

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

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934
Date of Report (Date of Earliest Event Reported): July 20, 2022**

**SCHMITT INDUSTRIES, INC.
(Exact name of registrant as specified in its charter)**

**Oregon
(State or other jurisdiction
of incorporation or organization)**

**001-38964
(Commission
File Number)**

**93-1151989
(I.R.S. Employer
Identification Number)**

**2765 N.W. Nicolai Street
Portland, Oregon 97210-1818
(Address of principal executive offices) (Zip Code)**

Registrant's telephone number, including area code: (503) 227-7908

**Not Applicable
Former name or former address, if changed since last report**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock – no par value	SMIT	NASDAQ Capital Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 8.01 Other Events.

On July 20, 2022, Schmitt Industries, Inc. (the “Company”) issued a press release announcing that the Company has entered into a non-binding term sheet (the “Term Sheet”), which contemplates a proposed reverse merger with Proton Green, LLC (the “Merger”) and a proposed spin-off of the Company’s Ample Hills business to the pre-Merger shareholders of the Company. Completion of the Merger is subject to the negotiation of a definitive merger agreement and related documentation, approval of the Merger and issuance of shares related to the Merger by the Company’s Board of Directors and shareholders, approval of the continued listing by Nasdaq of the Company common stock on the Nasdaq Capital Market on a post-Merger basis (which is anticipated to require raising additional financing in connection with the closing of the Merger), the completion of due diligence to the satisfaction of the parties, financing and satisfaction of other conditions that are to be negotiated as part of the definitive merger agreement. Accordingly, there can be no assurance that a merger agreement will be entered into or that the proposed Merger will be consummated. Further, readers are cautioned that those portions of the Term Sheet that describe the proposed Merger, including the consideration to be issued therein, are non-binding and provide no guarantee that a transaction will be completed. Accordingly, there can be no assurance that the Company’s efforts to consummate the transactions contemplated by the Term Sheet will be successful.

A copy of the press release is furnished as Exhibit 99.1 to this report.

Special Note Regarding Forward-Looking Statements

This Form 8-K contains forward-looking statements within the meaning of the federal securities laws, that are, to different degrees, uncertain. Forward-looking statements involve a number of assumptions, risks and uncertainties that could cause actual results to differ materially. Important factors that could cause actual results to differ materially from those suggested by the forward-looking statements in this Form 8-K. In addition, please refer to the risk factors contained in our periodic filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the fiscal year ended May 31, 2021 and our Quarterly Report on Form 10-Q for the three months ended February 28, 2022, available at www.sec.gov, under the caption Risk Factors and elsewhere. We do not undertake any obligation to update any forward-looking statements to reflect new information or events or circumstances occurring after the date of this Form 8-K.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

99.1 [Press Release of Schmitt Industries, Inc., issued on July 20, 2022, entitled “Schmitt Industries Enters Into Term Sheet With Proton Green.”](#)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SCHMITT INDUSTRIES, INC.

July 20, 2022

By: /s/ Philip Bosco
Name: Philip Bosco
Title: Chief Financial Officer and Treasurer

**IMMEDIATE NEWS RELEASE****SCHMITT INDUSTRIES ENTERS INTO TERM SHEET WITH PROTON GREEN**

Term sheet for reverse takeover transaction for one of the leading helium and hydrogen production and carbon sequestration hubs in North America

PORTLAND, OR, July 20, 2022 – Schmitt Industries, Inc. (NASDAQ: SMIT) (the “Company” or “Schmitt”) today announced that it entered into a non-binding term sheet (“Term Sheet”) which contemplates the reverse merger (“Merger”) with Proton Green, LLC (“Proton Green”) and the spin-off of Schmitt’s Ample Hills business (the “Spin-Off”).

Highlights:

- Under the merger agreement, Proton Green would become a wholly owned subsidiary of Schmitt
- The Company would be renamed “Proton Green Corporation” and the common stock would continue to trade on the Nasdaq under a new symbol
- The transaction would include a Spin-Off of Schmitt’s Ample Hills business to pre-Merger shareholders of Schmitt’s common stock

The Term Sheet contemplates the execution of a merger agreement (the “Merger Agreement”) whereby the security holders of Proton Green would receive Schmitt securities in the Merger, in exchange for securities held in Proton Green. In addition, the Term Sheet contemplates the Spin-Off of Schmitt’s Ample Hills business to the pre-Merger shareholders of Schmitt’s common stock subsequent to the closing of the anticipated Merger (the “Closing”). The contemplated business combination would give Schmitt investors exposure to the promising helium, hydrogen and clean energy industries in which Proton Green has established footholds and operating assets, while allowing Proton Green to fund its strategic initiatives through the public capital markets.

Based on the initial valuations (without adjustment), Schmitt anticipates that the security holders of Proton Green and Schmitt would hold approximately 95% and 5%, respectively, of the combined company. Such ratio could be subject to proportional dilution for any anticipated financing in connection with the Closing, which dilution could be impacted by the Company’s intent to transfer \$10 million to its Ample Hills business in connection with the Spin-Off, as referenced in the following paragraph.

Completion of the Merger is subject to the negotiation of a definitive Merger Agreement and related documentation, approval of the Merger and issuance of shares related to the Merger by Schmitt’s Board of Directors and shareholders, approval of the continued listing by Nasdaq of Schmitt common stock on the Nasdaq Capital Market on a post-Merger basis (which is anticipated to require raising additional financing in connection with the closing of the Merger), the completion of due diligence to the satisfaction of the parties, financing and satisfaction of other conditions that are to be negotiated as part of the Merger Agreement. Accordingly, there can be no assurance that a Merger Agreement will be entered into or that the proposed Merger will be consummated. Further, readers are cautioned that those portions of the Term Sheet that describe the proposed Merger, including the consideration to be issued therein, are non-binding and provide no guarantee that a transaction will be completed. Accordingly, there can be no assurance that Schmitt’s efforts to consummate the transactions contemplated by the Term Sheet will be successful.

Assuming Schmitt and Proton Green enter into the Merger Agreement, the parties will look to seek shareholder approval from Schmitt’s shareholders in the fourth calendar quarter of 2022, subject to SEC staff review of the proxy statement to be filed by Schmitt for the proposed transaction.

About Schmitt Industries

Schmitt Industries, Inc., founded in 1987, designs, manufactures and sells high precision test and measurement products, solutions and services through its Acuity® and Xact® product lines. Acuity provides laser and white light sensor distance measurement and dimensional sizing products, and our Xact line provides ultrasonic-based remote tank monitoring products and related monitoring revenues for markets in the Internet of Things environment. The Company also owns and operates Ample Hills Creamery, a beloved ice cream manufacturer and retailer based in Brooklyn, NY.

About Proton Green

Proton Green, LLC, is a producer of helium and hydrogen, and is building out its position as a large carbon sequestration operator in North America. With operating control over the St. Johns Field, a 152,000 acre property in Apache Country, Arizona, Proton Green controls a helium reservoir and carbon storage basin. Helium remains in short supply and is used to cool magnets in MRI systems, as the temperate of silicon during semiconductor manufacturing, for space and satellite system applications, as well as in many other critical technologies. Carbon capture and sequestration is fast becoming a climate imperative, and Proton Green has the ability to inject up to 22 million metric tons of CO2 per year at its primary basin, and over one billion tons of total storage capacity. For more information, please see Proton Green's website at: www.protongreen.com.

Safe Harbor Statement

This document may contain forward-looking statements made pursuant to the Private Securities Litigation Reform Act of 1995. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict. Actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements due to numerous factors. A complete discussion of the risks and uncertainties that may affect Schmitt's business, including the business of its subsidiary, is included in "Risk Factors" in the Company's most recent Annual Report on Form 10-K as filed by the Company with the Securities and Exchange Commission.

Media & Investor Contacts:

Schmitt Industries

Michael R. Zapata, President and CEO

Philip Bosco, CFO and Treasurer

(503) 227-7908

Proton Green, LLC

Alpha IR Group

Joe Caminiti or Samuel Cohen

312-445-2870

PROT@alpha-ir.com