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

Form 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended June 30, 2017
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from __________ to _________

Commission file number 000-50053

AMERITYRE CORPORATION

(Exact name of registrant as specified in its charter)

Nevada	**87-0535207**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1501 Industrial Road
Boulder City, Nevada 89005
(702) 293-1930
(Address of principal executive office and telephone number)

Securities registered pursuant to Section 12(b) of the Exchange Act:

Title of each class	Name of each exchange on which registered
N/A	N/A

Securities registered pursuant to Section 12(g) of the Exchange Act: Common Stock

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES ☐ NO ☒

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. YES ☐ NO ☒

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act 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 ☒ NO ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, 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 ☒ NO ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

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 the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☒

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES ☐ NO ☒

On September 13, 2017 there were 43,312,107 shares of common stock of the Registrant outstanding.

As of December 31, 2016, the Registrant's most recent second quarter, there were 41,492,787 shares of common stock of the Registrant held by non-affiliates outstanding with a market value $414,928 (based upon the closing price of $0.01 per share of common stock as quoted on the NASD: OTCQB Marketplace).

Documents Incorporated by Reference

Portions of the Registrant's definitive proxy statement, which will be issued in connection with the 2017 Annual Meeting of Shareholders of Amerityre Corporation, are incorporated by reference into Part III of this Annual Report on Form 10-K.

AMERITYRE CORPORATION
2017 ANNUAL REPORT ON FORM 10-K
TABLE OF CONTENTS

AMERITYRE CORPORATION
2017 ANNUAL REPORT ON FORM 10-K

This report contains "forward-looking statements" within the meaning of the federal securities laws. Forward-looking statements include statements concerning our plans, objectives, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions and other information that is not historical information. In some cases, forward-looking statements can be identified by terminology such as "believes," "expects," "may," "will," "should," "anticipates," or "intends" or the negative of such terms or other comparable terminology, or by discussions of strategy. We may also make additional forward-looking statements from time to time. All such subsequent forward-looking statements, whether written or oral, by us or on our behalf, are also expressly qualified by these cautionary statements.

All forward-looking statements, including without limitation, management's examination of historical operating trends, are based upon our current expectations and various assumptions. Our expectations, beliefs and projections are expressed in good faith and we believe there is a reasonable basis for them, but, there can be no assurance that management's expectations, beliefs and projections will result or be achieved. All forward-looking statements apply only as of the date made. We undertake no obligation to publicly update or revise forward-looking statements which may be made to reflect events or circumstances after the date made or to reflect the occurrence of unanticipated events.

There are a number of risks and uncertainties that could cause our actual results to differ materially from the forward-looking statements contained in or contemplated by this report. Any forward-looking statements should be considered in light of the risks set forth in "Part I. Item 1A. Risk Factors" and elsewhere in this report.

This report may include information with respect to market share, industry conditions and forecasts that we obtained from internal industry research, publicly available information (including industry publications and surveys), and surveys and market research provided by consultants. The publicly available information and the reports, forecasts and other research provided by consultants generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy and completeness of such information. We have not independently verified any of the data from third-party sources, nor have we ascertained the underlying economic assumptions relied upon therein. Similarly, our internal research and forecasts are based upon our management's understanding of industry conditions, and such information has not been verified by any independent sources.

For convenience in this report, the terms “Amerityre,” “Company,” “our,” “us” or “we” may be used to refer to Amerityre Corporation.

PART I

ITEM 1. BUSINESS

Overview

Amerityre incorporated as a Nevada corporation on January 30, 1995 under the name American Tire Corporation and changed its name to Amerityre Corporation in December 1999.

Amerityre engages in the research and development, manufacturing, and sale of polyurethane tires. We believe that we have developed unique polyurethane formulations that allow us to make products with superior performance characteristics in the areas of abrasion resistance, energy efficiency and load-bearing capabilities, in comparison to conventional rubber tires. We also believe that our manufacturing processes are more energy efficient than the traditional rubber tire manufacturing processes, in part because our polyurethane compounds do not require the multiple processing steps, extreme heat, and high pressure that are necessary to cure rubber. Using our polyurethane technologies, we believe tires can be produced which last longer, are less susceptible to failure and are friendly to the environment.

Products

Our polyurethane material technology is based on two main proprietary formulations; closed-cell polyurethane foam, a lightweight material with high load-bearing capabilities for low duty cycle applications, and Elastothane®, a high performance polyurethane elastomer with high load-bearing capabilities for high duty applications. We are concentrating on three segments of the tire market: closed-cell polyurethane foam tires for various light duty applications, polyurethane elastomer tires for industrial equipment, and polyurethane elastomer tires for agricultural applications.

Closed-Cell Polyurethane Foam Tires

We currently manufacture closed-cell polyurethane foam tires for bicycles, carts, hand trucks, lawn and garden, wheelbarrow, personnel carriers, and medical mobility products. Our closed-cell polyurethane foam products are categorized as flat-free because they have no inner tube, do not require inflation and will not go flat even if punctured. Our tires are mounted on a wheel rim in much the same way as a pneumatic tire. Our closed-cell polyurethane foam products are virtually maintenance free, non-toxic, provide extended tire life, and offer superior energy efficiency compared to rubber based tires. Closed cell foam tires and components accounted for 98% of fiscal 2017 revenues.

Polyurethane Elastomer Industrial Tires

We have developed solid polyurethane industrial tires made of Elastothane®. We currently produce over 20 sizes for Class 1, 4 and 5 forklifts, as well as elastomer tires for scissor lifts. We believe our tires are superior to rubber tires as they are non-marking, more energy efficient, carry greater load weight, are made of non-toxic materials, operate in lower temperature environments and have longer service life. During fiscal year 2017 we introduced an updated product formulation. During fiscal year 2017 there were minimal revenues attributable to elastomer industrial tires.

Agricultural Tires

Amerityre has developed three products for the agricultural tire market, flat-free pivot tires used in irrigation systems, seeder tires, and hay baler tires. Sales of agricultural tires were negatively impacted by low commodity prices in fiscal year 2017. Agricultural tires accounted for 2% of fiscal 2017 revenues.

Raw Materials and Supplies

The two principal chemical raw materials required to manufacture our products are known generically as polyols and isocyanates. In addition, we purchase various chemical additives that are mixed with the polyols and isocyanates. We purchase our chemical raw materials from multiple suppliers to assure adequate supply and competitive pricing. The quality of our raw materials is critical to the performance of our proprietary formulations.

In addition to the chemical raw materials, we purchase steel and plastic wheel components for use in tire and wheel assemblies. We purchase these components from domestic and overseas suppliers.

Operations/Manufacturing

Our closed-cell polyurethane foam and elastomer products are primarily manufactured utilizing multiple–stationed, carousel molding presses. We produce closed-cell foam products by pouring a proprietary polyurethane formula into a mold, which then spreads out in the mold. The molding process occurs by reacting monomeric diphenylmethanediisocyanate (MDI) with polyol and other chemicals. The reaction causes a cross linking of the chemicals, which cures into a solid. The closed-cell polyurethane foam or elastomer product is then removed from the mold and the process is repeated.

All of our products are inspected prior to shipment to ensure quality. Any products considered by our quality control personnel to be defective are disposed of through traditional refuse disposal services.

Information Systems

We use commercial computer aided design (CAD) and finite element analysis (FEA) software tools in the engineering and design of our products. This software allows us to integrate our proprietary manufacturing and production data with our design technology, enabling our engineering department to leverage our previous manufacturing and test results to predict the performance characteristics of new product designs and product improvements. For general business purposes, we use commercially available software for financial, distribution, manufacturing, customer relationships and payroll management.

Sales, Marketing and Distribution

Amerityre utilizes independent manufacturer representatives with tire industry experience to promote and sell our products. These representatives sell all of our products in a designated sales territory. These independent sales professionals complement our in-house sales department in Boulder City.

We currently distribute our products directly from our manufacturing facility in Boulder City, Nevada. During fiscal year 2017 we redesigned and relaunched our website. The website is used primarily as an education tool for current and potential customers but it also gives us the ability to process on-line sales of our products.

Internationally, we have several distribution partners established in Canada, Australia, and Europe. We continue to seek additional international sales and marketing partners to expand the worldwide sales and distribution of our products.

Customers

We have two customers who accounted for 31% of our sales for the year ended June 30, 2017 and three customers who accounted for 21% of our sales for the year ended June 30, 2016. In general, our customers are OEMs of lawn and garden products and outdoor power equipment, regional tire distributors, retail cooperatives, agricultural tire distributors, and retailers of lawn and garden products, bicycle tires and hand truck tires. With the introduction of internet sales functionality on our website we expect to gain more end user customers going forward.

Competition

There are several companies that produce not-for-highway-use or light-use tires from polyurethane foam such as Greentyre, who manufactures in the UK; Carefree Tire, who manufactures in China; Marastar (a division of Carlstar), who manufactures in China, and; Custom Engineered Wheels and Krypton Industries, who manufacture in India. We believe our closed-cell polyurethane foam tires are superior to the polyurethane foam tires offered by the aforementioned competitors because our closed cell technology gives our products higher load bearing characteristics than competitor tire products that have open-cell polyurethane foam, while producing a ride quality comparable to a pneumatic tire. We believe we are the largest USA-based manufacturer of polyurethane flat free tires.

In addition to manufacturers of polyurethane foam tires, we compete directly with companies that manufacture and market traditional not-for-highway-use, low-duty pneumatic, semi-pneumatic, and solid tires made from rubber. The not-for-highway use tire industry historically has been highly competitive, and several of our competitors have financial resources that substantially exceed ours. In addition, many of our competitors are very large companies, such as Kenda, Taiwan; Maxxis International, Taiwan; Cheng Shin, China; and Carlstar. These competitors have established brand name recognition, distribution networks for their products, and have strong consumer loyalty to their products.

In the agricultural tire market, the market leader is Titan Tire USA, a global manufacture of agriculture pneumatic tire and wheel assemblies. In addition, Rhino Gator, BB Metal Works, and Mach II are North American competitors offering various types of flat free pivot tire solutions. OEM manufacturers of pivot irrigation systems, such as Valmont Industries and Lindsay, have developed their own flat free tires for their irrigation systems. There are various domestic and international competitors in the seeder tire and hay baler tire markets.

Intellectual Property Rights

We seek to obtain patent protection for, or to maintain as trade secrets, those inventions that we consider important to the development of our business. We rely on a combination of patent, trademark, copyright and trade secret laws in the United States and other jurisdictions as well as confidentiality procedures and contractual provisions to protect our proprietary technology and branding. We control access to our proprietary technology and enter into confidentiality agreements with our employees and other third parties. We own twelve issued U.S. patents. We use various trademarks in association with marketing our products, including the names Amerityre®, Elastothane®, Arcus®, Atmospheric®, Logo®, and Kik®.

Trade Secrets

Our polyurethane material technology is based on two key proprietary formulation types; a closed-cell polyurethane foam, which is a lightweight material with high load-bearing capabilities for low duty cycle applications, and a polyurethane elastomer, which is a high performing material with high load-bearing capabilities for high duty applications. Our technology has been maintained as Trade Secret by combination of limited and controlled access to our facility along with a use of non-disclosure agreements with persons that have been afforded access. To the best of our knowledge and belief, we have maintained the technology as trade secrets as required to provide for the protection of our polyurethane material technology under U.S. trade secret laws.

Patents

Set forth in the schedule below are the issued patents that we have received.

Description of Patent	U.S. Patent App/Serial No.	Issued Date or Date Filed	Brief Description/Purpose
Improved Method and Apparatus for Making Tires and the Like	6,165,397	12/26/2000	Applies to pouring the material at the inside diameter (where the tire starts) during the manufacturing process.
Run-Flat Tire with Elastomeric Inner Support	6,679,306	1/20/2004	Applies to a polyurethane insert within a tire to create a “run-flat” system.
Method and Apparatus for Vacuum Forming a Wheel from a Urethane Material	7,377,596	5/27/2008	Applies to the method we employ to coat a light gauge steel or aluminum wheel by evacuating air from the mold while moving material through the mold utilizing a vacuum process to eliminate pockets of air within the matrix of the material. The resulting product becomes a “Composite” wheel.
Elastomeric Tire with Arch Shaped Shoulders	6,971,426	12/06/2005	Applies the design of the Arcus® run-flat tire (the first polyurethane elastomer tire to run with or without air).
Method for Manufacturing a Tire with Belts, Plies and Beads Using a Pre-cured Elastomer and Cold Rolling Method	6,974,519	12/13/2005	Applies to how we put the plies, beads and belts on a mandrel or bladder to be placed inside a mold for manufacturing a tire.
Improved Vacuum Forming Apparatus for Vacuum Forming a Tire, Wheel or Other Item from an Elastomeric Material	7,527,489	5/5/2009	Applies to an improvement in the vacuum forming equipment used to manufacture a tire and other items.
Method for Vacuum Forming an Elastomeric Tire	8,114,330	2/14/2012	Applies to polyurethane tires and methods we employ to evacuate air from mold while moving material through the mold.
Run Flat Tire Insert System	7,398,809	7/15/2008	Applies to how to utilize an insert on a wheel within a corresponding pneumatic tire.
Method and Apparatus for Vacuum Forming an Elastomeric Tire	7,399,172	7/15/2008	Applies to polyurethane tires and the method we employ to evacuate air from the mold while moving material through the mold utilizing a vacuum process to eliminate air pockets within the matrix of the material.
System for Retreading a Transport Tire with Polyurethane Tread	8,206,141	6/26/2012	Applies to apparatus we used to retread transport tires with polyurethane tread.
Method for Retreading a Heavy Duty Tire with a Polyurethane Tread	8,603,377	12/10/2013	Applies to the method we employ for applying a polyurethane tread to a rubber tire casing.
Pivot Wheel Segment	D710,913	8/12/2014	Applies to irrigation wheels used in special soil conditions.

Trademarks

Set forth in the schedule below are the United States trademarks that have been registered.

Trademarks	Registration/Serial #	Issued
Amerityre®	2,401,989	8/14/2001
Elastothane®	3,139,489	9/5/2006
Elastothane®	3,497,302	9/2/2008
Arcus®	2,908,077	4/24/2004
Atmospheric®	3,089,313	5/9/2006
Logo®	4,404,548	9/17/2013
Kik®	3,608,633	4/21/2009

We also own certain trademark applications and/or trademark registrations relating to the Arcus® trademark in several foreign jurisdictions.

Employees

As of September 13, 2017, we had 17 full-time employees and 2 part-time employee, including 6 salaried and 13 hourly employees. We hire temporary labor as required to meet peak manufacturing needs. We believe that we will be able to hire a sufficient quantity of qualified laborers in the local area to meet our business needs. Our manufacturing process does not require special skills, other than training to our production techniques and specific equipment. Our employees are not represented by a labor union or a collective bargaining agreement. We consider our relations with our employees to be good.

Research and Development

We consider Research and Development activities to be a critical part in our growth strategy. Our current research and development activities are focused primarily on product improvement (i.e., forklift tires and agriculture tires) and maintaining cost efficient manufacturing processes. We continue to investigate new, potentially lower cost polyurethane foam formulations to supplement our premium formulations and increase the Company's competitive position in specific market segments. Due to the Company's limited resources, tire projects which are contingent on additional development, such as automotive tires, have been put on hold and will be revisited at a later date when sufficient resources are available. Research and development expenses of an external testing nature were $44,093 and $58,319, for fiscal 2017 and 2016, respectively. All research and development expenses of the Company including internal and external expenses were $227,092 and $222,094, for fiscal 2017 and 2016, respectively.

ITEM 1A. RISK FACTORS

Historically, we have lost money from operations and we have made no provision for any contingency, unexpected expenses or increases in costs that may arise.

Before fiscal year 2017, Amerityre has lost money from operations.

Since inception, we have been able to cover our operating losses from the sale of our securities. During fiscal year 2017, we were able to achieve positive annual net income for the first time in Amerityre's history. While we are optimistic that we will be able to continue this positive trend, there is no guarantee that this will be the case. If we were to experience negative net income in future years, there is no guarantee that sources of funds from the financial markets will be available to cover future operating losses. If we are unable to obtain adequate sources of funds to operate our business we may not be able to continue as a going concern.

Our business operations and plans could be adversely affected in the event we need additional financing and are unable to obtain such funding. To the extent that our business strategy requires expanding our operations, such expansion could be costly to implement and may cause us to experience significant continuing losses. It is possible that our available short-term assets and anticipated revenues may not be sufficient to meet our operating expenses, business expansion plans, and capital expenditures for the next twelve months. Insufficient funds may prevent us from implementing our business strategy or may require us to delay, scale back or eliminate certain opportunities for the commercialization of our technology and products. If we cannot generate adequate sales of our products, or increase our revenues through licensing of our technology or other means, we may be forced to cease operations.

A number of factors may affect future sales of our products even if we are successful in increasing our revenue base. These factors include whether competitors produce alternative or superior products and whether the cost of implementing our products is competitive in the marketplace. In order to succeed as a company, we must continue to manufacture quality products and sell adequate quantities of products at prices sufficient to generate profits. We may not accomplish these objectives.

The "slow growth" in the U.S. economy could have an adverse impact on our business, operating results or financial position.

The U.S. economy has experienced "slow growth" since the last U.S. recession and general downturn in global economy growth rates. Particularly poor market conditions in the Agricultural equipment markets has impaired our agricultural tire sales for the past 3 years. A continuation or worsening of these conditions, including credit and capital markets disruptions, could have an adverse impact on our business, operating results or financial position in a number of ways. We may experience declines in revenues and cash flows as a result of reduced orders, payment delays or other factors caused by the economic problems of our customers and prospective customers. We may experience supply chain delays, disruptions or other problems associated with financial constraints faced by our suppliers and customers. We may incur increased costs or experience difficulty with our ability to borrow in the future or otherwise with financing our operating, investing or financing activities. Any of these potential problems could hinder our efforts to increase our sales and might, if severe and extensive enough, cause our sales to decline, jeopardizing our ability to operate.

We may experience delays in resolving unexpected technical issues experienced in completing development of new technology that will increase development costs and postpone anticipated sales and revenues.

As we develop and improve our products, we frequently must solve chemical, manufacturing and/or equipment-related issues. Some of these issues are ones that we cannot anticipate because the products we are developing are new. If we must revise existing manufacturing processes or order specialized equipment to address a particular issue, we may not meet our projected timetable for bringing products to market. Such delays may interfere with existing manufacturing schedules, negatively affect revenues and increase our cost of operations.

We have entered new market segments where we have limited resources, and we may be unable to successfully manage planned growth.

We have limited experience within the new market segments we have entered. We have less marketing and product development resources at our disposal compared to our competitors in the tire industry. To remain profitable, our products must be cost-effective, economical to produce, and have the ability to be distributed on a commercial scale. Furthermore, if our technologies and products do not achieve, or if they are unable to maintain, market acceptance or regulatory approval, we may not be profitable.

Our success depends, in part, on our ability to license, market and distribute, and commercialize our technologies and products effectively. We have limited manufacturing, marketing and distribution capabilities. We may not properly ascertain or assess any and all risks inherent in the industry. We may not be successful in entering into new licensing or marketing arrangements. If we are unable to meet the challenges posed by our planned licensing, manufacturing, distribution and sales growth, our business may fail.

Our limited resources and working capital levels may hinder our ability to take advantage of business development opportunities in our various market segments, reducing growth and profitability of the Company.

We currently have limited resource levels, which has forced us to make choices regarding which market opportunities we should pursue. Our inability to raise additional working capital has resulted in the Company deferring pursuit of potentially attractive market opportunities. If we are not able to raise capital going forward, it is possible that additional opportunities to improve the Company's market position will be lost.

We are subject to governmental regulations, including environmental and health and safety regulations.

Our business operations are subject to a variety of national, state and local laws and regulations, many of which deal with the environment and health and safety issues. We believe we are in compliance with applicable environmental and worker health and safety requirements. However, significant future expenditures may be necessary if compliance standards change or unknown conditions that require remediation are discovered. If we fail to comply with present and future environmental and worker health and safety laws and regulations, we could be subject to future liabilities or interruptions in our operations, which could have a material adverse effect on our business.

The markets in which we sell our products are highly competitive.

The markets for our products are highly competitive on a global basis, with many companies having significantly greater resources and market share than us. Many of our competitors maintain a significantly higher level of brand recognition than we do. Their access to greater resources enables them to adapt more quickly to changes in the markets we have targeted. Our competitors are able to devote greater resources to the development and sale of new products. Most of the products we have developed have not obtained broad market acceptance and rely on our emerging technology. To improve our competitive position, we will need to make significant ongoing investments in manufacturing, customer service and support, marketing, sales, research and development and intellectual property protection. We do not know if we will have sufficient resources to continue to make such investments or if we will maintain or improve our competitive position within the markets we serve.

We attempt to protect the critical elements of our proprietary technology as trade secrets. Because of our reliance on trade secrets, we are unable to prevent third parties from independently developing technologies that are similar or superior to our technology or from successfully reverse engineering or otherwise replicating our technology.

In certain cases, where the disclosure of information required to obtain a patent would divulge critical proprietary data, we may choose not to patent elements of our proprietary technology and processes which we have developed or may develop in the future and instead rely on trade secret laws to protect certain elements of our proprietary technology and processes. For example, we rely on trade secrets to protect our key polyurethane formulations. These formulations are critical elements of and central to our proprietary technology. Our trade secrets could be compromised by third parties, or intentionally or accidentally by our employees. It is also possible that others will independently develop technologies that are similar or superior to our technology. Third parties may also legally reverse engineer our products. Independent development, reverse engineering, or other legal copying of those elements of our proprietary technology that we attempt to protect as trade secrets could enable third parties to benefit from our technologies without compensating us. The protection of proprietary technology through claims of trade secret status has been the subject of increasing claims and litigation by various companies both in order to protect proprietary rights as well as for competitive reasons, even when proprietary claims are unsubstantiated. The prosecution of litigation to protect our trade secrets or the defense of such claims is costly and unpredictable given the uncertainty and rapid development of the principles of law pertaining to this area. We may also be subject to claims by other parties with regard to the use of technology information and data that may be deemed proprietary to others. The independent development of technologies that are similar or superior to our technology or the reverse engineering of our products by third parties would have a material adverse effect on our business and results of operations. In addition, the loss of our ability to use any of our trade secrets or other proprietary technology would have a material adverse effect on our business and results of operations. Because trade secrets do not ensure exclusivity and pose such issues with respect to enforcement, third parties may decline to partner with us or may pay lesser compensation for use of our technology which is protected only by trade secrets.

Our business depends on the protection of our patents and other intellectual property and may suffer if we are unable to adequately protect such intellectual property.

Our success and ability to compete are substantially dependent upon our intellectual property. We rely on patent, trademark and copyright laws, trade secret protection and confidentiality or license agreements with our employees, customers, strategic partners and others to protect our intellectual property rights. However, the steps we take to protect our intellectual property rights may be inadequate. There are events that are outside of our control that pose a threat to our intellectual property rights as well as to our products and services. For example, effective intellectual property protection may not be available in every country in which we license our technology or our products are distributed. Also, the efforts we have taken to protect our proprietary rights may not be sufficient or effective. Any impairment of our intellectual property rights could harm our business and our ability to compete. Also, protecting our intellectual property rights is costly and time consuming. Any increase in the unauthorized use of our intellectual property could make it more expensive to do business and harm our operating results. In addition, other parties may independently develop similar or competing technologies designed around any patents that may be issued to us.

We have been granted a number of U.S. patents relating to certain aspects of our manufacturing technology and use of polyurethane to make tires and we may seek further patents on future innovations. Our ability to either manufacture products or license our technology is substantially dependent on the validity and enforcement of these patents and patents pending. We cannot guarantee that our patents will not be invalidated, circumvented or challenged, that patents will be issued for our patents pending, that the rights granted under the patents will provide us competitive advantages or that our current and future patent applications will be granted.

Third parties may invalidate our patents.

Third parties may seek to challenge, invalidate, circumvent or render unenforceable any patents or proprietary rights owned by or licensed to us based on, among other things:

- subsequently discovered prior art or engineering designs;
- lack of entitlement to the priority of an earlier, related application; or
- failure to comply with the written description, best mode, enablement or other applicable requirements.

United States patent law requires that a patent must disclose the “best mode” of creating and using the invention covered by a patent. If the inventor of a patent knows of a better way, or “best mode,” to create the invention and fails to disclose it, that failure could result in the loss of patent rights. Our decision to protect certain elements of our proprietary technologies as trade secrets and to not disclose such technologies in patent applications, may serve as a basis for third parties to challenge and ultimately invalidate certain of our related patents based on a failure to disclose the best mode of creating and using the invention claimed in the applicable patent. If a third party is successful in challenging the validity of our patents, our inability to enforce our intellectual property rights could seriously harm our business.

We may be liable for infringing the intellectual property rights of others.

Our products and technologies may be the subject of claims of intellectual property infringement in the future. Our technologies may not be able to withstand any third-party claims or rights against their use. Any intellectual property claims, with or without merit, could be time-consuming, expensive to litigate or settle, could divert resources and attention and could require us to obtain a license to use the intellectual property of third parties. We may be unable to obtain licenses from these third parties on favorable terms, if at all. Even if a license is available, we may have to pay substantial royalties to obtain it. If we cannot defend such claims or obtain necessary licenses on reasonable terms, we may be precluded from offering most or all of our products or services and our business and results of operations will be adversely affected.

Because our tire products are derived from relatively new technology, our product liability insurance costs will likely increase and we may be exposed to product liability risks that could adversely affect profitability.

Even if tests indicate that our tires meet industry performance standards, these products may subject us to significant product liability claims because the technology is new and there is little history of long term use. Moreover, because our products are and will be used in applications where their failure could result in injury we could also be subject to product liability claims. Introduction of such new products and increased use of our existing products will most likely increase our product liability premiums and defense of potential claims could increase insurance costs even further, which could substantially increase our expenses. Any insurance we obtain may not be sufficient to cover the losses incurred through such lawsuits.

Significant increases in the price of chemicals, steel and other raw materials used in our products could increase our production costs and decrease our profit margins or make our products less competitive in the marketplace due to price increases.

The materials used to produce our products are susceptible to price fluctuations due to supply and demand trends, the economic climate and other unforeseen trends. With respect to both polyols and isocyanates, worldwide demand is increasing and may exceed current capacity. If we are successful in implementing our business strategy, the quantities of chemical raw materials required by us or by others that utilize our technology may increase significantly. Shortages, if any, may result in chemical price increases. We have experienced increases in the cost of wheel components due to the increased cost of steel, but no supply delays or shortages. However, we anticipate that we may experience an increase in steel wheel components at such time as the Chinese government cancels any export rebates it may be currently providing Chinese wheel manufacturers. Our raw materials pricing could increase further in the future. Existing trade agreements with foreign countries may be subject to change in the future, with tariffs or import duties being levied by the US government increasing the cost of our foreign-based raw materials. Because we are introducing products that will compete, in part, on the basis of price, we may be unable to pass cost increases on to our customers. If we are unable to pass on raw material cost increases to our customers, our future results of operations and cash flow will be materially adversely affected.

Our ability to execute our business plan would be harmed if we are unable to retain or attract key personnel.

Our technology has been developed by a small team and only a limited number of the members of our management team maintain the technical knowledge to produce our products. Our future success depends, to a significant extent, upon our ability to retain and attract the services of these and other key personnel. The loss of the services of one or more members of our management team could hinder our ability to effectively manage our business and implement our growth strategies. Finding suitable replacements could be difficult, and competition for such personnel of similar experience is intense. We do not carry key person insurance on any of our officers.

Shareholders and potential investors may experience some difficulty trading our stock since it is only quoted on the OTCQB Marketplace.

Our common stock is quoted on the OTCQB Marketplace. As a result, secondary trading of our shares may be subject to certain state imposed restrictions and the ability of individual stockholders to trade their shares in a particular state may be subject to various rules and regulations of that state. A number of states require that an issuer's securities be registered in their state or appropriately exempted from registration before the securities are permitted to trade in that state. Further, our shares may be subject to the provisions of Section 15(g) and Rule 15g-9 of the Exchange Act, commonly referred to as the "penny stock" rule. Broker-dealers who sell penny stocks to persons other than established customers and accredited investors (generally persons with assets in excess of $1,000,000, excluding the value of a principal residence, or annual income exceeding $200,000 by an individual, or $300,000 together with his or her spouse), are subject to additional sales practice requirements.

For transactions covered by these rules, broker-dealers must make a special suitability determination for the purchase of such securities and must have received the purchaser's written consent to the transaction prior to the purchase. Additionally, for any transaction involving a penny stock, unless exempt, the rules require the delivery, prior to the first transaction, of a risk disclosure document relating to the penny stock market. A broker-dealer also must disclose the commissions payable to both the broker-dealer and the registered representative, and current quotations for the securities. Finally, monthly statements must be sent to clients disclosing recent price information for the penny stocks held in the account and information on the limited market in penny stocks. Consequently, these rules may restrict the ability of broker-dealers to trade and/or maintain a market in our common stock and may affect the ability of stockholders to sell their shares.

ITEM 1B. UNRESOLVED STAFF COMMENTS

As of June 30, 2017, we did not have any unresolved comments with the staff of the Securities and Exchange Commission.

ITEM 2. PROPERTIES

In May 2015, we negotiated a five (5) year extension of the lease on our executive office and manufacturing facility located at 1501 Industrial Road, Boulder City, Nevada. The property consists of a 49,200 square foot building. We currently occupy all 49,200 square feet, inclusive of approximately 5,500 square feet of office space, situated on approximately 4.15 acres. The extended lease commenced on July 1, 2015 for the base rent as follows:

- July 1, 2015 to June 30, 2016: $11,300
- July 1, 2016 to June 30, 2017: $11,400
- July 1, 2017 to June 30, 2018: $11,500
- July 1, 2018 to June 30, 2019: $11,500
- July 1, 2019 to June 30, 2020: $11,500

All other terms and conditions of the building lease remain in effect.

ITEM 3. LEGAL PROCEEDINGS

As of June 30, 2017, we were not involved in any legal proceedings.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock is quoted on the OTCQB Marketplace ("OTC"). The following table sets forth for the periods indicated the high and low sale prices of our common stock. Prices represent inter-dealer quotations without adjustment for retail markups, markdowns or commissions and may not represent actual transactions.

Fiscal year ended June 30,	High	Low
2017		
Fourth Quarter	$ 0.04	$ 0.02
Third Quarter	$ 0.05	$ 0.01
Second Quarter	$ 0.02	$ 0.01
First Quarter	$ 0.04	$ 0.01
2016		
Fourth Quarter	$ 0.04	$ 0.04
Third Quarter	$ 0.07	$ 0.04
Second Quarter	$ 0.05	$ 0.03
First Quarter	$ 0.10	$ 0.07

The closing price of our common stock on the OTC on September 13, 2017 was $0.03 per share. There were approximately 485 holders of record of our common stock and 43,312,107 shares of common stock outstanding based on information provided by our transfer agent, Interwest Transfer Company, 1981 E. Murray-Holladay Road, Holladay, Utah 84117.

Dividends

We have not paid any dividends on our common stock since our inception and do not anticipate paying any dividends in the foreseeable future. Any future determination to pay dividends will be at the discretion of our Board of Directors and will be dependent upon then-existing conditions, including our financial condition, results of operations, contractual restrictions, capital requirements, business prospects and other factors our Board of Directors deems relevant.

In order to conserve cash, we have suspended payments of dividends on our Preferred Stock since March 2016. We have accrued these dividends and will pay these dividends once management has determined that the company cash position can support such payments.

ITEM 6. SELECTED FINANCIAL DATA

We are a “Smaller Reporting Company” as defined under §229.10(f)(1) of Regulation S-K and are not required to provide the information required by this Item.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This discussion and analysis contains statements of a forward-looking nature relating to future events or our future financial performance or financial condition. Such statements are only predictions and the actual events or results may differ materially from the results discussed in or implied by the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in "Part I. Item 1A. Risk Factors" as well as those discussed elsewhere in this report. The historical results set forth in this discussion and analyses are not necessarily indicative of trends with respect to any actual or projected future financial performance. This discussion and analysis should be read in conjunction with the financial statements and the related notes thereto included elsewhere in this report.

Overview

Amerityre engages in the research and development, manufacturing and sale of polyurethane tires. We believe that we have developed unique polyurethane formulations that allow us to make products with superior performance characteristics, including abrasion resistance, energy efficiency and load-bearing capabilities, when compared to conventional rubber tires. We also believe that our manufacturing processes are more energy efficient than the traditional rubber tire manufacturing processes, in part because our polyurethane compounds do not require the multiple processing steps, extreme heat, and high pressure that are necessary to cure rubber. Using our polyurethane technologies, we believe tires can be produced which last longer, are less susceptible to failure and are friendly to the environment.

We concentrate on three segments of the flat free tire market: light duty polyurethane foam tires, polyurethane elastomer industrial tires and agricultural tires. Our focus continues to be applications and markets where our advantages in product technology and tire performance give us an opportunity to obtain premium pricing. Our most recent activities in these areas are set forth below:

Light Duty Polyurethane Foam Tires – The sale of polyurethane foam tires to original equipment manufacturers, distributors and dealers accounts for the majority of our revenue. We have the ability to produce a broad range of products for the light duty tire market. Our efforts in product development and marketing allow us to build customer relationships and expand sales with original equipment manufacturers and tire distributors. We continue our focus on creating unique product solutions for customers with specific tire performance requirements. Over fiscal year 2017 we have seen increased demand for our golf cart and baggage cart tires, and we expect this trend to continue in the future. Our international sales have been adversely affected by the strong US dollar over the past year. However, recent weakening of the US dollar over the past 3 months indicates that this headwind may be subsiding, which may help to improve our international sales going forward.

Polyurethane Elastomer Industrial Tires – During the fourth quarter of fiscal year 2016 we relaunched the forklift tire product line with select customers. The acceptance of these tires in the marketplace during fiscal year 2017 has been much slower than expected and, as a result, sales for fiscal year 2017 have been less than anticipated. Our scissor lift tire has also experienced limited interest as we have been unable to gain approval from scissor lift OEMs. These products contributed negligible revenue during fiscal year 2017. We intend to continue to promote these products in our target markets to improve market acceptance and establish market share.

Agricultural Tires – Sales of agricultural tires were negatively impacted by low farm commodity prices, which have reduced farm income levels and funds available for the purchase of farm equipment. Recent projections of farm commodity pricing indicate that the market may have hit bottom, but no substantial increase in spending by farmers is anticipated soon. Large agricultural equipment suppliers are more optimistic about farmer income and farm-related spending for the upcoming year, but we are expecting continued difficult conditions for our tire sales until we see substantial evidence of a turnaround in the markets. We will manage our business accordingly, continuing our efforts to educate the agricultural market on the benefits of our products while investing in R&D to develop new products for this market segment.

Due to the Company's limited resources, tire projects which are contingent on additional significant development, such as automotive tires, have been put on hold and will be revisited at a later date. However, we believe investment in R&D for new and improved products is important to the continued turnaround in our overall business, and we will selectively invest in promising opportunities that fit in our current budget. Over the past year we hired a R&D chemist to assist in the development and optimization of our formulations. We expect our investments in R&D activities will prove to be a prudent use of our limited capital resources.

As described above, our product line covers diverse market segments which are unrelated in terms of customer base, product, distribution, market demands and competition. Our sales team is comprised of our in-house sales department supplemented by three independent manufacturer representatives whose experience is complementary to our product portfolio. The Company's emphasis on proper product pricing and new marketing campaigns continues to drive more profitable sales, as shown by our profitable fiscal year 2017 annual results. We invested in upgrading our website during fiscal year 2017 and the revised website has helped to educate the marketplace about our products as well as generate some online sales. We have a solid backlog for orders to be delivered over the next 12 months. However, we expect that the challenging economic environment, particularly in the agricultural market, will continue to provide strong headwinds and negatively impact our drive towards consistent and increasing profitability. We are optimistic that the current US administration's emphasis on "Buy American Products" may provide new sales opportunities for us in fiscal year 2018.

During our Annual Meeting in December 2016, the Company's Senior Management continued discussion of our strategic initiative, called "Profitability as a Mindset", a plan for increasing the Company's sales, profitability, and market awareness. Since its initial introduction in 2015, the Company has been successful in implementing improvements to business processes and systems despite limited availability of resources. This program has driven improvements to the bottom line and enabled the Company to achieve record profitability despite a challenging environment for revenue growth. The focus of this program going forward will emphasize development of new distribution channels while maintaining our cost control discipline.

Factors Affecting Results of Operations

Our operating expenses consisted primarily of the following:

- Cost of sales, which consists primarily of raw materials, components and production of our products, including applied labor costs and benefits expenses, maintenance, facilities and other operating costs associated with the production of our products;

- Selling, general and administrative expenses, which consist primarily of salaries, commissions and related benefits paid to our employees and related selling and administrative costs including professional fees;

- Research and development expenses, which consist primarily of direct labor conducting research and development, equipment and materials used in new product development and product improvement using our technologies;

- Consulting expenses, which consist primarily of amounts paid to third-parties for outside services;

- Depreciation and amortization expenses which result from the depreciation of our property and equipment, including amortization of our intangible assets; and

- Stock based compensation expense related to stock and stock option awards issued to employees and consultants for services performed for the Company.

Critical Accounting Policies

Our discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with United States generally accepted accounting principles. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. On an ongoing basis, we evaluate our estimates, including those related to uncollectible receivables, inventory valuation, deferred compensation and contingencies. We base our estimates on historical performance and on various other assumptions that we believe to be reasonable under the circumstances. These estimates allow us to make judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

We believe the following accounting policies are our critical accounting policies because they are important to the portrayal of our financial condition and results of operations and they require critical management judgments and estimates about matters that may be uncertain. If actual results or events differ materially from those contemplated by us in making these estimates, our reported financial condition and results of operations for future periods could be materially affected.

Revenue Recognition

Revenue for products is recognized when the sales amount is determined, shipment of goods to the customer has occurred and collection is reasonably assured. Generally, we ship all of our products FOB origination.

The Financial Accounting Standards Board ("FASB") has issued a comprehensive new revenue recognition standard which supersedes existing revenue recognition guidance, including industry-specific guidance under generally accepted accounting principles and will be effective for us starting fiscal year 2018.

Valuation of Intangible Assets and Goodwill

Patent and trademark costs have been capitalized at June 30, 2017, totaling $487,633 with accumulated amortization of $331,681 for a net book value of $155,952. Patent and trademark costs capitalized at June 30, 2016, totaled $479,633 with accumulated amortization of $304,254 for a net book value of $175,379.

The patents which have been granted are being amortized over a period of 20 years. Patents which are pending or are being developed are not amortized. Amortization begins once the patents have been issued. As of June 30, 2017 and 2016, respectively, there were no pending patents. Annually, pending or expired patents are inventoried and analyzed, which resulted in the recognition of a loss on abandonment, expiration or retirement of patents and trademarks of $-0- for the years ended June 30, 2017 and 2016, respectively.

Amortization expense for the years ended June 30, 2017 and 2016 was $27,427 and $27,331 respectively. The Company evaluates the recoverability of intangibles and reviews the amortization period on a continual basis utilizing the guidance of FASB Accounting Standards Codification ("ASC") 350, *Intangibles – Goodwill and Other*. We consider the following indicators, among others, when determining whether or not our patents are impaired:

- any changes in the market relating to the patents that would decrease the life of the asset;
- any adverse change in the extent or manner in which the patents are being used;
- any significant adverse change in legal factors relating to the use of the patents;
- current period operating or cash flow loss combined with our history of operating or cash flow losses;
- future cash flow values based on the expectation of commercialization through licensing; and
- current expectations that, more likely than not, the patents will be sold or otherwise disposed of significantly before the end of its previously estimated useful life.

Inventory

Inventory is stated at the lower of cost (computed on a first-in, first-out basis) or market. The cost of finished goods includes the cost of raw material, direct and indirect labor, and other indirect manufacturing costs. The inventory consists of chemicals, finished goods produced in the Company's plant and products purchased for resale.

Financial and Derivative Instruments

The Company periodically enters into financial instruments. Upon entry, each instrument is reviewed for debt or equity treatment. In the event that the debt or equity treatment is not readily apparent, FASB ASC 480-10-S99 is consulted for temporary treatment. Once an event takes place that removes the temporary element the Company appropriately reclassifies the instrument to debt or equity.

The Company periodically assesses its financial and equity instruments to determine if they require derivative accounting. Instruments which may potentially require derivative accounting are conversion features of debt, equity, and common stock equivalents in excess of available authorized common shares, and contracts with variable share settlements. In the event of derivative treatment, we mark the instrument to market.

Stock-Based Compensation

We account for stock-based compensation under the provisions of FASB ASC 718, *Compensation – Stock Compensation*. Our financial statements as of and for the fiscal years ended June 30, 2017 and June 30, 2016 reflect the impact of FASB ASC 718. Stock-based compensation expense recognized under FASB ASC 718 for the fiscal years ended June 30, 2017 and 2016 was $27,807 and $68,805, respectively, related to employee stock options and employee stock grants.

FASB ASC 718 requires companies to estimate the fair value of share-based payment awards on the date of grant using an option-pricing model. The value of the portion of the award that is ultimately expected to vest is recognized as expense over the requisite service periods in our Statement of Operations. Stock-based compensation expense recognized in our Statements of Operations for fiscal years ended June 30, 2017 and June 30, 2016 assume all awards will vest; therefore no reduction has been made for estimated forfeitures.

Results of Operations

Our management reviews and analyzes several key performance indicators in order to manage our business and assess the quality and potential variability of our sales and cash flows. These key performance indicators include:

- Revenues, net of returns and trade discounts, which consists of product sales and services and is an indicator of our overall business growth and the success of our sales and marketing efforts;
- Gross profit, which is an indicator of both competitive pricing pressures and the cost of goods sold of our products and the mix of product and license fees, if any;
- Growth in our customer base, which is an indicator of the success of our sales efforts; and
- Distribution of sales across our products offered.

During fiscal year 2017, the Company achieved positive annual net income (before preferred dividends) for the first time in its history. The following summary table presents a comparison of our results of operations for the fiscal years ended June 30, 2017 and June 30, 2016, with respect to certain key financial measures. The comparisons illustrated in the table are discussed in greater detail below.

	Fiscal Year Ended June 30, (in 000's)		Percent Change
	2017	**2016**	**2017 vs. 2016**
Net revenues	$ 3,629	$ 3,781	(4.0)%
Cost of revenues	(2,444)	(2,670)	(8.5)%
Gross profit	1,185	1,111	6.7%
Research and development expenses	(227)	(222)	2.3%
Sales and marketing expense	(248)	(286)	(13.3)%
General and administrative expense (1)	(661)	(843)	(21.6%
Loss on assets, due to write down or disposal	(6)	-	100%
Other expense	(10)	(3)	233.3%
Net income (loss)	33	(243)	(114.0)%
Preferred stock dividend	(100)	(100)	-%
Net loss attributable to common shareholders	$ (67)	$ (343)	(80.5)%

(1) Includes stock-based compensation expense of $27,807 and $68,805 for the fiscal years ended June 30, 2017 and 2016, respectively.

Year Ended June 30, 2017 Compared to the Year Ended June 30, 2016

Net revenues. Net revenues of $3,628,566 for the year ended June 30, 2017, represents a decrease of $152,633 or 4.0 % decrease, over net revenues of $3,781,199 the year ended June 30, 2016. These results were in line with our expectations as we anticipated that agricultural tire and industrial tire markets would remain weak. We continue to have a positive response to our marketing efforts for our polyurethane foam tires, particularly our golf cart and baggage cart tires. Our forecast for fiscal year 2018 anticipates continued depressed agricultural tire sales, with higher demand for our larger sized polyurethane foam tires.

Cost of revenues. Cost of revenues for the year ended June 30, 2017 was $2,444,102 or 67.4% of revenues compared to $2,670,442 or 70.6% of revenues for the year ended June 30, 2016. Cost of revenues were lower due to better manufacturing efficiencies, use of fully depreciated assets causing manufacturing depreciation expense to be lower, lower manufacturing repairs and maintenance, and lower manufacturing and shipping supplies, offset by increases in raw materials expenditures related to increased sales and higher direct labor cost when compared to the prior period. We continue to work with our supply chain to reduce our raw material costs, although we have seen increases in raw material costs across the board during our fourth fiscal quarter.

Gross Profit. Gross profit for the year ended June 30, 2017 of $1,184,464 represents a 6.6% increase over gross profit of $1,110,757 for the year ended June 30, 2016. The fiscal 2017 gross profit reflects a 32.6% gross margin for product sales compared to a gross margin on product sales of 29.4% for fiscal 2016.

Research and Development expenses. Research and Development expenses for the year ended June 30, 2017 were $227,092, a 2.3% increase in the research and development expenses for the year ended June 30, 2016 of $222,094. We continue to focus on product formulation research and new product development.

Sales and Marketing expenses. Sales and Marketing expense of $248,290 for the year ended June 30, 2017 represents a 13.3% decrease over the same expenses of $285,831 for the year ended June 30, 2016. Sales and marketing expenses decreased $37,541 between periods primarily due to lower sales commissions, lower salary costs, and lower travel costs, offset by increased trade show expenses related to our attendance at four trade shows during the year.

General and Administrative expenses. General and Administrative expenses of $661,245 for the year ended June 30, 2017 represent a 21.5% decrease over the same expense of $842,859 for the year ended June 30, 2016. This decrease between periods of $181,614 is driven by lower costs related to wages, stock based compensation, warranty expense and professional fees. Our continued focus on cost control is reflected in these results.

Other Income/ (Expense). Other expense for the year ended June 30, 2017 was $14,516 compared to $3,025 for the year ended June 30, 2016. Other expense consists solely of interest expense and increased in the period due to our new bank debt facilities offset by de minimus interest income, and loss on assets no longer in use or written down.

Net Income (Loss). The net income for the year ended June 30, 2017 of $33,321 represents a 114.0% increase from the net loss for the year ended June 30, 2016 of $243,052. However, net loss to common shareholders, which includes the impact of the preferred share dividend, was $66,679, representing 80.7% decrease when compared to fiscal year 2016.

Liquidity and Capital Resources

Our principal sources of liquidity consist of cash and payments received from our customers. We do not have any significant revolving credit arrangements. Historically, our expenses have exceeded our sales, resulting in operating losses. From time to time, we have obtained additional liquidity to fund our operations through the sale of shares of our common stock and the placement of short-term debt instruments. At the end of 2016, we were able to obtain term bank debt financing to finance critical manufacturing equipment and operating enhancements, the majority of which was placed in service in fiscal year 2017. Management continues to evaluate financing options but is choosing to delay financing at terms that subject the Company to high costs of debt and are reluctant to raise money through stock sales at what we believe are highly dilutive share prices. Additionally, management has notified our preferred shareholder that we are suspending future payments of their preferred cash dividend payments, so the Company can increase its working capital levels.

We have historically not succeeded in establishing favorable revolving short term financing such as lines of credit. In the quarter ended March 31, 2015, we entered into a short term receivable factoring agreement with a third party to sell our receivable invoices. This agreement enables us to sell individual customer invoices for faster cash flow to the Company as we deem needed. As of June 30, 2017, we have not needed to activate this financing option due to increased focus on adherence to established collection policies and proactive communication with repeat customers, including adjusting credit limits to allow for increased sales volume where warranted.

Cash Flows

The following table sets forth our cash flows for the fiscal years ended June 30, 2017 and 2016.

	Years ended June 30, (in 000's)	
	2017	**2016**
Net cash provided by operating activities	$ 123	$ (74)
Net cash used in investing activities	(29)	(8)
Net cash used in financing activities	(21)	(106)
Net increase (decrease) in cash during period	$ 73	$ (188)

Net Cash Provided By Operating Activities. Our primary sources of operating cash during fiscal 2017 came from our net income, timely collection of accounts receivable and sales of inventory, and payments on vendor accounts at June 30, 2017. Net cash provided by operating activities was $122,500 for the year ended June 30, 2017 compared to cash used of $74,223 for the same period in 2016.

Non-cash items include depreciation and amortization, stock based compensation and loss on assets, due to write down or disposal. Our net income was $33,321 for the year ended June 30, 2017 compared to a net loss of $243,052 for the same period in 2016. The net income for fiscal 2017 included non-cash expenses for stock-based compensation (both stock issued and options) of $27,807. In fiscal 2016, stock-based compensation (both stock issued and options) totaled $68,805. Lastly, we experienced a non-cash loss on assets due to a write down in our analysis of lower of cost or market and separately a disposal.

Net Cash Used In Investing Activities. Net cash used by investing activities was $28,868 for the year ended June 30, 2017 and $7,642 for the same period in 2016. The primary use of cash in investing activities for the year ended June 30, 2017 relates critical updates and an overhaul to our Company website; in 2016 $7,642 relates to the Nevada sales tax portion of prior acquisitions of property and equipment.

Net Cash Used In Financing Activities. Net cash used in financing activities was $20,678 for the year ended June 30, 2017 and was solely for the payment of our lease and note payable liabilities. During fiscal years ended June 30, 2016, the primary use of cash for financing activities was payment of $100,000 for the dividend related to our 2013 Series Convertible Preferred Stock issuance.

Contractual Obligations and Commitments

The following table summarizes our contractual cash obligations and other commercial commitments at June 30, 2017.

	Payments due by period				
	Total	**Less than 1 year**	**1 to 3 years**	**3 to 5 years**	**After 5 years**
Facility lease (1)	$ 414,000	$ 138,000	$ 276,000	$ -	$ -
Capital lease (2)	8,393	6,967	1,426	-	-
Bank debt (3)	88,614	21,349	67,265	-	-
Total contractual cash obligations	$ 511,007	$ 166,316	$ 344,691	$ -	$ -

(1) In May 2015, we negotiated a five (5) year extension of the lease on our executive office and manufacturing facility located at 1501 Industrial Road, Boulder City, Nevada. The property consists of a 49,200 square foot building. We currently occupy all 49,200, inclusive of approximately 5,500 square feet of office space, situated on approximately 4.15 acres. All other terms and conditions of the building lease remain in effect.

(2) In July 2015 we entered into a capital lease for research and development equipment for $19,337.

(3) In June and July 2016, in two separate bank promissory notes, we financed critical manufacturing and facility equipment and operating enhancements, the majority of which was placed in service in fiscal year 2017.

Cash Position, Outstanding Indebtedness, and Future Capital Requirements

At September 13, 2017, our total cash balance was $229,300, none of which is restricted; accounts receivables was $274,831; and inventory, net of reserves for slow moving or obsolete inventory, and other current assets was $600,267. Our total indebtedness was $394,638 and includes $150,632 in accounts payable, $97,214 in accrued expenses, $16,619 in current portion of long-term debt, $7,222 in capital lease liability and $122,951 in long-term debt.

We have been working during the past year to improve our liquidity and access to capital resources. In order to fully execute the strategic business plan discussed during our shareholder meeting in November 2016, we required more capital resources. However, management decided that an equity financing at the market conditions at the time would be too dilutive and not in the best interests of our shareholders. We will continue to pursue potential opportunities to secure short-term loans, long-term bank financing, revolving lines of credit with banking institutions and equity based transactions with interested financial firms and strategic industry partners in our effort to improve the Company's financial position and enhance shareholder value.

The Company currently does not have an existing revolving credit facility but we were able to obtain term bank debt financing at the end of 2016 to finance critical manufacturing equipment and operating enhancements the majority of which was placed in service in fiscal year 2017. We continue to work with our vendors to obtain extended credit terms and increase credit lines where needed. Additionally, we continue to focus on adherence to established collection policies and proactive communication with repeat customers, including adjusting credit limits to allow for increased sales volume where warranted.

We are intent on focusing on the sale and distribution of profitable product lines. Management continues to look for further financing facilities at affordable terms that will allow the Company to maintain sufficient raw material and finished goods inventory to capitalize on sales growth opportunities. We are limiting our capital expenditures to that required to maintain current manufacturing capability or support key business initiatives identified in our strategic sales plan. We continue to work to reduce our overall costs wherever possible.

To help address our cash resources which at times may be limited, we have held discussions with banks and other lenders regarding establishing a line of credit for short term cash needs, however at this time we have not succeeded in establishing such a line of credit. Lastly, we have entered into a short term receivable factoring agreement with a third party to sell our receivable invoices. This agreement enables us to sell individual customer invoices for faster cash flow to the Company as we deem needed. During fiscal year 2017 we have not had the need to utilize any factoring of our invoices.

Management continues to execute its strategic plan focusing on "Profitability as a Mindset". The Company's emphasis on proper product pricing and new marketing campaigns has driven more profitable sales. Improvement in results has continued and the Company has been successful in reducing its required breakeven sales level. The Company recently achieved full year profitability in fiscal year 2017. We believe our program to establish "Profitability as a Mindset" is a success and we are committed to continuing these efforts.

In assessing our liquidity, management reviews and analyzes our current cash, accounts receivable, accounts payable, capital expenditure commitments and other obligations. In connection with the preparation of our financial statements for the period ended June 30, 2017, we have analyzed our cash needs for the next twelve months. We have concluded that our available cash and accounts receivables are sufficient to meet our current minimum working capital, capital expenditure and other cash requirements for this period. However, to expand manufacturing and sales operations beyond the current level, additional capital may be required.

The Company has, on occasion, instituted initiatives to incentivize sales of slower moving inventory through promotional pricing. These programs will continue to be selectively utilized in the upcoming quarters to monetize inventory, promote individual product lines, and improve our cash flow.

As of September 13, 2017, the Company has approximately 3,881,132 shares authorized and available for issuance. Although we are reluctant to raise money through stock sales at what we believe are dilutive share prices, these authorized but unissued and unreserved shares of our common stock can be utilized if necessary to fund the expansion of our manufacturing operations or to obtain additional working capital.

Off-Balance Sheet Arrangements

We do not currently have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. In addition, we do not engage in trading activities involving non-exchange traded contracts.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are a “Smaller Reporting Company” as defined under §229.10(f)(1) of Regulation S-K and are not required to provide the information required by this Item.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Our financial statements required by this item are included on the pages immediately following the Index to Financial Statements appearing on page F-1.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive and Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As required by SEC Rule 13a-15(b), an evaluation was performed under the supervision and with the participation of our management, including our Chief Executive and Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this report. Based upon that evaluation, our management, including our Chief Executive and Financial Officer, concluded that the design and operation of these disclosure controls and procedures were effective at the reasonable assurance level. There has been no change in our internal controls over financial reporting during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

MANAGEMENT’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company’s management is responsible for the preparation and integrity of our published financial statements. The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and, accordingly, include amounts based on judgments and estimates made by our management. The Company’s management also prepared the other information included in the annual report and is responsible for its accuracy and consistency with the financial statements.

The Company’s management is responsible for establishing and maintaining a system of internal control over financial reporting, which is intended to provide reasonable assurance to our management and the Board of Directors regarding the reliability of our financial statements. The system includes but is not limited to:

- a documented organizational structure and division of responsibility;
- established policies and procedures, including a code of conduct to foster a strong ethical climate which is communicated throughout the company;
- regular reviews of our financial statements by qualified individuals; and
- the careful selection, training and development of our people.

There are inherent limitations in the effectiveness of any system of internal control, including the possibility of human error and the circumvention or overriding of controls. Also, the effectiveness of an internal control system may change over time. We have implemented a system of internal control that was designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles.

The Company’s management has assessed our internal control system in relation to criteria for effective internal control over financial reporting described in “Internal Control-Integrated Framework” issued by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission. Based on its assessment, the Company’s management has concluded that, as of June 30, 2017, the Company’s system of internal controls over financial reporting was effective to provide reasonable assurance based on those criteria. The Company used the 2013 version of the COSO framework.

This annual report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to rules of the Securities and Exchange Commission that permit the company to provide only management's report in this annual report.

ITEM 9B. OTHER INFORMATION

None.

PART III

The information called for by Part III of Form 10-K (Item 10—Directors, Executive Officers and Corporate Governance of the Registrant, Item 11—Executive Compensation, Item 12—Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters, Item 13—Certain Relationships and Related Transactions, and Director Independence, and Item 14—Principal Accounting Fees and Services) is incorporated by reference from our Proxy Statement related to our 2017 Annual Meeting of Shareholders, which will be filed with the Securities and Exchange Commission not later than October 28, 2017 (120 days after the end of the fiscal year covered by this Annual Report on Form 10-K).

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Documents filed with this report.

1. Financial Statements:
See Index to Financial Statements on page F-1

2. Financial Statement Schedules:
Financial statement schedules are omitted because they are not required or are not applicable or the required information is shown in the financial statements or notes thereto.

3. Exhibits:
The exhibits to this report are listed on the Exhibit Index below.

(b) Description of exhibits

Exhibit Number	Description
3.1	Articles of Incorporation of the Company (incorporated by reference to Exhibit 3.01 to our registration statement on Form 8-A12G (File No. 000-50053)).
3.2	Certificate of Amendment to the Articles of Incorporation of the Company (incorporated by reference to Exhibit 3(i) in our Form 10Q for the quarter ended December 31, 2012 (File No. 000-50053)).
3.3	Bylaws of the Company (incorporated by reference to our Form 8K dated September 25, 2013 (File No. 000-50053).
31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Principal 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 - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101 SCH	XBRL Taxonomy Extension Schema Document
101 CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101 DEF	XBRL Taxonomy Extension Definition Linkbase Document
101 LAB	XBRL Taxonomy Extension Label Linkbase Document
101 PRE	XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

Dated: September 18, 2017

AMERITYRE CORPORATION
By:

/s/ Michael F. Sullivan	/s/ Lynda R. Keeton-Cardno
Michael F. Sullivan Chief Executive Officer (Principal Executive Officer)	Lynda R. Keeton-Cardno Chief Financial Officer (Principal Financial and Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated on the 18th day of September 2017.

/s/ Michael F. Sullivan	/s/ David Clark
Michael F. Sullivan Chairman of the Board	David Clark Director
/s/ David Hollister	/s/ George Stoddard
David Hollister Director	George Stoddard Director
/s/ Terry Gilland	
Terry Gilland Director	

AMERITYRE CORPORATION

INDEX TO FINANCIAL STATEMENTS

Audited Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
Amerityre Corporation
Boulder City, Nevada

We have audited the accompanying balance sheets of Amerityre Corporation as of June 30, 2017 and 2016, and the related statements of operations, stockholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Amerityre Corporation as of June 30, 2017 and 2016, and the results of its operations and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

/s/ Haynie & Company PC
Salt Lake City, Utah
September 18, 2017

AMERITYRE CORPORATION
Balance Sheets

	June 30, 2017	June 30, 2016
ASSETS		
CURRENT ASSETS		
Cash	$ 340,256	$ 267,302
Accounts receivable	284,004	293,358
Current inventory - net	576,191	614,895
Prepaid and other current assets	112,368	103,803
Total Current Assets	1,312,819	1,279,358
PROPERTY AND EQUIPMENT		
Leasehold improvements	196,223	153,543
Molds and models	577,549	577,549
Equipment	2,982,218	2,960,246
Furniture and fixtures	74,921	74,921
Construction in progress	17,351	10,198
Software	339,009	305,924
Less – accumulated depreciation	(3,914,142)	(3,849,937)
Total Property and Equipment - net	273,129	232,444
OTHER ASSETS		
Patents and trademarks – net	155,952	175,379
Non-current inventory	228,403	180,050
Deposits	11,000	11,000
Total Other Assets	395,355	366,429
TOTAL ASSETS	$ 1,981,303	$ 1,878,231
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 468,489	$ 348,499
Current portion of long-term debt	19,382	20,518
Current portion of lease liability	6,967	6,249
Total Current Liabilities	494,838	375,266
Long-term debt	124,482	100,142
Long-term lease liability	1,426	8,394
TOTAL LIABILITIES	620,746	483,802
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Preferred stock: 5,000,000 shares authorized of $0.001 par value, 2,000,000 and 2,000,000 shares issued and outstanding, respectively	2,000	2,000
Common stock: 75,000,000 shares authorized of $0.001 par value, 43,312,107 and 42,175,287 shares issued and outstanding, respectively	43,312	42,175
Additional paid-in capital	62,615,728	62,579,558
Stock payable	-	4,500
Accumulated deficit	(61,300,483)	(61,233,804)
Total Stockholders' Equity	1,360,557	1,394,429
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 1,981,303	$ 1,878,231

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

AMERITYRE CORPORATION
Statements of Operations

	For the Years Ended June 30, 2017	2016
NET SALES	$ 3,628,566	$ 3,781,199
COST OF REVENUES	2,444,102	2,670,442
GROSS PROFIT	1,184,464	1,110,757
EXPENSES		
Research and development	227,092	222,094
Sales and marketing	248,290	285,831
General and administrative	661,245	842,859
Total Expenses	1,136,627	1,350,784
INCOME (LOSS) FROM OPERATIONS	47,837	(240,027)
OTHER INCOME/(EXPENSE)		
Interest expense	(8,468)	(3,206)
Loss on assets, due to write down or disposal	(6,331)	-
Other income (expense)	283	181
Total Other Expense	(14,516)	(3,025)
NET INCOME (LOSS)	33,321	(243,052)
Preferred Stock Dividend	(100,000)	(100,000)
NET LOSS ATTRIBUTABLE TO COMMON SHAREHOLDERS	$ (66,679)	$ (343,052)
BASIC AND DILUTED LOSS PER SHARE	$ (0.00)	$ (0.01)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	42,417,601	41,868,634

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

AMERITYRE CORPORATION
Statements of Stockholders' Equity

	Preferred Stock		Common Stock		Additional Paid in	Stock	Accumulated
	Shares	Amount	Shares	Amount	Capital	Payable	Deficit
Balance, June 30, 2015	2,000,000	$ 2,000	41,570,287	$ 41,570	$ 62,515,857	$ -	$ (60,890,752)
Preferred stock dividends	-	-	-	-	-	-	(100,000)
Stock option based compensation expense – options	-	-	-	-	47,731		-
Stock option based compensation expense for employee service	-	-	605,000	605	15,970	4,500	-
Net loss for the year ended June 30, 2016	-	-	-	-	-	-	(243,052)
Balance, June 30, 2016	2,000,000	2,000	42,175,287	42,175	62,579,558	4,500	(61,233,804)
Preferred stock dividends	-	-	-	-	-	-	(100,000)
Stock option based compensation expense – options	-	-	-	-	16,097	-	-
Stock option based compensation expense for employee and Board of Director service	-	-	1,136,820	1,137	20,072	(4,500)	-
Net income for the year ended June 30, 2017	-	-	-	-	-	-	33,321
Balance, June 30, 2017	2,000,000	$ 2,000	43,312,107	$ 43,312	$ 62,615,728	$ -	$ (61,300,483)

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

AMERITYRE CORPORATION
Statements of Cash Flows

	For the Years Ended June 30, 2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	$ 33,321	$ (243,052)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization expense	102,495	141,524
Change in allowance for bad debt recovery	-	(289)
Stock based compensation, employee and Board of Directors	27,807	68,805
Loss on assets, due to write down or disposal	6,331	-
Changes in operating assets and liabilities:		
Accounts receivable	9,354	27,297
Prepaid and other current assets	(66,756)	(20,456)
Inventory and change in inventory reserve	(15,042)	41,929
Accounts payable and accrued expenses	24,990	(89,981)
Net Cash Provided (Used) by Operating Activities	122,500	(74,223)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(20,868)	(7,642)
Cash paid for patents and trademarks	(8,000)	-
Net Cash Used by Investing Activities	(28,868)	(7,642)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment on lease liability	(6,250)	(4,694)
Payments on notes payable	(14,428)	(1,856)
Preferred stock dividends	-	(100,000)
Net Cash Used by Financing Activities	(20,678)	(106,550)
NET INCREASE (DECREASE) IN CASH	72,954	(188,415)
CASH AT BEGINNING OF YEAR	267,302	455,717
CASH AT END OF YEAR	$ 340,256	$ 267,302
NON-CASH FINANCING ACTIVITIES		
Interest paid	$ 8,468	$ 3,206
Income taxes paid	$ -	$ -
SUPPLEMENTAL SCHEDULE OF CASH FLOW ACTIVITIES		
Capitalized lease	$ -	$ 19,337
Reclassification of accounts receivable – related party to accounts receivable	$ -	$ 6,312
Write off of previously reserved forklift tires	$ 81,224	$ -
Purchase of fixed assets through debt	$ 95,823	$ -
Accrued preferred stock dividends	$ 100,000	$ -
Issuance of stock for stock payable	$ 4,500	$ -
Issuance of stock for accrued expense	$ 5,000	$ -

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

AMERITYRE CORPORATION
Notes to the Financial Statements
June 30, 2017 and 2016

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Amerityre Corporation (the "Company") incorporated as a Nevada corporation on January 30, 1995 under the name American Tire Corporation and changed its name to Amerityre Corporation in December 1999. The Company was organized to take advantage of existing proprietary and non-proprietary technology available for the manufacturing of specialty tires. The Company engages in the manufacturing, marketing, distribution and sales of "flat free" specialty tires and tire-wheel assemblies and currently is manufacturing these tires at its manufacturing facility located in Boulder City, Nevada.

The Company's financial statements are prepared using the accrual method of accounting. The Company has elected a June 30 year-end.

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 revenues and expenses during the reporting period. Management routinely makes judgments on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results could differ from those estimates.

Concentrations of Risk

The Company places its cash accounts with high credit quality financial institutions and generally limits the amount of credit exposure to the amount in excess of the FDIC insurance coverage limit of $250,000 for interest bearing accounts. As of June 30, 2017 and 2016, the Company had funds exceeding this limit. The Company has not experienced losses in such accounts and believes it is not exposed to any significant credit risk to cash.

Credit losses, if any, have been provided for in the financial statements and are based on management's expectations. The Company's accounts receivable are subject to potential concentrations of credit risk. The Company does not believe that it is subject to any unusual risks or significant risks in the normal course of its business.

We have two customers who accounted for 31% of our sales for the year ended June 30, 2017 and three customers who accounted for 21% of our sales for the year ended June 30, 2016

Cash and Cash Equivalents

We consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. As of June 30, 2017 and 2016, respectively, we had no cash equivalents.

Trade Receivables

We generally charge-off trade receivables that are more than 120 days outstanding as bad-debt expense, unless management believes the amount to be collectable. The charge-off amounts are included in general and administrative expenses. As of June 30, 2017 and 2016, the reserve for uncollectible accounts was $0, respectively.

AMERITYRE CORPORATION
Notes to the Financial Statements
June 30, 2017 and 2016

Inventory

Inventory is stated at the lower of cost (computed on a first-in, first-out basis) or market. The inventory consists primarily of chemicals, finished goods produced in our plant and products purchased for resale.

	2017	2016
Raw materials	$ 262,187	$ 257,260
Finished goods	595,910	663,666
Inventory reserve	(53,503)	(125,981)
Inventory – net (current and long term)	$ 804,594	$ 794,945

Our inventory reserve reflects items that were deemed to be defective or obsolete based on an analysis of all inventories on hand.

In fiscal years 2017 and 2016, the Company critically reviewed all slow moving inventory to determine if defective or obsolete. If not defective or obsolete we presented these items as non-current inventory, although all inventory is ready and available for sale at any moment.

For those items that are spare maintenance materials or parts kept on hand as backup components of major production lines, or “store inventories”, the Company capitalizes the amount if above our capitalization policy for property and equipment.

Property and Equipment

Property and equipment are stated at cost, generally with a cost of $2,500 or greater. Expenditures for small tools, ordinary maintenance and repairs are charged to operations as incurred. Major additions and improvements are capitalized. When we retire or dispose of assets, the costs and accumulated depreciation or amortization are removed from the respective accounts and we recognize any related gain or loss. Major replacements that substantially extend the useful life of an asset are capitalized and depreciated. Assets which qualify for capital lease treatment and follow our property and equipment capitalization policy are also capitalized. Depreciation and amortization, collectively depreciation expense, is computed using the straight-line method over estimated useful lives as follows:

Leasehold improvements	5 years, or over lease term
Equipment	5 to 10 years
Furniture and fixtures	7 years
Software	2 years

Depreciation expense for the years ended June 30, 2017 and 2016 was $75,068 and $114,193, respectively.

Patents and Trademarks

Patent and trademark costs have been capitalized at June 30, 2017, totaling $487,633 with accumulated amortization of $331,681 for a net book value of $155,952. Patent and trademark costs capitalized at June 30, 2016, totaled $479,633 with accumulated amortization of $304,254 for a net book value of $175,379.

The patents which have been granted are being amortized over a period of 20 years. Patents which are pending or are being developed are not amortized. Amortization begins once the patents have been issued. As of June 30, 2017 and 2016, respectively, there were no pending patents. Annually, pending or expired patents are inventoried and analyzed, which resulted in the recognition of a loss on abandonment, expiration or retirement of patents and trademarks of $-0- for the years ended June 30, 2017 and 2016, respectively.

Amortization expense for the years ended June 30, 2017 and 2016 was $27,427 and $27,331 respectively. The Company evaluates the recoverability of intangibles and reviews the amortization period on a continual basis utilizing the guidance of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 350, *Intangibles – Goodwill and Other*. We consider the following indicators, among others, when determining whether or not our patents are impaired:

- any changes in the market relating to the patents that would decrease the life of the asset;
- any adverse change in the extent or manner in which the patents are being used;
- any significant adverse change in legal factors relating to the use of the patents;
- current period operating or cash flow loss combined with our history of operating or cash flow losses;
- future cash flow values based on the expectation of commercialization through licensing; and
- current expectations that, more likely than not, the patents will be sold or otherwise disposed of significantly before the end of its previously estimated useful life.

The estimated amortization expense, based on current intangible balances, for the next five fiscal years beginning July 1, 2017 is as follows:

2018	$	31,086
2019	$	33,033
2020	$	26,427
2021	$	16,928
2022	$	17,763
Thereafter	$	30,715

Financial and Derivative Instruments

The Company periodically enters into financial instruments. Upon entry, each instrument is reviewed for debt or equity treatment. In the event that the debt or equity treatment is not readily apparent, FASB ASC 480-10-S99 is consulted for temporary treatment. Once an event takes place that removes the temporary element the Company appropriately reclassifies the instrument to debt or equity.

The Company periodically assesses its financial and equity instruments to determine if they require derivative accounting. Instruments which may potentially require derivative accounting are conversion features of debt, equity, and common stock equivalents in excess of available authorized common shares, and contracts with variable share settlements. In the event of derivative treatment, we mark the instrument to market.

Stock-Based Compensation

We account for stock-based compensation under the provisions of FASB ASC 718, *Compensation – Stock Compensation*. Our financial statements as of and for the fiscal years ended June 30, 2017 and 2016 reflect the impact of FASB ASC 718. Stock-based compensation expense recognized under FASB ASC 718 for the fiscal years ended June 30, 2017 and 2016 was $27,807 and $68,805, respectively, related to employee stock options and employee stock grants.

FASB ASC 718 requires companies to estimate the fair value of share-based payment awards on the date of grant using an option-pricing model. The value of the portion of the award that is ultimately expected to vest is recognized as expense over the requisite service periods in our Statement of Operations. Stock-based compensation expense recognized in our Statements of Operations for fiscal years ended June 30, 2017 and 2016 assume all awards will vest; therefore no reduction has been made for estimated forfeitures.

Basic and Fully Diluted Net Loss per Share

Basic and Fully Diluted net loss per share is computed using the weighted-average number of common shares outstanding during the period.

The Company's outstanding stock options, warrants, and shares issuable upon conversion of outstanding convertible notes have been excluded from the diluted net loss per share calculation. The Company excluded a total of 4,280,000 and 4,300,000 common stock equivalents for the years ended June 30, 2017 and 2016, respectively because they are anti-dilutive.

AMERITYRE CORPORATION
Notes to the Financial Statements
June 30, 2017 and 2016

Income Taxes

FASB ASC 740 requires a company to determine whether it is more likely than not that a tax position will be sustained upon examination based on the technical merits of the position. If the more-likely-than-not threshold is met, a company must measure the tax position to determine the amount to recognize in the financial statements. As a result of the implementation of FASB ASC 740, the Company performed a review of its material tax positions in accordance with recognition and measurement standards established by FASB ASC 740.

Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carry-forwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment. Net deferred tax assets consist of the following components as of June 30, 2017 and 2016:

	2017	2016
Deferred tax assets:		
NOL carryover	$ 17,064,900	$ 17,050,100
Section 1231 loss carryover	59,900	24,300
Inventory reserve	18,700	44,100
R & D carryover	198,400	221,600
Accrued vacation	(12,700)	(11,700)
Deferred tax liabilities:		
Depreciation	(16,000)	15,500
Valuation allowance	(17,313,200)	(17,343,900)
Net deferred tax asset	$ -	$ -

The income tax provision differs from the amount of income tax determined by applying the U.S. federal income tax rate to pretax income from continuing operations for the years ended June 30, 2017 and 2016 due to the following:

	2017	2016
Book income (loss)	$ 11,700	$ (85,100)
Depreciation	18,000	9,100
Meals & entertainment	-	700
Nondeductible expenses	8,000	24,100
Accrued vacation	11,500	11,300
Inventory reserve	(25,400)	5,300
Receivable reserve	-	(100)
Loss on asset disposal	(300)	-
Valuation allowance	(23,500)	34,700
	$ -	$ -

At June 30, 2017, the Company had net operating loss carry-forwards of approximately $43,756,000 that may be offset against future taxable income from the year 2017 through 2036. No tax benefit has been reported in the June 30, 2017 financial statements since the potential tax benefit is offset by a valuation allowance of the same amount.

Due to the change in ownership provisions of the Tax Reform Act of 1986, net operating loss carry-forwards for Federal income tax reporting purposes are subject to annual limitations. Should a change in ownership occur, net operating loss carry-forwards may be limited as to use in future years.

The Company's policy is to recognize interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. As of June 30, 2017 the Company had no accrued interest or penalties related to uncertain tax positions.

The Company files income tax returns in the U.S. federal jurisdiction. With few exceptions, the Company is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2014.

AMERITYRE CORPORATION
Notes to the Financial Statements
June 30, 2017 and 2016

Fair Value Accounting

As required by the Fair Value Measurements and Disclosures Topic of the FASB ASC, fair value is measured based on a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows: (Level 1) observable inputs such as quoted prices in active markets; (Level 2) inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and (Level 3) unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

The three levels of the fair value hierarchy are described below:

Level 1	Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;
Level 2	Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability;
Level 3	Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

Revenue Recognition

Revenue for products is recognized when the sales amount is determined, shipment of goods to the customer has occurred and collection is reasonably assured. Generally, we ship all of our products FOB origination. License fee revenue is recognized as earned, and no revenue is recognized until the inception of the license term.

The FASB has issued a comprehensive new revenue recognition standard which supersedes existing revenue recognition guidance, including industry-specific guidance under generally accepted accounting principles and will be effective for us starting fiscal year 2018.

Shipping and Handling

Shipping and Handling Fees require that freight costs charged to customers be classified as revenues. Freight expenses are included in costs of sales.

Product Warranties

The Company's standard sales terms include a limited warranty on workmanship and materials to the original purchaser if items sold are used in the service for which they are intended. Specifically the Company warrants wheels, bearings, and bushings for one year from the date of purchase. In the past the Company estimated its warranty reserve based on historical experience with warranty claims and returns for defective items. Because the Company has experienced limited items through the warranty process, in fiscal year 2016 the Company changed to actual, instead of estimated, warranty recognition. This change in accounting principle did not have a material impact on the Company's financial statements and as of June 30, 2017 and 2016, the Company had no estimated warranty reserves accrued.

Advertising

The Company follows the policy of charging the costs of advertising to expense as incurred. Advertising expense for the years ended June 30, 2017 and 2016 was $3,776 and $5,329, respectively.

Sales Tax

In accordance with FASB ASC 605-45, formerly EITF Issue No. 06-3, *How Taxes Collected from Customers and Remitted to Government Authorities Should Be Presented in the Income Statement*, the Company accounts for sales taxes and value added taxes imposed on its good and services on a net basis in the Statement of Operations.

AMERITYRE CORPORATION
Notes to the Financial Statements
June 30, 2017 and 2016

Recent Accounting Pronouncements

Issued

In February 2016, the FASB issued ASU No. 2016-02, "Leases", ("ASU 2016-02") which amends 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. ASU 2016-02 will become effective for public companies during interim and annual reporting periods beginning after December 15, 2018 with early adoption permitted. The Company is currently evaluating the impact of the adoption of ASU 2016-02 on the Company's financial statements.

In March 2016, the FASB issued ASU No. 2016-09, "Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting." ASU 2016-09 amends several aspects of the accounting for share-based payment transactions including the income tax consequences, classification of awards as either equity or liabilities and classification on the statement of cash flows. ASU 2016-09 is effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. Early adoption is permitted. If early adopted, an entity must adopt all of the amendments in the same period. The Company is currently evaluating the impact of the adoption of ASU 2016-09 on the Company's financial statements.

In May 2014, the FASB issued ASU No. 2014-09, “Revenue from Contracts with Customers (Topic 606).” ASU 2014-09 completes the joint effort by the FASB and International Accounting Standards Board (IASB) to improve financial reporting by creating common revenue recognition guidance for GAAP and International Financial Reporting Standards (IFRS). In April 2016, the FASB issued ASU 2016-10, “Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing.” ASU 2016-10 clarifies the implementation guidance on identifying performance obligations. These ASUs apply to all companies that enter into contracts with customers to transfer goods or services. These ASUs are effective for public entities for interim and annual reporting periods beginning after December 15, 2017. Early adoption is permitted, but not before interim and annual reporting periods beginning after December 15, 2016. Entities have the choice to apply these ASUs either retrospectively to each reporting period presented or by recognizing the cumulative effect of applying these standards at the date of initial application and not adjusting comparative information.

In May 2016, the FASB issued ASU No. 2016-12, "Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients" ASU 2016-12 amendments in this Update affect the guidance in Accounting Standards Update 2014-09, Revenue from Contracts with Customers (Topic 606), which is not yet effective. The effective date and transition requirements for the amendments in this Update are the same as the effective date and transition requirements for Topic 606 (and any other Topic amended by Update 2014-09). Accounting Standards Update 2015-14, Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date, defers the effective date of Update 2014-09 by one year. The Company is adopting these new revenue recognition standards in its first quarter of fiscal year 2018 and expects there to be timing differences in revenue recognition solely due to when product is shipped versus when the customer take control of the product.

In August 2016, the FASB issued ASU No. 2016-15, “*Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments (consensus of Emerging Issues Task Force)*”. This Accounting Standards Update addresses the following eight specific cash flow issues: Debt prepayment or debt extinguishment costs; settlement of zero-coupon debt instruments or other debt instruments with coupon interest rates that are insignificant in relation to the effective interest rate of the borrowing; contingent consideration payments made after a business combination; proceeds from the settlement of insurance claims; proceeds from the settlement of corporate-owned life insurance policies (COLIs) (including bank-owned life insurance policies (BOLIs)); distributions received from equity method investees; beneficial interests in securitization transactions; and separately identifiable cash flows and application of the predominance principle. ASU 2016-15 amendments in this Update are effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. For all other public business entities, the amendments in this Update are effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Early adoption is permitted. If early adopted, an entity must adopt all of the amendments in the same period. The Company is currently assessing the impact, if any, to the Company’s financial statements.

AMERITYRE CORPORATION
Notes to the Financial Statements
June 30, 2017 and 2016

In May 2017, the FASB issued ASU No. 2017-09, "Compensation—Stock Compensation (Topic 718): Scope of Modification Accounting" Issued to provide clarity and reduce diversity on practice and the cost and complexity to a change in the terms and conditions of a share-based payment award. ASU 2017-09 is effective for all entities for annual periods, and interim periods within those annual periods, beginning after December 15, 2017. Early adoption is permitted, including adoption in an interim period. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. The Company is currently evaluating the impact of the adoption of ASU 2016-09 on the Company's financial statements.

Other recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force), the American Institute of Certified Public Accountants, and the SEC, did not, or are not believed by management to, have a material impact on the Company's present or future financial position, results of operations or cash flows.

NOTE 2 – DEBT

A former board member, Silas O. Kines, who passed away on January 11, 2012, was also the principal owner of Forklift Tire of Florida and K-2 Industrial Tire, Inc. In accordance with the Commission Agreement with Forklift Tire of Florida, dated February 2, 2011, between Amerityre Corporation and K-2 Industrial Tire, Inc., K-2 is due a five percent (5%) commission on all forklift tire sales. In exchange for the forklift models transferred to Amerityre under that agreement, the first $96,000 in commission payments will be used to extinguish the long term liability recorded on the transaction. As of June 30, 2017, $2,000 and $62,940 (2016, $11,752 and $53,840) were recorded for the current and long-term portion, respectively, of the related liability.

In June 2016, the Company executed a term note with U.S. Bank to finance critical manufacturing equipment and operating enhancements. Manufacturing equipment of approximately $29,000 was placed into service in July 2016. The majority of the remaining operating enhancements were placed in service in fiscal year 2017. Total amount financed was $55,068, at 5.59% interest, with payments of $1,059 due for 60 months starting July 2016.

In July 2016, the Company executed a term note with U.S. Bank to finance critical plant facility equipment which was placed into service in July 2016. The total amount financed was $37,666 at 5.59% interest, with payments of $720 due for 60 months starting October 2016.

	Payments due by period				
	Total	**Less than 1 year**	**1 to 3 years**	**3 to 5 years**	**After 5 years**
Bank debt (both US Bank facilities above)	$ 88,614	$ 21,349	$ 67,265	$ -	$ -
Total cash obligations	$ 88,614	$ 21,349	$ 67,265	$ -	$ -

NOTE 3 - CAPITAL LEASE

In July 2015 the Company entered into a capital lease for research and development equipment for $19,337 (which has accumulated depreciation of $7,574).

The following is a schedule by years of future minimum lease payments under capital leases together with present value of the net minimum lease payments as of June 30, 2017:

2018	$ 8,697
2019	739
2020	-
Total minimum lease payments	9,436
Less: executory costs	-
Net minimum lease payments	9,436
Less: amount representing interest	(1,042)
Present value of net minimum payments	$ 8,394

AMERITYRE CORPORATION
Notes to the Financial Statements
June 30, 2017 and 2016

NOTE 4 – COMMITMENTS AND CONTINGENCIES

In May 2015, we negotiated a five (5) year extension of the lease on our executive office and manufacturing facility located at 1501 Industrial Road, Boulder City, Nevada. The property consists of a 49,200 square foot building. We currently occupy all 49,200, inclusive of approximately 5,500 square feet of office space, situated on approximately 4.15 acres. All other terms and conditions of the building lease remain in effect.

	Payments due by period				
	Total	Less than 1 year	1 to 3 years	3 to 5 years	After 5 years
Facility lease	$ 414,000	$ 138,000	$ 276,000	$ -	$ -
Total contractual cash obligations	$ 414,000	$ 138,000	$ 276,000	$ -	$ -

Rent expense for the years ended June 30, 2017 and 2016 was $136,800 and $135,600, respectively.

NOTE 5 – STOCK TRANSACTIONS

During the years ended June 30, 2017 and 2016, the Company had the following stock transactions:

On December 13, 2013, the Board of Directors approved a resolution designating 2,000,000 shares of preferred stock, $0.001 par value, as 2013 Series Convertible Preferred Stock (the “2013 Series Shares”). On December 18, 2013, the Company filed a Certificate of Designation with the Nevada Secretary of State for the 2013 Series Convertible Preferred Stock, which was approved by the Nevada Secretary of State on December 19, 2013. The 2013 Series Shares have voting rights only on any matters directly affecting the rights and privileges of the 2013 Series Shares. The 2013 Series Shares have a liquidation preference amounting to a return of the initial par value per share only, with no further participation in any distributions to other shareholders. Any issued 2013 Series Shares will convert to the Company’s common stock at a ratio of ten shares of common stock for each share of the 2013 Series Shares (1) at any time at the election of the holder; or (2) automatically on the date that is six years after the date of original issuance of the shares. Lastly, the 2013 Series Shares contain a quarterly cash dividend rate of 1.25% of the original issuance price of $1.00 per share or $100,000 per year as of June 30, 2017 and 2016, respectively. In 2016, management notified our preferred shareholder that we are suspending future payments of their preferred cash dividend payments, so the Company can increase its working capital levels.

To all non-officer employees of the Company on record as of July 22, 2015, a one-time stock bonus award of 5,000 shares of the Company’s restricted common stock was granted, per employee, valued at $0.015 a share (fair value on the date of grant with a 50% discount pursuant to U.S. Internal Revenue Service, revenue Ruling 77-287). As of July 22, 2015 there were 16 non-officer employees resulting in 80,000 shares, which were issued in July 2015.

To the officers of Amerityre, 600,000 shares were granted on July 20, 2015 (valued at $0.03) with 75% of the grant allocated to the CEO and 25% of the grant allocated to the CFO. The shares of stock vest ratably each quarter end during fiscal year 2016 and are payable immediately after the vesting date. For the year ended June 30, 2016 the Company recognized $18,000 of compensation expense for these grants; $4,500 of which was a stock payable. The final 150,000 shares under this stock award were issued in July 2016.

In February 2016, the Board approved 75,000 shares of stock be issued to a senior management employee in connection with his employment agreement, valued at $0.025 a share (fair value on the date of grant with a 50% discount pursuant to U.S. Internal Revenue Service, revenue Ruling 77-287). These shares were issued in March 2016.

On January 21, 2017, 60,000 shares were granted to the Company’s Chief Financial Officer as part of her employment renewal. The shares are valued as of January 20, 2017 ($0.04) and vest ratably through December 2017. As of June 30, 2017, 30,000 of these shares have been earned and issued.

AMERITYRE CORPORATION
Notes to the Financial Statements
June 30, 2017 and 2016

As of January 31, 2017, 225,000 shares were granted to the Company's Board of Director's as Board compensation for the term ending November 2017. Each non-executive Board member receives 50,000 shares, with the Audit Committee Chair receiving 75,000 shares. The shares vest ratably January – December 2017, valued at a fixed rate of $0.0155, the closing stock price on January 31, 2017. As of June 30, 2017, 112,500 of these shares have been earned and issued.

On March 23, 2017, the Company's Chief Executive Officer, finalized the negotiation of the replacement and extension of his employment contract. While all material compensation terms were finalized February 23, 2017 other items within the agreement, filed via Form 8-k on March 27, 2017, were finalized as of March 23, 2017. The Agreement replaces the current employment agreement and extends his term of employment to December 31, 2018. Inclusive in this new agreement is a stock award of 2.4 million shares of the Company's common stock vesting ratably over twenty-three months (February 2017 – December 2018), valued at a fixed rate of $0.0168, the closing stock price on February 22, 2017. As of June 30, 2017, 521,739 of these shares have been earned and issued.

On February 23, 2017 the Board of Director's approved a partial payment of Mr. Sullivan's 2016 bonus in stock. This partial payment of $5,000 resulted in the issuance of 322,581 shares of stock.

NOTE 6 – STOCK OPTIONS AND WARRANTS

General Option Information

On August 10, 2015, the Board of Directors cancelled the "Directors' 2011 Stock Option and Award Plan" as all options under this plan had been granted and adopted the "2015 Omnibus Stock Option and Award Plan" which contains provisions for up to 3,000,000 stock options to be granted to employees, consultants and directors. The 2015 Omnibus Stock Option and Award Plan did not obtain the necessary shareholder approval in the Company's annual proxy process, resulting in certain U.S. Internal Revenue Service provisions to be ineffective.

On April 25, 2017, the Board of Directors cancelled the "2015 Omnibus Stock Option and Award Plan" as all options and stock awards under this plan had been granted and adopted the "2017 Omnibus Stock Option and Award Plan" which contains provisions for up to 3,000,000 stock options to be granted to employees, consultants and directors.

Prior Issuances of options

In the October 2015 Board meeting, the Board granted all non-executive Board members 100,000 options, with the audit committee chair receiving an additional 50,000 options, for Board services rendered for the fiscal year ended June 30, 2015. The options have a strike price of $0.10, vest at the end of the Board term on December 3, 2015 and expire December 3, 2017.

On December 1, 2015, 480,000 options were granted to the Company's Chief Executive Officer (then our Chief Operating Officer) as part of his employment offer. The options have a strike price of $0.10, vest December 1, 2016 and expire December 1, 2020.

On January 19, 2016, the Board granted all non-executive Board members 100,000 options, with the audit committee chair receiving an additional 50,000 options, for Board services rendered for the Board term ending December 2016. The options have a strike price of $0.10, vest at the end of the Board term in December 2016 and expire December 2019.

On January 19, 2016, 50,000 options were granted to the Company's Chief Financial Officer as part of renewal of her employment agreement. The options have a strike price of $0.10, vest ratably January 21, 2016 to December 1, 2016 and expire December 1, 2019. In addition to the option renewal $550 a month in health insurance reimbursement was included in the renewal. All other terms remain the same.

Expense related to the above options was $47,731 as of June 30, 2016.

AMERITYRE CORPORATION
Notes to the Financial Statements
June 30, 2017 and 2016

Option issuances and vesting during the period ending June 30, 2017

On December 1, 2016, 480,000 options were granted to the Company's Chief Executive Officer as part of his employment offer. The options have a strike price of $0.10, vest December 1, 2017 and expire December 1, 2020. Year to date expense related to these options is $1,021 as of June 30, 2017.

Expense related to the above options is $16,097 as of June 30, 2017.

As of June 30, 2017, there was $729 of unrecognized stock-based compensation expense related to stock options that will be recognized over the vest period (December 2017) of the underlying option.

We estimated the fair value of the stock options above at the grant date based on the following weighted average assumptions:

Risk-free interest rate	1.450%
Expected life	3.0 years
Expected volatility	126.36%
Dividend yield	0.00%

A summary of the status of our outstanding stock options as of June 30, 2017 and June 30, 2016 and changes during the periods then ended is presented below:

	June 30, 2017			June 30, 2016		
	Shares	Weight Average Exercise Price	Intrinsic Value	Shares	Weight Average Exercise Price	Intrinsic Value
Outstanding beginning of period	3,800,000	$ 0.13		2,270,000	$ 0.14	
Granted	480,000	$ 0.10		1,530,000	$ 0.10	
Expired/Cancelled	-	$ 0.00		-	$ 0.00	
Exercised	-	$ 0.00		-	$ 0.00	
Outstanding end of period	4,280,000	$ 0.12	$ -	3,800,000	$ 0.13	$ -
Exercisable	4,080,000	$ 0.12	$ -	3,070,000	$ 0.13	$ -

The following table summarizes the range of outstanding and exercisable options as of June 30, 2017:

	Outstanding			Exercisable	
Range of Exercise Prices	Number Outstanding at June 30, 2017	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number Exercisable at June 30, 2017	Weighted Average Remaining Contractual Life
$ 0.08	150,000	4.42	$ 0.08	150,000	4.42
$ 0.10	2,680,000	2.10	$ 0.10	2,480,000	2.10
$ 0.17	1,450,000	3.42	$ 0.17	1,450,000	3.42
	4,280,000			4,080,000	

General Warrant Information

In September 2013, the Company obtained an extension on the remaining $100,000 secured convertible promissory note that was issued in the private placement that closed in September 2010. This note was paid off as of June 30, 2015. In exchange for the extension, the note holder received 500,000 common stock warrants and $6,500 in accrued interest and fees. The common stock warrants expire three years from the date of issuance, are exercisable at $0.13 per share, and vest on the next date the value of Amerityre common stock reaches $0.25 per share. As of September 30, 2016 the warrants expired.

EXHIBIT 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE AND FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael F. Sullivan, certify that:

1. I have reviewed this annual report on Form 10-K of Amerityre Corporation for the year ended June 30, 2017;

2. Based on my knowledge, this annual 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. The registrant's other certifying office and 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 we have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us 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) presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on our 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 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.

5. The registrant's other certifying office and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee 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: September 18, 2017

/s/ Michael F. Sullivan
Michael F. Sullivan
Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION OF PRINCIPAL EXECUTIVE AND FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Lynda R. Keeton-Cardno, certify that:

1. I have reviewed this annual report on Form 10-K of Amerityre Corporation for the year ended June 30, 2017;

2. Based on my knowledge, this annual 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 I 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 us 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 my 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) 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 our 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 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.

5. I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee 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: September 18, 2017

/s/ Lynda R. Keeton-Cardno
Lynda R. Keeton-Cardno
Chief Financial Officer
(Principal Financial 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 Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of Amerityre Corporation (the "Company") on Form 10-K for the year ended June 30, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael F. Sullivan, Chief 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, to the best of my knowledge and belief:

(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 result of operations of the Company.

/s/ Michael F. Sullivan
Michael F. Sullivan
Chief Executive Officer
(Principal Executive Officer)
September 18, 2017

EXHIBIT 32.2

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 Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of Amerityre Corporation (the "Company") on Form 10-K for the year ended June 30, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Lynda R. Keeton-Cardno, Chief Financial 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, to the best of my knowledge and belief:

(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 result of operations of the Company.

/s/ Lynda R. Keeton-Cardno
Lynda R. Keeton-Cardno
Chief Financial Officer
(Principal Financial Officer)
September 18, 2017