016 $ / shares shares
Share-based Compensation Arrangement by Share-based Payment Award, Equity Instruments Other than Options, Nonvested, Number of Shares [Roll Forward]	
Outstanding at beginning of period | shares	1,217,941
Issued | shares	2,450,000
Exercised | shares	(750,000)
Outstanding at end of period | shares	2,917,941
Share-based Compensation Arrangement by Share-based Payment Award, Equity Instruments Other than Options, Nonvested, Weighted Average Exercise Price [Roll Forward]	
Outstanding at beginning of period | $ / shares	$ 0.35

Issued | $ / shares	0.05
Exercised | $ / shares	0.05
Outstanding at end of period | $ / shares	$ 0.17
Share-based Compensation Arrangement by Share-based Payment Award, Equity Instruments Other than Options, Nonvested, Weighted Average Remaining Life-years [Roll Forward]	
Outstanding at beginning of period	4 years 25 days
Issued	5 years 11 months 23 days
Exercised	4 years 9 months
Outstanding at end of period	4 years 9 months

STOCKHOLDERS EQUITY (Details Narrative) - USD ($)				6 Months Ended			
	Jun. 23, 2016	Jan. 06, 2016	Feb. 15, 2015	Jun. 30, 2016	Jun. 30, 2015	Dec. 31, 2015	Dec. 31, 2013
Common stock, authorized				800,000,000		800,000,000	800,000,000
Percentage of stock conversion limit				4.99%			
Common stock w arrants outstanding	2,917,941					1,217,941	
Board Members [Member]							
Warrants, granted			300,000				
Fair value of the w arrants granted			$ 61,106				
Expected volatility assumption			140.00%				
Risk-free interest rate			1.62%				
Market price of common stock (in dollars per share)			$ 0.22				
Exercise price of stock (in dollars per share)			$ 0.10				
Warrant term			5 years				
Dividend yield			0.00%				
Board Members & One Consultant [Member]							
Warrants, granted		450,000					
Fair value of the w arrants granted		$ 25,292					
Expected volatility assumption		140.00%					
Risk-free interest rate		1.00%					
Market price of common stock (in dollars per share)		$ 0.06					
Exercise price of stock (in dollars per share)		$ 0.02					
Warrant term		5 years					
Dividend yield		0.00%					
Chief Executive Officer [Member]							
Warrants, granted	2,000,000						
Fair value of the w arrants granted (in dollars per share)	$ 0.031						
Expected volatility assumption	140.00%						
Risk-free interest rate	1.00%						
Market price of common stock (in dollars	[illegible]						

per share)	$ 0.034		
Exercise price of stock (in dollars per share)	$ 0.05		
Warrant term	6 years		
Options And Securities [Member]			
Number of shares underlying preferred stock, convertible debt (in shares)		139,561,843	25,940,237
Series E Preferred Stock [Member]			
Percentage of stock conversion limit		4.99%	
Percentage of common stock converted		95.00%	
Series B Preferred Stock [Member] | New Forbearance Agreement ("New Forbearance") [Member]			
Number of shares cancelled		5,000	
Series B Preferred Stock [Member] | Chief Executive Officer [Member] | New Forbearance Agreement ("New Forbearance") [Member]			
Number of shares cancelled		5,000	
Series D Preferred Stock [Member] | New Forbearance Agreement ("New Forbearance") [Member]			
Number of shares cancelled		100	
Series D Preferred Stock [Member] | Chief Executive Officer [Member] | New Forbearance Agreement ("New Forbearance") [Member]			
Number of shares cancelled		100	

INCENTIVE STOCK PLANS (Details) - Incentive Stock Plans [Member]	6 Months Ended Jun. 30, 2016 $ / shares shares
Share-based Compensation Arrangement by Share-based Payment Award, Options, Outstanding [Roll Forward]	
Options outstanding at beginning balance | shares	1,099
Options exercisable at end of the period | shares	1,099
Share-based Compensation Arrangement by Share-based Payment Award, Options, Outstanding, Weighted Average Exercise Price [Roll Forward]	
Options outstanding at beginnig of period | $ / shares	$ 2,008
Options exercisable at end of the period | $ / shares	$ 2,008
Share-based Compensation Arrangement by Share-based	

Payment Award, Options, Outstanding, Weighted Average Remaining Life-years [Roll Forward]	
Options outstanding at beginnig of period	1 year 3 months 26 days
Options exercisable at end of the period	9 months 26 days

INCENTIVE STOCK PLANS (Details Narrative)	Jun. 30, 2016 USD ($)
Disclosure of Compensation Related Costs, Share-based Payments [Abstract]	
Aggregate intrinsic value of the stock options outstanding	$ 0
Aggregate intrinsic value of the stock options exercisable	$ 0

SUBSEQUENT EVENTS (Details Narrative) - Subsequent Event [Member] - USD ($)	Aug. 29, 2016	Aug. 23, 2016	Aug. 09, 2016	Aug. 08, 2016	Aug. 01, 2016	Jul. 06, 2016
Rent expense					$ 1,500	
Lease term					12 months	
Notes Payable [Member]						
Face amount			$ 230			$ 1,000
Accrued interest			$ 653			$ 785
Number of shares issued on conversion			143,602			142,811
Notes Payable One [Member]						
Face amount		$ 125				
Accrued interest		$ 100				
Number of shares issued on conversion		144,254				
10% Convertible Promissory Note Due On September 1, 2017 [Member]						
Face amount	$ 15,000					
Percentage of conversion price	50.00%					
10% Convertible Promissory Notes Due On August 1, 2017 [Member]						
Face amount				$ 15,000		
Percentage of conversion price				50.00%		

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[info] In "CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIENCY", column(s) 3, 6 are contained in other reports, so w ere removed by flow through suppression. - nnan-20160630.xml

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