

U.S. Securities and Exchange Commission
Washington, D.C. 20549

Form 10-Q

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2017

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 000-30415

Zivo Bioscience, Inc.

(Exact name of small business issuer as specified in its charter)

Nevada

87-0699977

(State or other jurisdiction of
incorporation or organization)

(IRS Employer Identification No.)

2804 Orchard Lake Rd., Suite 202, Keego Harbor, MI 48320

(Address of principal executive offices)

(248) 452 9866

(Issuer's telephone number)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Indicate by checkmark whether the issuer (1) 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 web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of regulation ST (Sec. 232.405) 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 checkmark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company and "emerging growth company". See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

(Do not check if a smaller reporting company)

Smaller reporting company

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.

Indicate by check mark whether the issuer is a shell company (as defined in Rule 12-b2 of the Exchange Act). Yes No

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS

There were 139,320,349 shares of common stock, \$0.001 par value, outstanding at May 12, 2017.

FORM 10-Q
ZIVO BIOSCIENCE, INC.
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(Inapplicable items have been omitted)

PART I – FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

ZIVO BIOSCIENCE, INC. AND SUBSIDIARIES CONDENSED CONSOLIDATED BALANCE SHEET

	<u>March 31, 2017</u>	<u>December 31, 2016</u>
	(Unaudited)	
ASSETS		
CURRENT ASSETS:		
Cash	\$ 1,007,501	\$ 506,986
Prepaid Expenses	48,742	13,437
Total Current Assets	<u>1,056,243</u>	<u>520,423</u>
PROPERTY AND EQUIPMENT, NET	12,500	18,750
OTHER ASSETS:		
Deferred Finance Costs, net	170,002	198,119
TOTAL ASSETS	<u>\$ 1,238,745</u>	<u>\$ 737,292</u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Accounts Payable	\$ 769,079	\$ 666,365
Due to Related Party	373,234	319,234
Loans Payable, Related Parties	275,979	245,979
Convertible Debentures Payable, less discount of \$-0- and \$500,490 at March 31, 2017 and December 31, 2016, respectively	240,000	6,886,710
Accrued Interest	311,824	2,659,574
Accrued Liabilities – Other	550,354	404,618
Total Current Liabilities	<u>2,520,470</u>	<u>11,182,480</u>
LONG TERM LIABILITIES:		
Convertible Debentures Payable, less discount of \$638,809 and \$73,953 at March 31, 2017 and December 31, 2016, respectively	14,053,030	3,176,047
Total Long Term Liabilities	<u>14,053,030</u>	<u>3,176,047</u>
TOTAL LIABILITIES	<u>16,573,500</u>	<u>14,358,527</u>
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' DEFICIT:		
Common stock, \$.001 par value, 450,000,000 shares authorized; 137,445,347 and 136,745,347 issued and outstanding at March 31, 2017 and December 31, 2016	137,446	136,745
Additional Paid-In Capital	40,164,137	40,016,059
Accumulated deficit	(55,636,338)	(53,774,039)
Total Stockholders' Deficit	<u>(15,334,755)</u>	<u>(13,621,235)</u>
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	<u>\$ 1,238,745</u>	<u>\$ 737,292</u>

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

ZIVO BIOSCIENCE, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	<u>For the Three Months Ended March 31, 2017</u>	<u>For the Three Months Ended March 31, 2016</u>
REVENUES:	\$ -	\$ -
COSTS AND EXPENSES:		
General and Administrative	206,341	200,531
Professional fees and Consulting expense	275,911	127,465
Research and Development	<u>309,020</u>	<u>312,561</u>
Total Costs and Expenses	<u>791,272</u>	<u>640,557</u>
LOSS FROM OPERATIONS	<u>(791,272)</u>	<u>(640,557)</u>
OTHER INCOME (EXPENSE):		
Loss on Extinguishment of Debt	(406,482)	-
Amortization of Bond Discount	(199,540)	(441,931)
Amortization of Deferred finance costs	(28,116)	-
Financing costs	(54,000)	(54,000)
Finance costs paid in stock and warrants	(36,000)	(36,000)
Interest expense	(600)	(600)
Interest expense – related parties	<u>(346,289)</u>	<u>(220,120)</u>
Total Other Income (Expense)	<u>(1,071,027)</u>	<u>(752,651)</u>
NET LOSS	<u>\$ (1,862,299)</u>	<u>\$ (1,393,208)</u>
BASIC AND DILUTED LOSS PER SHARE	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>
WEIGHTED AVERAGE BASIC AND DILUTED SHARES OUTSTANDING	<u>136,793,347</u>	<u>132,394,633</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements

ZIVO BIOSCIENCE, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the Three Months Ended March 31, 2017	For the Three Months Ended March 31, 2016
	<u>2017</u>	<u>2016</u>
Cash Flows for Operating Activities:		
Net Loss	\$ (1,862,299)	\$ (1,393,208)
Adjustments to reconcile net loss to net cash used by operating activities:		
Stock and warrants issued for services rendered - Related Party	3,317	3,771
Stock and warrants issued for services rendered	16,574	-
Loss on Extinguishment of Debt	406,482	-
Warrants issued for Director Fees	-	10,588
Stock and warrants issued for Finance Costs	36,000	36,000
Amortization of deferred finance costs	28,116	-
Amortization of bond discount	199,540	441,931
Depreciation expense	6,250	6,250
Changes in assets and liabilities:		
(Increase) in prepaid expenses	(35,305)	(40,528)
Increase (decrease) in accounts payable	102,717	(129,413)
Increase in due to related party	54,000	54,000
Increase in accrued liabilities and interest	515,123	252,434
Net Cash (Used) by Operating Activities	<u>(529,485)</u>	<u>(758,175)</u>
Cash Flows from Investing Activities:	<u>-</u>	<u>-</u>
Cash Flow from Financing Activities:		
Proceeds of loan payable, related party, net	30,000	815
Proceeds from issuance of convertible debentures	<u>1,000,000</u>	<u>1,000,000</u>
Net Cash Provided by Financing Activities	<u>1,030,000</u>	<u>1,000,815</u>
Increase in Cash	500,515	242,640
Cash at Beginning of Period	<u>506,986</u>	<u>16,589</u>
Cash at End of Period	<u>\$ 1,007,501</u>	<u>\$ 259,229</u>
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the period for:		
Interest	\$ -	\$ -
Income Taxes	\$ -	\$ -

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements

Supplemental Disclosure of Non-Cash Investing and Financing Activities:

Three Months Ended March 31, 2017:

During the quarter ended March 31, 2017, the Company recorded \$70,388 in discounts on 11% convertible debentures.

During the quarter ended March 31, 2017, the Company recorded a \$600,000 debt discount for a restructuring fee related to the debt extinguishment.

During the quarter ended March 31, 2017, the Company reclassified \$2,694,639 in Accrued Interest to 11% Convertible Debentures owed to a related party.

During the quarter ended March 31, 2017, the Company issued 250,000 shares of its common stock valued at \$22,500 in payment of an accrued liability.

Three Months Ended March 31, 2016:

During the quarter ended March 31, 2016, the Company recorded \$49,630 in discounts on 11% convertible debentures.

ZIVO BIOSCIENCE, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements include the accounts of Zivo Bioscience, Inc. and its wholly-owned subsidiaries (collectively, the “Company”). All significant intercompany accounts and transactions have been eliminated in consolidation. In the opinion of the Company’s management, the financial statements contain all adjustments (consisting of only normal recurring adjustments) necessary to present fairly the information set forth therein. These consolidated financial statements are condensed, and therefore do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. These unaudited condensed consolidated financial statements should be read in conjunction with the Company’s December 31, 2016 consolidated audited financial statements and Notes thereto included in the Annual Report on Form 10-K filed with the SEC on March 31, 2017.

The results of operations for the three months ended March 31, 2017 are not necessarily indicative of the results to be expected for the fiscal year ending December 31, 2017, or any other period.

The Company incurred a net loss of \$1,862,298 for the three months ended March 31, 2017. In addition, the Company had a working capital deficiency of \$1,464,227 and a stockholders’ deficit of \$15,334,754 at March 31, 2017. These factors continue to raise substantial doubt about the Company's ability to continue as a going concern. During the quarter ended March 31, 2017, the Company raised \$1,000,000 from the issuance of convertible debt. There can be no assurance that the Company will be able to raise additional capital.

The accompanying unaudited condensed consolidated financial statements do not include any adjustments related to the recoverability or classification of asset-carrying amounts or the amounts and classifications of liabilities that may result should the Company be unable to continue as a going concern.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The unaudited condensed consolidated financial statements include the accounts of Zivo Bioscience, Inc. and its wholly-owned subsidiaries, Health Enhancement Corporation, HEPI Pharmaceuticals, Inc., WellMetris, LLC, and Zivo Biologic, Inc. All significant intercompany transactions and accounts have been eliminated in consolidation.

Accounting Estimates

The Company’s condensed consolidated financial statements have been prepared in conformity with generally accepted accounting principles in the United States of America, which require 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 reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates. Management uses its best judgment in valuing these estimates and may, as warranted, solicit external professional advice and other assumptions believed to be reasonable.

Cash and Cash Equivalents

For the purpose of the statements of cash flows, cash equivalents include time deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less. Cash equivalents consist of highly liquid investments with an original maturity of three months or less when purchased. At March 31, 2017, the Company did not have any cash equivalents.

Property and Equipment

Property and equipment consists of furniture, office equipment, and leasehold improvements, and are carried at cost less allowances for depreciation and amortization. Depreciation and amortization is determined by using the straight-line method over the estimated useful lives of the related assets. Repair and maintenance costs that do not improve service potential or extend the economic life of an existing fixed asset are expensed as incurred.

ZIVO BIOSCIENCE, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

Deferred Financing Costs

The Company follows authoritative guidance for accounting for financing costs as it relates to convertible debt issuance cost. These costs are deferred and amortized over the term of the debt period or until redemption of the convertible debentures. Amortization of deferred financing costs amounted to \$28,116 and \$-0- for the three months ended March 31, 2017 and 2016, respectively.

Revenue Recognition

For revenue from product sales, the Company recognizes revenue in accordance with Staff Accounting Bulletin No. 104, "Revenue Recognition" ("SAB No. 104"), which superseded Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements" ("SAB No. 101"). SAB No. 104 requires that four basic criteria must be met before revenue can be recognized: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred; (3) the selling price is fixed and determinable; and (4) collectability is reasonably assured. Determination of criteria (3) and (4) are based on management's judgment regarding the fixed nature of the selling prices of the products delivered and the collectability of those amounts. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments are provided for in the same period the related sales are recorded. For three months ended March 31, 2017 and 2016, the Company had no revenue.

Shipping and Handling Costs

Shipping and handling costs are expensed as incurred. For the three months ended March 31, 2017 and 2016, no shipping and handling costs were incurred.

Research and Development

Research and development costs are expensed as incurred. The majority of the Company's research and development costs consist of clinical study expenses. These consist of fees, charges, and related expenses incurred in the conduct of clinical studies conducted with Company products by independent outside contractors. External clinical studies expenses were approximately \$309,000 and \$313,000 for the quarters ended March 31, 2017 and 2016, respectively.

Stock Based Compensation

We account for stock-based compensation in accordance with FASB ASC 718, *Compensation – Stock Compensation*. Under the provisions of FASB ASC 718, stock-based compensation cost is estimated at the grant date based on the award's fair value and is recognized as expense over the requisite service period. The Company generally issues grants to its employees, consultants and board members. At the date of grant, the Company determines the fair value of the stock option award and recognizes compensation expense over the requisite service period. The fair value of the stock option or warrant award is calculated using the Black Scholes option pricing model.

During the three months ended March 31, 2017 and 2016, warrants were granted to employees and consultants of the Company. As a result of these grants, the Company recorded compensation expense of \$19,891 and \$14,359 for these periods, respectively.

The fair value of warrants was estimated on the date of grant using the Black-Scholes option-pricing model based on the following weighted average assumptions:

	Three Months Ended March 31,	
	2017	2016
Expected volatility	175.05% to 175.53%	168.01% to 169.28%
Expected dividends	0%	0%
Expected term	5 years	5 years
Risk free rate	1.87% to 1.93%	.78% to .97%

ZIVO BIOSCIENCE, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

The Black-Scholes option-pricing model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. In addition, option-pricing models require the input of highly subjective assumptions, including the expected stock price volatility. Because the Company's employee warrants have characteristics significantly different from those of traded options and because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion the existing models may not necessarily provide a reliable single measure of the fair value of the warrants.

Loss Per Share

Basic loss per share is computed by dividing the Company's net loss by the weighted average number of common shares outstanding during the period presented. Diluted loss per share is based on the treasury stock method and includes the effect from potential issuance of common stock such as shares issuable pursuant to the exercise of warrants and conversions of debentures. Potentially dilutive securities as of March 31, 2017, consisted of 153,239,914 common shares from convertible debentures and related accrued interest and 33,571,901 common shares from outstanding warrants. Potentially dilutive securities as of March 31, 2016, consisted of 84,319,934 common shares from convertible debentures and related accrued interest and 15,780,818 common shares from outstanding warrants. For the three months ended March 31, 2017 diluted and basic weighted average shares are the same, as potentially dilutive shares are anti-dilutive.

Advertising

Advertising costs are charged to operations when incurred. There were no advertising costs for the three months ended March 31, 2017 and 2016.

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash and cash equivalents. The Company, from time to time, maintains cash balances at financial institutions which exceed the current Federal Deposit Insurance Corporation ("FDIC") limit of \$250,000.

Reclassifications

Certain items in these consolidated financial statements have been reclassified to conform to the current period presentation.

Future Impact of Recently Issued Accounting Standards

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2014-09 (ASU 2014-09), "Revenue from Contracts with Customers." ASU 2014-09 superseded the revenue recognition requirements in "Revenue Recognition (Topic 605)" and requires entities to recognize revenue when it transfers promised goods or services to customers in an amount that reflect the consideration to which the entity expects to be entitled to in exchange for those goods or services. ASU 2014-09 is effective for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. Early adoption is not permitted. ASU 2014-09 is not expected to have a material impact on the Company's financial position or results of operations.

In August 2014, the FASB issued Accounting Standards Update 2014-15 (ASU 2014-15) "Presentation of Financial Statements – Going Concern (Subtopic 205-40)." The amendments in this Update are effective for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter. Early application is permitted. This Update had no effect on the Company's financial position and results of operations for the year ended December 31, 2016.

Management does not believe there would have been a material effect on the accompanying financial statements had any other recently issued, but not yet effective, accounting standards been adopted in the current period.

ZIVO BIOSCIENCE, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment at March 31, 2017 and December 31, 2016 consisted of the following:

	<u>March 31, 2017</u> (Unaudited)	<u>December 31, 2016</u>
Furniture and fixtures	\$ 20,000	\$ 20,000
Equipment	<u>80,000</u>	<u>80,000</u>
	100,000	100,000
Less accumulated depreciation and amortization	<u>(87,500)</u>	<u>(81,250)</u>
	<u>\$ 12,500</u>	<u>\$ 18,750</u>

Depreciation and amortization was \$6,250 and \$6,250 for the three months ended March 31, 2017 and 2016 respectively.

NOTE 4 – DUE TO RELATED PARTY

As of March 31, 2017 and December 31, 2016, the Company owed HEP Investments, LLC, a related party, cumulative balances of \$373,234 and \$319,234, respectively. The basis for the payable is a 5.4% cash finance fee for monies invested in the Company in the form of convertible debt. For three months ended March 31, 2017 and 2016, the Company incurred finance costs related to these transactions of \$54,000 and \$54,000, respectively.

NOTE 5 – LOAN PAYABLE, RELATED PARTIES

Christopher Maggiore

During the year ended December 31, 2016, Mr. Christopher Maggiore, a director and a significant shareholder of the Company, advanced the Company \$20,000, for a total owed of \$176,405. During the three months ended March 31, 2017, Mr. Maggiore advanced the Company an additional \$30,000, for a total amount advanced of \$206,405. The Company has agreed to pay 11% interest on this loan. As of the three months ended March 31, 2017 and 2016, accrued interest on this indebtedness totaled \$46,293 and \$40,231, respectively, and is included in Accrued Liabilities on the Condensed Consolidated Balance Sheet.

HEP Investments, LLC

As of January 1, 2016, the Company owed HEP Investments \$178,702. During the year ended December 31, 2016, HEP Investments loaned the Company an additional \$1,890,872 (see Note 6 - Convertible Debt). Pursuant to the terms of the agreement with HEP Investments, \$2,000,000 of these loans were recorded as 11% Convertible Secured Promissory Notes, leaving a remaining balance of \$69,574 as of December 31, 2016.

During the quarter ended March 31, 2017, HEP Investments loaned the Company \$1,000,000 (see Note 6 - Convertible Debt). Pursuant to the terms of our agreement with HEP Investments, \$1,000,000 of these loans were converted to 11% Convertible Secured Promissory Notes, leaving a remaining balance of \$69,574 as of March 31, 2017.

NOTE 6 – CONVERTIBLE DEBT

HEP Investments, LLC

On December 2, 2011, the Company and HEP Investments, LLC, a Michigan limited liability company (“Lender”), entered into the following documents, effective as of December 1, 2011, as amended through March 1, 2017: (i) a Loan Agreement under which the Lender has agreed to advance up to \$17,500,000 to the Company, subject to certain conditions, and (ii) a Convertible Secured Promissory Note in the principal amount of \$17,500,000 (“Note”) (of which \$13,441,839 has been advanced as of March 31, 2017) and (iii) a Security Agreement, under which the Company granted the Lender a security interest in all of its assets and (iv) an Intellectual Property security agreement under which the Company and its subsidiaries granted the Lender a security interest in all their respective intellectual properties, including patents, in order to secure their respective obligations to the Lender under the Note and related documents. In addition, the Company’s subsidiaries have guaranteed the Company’s obligations under the Note. The Company has also made certain agreements with the Lender which shall remain in effect as long as any amount is outstanding under the Loan. These agreements include an agreement not to make any change in the Company’s senior management, without the prior written consent of the Lender. Two representatives of the Lender will have the right to attend Board of Director meetings as non-voting observers.

During the three months ended March 31, 2016, the Company recorded debt discounts, related to \$1,000,000 of Notes in the amount of \$49,630, to reflect the relative fair value of the related warrants pursuant to "FASB ASC 470-20-30 – Debt with Conversion and Other Options: Beneficial Conversion Features" as a reduction to the carrying amount of the convertible debt and an addition to additional paid-in capital. The \$1,000,000 of Notes are convertible at \$.10 per share. The Company is amortizing the debt discount over the term of the debt. Amortization of the debt discounts was \$441,931 for the three months ended March 31, 2016.

In the March 1, 2017 agreements, the Company and HEP Investments (“Lender”), also entered into the following documents: (i) Eighth Amendment to Loan Agreement under which the Lender has agreed to advance up to a total of \$17,500,000 to the Company, subject to certain conditions, and (ii) a Ninth Amended and Restated Senior Secured Convertible Promissory Note. The Eighth Amendment to Loan Agreement amends and restates the Seventh Amendment to Loan Agreement, which was entered into with the Lender on December 31, 2015 and disclosed in the Company’s Form 8-K Current Report filed on January 7, 2016. The Ninth Amended and Restated Senior Secured Convertible Promissory Note resets the total outstanding debt as of March 1, 2017 and provides for a maturity date of September 30, 2018. The total outstanding debt as of March 1, 2017 was \$12,721,839. The amount includes unpaid principal of \$9,427,200, interest outstanding as of February 28, 2017 of \$2,694,639 and restructuring and legal fees of \$600,000. The Company recorded a debt discount of \$600,000 related to the restructuring of the \$12,721,839, 11% convertible note on March 1, 2017. The stated rate of the new debt was unchanged from the previous debt agreement and the estimated fair value of the new debt approximates its carrying amount (principal plus accrued interest at the date of the modification). In accordance with FASB ASC 470-60 “Debt-Troubled Debt Restructurings by Debtors,” the Company recorded a “Loss on Extinguishment of Debt” on March 1, 2017 of \$406,482 which represented the remaining unamortized discount as of March 1, 2017.

The Company, as consideration for the extension of the maturity date to September 30, 2018, agreed to change the conversion price of the \$12,721,839 Convertible Promissory Note from conversion prices ranging from \$.10 to \$.30 per share to \$.10 per share.

The related indebtedness represented by this convertible note shall be paid to the Lender in monthly installments of interest only beginning on July 1, 2017 and continuing on the first day of each month thereafter.

During the three months ended March 31, 2017, the Company recorded debt discounts, related to \$1,000,000 of Notes in the amount of \$70,388, to reflect the relative fair value of the related warrants pursuant to "FASB ASC 470-20-30 – Debt with Conversion and Other Options: Beneficial Conversion Features" as a reduction to the carrying amount of the convertible debt and an addition to additional paid-in capital. The \$1,000,000 of Notes are convertible at \$.10 per share. The Company is amortizing the debt discount over the term of the debt. Amortization of the debt discounts was \$199,540 for the three months ended March 31, 2017.

On March 3, 2017, as a result of the settlement of litigation with a shareholder, HEP Investments agreed to reduce the principal due to the Lender by \$280,000 (see Note 10).

If the Lender converted the total principal of \$13,441,839 convertible debt as of March 31, 2017, the total shares of common stock to be issued, would be 134,418,390 shares, not including the related accrued and any future interest charges which may be converted into common stock.

ZIVO BIOSCIENCE, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 – CONVERTIBLE DEBT – (Continued)

The Company has agreed to pay a closing fee of \$365,235 in connection with the Loan transaction (when the remaining \$4,058,161 in funding is achieved), consisting of \$219,141 in cash and \$146,094 paid in shares of common stock valued at various amounts based on the timing of the funding and the related stock price.

Paulson Investment Company, LLC - Related Debt

On August 24, 2016, the Company entered into a Placement Agent Agreement with Paulson Investment Company, LLC (Paulson). This agreement provides that Paulson can provide up to \$2 million in financings through “accredited investors” (as defined by Regulation D of the Securities Act of 1933, as amended). As of December 31, 2016, the Company received funding of \$1,250,000 through seven (7) individual loans (the “New Lenders”). Each loan includes a (i) a Loan Agreement relating to the individual loan, (ii) a Convertible Secured Promissory Note (“New Lenders Notes”) in the principal amount of the loan, (iii) a Security Agreement under which the Company granted the Lender a security interest in all of its assets and (iv) an Intercreditor Agreement with HEP Investments, LLC (HEP) whereby HEP and the New Lenders agree to participate in all collateral a *pari passu* basis. The loans have a two-year term and mature in September 2018 (\$600,000) and October 2018 (\$650,000). Paulson receives a 10% cash finance fee for monies invested in the Company in the form of convertible debt, along with 5 year, \$.10 warrants equal to 15% of the number of common shares for which the debt is convertible into at \$.10 per share.

The New Lenders Notes are convertible into the Company’s common stock at \$.10 per share and bear interest at the rate of 11% per annum. The New Lenders Notes must be repaid as follows: accrued interest must be paid on the first and second anniversary of the Note and unpaid principal not previously converted into common stock must be repaid on the second anniversary of the Note.

Other Debt

In September 2014, the Lender agreed to rolling 30 day extensions until notice is given to the Company to the contrary. The Company determined that the modification of these Notes was not a substantial modification in accordance with ASC 470-50, “Modifications and Extinguishments.”

Convertible debt consists of the following:

	<u>March 31,</u> <u>2017</u>	<u>December 31,</u> <u>2016</u>
	(Unaudited)	
1% Convertible notes payable, due April 2017	\$ 240,000	\$ 240,000
11% Convertible note payable – HEP Investments, a related party, net of unamortized discount of \$638,809 and \$574,443 at March 31, 2017 and December 31, 2016, respectively, due September 2018 (at March 31, 2017).	12,803,030	8,572,757
11% Convertible note payable – New Lenders; placed by Paulson, due at various dates ranging from September 2018 to October 2018	<u>1,250,000</u>	<u>1,250,000</u>
	14,293,030	10,062,757
Less: Current portion	<u>240,000</u>	<u>6,886,710</u>
Long term portion	<u>\$ 14,053,030</u>	<u>\$ 3,176,047</u>

Amortization of debt discounts was \$199,540 and \$441,931 for the three months ended March 31, 2017 and 2016, respectively.

ZIVO BIOSCIENCE, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7 - STOCKHOLDERS' DEFICIT

Board of Directors fees

As compensation for serving as a member of the board of directors, the Company granted warrants to purchase 125,000 shares of common stock to Robert O. Rondeau, a new Director, in March 2016, at an exercise price of \$.09 per share. The warrants have a term of five years and vested immediately. The warrants were valued at \$10,588 using the Black Scholes pricing model relying on the following assumptions: volatility 168.01%; annual rate of dividends 0%; discount rate 0.97%. In addition, Mr. Rondeau will receive \$10,000 for each annual term served, paid quarterly.

The Company recorded directors' fees of \$10,000 and \$20,588 during the three months ended March 31, 2017 and 2016, representing the cash fees and the value of the vested warrants described above.

Stock Based Compensation

During the three months ended March 31, 2017, the Company issued warrants to purchase 500,000 shares of common stock at an exercise price of \$.10 with a term of 5 years pursuant to an agreement with a financial consultant at an exercise price of \$.10 with a term of 5 years. The warrants were valued at \$16,574 using the Black Scholes pricing model relying on the following assumptions: volatility 175.05%; annual rate of dividends 0%; discount rate 1.87%.

Stock Issuances

During the three months ended March 31, 2016, in connection with the issuance of \$1,000,000 in principal of 11% Convertible Debenture the Company issued to HEP Investments 517,500 shares of common stock valued at \$36,000 and a five-year warrant to purchase 1,000,000 shares of common stock at an exercise price of \$.10 per share.

During the three months ended March 31, 2017, in connection with the issuance of \$1,000,000 in principal of 11% Convertible Debenture the Company issued to HEP Investments 450,000 shares of common stock valued at \$36,000 and a five-year warrant to purchase 1,000,000 shares of common stock at an exercise price of \$.10 per share. The Company also issued 250,000 shares of common stock valued at \$22,500 as discussed in Note 10 - Settlement of Litigation – Related Party.

Executive Compensation

As compensation for serving as Chief Financial Officer, the Company, quarterly, issues warrants to purchase 50,000 shares of common stock to Philip M. Rice at the prevailing market price with a term of 5 years, provided that the preceding quarterly and annual filings were submitted in a timely and compliant manner, at which time such warrants would vest.

On March 29, 2016, the Company issued warrants to purchase 50,000 shares of common stock at \$.08. The warrants were valued at \$3,771 using the Black Scholes pricing model relying on the following assumptions: volatility 169.28%; annual rate of dividends 0%; discount rate 0.78%.

On March 31, 2017, the Company issued warrants to purchase 50,000 shares of common stock at \$.08. The warrants were valued at \$3,317 using the Black Scholes pricing model relying on the following assumptions: volatility 175.53%; annual rate of dividends 0%; discount rate 1.93%.

ZIVO BIOSCIENCE, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7 - STOCKHOLDERS' DEFICIT (Continued)

Common Stock Warrants

A summary of the status of the Company's warrants is presented below.

	March 31, 2017		December 31, 2016	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of year	32,071,901	\$ 0.13	14,705,818	\$ 0.16
Issued	1,550,000	0.10	20,350,000	0.09
Exercised	-	-	-	-
Cancelled	-	-	-	0.14
Expired	(50,000)	0.38	(2,983,917)	0.13
Outstanding, end of period	33,571,901	\$ 0.10	32,071,901	\$ 0.13

Warrants outstanding and exercisable by price range as of March 31, 2017 were as follows:

Outstanding Warrants			Exercisable Warrants		
Exercise Price	Number	Average Weighted Remaining Contractual Life in Years	Exercise Price	Number	Weighted Average Exercise Price
\$ 0.05	1,250,000	4.45	\$ 0.05	1,250,000	\$ 0.05
0.08	17,925,000	4.05	0.08	17,925,000	0.08
0.09	709,110	3.13	0.09	709,110	0.09
0.10	9,177,200	3.83	0.10	9,177,200	0.10
0.12	99,041	1.92	0.12	99,041	0.12
0.14	50,000	2.37	0.14	50,000	0.14
0.15	2,485,274	1.05	0.15	2,485,274	0.15
0.17	50,000	2.00	0.17	50,000	0.17
0.19	100,000	1.21	0.19	100,000	0.19
0.20	250,000	0.08	0.20	250,000	0.20
0.22	269,276	1.50	0.22	269,276	0.22
0.25	707,000	1.27	0.25	707,000	0.25
0.30	250,000	1.66	0.30	250,000	0.30
0.33	250,000	1.25	0.33	250,000	0.33
	33,571,901	1.29		33,571,901	\$ 0.10

NOTE 8- COMMITMENTS AND CONTINGENCIES

Employment Agreement

The Company's Chief Executive Officer, Andrew Dahl, is serving under the terms of an employment agreement dated December 16, 2011 as amended August 11, 2016. Under the agreement, Mr. Dahl serves as CEO for one year terms, subject to automatic renewal, unless either party terminates the Agreement on sixty days' notice prior to the expiration of the term of the agreement. Mr. Dahl is compensated as follows: he receives an annual base salary of \$240,000. In addition, Mr. Dahl is entitled to monthly bonus compensation equal to 2% of the Company's revenue, but only to the extent that such bonus amount exceeds his base salary for the month in question. In addition, Mr. Dahl will be entitled to warrants having an exercise price of \$.25 per share, upon the attainment of specified milestones as follows: 1) Warrants for 500,000 shares upon identification of bio-active agents in the Company's product and filing of a patent with respect thereto, 2) Warrants for 500,000 shares upon entering into a business contract under which the Company receives at least \$500,000 in cash payments, 3) Warrants for 1,000,000 shares upon the Company entering into a co-development agreement with a research company to develop medicinal or pharmaceutical applications (where the partner provides at least \$2 million in cash or in-kind outlays), 4) Warrants for 1,000,000 shares upon the Company entering into a co-development agreement for nutraceutical or dietary supplement applications (where the partner provides at least \$2 million in cash or in-kind outlays), 5) Warrants for 1,000,000 shares upon the Company entering into a pharmaceutical development agreement. Further, as it relates to Company's wholly-owned subsidiary, WellMetris, LLC ("WellMetris"), in the event the Company ceases to own a controlling interest in WellMetris for any reason whatsoever, the Company shall cause WellMetris to grant Mr. Dahl warrants to purchase a seven percent (7%) equity interest in WellMetris at the time outside funding is closed and/or at the time an event occurs whereby the Company relinquishes majority control of WellMetris. Such Warrant shall be priced at the per-unit or per-share price at the time of the applicable closing or change of control with respect to WellMetris. As of March 31, 2017, none of the milestones referred to had been achieved and there has been no notice of contract termination.

Investment Banking, M&A and Corporate Advisory Agreement

On January 17, 2017 the Company entered into a one year agreement with an Investment Banking, Merger and Acquisition (M&A) and Corporate Advisory firm ("Firm"). Pursuant to the terms of the agreement, if the Company did not terminate the engagement prior to April 18, 2017, it was required to issue 1,875,000 shares of its common stock. As of April 18, 2017, the Company had not terminated the agreement and therefore became obligated to issue the aforementioned shares. The Company considers this to be a Type I Subsequent Event and recorded the expense in Professional Fees and Consulting Expenses in the amount of \$131,250 on its Condensed Consolidated Statement of Operations for the three months ended March 31, 2017 and in Accrued Liabilities in its Condensed Consolidated Balance Sheet as of March 31, 2017. In addition to the contract fee, the Company could potentially be required to be obligated to pay an 8% M&A transaction fee (as defined in the Agreement) payable in shares of the Company's common stock (reduced by the value of the previously issued shares).

NOTE 9 - RELATED PARTY TRANSACTIONS

Due to Related Party

See Note 4 Due to Related Party for disclosure of payable to related Party.

Loan Payable – Related Party

See Note 5 Loan Payable – Related Parties for disclosure of loans payable to related Parties

Executive Compensation

See Note 7 – Stockholder' Deficiency for disclosure of compensation to the Chief Financial Officer.

ZIVO BIOSCIENCE, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9 - RELATED PARTY TRANSACTIONS (Continued)

Employment Agreement

See Note 8 – Commitments and Contingencies for disclosure of the Employment Agreement with the Chief Executive Officer.

NOTE 10 – SETTLEMENT OF LITIGATION - RELATED PARTY

On July 15, 2015, a shareholder of the Company (“Shareholder”) brought action against HEP Investment alleging certain technical violations of Section 16(b) of the Securities Act of 1934, as amended. On March 3, 2017, without admitting any liability whatsoever, HEP Investment settled with the Shareholder by agreeing to reduce the Company’s debt owed to HEP Investment by \$280,000. Related to this debt reduction, the Company will pay to the Shareholder’s legal counsel \$60,000 and 250,000 shares of the Company’s common stock valued at \$22,500. The Company considered the settlement to be a Type 1 subsequent event and recorded legal fees of \$82,500 on the Statement of Operations for the year ended December 31, 2016 and recorded the settlement amount of \$280,000 as a reduction of convertible debt owed to HEP Investments and an increase to Additional Paid-In Capital on its Balance Sheet as of December 31, 2016.

NOTE 11 - SUBSEQUENT EVENTS

Entry into a Collaboration Agreement

On April 20, 2017, the Company entered into a Limited License Agreement with NutriQuest, LLC (“NutriQuest”), as disclosed in an 8-K filed on April 26, 2017. Pursuant to the agreement, the Company will issue NutriQuest 687,227 common stock warrants valued at \$39,189. The warrants are exercisable at \$.08 per share and expire five (5) years from the date of issuance.

Algae Biomass Production Agreement

On April 3, 2017, the Company entered into a production agreement with a third party for producing algae biomass. The agreement is for the period April 2017 to December 2017. The agreement calls for minimum payments of \$365,000 in exchange for algal production by the vendor that must meet certain requirements and standards defined by the Company.

Change of Control Provisions

Effective as of April 21, 2017, the Board of Directors extended to December 31, 2017 the Change in Control Agreements (the “Agreements”) with both of its executive officers. The Agreements with each of the executive officers provide that if a Change of Control (as defined in the Agreements) occurs and the participant is not offered substantially equivalent employment with the successor corporation or the participant’s employment is terminated without Cause (as defined in the Agreements) during the three month period prior to the Change of Control or the 24 month period following the Change of Control, then 100% of such participant’s unvested options will be fully vested and the restrictions on his restricted shares will lapse. The Agreements also provide for severance payments of 500% of base salary and target bonus in such event. The Agreements terminate on December 31, 2017, with the provision that if a Change of Control occurs prior to the termination date, the obligations of the Agreements will remain in effect until they are satisfied or have expired.

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

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Some of the statements contained in this report are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements involve known and unknown risks, uncertainties and other factors which may cause our or our industry's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements include, but are not limited to statements regarding:

- our ability to raise the funds we need to continue our operations;
- our goal to generate revenues and become profitable;
- regulation of our product;
- market acceptance of our product and derivatives thereof;
- the results of current and future testing of our product;
- the anticipated performance and benefits of our product;
- the ability to generate licensing fees; and
- our financial condition or results of operations.

In some cases, you can identify forward-looking statements by terms such as "may", "will", "should", "could", "would", "expects", "plans", "anticipates", "believes", "estimates", "projects", "predicts", "potential" and similar expressions intended to identify forward-looking statements. These statements are only predictions and involve known and unknown risks, uncertainties, and other factors that may cause our actual results, levels of activity, performance, or achievements to be materially different from any future results, levels of activity, performance, or achievements expressed or implied by such forward-looking statements. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Also, these forward-looking statements represent our estimates and assumptions only as of the date of this report. Except as otherwise required by law, we expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained in this report to reflect any change in our expectations or any change in events, conditions or circumstances on which any of our forward-looking statements are based. We qualify all of our forward-looking statements by these cautionary statements.

Critical Accounting Policies

The accompanying discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, and expenses, and related disclosure of contingent assets and liabilities. These estimates form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. We base our estimates and judgments on historical experience and all available information. However, future events are subject to change, and the best estimates and judgments routinely require adjustment. US GAAP requires us to make estimates and judgments in several areas, including those related to recording various accruals, income taxes, the useful lives of long-lived assets, such as property and equipment and intangible assets, and potential losses from contingencies and litigation. We believe the policies discussed above are the most critical to our financial statements because they are affected significantly by management's judgments, assumptions and estimates.

Results of Operations for the three months ended March 31, 2017 and 2016

Overview:

For ZIVO, we have put in place a business model in which we would derive future income from licensing and selling natural bioactive ingredients that may be derived from or are initially based on the algae cultures. We expect that these planned new products will likely be sold to much larger, better-financed animal, food, dietary supplement and medical food manufacturers. The anticipated income streams are to be generated from a) royalties and advances for licensed natural bioactive ingredients, and b) a toll on bulk sales of such ingredients. These bulk ingredients will likely be made by contracted ingredient manufacturers and then sold by us to animal food, dietary supplement and medical food processors and/or name-brand marketers. Further, we expect to license our bioactive molecules as lead compounds or templates for synthetic variants intended for therapeutic applications.

For WellMetris, we are developing, with the intention to manufacture, market, and sell tests that we believe will allow people to optimize their health and identify future health risks. We plan to develop and commercialize such tests in three phases:

- In phase one (“Phase One”) or, alternately named Gen 1.0, we plan to develop and commercialize a series of tests, which are intended to measure indicators of good health and optimal metabolic function (collectively, the “Phase One Test”). The Phase One Test is being designed to measure biomarkers related to oxidative stress, inflammation, and antioxidant status to establish a metabolic assessment from which intervention can commence, and from which metabolic syndrome can be inferred.
- In phase two (“Phase Two”) or alternately named Gen 1.5, we plan to develop and commercialize a testing technology focused on the positive or negative metabolic effects of metabolizing fat and muscle efficiency due to changes in diet, exertion, hydration and dietary supplements in a self-administered format that integrates with smartphone operating systems.
- In phase three (“Phase Three”) or alternately named Gen 2.0, we plan to develop and commercialize additional tests intended to provide a more complete metabolic profile for an individual utilizing the metabolites present in urine. The Company believes the Gen 2.0 tests, in aggregate, will allow identification of healthy versus unhealthy bodily processes in real-time. This technology can also be applied to livestock and companion animals. As capital funding becomes available, the Company will move forward with product development.

We believe there is a viable market for our Wellness Tests. More than 19% of Americans are afflicted with cardiovascular diseases, diabetes, autoimmune diseases and cancer. The Wellness Tests are intended to identify pre-conditions to such illnesses. Such identification may allow for early intervention and reduce incidence of such illnesses or forestall their onset. This is critically important to large employers, insurers and governmental agencies who are payers for health claims and are facing massive increases in premiums or cash outlays.

The WellMetris technology also incorporates sophisticated software to analyze, report, record and manage wellness and health data for large groups such as large employers, pension funds, accountable care organizations, state Medicaid agencies and their actuarial consultants, underwriters, re-insurers and wellness consultants. The software also contains tools to conduct meta-analysis of baseline health benchmarks and monitor the progress of pre-clinical intervention programs within large groups.

Since 2004, we have been incurring significant operating losses and negative cash flow. We experienced only nominal sales of our algal product, which was pulled from the market in January of 2012, and have relied primarily on the sale of company securities and shareholder loans to fund operations. We are also experiencing an ongoing and substantial working capital deficiency. We have had difficulty raising capital from third parties. In March of 2017, we successfully raised capital to fund operations and research for the first half of 2017. If we are unable to obtain additional funding in the near term, we may be unable to continue as a going concern, in which case you would likely suffer a total loss of your investment in our Company.

Net Sales.

We had no sales during the three months ended March 31, 2017 and 2016.

Cost of Sales.

We had no cost of sales during the three months ended March 31, 2017 and 2016.

General and Administrative Expenses.

General and administrative expenses were \$206,340 for the three months ended March 31, 2017, as compared to \$200,531 for the comparable prior period. The minor increase in general and administrative expense during 2017 is due primarily to increased rent and web development expenses.

Professional and Consulting Expenses.

Professional and consulting expenses were \$275,991 for the three months ended March 31, 2017, as compared to \$127,465 for the comparable prior period. The increase in professional and consulting expense during 2017 is due primarily to an increase of \$50,000 in business consultants and an increase of \$132,000 in investment banking fees, offset by a reduction in accounting fees of \$6,000, a decrease of \$17,000 in investor relation fees and a reduction in director fees of \$10,000.

Research and Development Expenses.

For the three months ended March 31, 2017, we incurred \$309,020 on research and development expenses, as compared to \$312,561 for the comparable period in 2016.

Of these expenses, \$300,647 and \$160,102 for the three months ended March 31, 2017 and 2016, respectively, are costs associated with external research relating to Zivo. Subject to the availability of funding, our research and development costs will grow as we work to complete the research in the development of natural bioactive compounds for use as dietary supplements and food ingredients, as well as biologics for medicinal and pharmaceutical applications in humans and animals. The Company's scientific efforts are focused on the metabolic aspects of oxidation and inflammation, with a parallel program to validate and license products for healthy immune response. The increase of \$140,500 from the prior period is due to the prioritization of Zivo research.

With respect to our WellMetris, LLC subsidiary, we incurred \$8,373 and \$152,459 in research and development expenses for the three months ended March 31, 2017 and 2016, respectively. The R&D effort to date has centered on optimizing dry chemistry, developing lower-cost alternatives for the proprietary analyzer device, negotiating and collaborating with offshore manufacturers and assembling the FDA pre-submission package for product classification and approval. The reduction of \$144,000 from the prior period is due to prioritization of Zivo research, and the limited amount of capital available for research and development.

Liquidity and Capital Resources

The unaudited condensed consolidated financial statements contained in this Quarterly Report have been prepared on a "going concern" basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. We have a near term need for additional capital. For the reasons discussed herein, there is a significant risk that we will be unable to continue as a going concern, in which case, you would suffer a total loss of your investment in our company.

As of May 10, 2017, we had a cash balance of approximately \$180,000. We have incurred significant net losses since inception. We have, since inception, consistently incurred negative cash flow from operations. During the quarter ended March 31, 2017, we incurred negative cash flows from operations of \$529,485. As of March 31, 2017, we had a working capital deficiency of \$1,464,227 and a stockholders' deficiency of \$15,334,755. Although we recently received funding of \$1,000,000 from HEP Investments, we have a near term need for additional capital.

During the three months ended March 31, 2017, our operating activities used \$529,485 in cash, a decrease of \$228,690 from the comparable prior period. The approximate \$229,000 decrease in cash used by operating activities was primarily attributable to the following (all of which are approximated): a \$469,000 increase in net loss, an increase of \$329,000 in non-cash expenses (primarily a \$406,000 loss on extinguishment of debt, investment banking fees owed of \$131,000, offset by lower amortization of bond discount) and \$500,000 of changes made up of an (increase) in prepaid expenses - \$5,000, an increase in accounts payable - \$232,000, and an increase in accrued liabilities - \$263,000.

Our financing activities generated approximately \$1,030,000, an approximately \$29,000 increase from the comparable prior period. The increase in cash provided by financing activities was due to an increase in proceeds of \$29,000 from proceeds of loans payable from a related party as compared to the prior period.

During the fourth quarter of 2011, we entered into an agreement with HEP Investments, LLC ("HEP") under which HEP agreed to purchase convertible notes in the aggregate principal amount of \$2,000,000. Through March 2017, we amended this agreement to provide for funding up to \$17,500,000. As of the date of this filing, HEP had advanced a total of approximately \$14 million pursuant to this arrangement. HEP's convertible notes are secured by all our assets.

Although we raised funds through the issuance of debt during 2016 and the first quarter of 2017, we continue to experience a shortage of capital, which is materially and adversely affecting our ability to run our business. As noted above, we have been largely dependent upon external sources for funding. We have in the past had difficulty in raising capital from external sources. We are still heavily reliant upon external financing for the continuation of our research and development program.

We estimate that we will require approximately \$5,000,000 in cash over the next 12 months in order to fund our normal operations and to fund our research and development initiatives. Based on this cash requirement, we have a near term need for additional funding. Historically, we have had substantial difficulty raising funds from external sources; however, we recently were able to raise a limited amount of capital from outside sources. If we are unable to raise the required capital, we will be forced to curtail our business operations, including our research and development activities.

Significant elements of income or loss not arising from our continuing operations

We do not expect to experience any significant elements of income or loss other than those arising from our continuing operation.

Seasonality

Based on our business model implemented at the beginning of 2012, anticipated income streams are to be generated from the following:

For ZIVO:

- a) royalties and advances for licensed natural bioactive ingredients, isolated natural compounds and synthetic variants thereof, and
- b) bulk sales of such ingredients;

For WellMetris:

The selling of wellness tests and data services related to medical records management and analysis/compilation of data gathered on behalf of payers. For insurers, the primary selling season is November through April of any given year.

We do not anticipate that these will be affected by seasonality.

Staffing

We have conducted all of our activities since inception with a minimum level of qualified staff. We currently do not expect a significant increase in staff.

Off-Balance Sheet arrangements

We have no off-balance sheet arrangements that would create contingent or other forms of liability.

Item 4T. Controls and Procedures

Management's Report on Disclosure Controls and Procedures.

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Securities Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Financial Officer, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, we recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, as ours are designed to do, and we necessarily were required to apply our judgment in evaluating the cost-benefit relationship of possible changes or additions to our controls and procedures.

As of March 31, 2017, we carried out an evaluation, under the supervision and with the participation of our management, including our principal executive/principal 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. Based upon that evaluation, our principal executive/principal financial officer concluded that our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, are effective in enabling us to record, process, summarize and report information required to be included in our periodic SEC filings within the required time period.

Changes in Internal Control Over Financial Reporting.

There have been no changes in our internal control over financial reporting that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

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

During the quarter ended March 31, 2017, the Company issued 450,000 shares of common stock to HEP Investments relating to the issuance of \$1,000,000 in principal of 11% Convertible Debentures to the Company. The Company also issued 250,000 shares of common stock to a Shareholder's legal counsel related to the settlement of litigation as discussed on Note 10 to the financial statements.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit Number	Description
10.1	Amended and Restated Change of Control Agreement dated April 21, 2017
10.2	Limited License Agreement with NutriQuest dated April 20, 2017
31.1	Certification of the Principal Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended *
31.2	Certification of the Principal Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended *
32.1	Certification of the Principal Executive Officer pursuant to U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 *
32.2	Certification of the Principal Financial Officer pursuant to U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 *

*Furnished herewith (all other exhibits are deemed filed)

SIGNATURES

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

ZIVO BIOSCIENCE, INC.

Date: May 12, 2017

By: /s/Andrew Dahl

Andrew Dahl

Chief Executive Officer

<u>Name</u>	<u>Title</u>
Andrew A. Dahl	President and Chief Executive Officer
Philip M. Rice II	Chief Financial Officer

AMENDED CHANGE OF CONTROL AGREEMENT

THIS AMENDED CHANGE OF CONTROL AGREEMENT (this "Agreement"), is made on this 21st day of April 2017, by and between Zivo Bioscience, Inc. (the "Company") and (the "Employee").

WHEREAS, the Employee serves as an employee of the Company; and

WHEREAS, the Company desires to establish certain protections for the Employee in the event of the Employee's termination of employment under the circumstances described herein.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and promises contained herein, and intending to be bound hereby, the parties agree as follows:

SECTION 1 Definitions. As used herein:

1.1. "Base Salary" means, as of any given date, the annual base rate of salary payable to the Employee by the Company, as then in effect; *provided, however*, that in the case of a resignation by the Employee for the Good Reason described in Section 1.7.3, "Base Salary" will mean the annual base rate of salary payable to the Employee by the Company, as in effect immediately prior to the reduction giving rise to the Good Reason.

1.2. "Board" means the Board of Directors of the Company.

1.3. "Cause" means (i) Employee's conviction of a felony or other crime involving moral turpitude (but not automobile related matters); (ii) Employee's commission of any act or omission involving dishonesty, fraud, embezzlement, theft, substance abuse or sexual misconduct with respect to the Company, any subsidiary of the Company or any of their respective employees, vendors, suppliers or customers, the specific nature of which shall be set forth in a written notice by the Company to Employee; (iii) Employee's substantial and continued neglect of or failure to perform his duties, or failure to follow a "reasonable directive of the Board," which after written notice from the Board of such neglect or failure, has not been cured within ten (10) days after he receives such notice. For purposes of this Agreement, "reasonable directive of the Board," shall mean a directive that is applied equitably among the management employees of the Company; (iv) Employee's gross negligence or willful misconduct in the performance of his duties; or (v) Employee's misappropriation of funds or assets of the Company or any subsidiary of the Company.

1.4. "Change of Control" means the happening of an event, which shall be deemed to have occurred upon the earliest to occur of the following events:

a. the dissolution or liquidation of the Company;

b. the sale or other disposition of all or substantially all of the assets of the Company;

c. the merger or consolidation the Company with or into another corporation, other than, in either case, a merger or consolidation of the Company in which holders of shares of the Company's voting capital stock immediately prior to the merger or consolidation will have more than 50% of the ownership of voting capital stock of the surviving corporation immediately after the merger or consolidation (on a fully diluted basis), which voting capital stock is to be held in the same proportion (on a fully diluted basis) as such holders ownership of voting capital stock of the Company immediately before the merger or consolidation;

d. the date any entity, Person or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act), other than (i) the Company, or (ii) any of its Subsidiaries, or (iii) any employee benefit plan (or related trust) sponsored or maintained by the Company or any of its Subsidiaries, or (iv) any Affiliate (as such term is defined in Rule 405 promulgated under the Securities Act) of any of the foregoing, shall have acquired beneficial ownership of, or shall have acquired voting control over, 50% or more of the outstanding shares of the Company's voting capital stock (on a fully diluted basis), unless the transaction pursuant to which such Person, entity or group acquired such beneficial ownership or control resulted from the original issuance by the Company of shares of its voting capital stock and was approved by at least a majority of Directors who were either members of the Board on the date that this Plan was originally adopted by the Board or members of the Board for at least twelve (12) months before the date of such approval; or

e. the first day after the date of this Plan when Directors are elected such that there is a change in the composition of the Board such that a majority of Directors have been members of the Board for less than twelve (12) months, unless the nomination for election of each new Director who was not a Director at the beginning of such twelve (12) month period was approved by a vote of at least sixty percent (60%) of the Directors then still in office who were Directors at the beginning of such period.

Notwithstanding the foregoing, the Committee may provide for a different definition of a Change of Control in an Award Agreement if such Award is subject to the requirements of Code Section 409A and the Award will become payable on a Change of Control.

1.5. "Code" means Internal Revenue Code of 1986, as amended.

1.6. "Disability" means a condition entitling the Employee to benefits under the Company's long term disability plan, policy or arrangement; *provided, however*, that if no such plan, policy or arrangement is then maintained by the Company and applicable to the Employee, "Disability" will mean the Employee's inability, by reason of any physical or mental impairment, to substantially perform the Employee's regular duties to the Company, as determined by the Board in its sole discretion (after affording the Employee the opportunity to present the Employee's case), which inability is reasonably contemplated to continue for at least one year from its commencement and at least ninety (90) days from the date of such determination.

1.7. "Good Reason" means, without the Employee's prior written consent, any of the following:

1.7.1. a material diminution in the Employee's authorities, duties, titles or responsibilities;

1.7.2. the location of the facility at which the Employee is required to perform his or her duties is more than fifty (50) miles from the then current Company headquarters;

1.7.3. a reduction of the Employee's Base Salary or the amount of the Employee's Target Bonus of five percent (5%) or more;

1.7.4. the Company's failure to pay or make available any material payment or benefit due Employee under this Agreement or any other material breach by the Company of this Agreement. However, the foregoing events or conditions will constitute Good Reason only if (A) such event or condition occurs during the period beginning ninety (90) days immediately preceding a Change of Control and ending twenty-four (24) months thereafter and (B) the Employee provides the Company with written objection to the event or condition within sixty (60) days following the occurrence thereof, the Company does not reverse or otherwise cure the event or condition within thirty (30) days of receiving that written objection and the Employee resigns the Employee's employment within ninety (90) days following the expiration of that cure period.

1.8. "Release" means a release substantially identical to the one attached hereto as Exhibit A.

1.9. "Target Bonus" means, with respect to any year, 100% of the target amount of the Employee's annual bonus opportunity, expressed as a percentage of Base Salary, that would be payable to the Employee with respect to that year, whether under an employment or incentive agreement, under any bonus plan or policy of the Company or otherwise, assuming that all applicable performance goals are met and conditions to the payment of such bonus are satisfied.

1.10. "Warrant" means Warrants to purchase the Company's common stock at a specified price.

1.11. "Employee Warrants" means any outstanding and contingent Warrants to purchase the Company's common shares owned directly or beneficially by the Employee.

1.12. “Cashless Exercise” means if the fair market value of one Warrant Share is greater than the Exercise Price (at the date of calculation as set forth below), in lieu of exercising this Warrant by payment of cash, the Holder may elect to receive shares equal to the value (as determined below) of this Warrant (or the portion thereof being canceled) by surrender of this Warrant at the principal office of the Company together with the properly endorsed Notice of Exercise in which event the Company shall issue to the Holder a number of Warrant Shares computed using the following formula:

$$X = \frac{Y(A-B)}{A}$$

Where:

X = the number of Warrant Shares to be issued to the Holder

Y = the number of Warrant Shares purchasable under the Warrant or, if only a portion of the Warrant is being exercised, that portion of the Warrant being canceled (at the date of such calculation)

A = the fair market value of one Warrant Share (using the average of the last reported sale prices of the Common Stock for the five (5) trading days immediately preceding the date of the exercise)

B = Exercise Price (as adjusted to the date of such calculation)

SECTION 2 Certain Terminations Following a Change of Control.

2.1. Severance Events Following a Change of Control. If the Employee’s employment with the Company ceases within the twenty-four (24) month period following the date of a Change of Control as a result of a termination by the Company without Cause, a resignation by the Employee for Good Reason or due to the Employee’s death or Disability, then, subject to Section 3 and Section 5, the Employee will be entitled to the following:

2.1.1. (i) any Base Salary earned through the effective date of termination that remains unpaid, with any such amounts paid on the first regularly scheduled payroll date following the effective date of termination; (ii) any bonus payable with respect to any fiscal year which ended prior to the effective date of the Employee’s termination of employment, which remains unpaid, with such amount paid in the first regularly scheduled payroll date following the effective date of termination or, if later, at the same time the bonus would have otherwise been payable to the Employee; and (iii) any reimbursement or payment due to the Employee on or prior to the date of such termination which remains unpaid to the Employee, with any such payment being made promptly following the effective date of termination (collectively, the “Accrued Obligations”);

2.1.2. a lump sum cash payment equal to 500% of the Employee’s Base Salary as in effect on such date (without taking into effect any reduction described in Section 1.7.3 above);

2.1.3. a lump sum cash payment equal to five (5) times his annual Target Bonus as in effect on such date; and

2.1.4. provided that the Employee is eligible for, and timely elects, COBRA continuation coverage, for a period of eighteen (18) months commencing from the date of the Employee’s termination of employment, the Company will reimburse the Employee for the monthly COBRA cost of continued coverage for the Employee, and, where applicable, his spouse and eligible dependents, paid by the Employee under the Company’s group health plan pursuant to section 4980B of the Code, less the amount that the Employee would be required to contribute for such coverage if the Employee were an active employee of the Company. These payments will commence within 30 days following the termination date and will be paid on the first payroll date of each month.

2.1.5. all vested warrants and all contingent warrants share be converted immediately into vested Warrants, with terms as specified in the Warrant, but in no case longer than five (5) years. All such Warrants shall also be deemed to be treated as “cashless warrants”

2.2. Severance Events Preceding a Change of Control. If the Employee’s employment with the Company ceases during the ninety (90) days immediately preceding the date of a Change of Control as a result of a termination by the Company without Cause, a resignation by the Employee for Good Reason or due to the Employee’s death or Disability, then, subject to Section 3 and Section 5, the Employee will be entitled to the following:

2.2.1. the Accrued Obligations;

2.2.2. the Company will make a lump sum cash payment to the Employee equal to 500% of the Employee's Base Salary as in effect on such date (without taking into effect any reduction described in Section 1.7.3 above);

2.2.3. a lump sum cash payment equal to five (5) times his annual Target Bonus as in effect on such date; and

2.2.4. provided that the Employee is eligible for, and timely elects, COBRA continuation coverage, for a period of eighteen (18) months commencing from the date of the Employee's termination of employment, the Company will reimburse the Employee for the cost of the applicable monthly COBRA premium for the Employee, and, where applicable, his spouse and eligible dependents, paid by the Employee under the Company's group health plan pursuant to section 4980B of the Code, less the amount that the Employee would be required to contribute for such coverage if the Employee were an active employee of the Company. These payments will commence within thirty (30) days following the termination date and will be paid on the first payroll date of each month. If applicable, the Employee will be reimbursed for COBRA premiums paid out-of-pocket for the period following the Employee's termination date through the date of the Change of Control in an amount equal to the portion of the premium amount paid by the Company toward the applicable premium under its group health plan for active employees during the Employee's term of employment with the Company; *provided* that if the Employee or the Employee's spouse or eligible dependents, as applicable, have not elected (and is no longer eligible to elect) COBRA continuation coverage, no waiver or reimbursement will be made pursuant to this Section 2.2.3.

Notwithstanding the foregoing, if the Company's obligation to make the payments provided for in Sections 2.1.2, 2.1.3 or Section 2.2.2 and 2.2.3 arises due to the Employee's death or Disability, the cash payments described in Sections 2.1.2, 2.1.3, 2.2.2 and 2.2.3 will be reduced by the amount of benefits paid or payable to the Employee (or the Employee's representative(s), heirs, estate or beneficiaries) pursuant to the life insurance or disability plans, policies or arrangements of the Company by virtue of the Employee's death or Disability (including, for this purpose, only that portion of such life insurance or disability benefits funded solely by the Company or by premium payments made by the Company and not including the portion of such benefits paid for by the Employee). The payments and benefits described in this Section are in lieu of (and not in addition to) any other severance plan, fund, agreement or other arrangement maintained by the Company.

SECTION 3 Timing of Payments Following Termination.

Notwithstanding any provision of this Agreement, the payments and benefits described in Section 2 (other than any Accrued Obligations) are conditioned on the Employee's execution and delivery to the Company of the Release in a manner consistent with applicable law. The amounts described in Sections 2.1.2, 2.1.3 or Section 2.2.2 and 2.2.3 (as applicable) will be paid in a lump sum, within sixty (60) days following execution and nonrevocation of the Release. Notwithstanding any provision of this Agreement to the contrary, in no event shall the timing of the Employee's execution of the Release, directly or indirectly, result in the Employee designating the calendar year of payment, and if a payment that is subject to execution of the Release could be made in more than one taxable year, payment shall be made in the later taxable year.

SECTION 4 Parachute Payments.

4.1. The payments and benefits provided under Section 2 shall be made without regard to whether such payments and benefits, either alone or in conjunction with any other payments or benefits made available to the Employee by the Company and its affiliates, will result in the Employee being subject to an excise tax under Section 4999 of the Code (the "Excise Tax") or whether the deductibility of such payments and benefits would be limited or precluded by Section 280G of the Code; *provided, however*, that if the Total After-Tax Payments (as defined below) would be increased by limitation or elimination of payments or benefits provided under Section 2, then the amounts and benefits payable under Section 2 will be reduced to the minimum extent necessary to maximize the Total After-Tax Payments. For purposes of this Section 4, "Total After-Tax Payments" means the total of all "parachute payments" (as that term is defined in Section 280G(b)(2) of the Code) made to or for the benefit of the Employee (whether made under this Agreement or otherwise), after reduction for all applicable taxes (including, without limitation, the Excise Tax). If a reduction to the payments or benefits provided under Section 2 is required pursuant to this Section 4, such reduction shall occur to the payments and benefits in the order that results in the greatest economic present value of all payments and benefits actually made to the Employee.

4.2. All determinations to be made under this Section 4 shall be made by the Company's independent public accountant (the "Accounting Firm") immediately prior to the Change of Control. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change of Control, the Employee may appoint another nationally recognized public accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any determination by the Accounting Firm shall be binding upon the Company and the Employee, except as described in the next Section.

4.3. As a result of the uncertainty in the application of Section 280G and Section 4999 of the Code at the time of the Change of Control, it is possible that payments and benefits which will not have been made or provided by the Company should have been made (“Underpayment”) or payments and benefits are made or provided by the Company which should not have been made (“Overpayment”), consistent with the calculations required to be made hereunder. In the event that there is a final determination by the Internal Revenue Service, or a final determination by a court of competent jurisdiction, that an Overpayment has been made, any such Overpayment shall repaid to the Company by the Employee within thirty (30) days of such determination, with interest at the applicable Federal rate provided for in Section 7872(f)(2). In the event that there is a final determination by the Internal Revenue Service, or a final determination by a court of competent jurisdiction, any such Underpayment shall be promptly paid by the Company to or for the benefit of the Employee together with interest at the applicable Federal rate provided for in Section 7872(f)(2) of the Code, within thirty (30) days of such determination.

4.4. The Employee shall take such action (other than waiving the Employee’s right to any payments or benefits) as the Company reasonably requests under the circumstances to mitigate or challenge any tax contemplated by this Section 4. If the Company reasonably requests that the Employee take action to mitigate or challenge, or to mitigate and challenge, any such tax or assessment and the Employee complies with such request, the Company shall provide the Employee with such information and such expert advice and assistance from the Company’s accountants, lawyers and other advisors as the Employee may reasonably request and shall pay for all expenses incurred in effecting such compliance and any related fines, penalties, interest and other assessments.

SECTION 5 Restrictive Covenants.

5.1. During the period of the Employee’s employment by the Company and, only if the Employee’s employment with the Company terminates pursuant to Section 2.1 or 2.2 and the Employee begins to receive the payments and benefits provided for under either such Section, for a period of one (1) year beginning on the later of (i) the Employee’s termination of employment and (ii) the date of a Change of Control (the “Restricted Period”), except with the written consent of the Board, the Employee will not (except in his capacity as an employee of the Company) do any of the following, directly or indirectly:

5.1.1. the Employee shall not directly or indirectly, own, manage, operate, join, control, finance or participate in the ownership, management, operation, control or financing of, or be connected as an officer, director, employee, partner, principal, agent, representative, stockholder, consultant, investor or otherwise with, or use or permit his name to be used in connection with, any person, business or enterprise which directly or indirectly engages in the development, marketing or sale of products or compounds that are competitive with: (i) those products being marketed by the Company at the time of the Employee’s termination; (ii) those products, product candidates or compounds in clinical development or a clinical research program; or (iii) those products, product candidates or compounds that the Employee was aware were under pre-clinical development by the Company and expected to be in clinical development or in a clinical research program within six (6) months of the Employee’s termination (collectively, the “Company’s Business”).

5.1.2. solicit, entice or induce any customer to become a customer of any other person, firm or corporation with respect to the Company’s Business or to cease doing business with the Company or its subsidiaries or affiliates, and the Employee will not approach any such person, firm or corporation for such purpose or authorize or knowingly approve, encourage or assist the taking of such actions by any other person, firm or corporation; or

5.1.3. solicit, recruit or hire any part-time or full-time employee, representative or consultant of the Company or its subsidiaries or affiliates to work for a third party other than the Company or its subsidiaries or affiliates, or engage in any activity that would cause any employee, representative or consultant to violate any agreement with the Company or its subsidiaries or affiliates. The foregoing covenant shall not apply to any person after twelve (12) months have elapsed after the date on which such person’s employment by the Company has terminated.

5.2. The foregoing restrictions shall not be construed to prohibit the Employee’s ownership of less than five percent of any class of securities of any corporation which is engaged in any of the foregoing businesses and has a class of securities registered pursuant to the Securities Exchange Act of 1934, as amended, provided that such ownership represents a passive investment and that neither the Employee nor any group of persons including the Employee in any way, either directly or indirectly, manages or exercises control of any such corporation, guarantees any of its financial obligations, otherwise takes any part in its business, other than exercising the Employee’s rights as a stockholder, or seeks to do any of the foregoing.

5.3. The Employee acknowledges that the restrictions contained in this Section 5 are reasonable and necessary to protect the legitimate interests of the Company and its affiliates, that the Company would not have entered into this Agreement in the absence of such restrictions, and that any violation of any provision of this Section will result in irreparable injury to the Company. The Employee further represents and acknowledges that (i) he has been advised by the Company to consult his own legal counsel in respect of this Agreement, and (ii) that he has had full opportunity, prior to execution of this Agreement, to review thoroughly this Agreement with his counsel.

5.4. The Employee agrees that the Company shall be entitled to preliminary and permanent injunctive relief, without the necessity of proving actual damages, as well as an equitable accounting of all earnings, profits and other benefits arising from any violation of this Section 5, which rights shall be cumulative and in addition to any other rights or remedies to which the Company may be entitled. In the event that any of the provisions of this Section 5 should ever be adjudicated to exceed the time, geographic, service, or other limitations permitted by applicable law in any jurisdiction, then such provisions shall be deemed reformed in such jurisdiction to the maximum time, geographic, service, or other limitations permitted by applicable law. The Employee agrees to disclose the existence and terms of this Section 5 to any employer that the Employee may work for during the Restricted Period. If the Employee breaches this Section 5 in any respect, the restrictions contained in herein will be extended for a period equal to the period that the Employee was in breach.

SECTION 6 Miscellaneous.

6.1. Section 409A. This Agreement shall be interpreted to avoid any penalty sanctions under Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"). If any payment or benefit cannot be provided or made at the time specified herein without incurring sanctions under Section 409A, then such benefit or payment shall be provided in full at the earliest time thereafter when such sanctions will not be imposed. All payments to be made upon a termination of employment under this Agreement will be made upon a "separation from service" under Section 409A of the Code. For purposes of Section 409A of the Code, each payment made under this Agreement shall be treated as a separate payment. In no event may the Employee, directly or indirectly, designate the calendar year of payment. To the maximum extent permitted under Section 409A of the Code and its corresponding regulations, the cash severance benefits payable under this Agreement are intended to meet the requirements of the short-term deferral exemption under Section 409A of the Code and the "separation pay exception" under Treas. Reg. §1.409A-1(b)(9)(iii). However, if such severance benefits do not qualify for such exemptions at the time of the Employee's termination of employment and therefore are deemed as deferred compensation subject to the requirements of Section 409A of the Code, then if the Employee is a "specified employee" under Section 409A of the Code on the date of the Employee's termination of employment, notwithstanding any other provision of this Agreement, payment of severance under this Agreement shall be delayed for a period of six (6) months from the date of the Employee's termination of employment if required by Section 409A of the Code. The accumulated postponed amount shall be paid in a lump sum payment within ten (10) days after the end of the six (6) month period. If the Employee dies during the postponement period prior to payment of the postponed amount, the amounts withheld on account of Section 409A of the Code shall be paid to the Employee's estate within sixty (60) days after the date of the Employee's death. All reimbursements and in-kind benefits provided under this Agreement shall be made or provided in accordance with the requirements of Section 409A of the Code, including, where applicable, the requirement that (i) any reimbursement shall be for expenses incurred during the Employee's lifetime (or during a shorter period of time specified in this Agreement), (ii) the amount of expenses eligible for reimbursement, or in kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in kind benefits to be provided, in any other calendar year, (iii) the reimbursement of an eligible expense will be made on or before the last day of the calendar year following the year in which the expense is incurred and (iv) the right to reimbursement or in kind benefits is not subject to liquidation or exchange for another benefit.

6.2. Term of Agreement. This Agreement shall terminate on December 31, 2017 (the "Agreement Termination Date"), to provide time for the Company to enter into new / revised employment agreements; *provided, however*, that if a Change of Control occurs prior to the Agreement Termination Date, this Agreement shall remain in effect until all of the obligations of the parties hereunder arising out of such Change of Control are satisfied or have expired.

6.3. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the Company and the Employee and their respective successors, executors, administrators, heirs and/or permitted assigns; *provided, however*, that neither the Employee nor the Company may make any assignments of this Agreement or any interest herein, by operation of law or otherwise, without the prior written consent of the other party, except that, without such consent, the Company may assign this Agreement to any successor to all or substantially all of its assets and business by means of liquidation, dissolution, merger, consolidation, transfer of assets, or otherwise.

6.4. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan without regard to the application of the principles of conflicts of laws.

6.5. Enforcement. Any legal proceeding arising out of or relating to this Agreement will be instituted in the United States District Court for the Eastern District of Michigan, or if that court does not have or will not accept jurisdiction, in any court of general jurisdiction in the Michigan, and the Employee and the Company hereby consent to the personal and exclusive jurisdiction of such court(s) and hereby waive any objection(s) that they may have to personal jurisdiction, the laying of venue of any such proceeding and any claim or defense of inconvenient forum.

6.6. Waivers: Separability. The waiver by either party hereto of any right hereunder or any failure to perform or breach by the other party hereto shall not be deemed a waiver of any other right hereunder or any other failure or breach by the other party hereto, whether of the same or a similar nature or otherwise. No waiver shall be deemed to have occurred unless set forth in a writing executed by or on behalf of the waiving party. No such written waiver shall be deemed a continuing waiver unless specifically stated therein, and each such waiver shall operate only as to the specific term or condition waived. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or the effectiveness or validity of any provision in any other jurisdiction, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

6.7. Notices. All notices and communications that are required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when delivered personally or upon mailing by registered or certified mail, postage prepaid, return receipt requested, as follows:

[THIS SPACE INTENTIONALLY LEFT BLANK]

NOTICES SHALL BE MAILED OR OTHERWISE DELIVERED

If to the Company, to:

Zivo Bioscience, Inc.
2804 Orchard Lake Road
Suite 202
Keego Harbor, MI 48320
Attn: General Counsel
Fax: (610) 458-7830

If to the Employee, to the address on file with the Company, or to such other address as may be specified in a notice given by one party to the other party hereunder.

6.8. Entire Agreement; Amendments. This Agreement and the attached exhibit contain the entire agreement and understanding of the parties relating to the provision of severance benefits upon termination in connection with a Change of Control, and merges and is subordinate to current employment agreements in force.

6.9. Withholding. The Company will withhold from any payments due to the Employee hereunder, all taxes, FICA or other amounts required to be withheld pursuant to any applicable law.

6.10. Headings Descriptive. The headings of sections and paragraphs of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

6.11. Counterparts and Facsimiles. This Agreement may be executed, including execution by facsimile signature, in one or more counterparts, each of which shall be deemed an original, and all of which together shall be deemed to be one and the same instrument.

6.12. No Duty to Mitigate. The Employee shall not be required to mitigate damages or the amount of any payments provided for under this Agreement by seeking other employment or otherwise.

6.13. Recoupment Policy. The Employee agrees that the Employee will be subject to any compensation clawback or recoupment policies that may be applicable to the Employee as an executive of the Company, as in effect from time to time and as approved by the Board or a duly authorized committee thereof, whether or not approved before or after the effective date of this Amendment.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first above written.

Zivo Bioscience, Inc.

/s/ Andrew A. Dahl

By: Andrew A. Dahl

Title: President, Chief Executive Officer

EMPLOYEE

[]

EXHIBIT A

RELEASE AND NON-DISPARAGEMENT AGREEMENT

THIS RELEASE AND NON-DISPARAGEMENT AGREEMENT (this “Release”) is made as of the day of , by and between (the “Employee”) and Zivo Bioscience, Inc. (the “Company”).

WHEREAS, the Employee’s employment as an executive of the Company has terminated; and

WHEREAS, pursuant to Section 2 of the Change of Control Agreement by and between the Company and the Employee dated as of , (the “Change of Control Agreement”), the Company has agreed to pay the Employee certain amounts and to provide Employee with certain rights and benefits, subject to the execution of this Release.

NOW THEREFORE, in consideration of these premises and the mutual promises contained herein, and intending to be legally bound hereby, the parties agree as follows:

SECTION 1 Consideration. The Employee acknowledges that: (a) the payments, rights and benefits set forth in Section 2 of the Change of Control Agreement constitute full settlement of all of Employee’s rights under the Change of Control Agreement, (b) the Employee has no entitlement under any other severance or similar arrangement maintained by the Company, and (c) except as otherwise provided specifically in this Release, the Company does not and will not have any other liability or obligation to the Employee. The Employee further acknowledges that, in the absence of Employee’s execution of this Release, the payments and benefits specified in Section 2 of the Change of Control Agreement would not otherwise be due to the Employee.

SECTION 2 Release and Covenant Not to Sue. The Employee hereby fully and forever releases and discharges the Company and its parents, affiliates and subsidiaries, including all predecessors and successors, assigns, officers, directors, trustees, employees, agents and attorneys, past and present (the Company and each such person or entity is referred to as a “Released Person”), from any and all claims, demands, liens, agreements, contracts, covenants, actions, suits, causes of action, obligations, controversies, debts, costs, expenses, damages, judgments, orders and liabilities, of whatever kind or nature, direct or indirect, in law, equity or otherwise, whether known or unknown, arising through the date of this Release, out of Employee’s employment by the Company or the termination thereof, including, but not limited to, any claims for relief or causes of action under the Age Discrimination in Employment Act, 29 U.S.C. § 621 *et seq.*, or any other federal, state or local statute, ordinance or regulation regarding discrimination in employment and any claims, demands or actions based upon alleged wrongful or retaliatory discharge or breach of contract under any state or federal law. The Employee expressly represents that he has not filed a lawsuit or initiated any other administrative proceeding against a Released Person, and that he has not assigned any claim against a Released Person. The Employee further promises not to initiate a lawsuit or to bring any other claim against a Release Person arising out of or in any way related to Employee’s employment by the Company or the termination of that employment. The forgoing will not be deemed to release the Company from (a) claims solely to enforce this Release, (b) claims solely to enforce Section 2 of the Change of Control Agreement, (c) claims for indemnification under the Company’s By-Laws, under any indemnification agreement between the Company and the Employee or under any similar agreement or (d) claims solely to enforce the terms of any equity incentive award agreement between the Employee and the Company. This Release will not prevent the Employee from filing a charge with the Equal Employment Opportunity Commission (or similar state agency) or participating in any investigation conducted by the Equal Employment Opportunity Commission (or similar state agency); *provided, however*, that any claims by the Employee for personal relief in connection with such a charge or investigation (such as reinstatement or monetary damages) would be barred.

SECTION 3 Restrictive Covenants. The Employee acknowledges that restrictive covenants contained in Section 5 of the Change of Control Agreement will survive the termination of his employment. The Employee affirms that those restrictive covenants are reasonable and necessary to protect the legitimate interests of the Company, that he received adequate consideration in exchange for agreeing to those restrictions and that he will abide by those restrictions.

SECTION 4 Non-Disparagement. The Company (meaning, solely for this purpose, the Company’s directors and executive officers and other individuals authorized to make official communications on the Company’s behalf) will not disparage the Employee or the Employee’s performance or otherwise take any action which could reasonably be expected to adversely affect the Employee’s personal or professional reputation. Similarly, the Employee will not disparage the Company or any of its directors, officers, agents or employees or otherwise take any action which could reasonably be expected to adversely affect the reputation of the Company or the personal or professional reputation of any of the Company’s directors, officers, agents or employees.

SECTION 5 Cooperation. The Employee further agrees that, subject to reimbursement of Employee's reasonable expenses, he will cooperate fully with the Company and its counsel with respect to any matter (including litigation, investigations, or governmental proceedings) which relates to matters with which the Employee was involved during Employee's employment with the Company. The Employee shall render such cooperation in a timely manner on reasonable notice from the Company.

SECTION 6 Rescission Right. The Employee expressly acknowledges and recites that he (a) has read and understands this Release in its entirety, (b) as entered into this Release knowingly and voluntarily, without any duress or coercion; (c) has been advised orally and is hereby advised in writing to consult with an attorney with respect to this Release before signing it; (d) was provided twenty-one (21) calendar days after receipt of the Release to consider its terms before signing it (or such longer period as is required for this Release to be effective under the Age Discrimination in Employment Act or any similar state law); and (e) is provided seven (7) calendar days from the date of signing to terminate and revoke this Release (or such longer period required by applicable state law), in which case this Release shall be unenforceable, null and void. The Employee may revoke this Release during those seven (7) days (or such longer period required by applicable state law) by providing written notice of revocation to the Company at the address specified in Section 6.7 of the Change of Control Agreement.

SECTION 7 Challenge. If the Employee violates or challenges the enforceability of Section 5 of the Change of Control Agreement or this Release, no further payments, rights or benefits under Section 2 of the Change of Control Agreement will be due to the Employee.

SECTION 8 Miscellaneous.

8.1. No Admission of Liability. This Release is not to be construed as an admission of any violation of any federal, state or local statute, ordinance or regulation or of any duty owed by the Company to the Employee. There have been no such violations, and the Company specifically denies any such violations.

8.2. No Reinstatement. The Employee agrees that he will not apply for reinstatement with the Company or seek in any way to be reinstated, re-employed or hired by the Company in the future.

8.3. Successors and Assigns. This Release shall inure to the benefit of and be binding upon the Company and the Employee and their respective successors, executors, administrators and heirs. The Employee may make any assignment of this Release or any interest herein, by operation of law or otherwise. The Company may assign this Release to any successor to all or substantially all of its assets and business by means of liquidation, dissolution, merger, consolidation, transfer of assets, or otherwise.

8.4. Severability. Whenever possible, each provision of this Release will be interpreted in such manner as to be effective and valid under applicable law. However, if any provision of this Release is held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability will not affect any other provision, and this Release will be reformed, construed and enforced as though the invalid, illegal or unenforceable provision had never been herein contained.

8.5. Entire Agreement; Amendments. Except as otherwise provided herein, this Release contains the entire agreement and understanding of the parties hereto relating to the subject matter hereof, and merges and supersedes all prior and contemporaneous discussions, agreements and understandings of every nature relating to the subject matter hereof. This Release may not be changed or modified, except by an Agreement in writing signed by each of the parties hereto.

8.6. Governing Law. This Release shall be governed by, and enforced in accordance with, the laws of the State of Michigan without regard to the application of the principles of conflicts of laws.

8.7. Counterparts and Facsimiles. This Release may be executed, including execution by facsimile signature, in one or more counterparts, each of which shall be deemed an original, and all of which together shall be deemed to be one and the same instrument.

IN WITNESS WHEREOF, the Company has caused this Release to be executed by its duly authorized officer, and the Employee has executed this Release, in each case as of the date first above written.

Zivo Bioscience, Inc.

By: Andrew A. Dahl
Title: President, Chief Executive Officer

EMPLOYEE

LIMITED LICENSE AGREEMENT

This Agreement is entered into by and between ZIVO Bioscience, Inc., a Nevada corporation (“ZIVO”) whose address is 2804 Orchard Lake Road, Suite 202 Keego Harbor, MI 48320 and NutriQuest, LLC, an Iowa limited liability company (“NutriQuest”) whose address is 3782 9th Street South West, Mason City, IA 50401.

WHEREAS, on or about November 28, 2016 the parties entered into a conditional Letter of Intent in connection with a proposed limited exclusive license agreement and the parties now desire to enter this Limited License Agreement (the “Agreement”) to set forth the definitive terms and conditions for said exclusive license agreement.

NOW THEREFORE, in consideration of the above recital and the mutual covenants and the agreements set forth below, and other good and valuable consideration, the receipt and adequacy of which is acknowledged, the parties agrees as follows:

1. Limited License. ZIVO grants to NutriQuest a limited, exclusive license to market, distribute sell and collect the sales proceeds in all ZIVO’s nutrition, feed additive and supplementation applications naturally-derived algal biomass (“Biomass”) and extraction products (collectively the “Products”) for oral administration in livestock and/or poultry species. Said license shall specifically exclude ZIVO’s proprietary isolated bioactive compounds or their isoforms, or any synthetics homologs or isoforms derived thereof (the “Excluded Products”). The license shall further specifically exclude any rights with respect to pet foods, aquaculture, or any medicinal or therapeutic uses or derivations in humans, pet foods or aquaculture.

2. Term. This Agreement remains in force for the entire useful life of the Products, provided the mutually agreed performance and sales minimums are achieved and maintained by NutriQuest and the product volumes delivered and quality standards are achieved and maintained by ZIVO (the “Standards”). The initial Standards for the parties are set forth on Exhibit “A” attached hereto. These Standards will be re-reviewed and mutually agreed upon annually, in writing, within 30 days of the start of each calendar year. In the event that the parties are unable to agree on such standards at any time, this Agreement will be terminated and ZIVO will pay a termination fee to NutriQuest calculated as follows: 3 times NutriQuest’s 50% share of Gross Profit (as defined in Section 4 below) for the most recent 12-month annualized period.

3. Performance.

3.1 NutriQuest Non-Performance. If NutriQuest is unable to meet the mutually agreeable performance and sales minimums, ZIVO can, at its sole discretion, offer a buyout of the exclusive license granted herein within 60 days. The buy-out price shall be calculated as follows: 3 times NutriQuest’s 50% share of Gross Profit (as defined in Section 4 below) for the most recent 12-month annualized period, in total, or by country or region where such expectations have not been met. If the buy-out is by country or region, then ZIVO’s buy-out of the exclusive license granted herein shall only apply to such country or region and ZIVO’s exclusive license granted to NutriQuest shall continue to all remaining countries and regions. Nothing herein shall prevent ZIVO from terminating the entire Agreement subject to the termination fee described herein.

ZIVO shall pay the termination fee in whole within 90 days of the effective termination date with interest accruing on the unpaid principal balance at the applicable federal short term rate.

3.2 ZIVO Non-Performance. In the event ZIVO is unable to supply NutriQuest with the Products or ZIVO has failed to pay the termination fee in the 90-day payment period stated in Section 3.1 above, for a period of 30 days, NutriQuest shall have the option, to require ZIVO to provide NutriQuest, within 45 days of written request, with all the necessary technology, know-how, production and processing agreements, in order that NutriQuest can manufacture its own supply of the Product. In such event, NutriQuest shall not obtain, in any manner, any ownership interest, claim or right to ZIVO’s intellectual property associated, directly or indirectly with the manufacture of the Product. NutriQuest further agrees to return to ZIVO all such technology, know-how, production and processing agreements within 30 days after the termination of this Agreement. Once production resumes, ZIVO will be paid a reduced 8% allocation of the Gross Profit for the term of this Agreement.

3.3 Brand. The NutriQuest brand will apply to and be sold as such brand for any Product under this exclusive license Agreement. Subject to compliance with applicable laws and regulations, logos and packaging design for any Products will include Product names as determined by NutriQuest. All Products shall be packaged and labeled according to NutriQuest’s specifications. Marketing materials, including but not limited to, catalogs, advertising campaigns, brochures, mini-CD’ s/DVD’ s, literature, PowerPoint presentations, web site content and trade-show banners, to assist NutriQuest in marketing, promoting, selling and distributing any Products will be the sole responsibility of NutriQuest.

3.4 Intellectual Property. In conjunction with Section 8.5, nothing provided herein shall constitute a transfer of ownership of one party's intellectual property ("IP", further defined below) to the other party. Any IP developed through the performance of the Agreement, irrespective of possession of such IP, shall be owned solely by the developing party. In the event that IP is jointly developed, it shall be jointly and equally owned by the parties.

3.5 Intellectual Property Defined. Hereinafter "IP", shall, without limitation, mean all rights, worldwide, both statutory and non-statutory, which are available to protect discoveries, ideas, concepts, designs, inventions (e.g., compositions of matter, machines, processes, formulae, methods of doing business), industrial designs, improvements, mask works, works of authorship (e.g., source code, object code, computer programs and associated documentation, drawings, flow charts, schematics and other works subject to copyright, design right or other like protection), trade secrets, and other intellectual property of any kind, against unauthorized manufacture, use, sale, offer for sale, leasing, copying, distribution, importation, preparation of derivative works, or disclosure by persons other than the owner or authorized user thereof, including, without limitation: U.S. and foreign patents, utility models, inventor certificates, registered designs, mask works, and applications for securing such rights and all rights therein ("Patent Rights"); copyrights, copyright registrations and applications for securing copyright registrations; all trademarks, service marks, logos, designs, or trade names, or other indicia of origin developed; and/or all other rights available to prevent the unlawful use or disclosure of trade secrets and other confidential information.

3.6 Joint and Equal Ownership. Subject to Section 3.4 with respect to each Party's continuing ownership of their respective IP; all IP associated with any advancements, developments, improvements, and/or modifications to the Product shall be jointly and equally owned by the Parties. Such ownership shall be subject to the rights of the respective Parties as set forth herein.

3.7 Restrictions on IP. Notwithstanding the Parties' joint and equal ownership of IP, neither Party will (nor shall they have the right to), either directly or through others, make, use, sell, license (or sublicense), continue development, improve upon or otherwise commercialize any jointly owned IP other than as to license rights expressly stated herein or in any separate commercial agreement specifically contemplated hereby or as otherwise expressly approved in writing by both of the Parties.

4. Compensation.

"Gross Profit" means, for a Product and for a particular period of time, the gross monies or the monetary equivalent of all other consideration in any form actually received by NutriQuest for the sale of such Product, whether or not invoiced, billed by or due to NutriQuest; less (i) credits or refunds, not exceeding the original billing or invoice amount; (ii) delivery expenses, (iii) discounts for quantity or "bundled" purchases, cash payments, prompt payments, wholesalers, and distributors; (iv) taxes, including sales, use, excise, import, export, and other taxes or duties (excluding taxes on income), separately billed or invoiced, and borne by NutriQuest, imposed by a government agency with the authority to do so on such sale and (v) ZIVO full absorption inventory cost, calculated in accordance with generally accepted accounting principles ("GAAP Inventory Cost") determined on a calendar quarter basis by ZIVO and reported to NutriQuest. NutriQuest shall earn a minimum GP of no less than \$1,250 per metric ton.

4.1 Gross Profit Split NutriQuest shall market, distribute and collect revenues from the Biomass/Products' sales. The Gross Profit shall be equally shared by the parties (50/50 basis) effectively creating a royalty paid by NutriQuest to ZIVO. Such royalties shall be paid by NutriQuest to ZIVO on a monthly basis and by the 10th day of the month following the month upon which the sales were generated. Within 30 days of the end of each calendar quarter, the amount of Gross Profit and applicable profit sharing percentages shall be recomputed based on actual results with any settlement of total adjusted monthly gross profit to be paid by the overcompensated Party to the undercompensated party within 10 days of the parties' agreement on such recomputation.

4.2 Excluded Product. Should an Excluded Product developed by ZIVO, or derived from intellectual property licensed by ZIVO to others ("Competitive Product"), enter the animal nutrition market, in the event that ZIVO elects not to work with NutriQuest under the terms of this Agreement with such Competitive Product, NutriQuest shall have the right to exercise one of the following options, in its sole discretion within 60 days after ZIVO's notification to NutriQuest of the Excluded Product entering the animal nutrition market. If NutriQuest first exercises the Market Adjustment Option, it may at any later date exercise the Put Option. Only one option may be exercised at any one time and once a Put Option is exercised the other options are terminated:

a. Market Adjustment Option: ZIVO shall pay NutriQuest a market adjustment that is equal to 15% of the Gross Profit earned by ZIVO on the Competitive Product once that product enters the animal nutrition market.

b. Put Option: ZIVO shall grant NutriQuest an option (the “Put Option”) that, if exercised, terminates this Agreement and requires ZIVO to pay NutriQuest a termination fee equal to 3 times NutriQuest’s 50% portion of the highest annualized Gross Profit achieved by NutriQuest in any preceding 12 consecutive month period since inception of sales pursuant to this Agreement. ZIVO shall execute a nonsecured promissory note to pay NutriQuest said termination fee in six equal consecutive monthly installments commencing 30 days after the effective termination date of this Agreement with interest accruing on the unpaid principal balance at the applicable federal short term rate in effect as of the date of the promissory note. If any of the six installments equals less than \$100,000 the payment terms shall be calculated as (amount of termination payment) divided by (\$100,000) and rounded down to nearest whole number to equal the number of monthly payments. As an example, if the termination fee is \$350,000 the monthly payments shall equal \$350,000 /\$100,000 equals 3.5 rounded down to 3 consecutive equal monthly payments of \$116,666.67 each.

If the Put Option is exercised and consummated, NutriQuest can, in its sole discretion, continue to market the Products on a non-exclusive basis under mutually agreeable terms determined by the parties if ZIVO continues to furnish the Products or is in the position to continue to furnish the Products.

4.3 Records and Audit. Each Party agrees to keep all usual and proper records and books of account and all usual and proper entries relating to the manufacture, storage, sale and distribution of the Products and to permit the other to review such records to the extent necessary to determine compliance with such Party’s obligations under this Agreement. Each Party shall have the annual right to audit, itself or via its appointed agent, the other Party’s accounting records to confirm the accuracy of any payments due under this Agreement. Each Party shall provide access to the other Party or its appointed agent for this purpose within thirty (30) calendar days of a written request. Any discrepancy found under the terms of this Agreement shall be corrected by a payment within fifteen (15) calendar days, including interest based on the prevailing prime rate of interest, calculated from the time that such underpayment occurred through the date that the discrepancy is paid for. If a discrepancy of five percent (5%) or more of any payments are found, the fees of the appointed agent shall be paid by the Party where the discrepancy occurred. Each Party agrees to keep as confidential all of the other Party’s records disclosed in such audit.

4.4 No Sharing of Losses. As the Parties are not partners, joint venturers or anything similar thereto, each Party shall be solely responsible for its own losses, if any, incurred under this Agreement.

4.5 Warrants. At the signing of this Agreement NutriQuest will be issued warrants equal to 0.50% of the outstanding shares of ZIVO. Such warrants shall have a strike price 10% over current share price and a five-year exercise period. Upon completion of the exercise period the warrants shall expire. All payments upon exercise of the warrants shall be in a lump sum and immediately due with the notice of the warrant exercise.

5. Territory. NutriQuest’s territory under this Agreement shall be the entire world (“Territory”) provided the mutually agreeable performance and sales minimums (Exhibit “I”) are achieved by NutriQuest and both parties can successfully meet regulatory requirements outside the US.

6. ZIVO Responsibilities. ZIVO agrees and is responsible for:

a. growing and processing of the Products and supplying and selling the Product to NutriQuest at ZIVO’s cost (whether produced by ZIVO directly or through others). ZIVO shall have the right to out-source or assign this obligation to a third party, provided that ZIVO will cause the third party to comply with the same quality and manufacturing standards to produce the Product and use the same technical specifications for the third party as if ZIVO had manufactured the Product itself.

b. pursuing regulatory approval on the Products to obtain US GRAS status to NutriQuest’s satisfaction and EU EFSA approval if both NutriQuest and ZIVO agree that such regulatory approvals are warranted.

c. completing a total of three discovery research trials, which may be swine or poultry based, with assistance from NutriQuest in designing the trials and sourcing research facility space.

d. reasonably providing technical knowledge to support and enhance NutriQuest efforts under this Agreement.

e. applying for and prosecuting patent applications including paying all fees associated therewith.

f. pursuing enforcement activities against any third party who infringes upon patent rights on a Product.

7. NutriQuest Responsibilities. NutriQuest agrees and is responsible for:

- a. consulting with ZIVO during their regulatory phase to advise on safety and efficacy trials and review results.
- b. consulting with ZIVO on processing of the Products into usable forms for applicable markets.
- c. completing a total of three discovery research trials, which may be swine or poultry based in NutriQuest's facilities, at its cost.
- d. completing all additional research necessary to establish value proposition, enhance marketability and application of Products in the Territory.
- e. providing all necessary technical service, sales and support to the market for the Products.
- f. directing all necessary sales, marketing, branding, communication, advertising and promotion efforts of the Products in the Territory.
- g. invoicing, credit and collections for Product sales in the Territory.
- h. obtaining all necessary country registrations for the Products in each geography NutriQuest deems worthwhile other than US GRAS and EU EFSA approval, the latter shall be the responsibility of ZIVO.
- i. informing ZIVO of all known or suspected infringements, unauthorized use or other interference with ZIVO's IP.

8. Confidentiality

8.1 Treatment. The Receiving Party will treat the Confidential Information of the other party as strictly confidential and proprietary, and will safeguard its confidential and proprietary nature with at least the same degree of care as it holds its own confidential or proprietary information. Neither party will not reverse engineer or attempt to derive the composition or underlying information, structure or ideas of the Confidential Information. The receiving party may use the Confidential Information only in connection with fulfilling its obligations under this Agreement and for no other purpose whatsoever. The receiving party will not use the Confidential Information for its personal benefit of itself or for the benefit of any third party.

8.2 Forced Disclosure. If the receiving party is requested or required to disclose the Confidential Information or the substance of this Agreement in connection with a legal or administrative proceeding or otherwise to comply with a requirement under applicable law, the receiving party will give the disclosing party prompt notice of such request so that the disclosing party may seek an appropriate protective order or other remedy, or waive compliance with the relevant provisions of this Agreement. If the disclosing party seeks a protective order or other remedy, the receiving party, at disclosing party's expense, shall promptly cooperate with and reasonably assist the disclosing party in such efforts.

8.3. Internal Disclosure. Each party acknowledges and agrees that it will only disclose the Confidential Information of the other party to its employees, consultants, associates, lab technicians and any and all contractors or subcontractors (collectively "Agents") who need such Confidential Information to perform the party's obligations under this Agreement and that these Agents shall be under the same obligation with respect to the Confidential Information as the receiving party.

8.4 Announcements. Neither Party shall issue any public statements, press releases, general advertisements or promotional materials using the name of the other Party without the written consent of the other Party. In no event will the terms and conditions of this Agreement be disclosed except to the extent required by applicable law.

8.5 No Transfer. Neither this Agreement, nor either party's performance under it, will be assigned, transferred or conveyed in any manner to a third party, or create in any third party, any proprietary right, title, interest or claim in or to any of the disclosing party's Confidential Information.

9. Miscellaneous.

9.1 Choice of Law; Dispute Resolution. This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan.

9.2 Meeting of Chief Executive Officers. The Parties shall attempt to settle amicably any dispute or difference of any kind whatsoever, arising out of or in connection with the validity or invalidity, construction, execution, meaning, operation or effect or breach of this Agreement. If the Parties do not promptly do so, such dispute or difference shall be referred to the Parties' respective principal or chief executive officer(s) (a "CEO", or designees), who shall meet together with a view to resolving the same within a period of not more than fifteen (15) days from the date of the submission. Referral of a dispute to the Parties' respective CEOs (or designees) shall be a condition precedent of instituting the mediation process.

9.2.1 Mediation. If the Parties' respective CEOs are unable to resolve such dispute or difference within such fifteen (15) day period, the Parties agree to submit the dispute to a mutually agreeable third party who will assist in mediating the dispute to a satisfactory resolution and to conclude such private mediation within thirty (30) days of the filing by a Party of a request for such mediation. The mediation process may be invoked by any Party on written request and shall not be construed to constitute an admission against interest of the Party requesting mediation. Any mediation shall be confidential and non-binding on the Parties and no statements made or information exchanged during mediation will be admissible in any future legal or arbitration proceedings without the written consent of the Parties. If the dispute involves NutriQuest's obligations under the Agreement, mediation shall take place in Mason City, Iowa; if the dispute involves ZIVO's obligations under the Agreement mediation shall take place in Keego Harbor, Michigan. The Parties may mutually agree to conduct mediation at another location. Each Party will pay its own costs, plus an equal share of the costs of the mediator and the mediation facilities.

9.2.2 Arbitration. If a dispute between the Parties to this Agreement cannot be resolved by mediation within thirty (30) days as agreed to above, then the Parties shall submit any remaining dispute or difference of any kind between or among the Parties, arising out of in connection with this Agreement during its performance or after termination shall be referred to arbitration in accordance with the Commercial Rules of the American Arbitration Association. Any decision rendered shall be final and binding on the Parties. The arbitration shall be concluded within thirty (30) days of the filing by a Party of a request for such arbitration. If the dispute is initiated by ZIVO, arbitration shall take place in Mason City, Iowa; if initiated by NutriQuest, arbitration shall take place in Keego Harbor, Michigan; or at such other location as the Parties may agree. Costs of arbitration, including attorneys' fees, shall be awarded by the arbitrators, as they deem equitable. Any award rendered by the arbitrators shall be final, and judgment may be entered thereon in any court having jurisdiction of the Parties, provided, however, that nothing herein shall be construed to confer upon such court authority or jurisdiction to inquire into or review the award on its merits. Except by written consent of the Parties to the arbitration, no one shall be included in the arbitration by consolidation, joinder or otherwise unless they are a Party to this Agreement, unless such third-party consents in writing. This Agreement is subject to the Federal Arbitration Act, 9 U.S.C. § 1-16.

9.2.3 Litigation. After signing this Agreement, each Party understands that it will not be able to bring a lawsuit concerning any dispute that may arise that is covered by this arbitration provision (other than to enforce the arbitration decision). Notwithstanding the foregoing, in the event a Party asserts that it is suffering from an irreparable harm during such dispute resolution process, such party may, in addition to pursuing its other remedies, obtain such equitable and injunctive relief (including, but not limited to, preliminary and permanent injunctions) from any court of competent jurisdiction, as may be necessary to enjoin any violation causing the irreparable harm and no bond or other security shall be required to obtain such relief.

9.3 Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to its subject matter and supersedes any prior representations or statements, whether written or oral; no representation, warranty, affirmation of fact, promise, or other statement not specifically in this Agreement set forth will not be binding on any of the parties.

9.4 Anti-Disparagement. The Parties agree that in promoting their services neither Party shall disparage the other Party's services and/or Products.

9.5 Freedom to Operate. Nothing herein shall limit NutriQuest's right to distribute, including without limitation all technologies or products which NutriQuest has or shall acquire, license, or otherwise obtain, provided that such products and technologies do not violate the terms of this Agreement.

9.6 Insurance. During the Term, at ZIVO's sole cost and expense, ZIVO shall procure and maintain commercial general liability insurance with an insurance company of national reputation naming NutriQuest as an additional insured. The insurance policy or policies will include: (i) product liability coverage; (ii) complete operations coverage; and (iii) contractual liability coverage with limits of liability for each type of coverage of not less than two million five hundred thousand dollars (\$2,500,000) per occurrence or four million dollars (\$4,000,000) in the aggregate. Within ten (10) business days of the Effective Date, ZIVO shall provide to NQ evidence of insurance policy(ies) meeting the requirements of this Section 9.5.

9.7 *Waiver*. This Agreement may not be modified, amended, changed, or altered in any respect unless done so in a writing signed by all of the parties and is binding on, and will inure to the benefit of, the parties and their respective successors, assigns, heirs, and personal representatives.

9.8 *Assignment*. The rights and obligations of the parties hereunder being of a specific and exclusive nature, the rights and obligations hereunder will not be assignable or transferable by either party without the prior written consent of the other party hereto.

9.9 *Section Headings*. All Section headings in this Agreement have been inserted for convenience only and are not to be construed as part of the Agreement itself.

9.10 *Invalid Provision*. If any term, covenant, condition or provision of this Agreement is illegal or the application thereof to any person or in any circumstance will, to any extent, be invalid or unenforceable, the remainder of this Agreement, will not be affected thereby, and each term, covenant, condition and provision of this Agreement will be valid and enforceable to the fullest extent provided by law.

9.11 *Independent Entities*. In the performance of the services to be rendered pursuant to this Agreement, it is mutually understood and agreed that the parties are at all times acting and performing as independent business entities and not as a joint venturers, partners or employees. The parties acknowledge that each party has independent discretion to make all business judgments relating to the services rendered hereunder, and neither party shall control nor exercise discretion over the manner in which the other party provides services hereunder; provided that each party carries on its professional activities in accordance with currently accepted methods and standards. Neither party shall not have the right or authority to assume or create any obligations, express or implied, on behalf of the other party, or to bind the other party in any way.

IN WITNESS WHEREOF, the parties by their duly authorized representatives have executed this Agreement as of the day and year set forth above.

Witnesses

“ZIVO”

ZIVO Bioscience, Inc., a Nevada corporation

By: /s/ Andrew A. Dahl

Andrew A. Dahl

Its: CEO

“NutriQuest”

NutriQuest LLC, an Iowa limited liability company

By: /s/ David Weiss

David Weiss

Its: President

**Certification Pursuant to pursuant to Rule 13a-14(a) or Rule 15d-14(a)
of the Securities Exchange Act of 1934, as amended**

I, Andrew Dahl, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Zivo Bioscience, Inc. (the "Company");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are 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 Rule 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under 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) evaluated the effectiveness of the registrant's disclosure controls and procedures and 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 such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the period covered by this 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 officer 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 registrant's board of directors (or persons performing the equivalent function).
 - 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: May 12, 2017

/s/Andrew Dahl
Andrew Dahl,
Chief Executive Officer

**Certification Pursuant to pursuant to Rule 13a-14(a) or Rule 15d-14(a)
of the Securities Exchange Act of 1934, as amended**

I, Philip M. Rice II, certify that:

1. I have reviewed this Quarterly report on Form 10-Q of Zivo Bioscience, Inc. (the "Company");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The Registrants other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure the material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly through the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluations, 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 that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer 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 registrant's board of directors (or persons performing the equivalent function):
 - 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: May 12, 2017

/s/Philip M. Rice II

Philip M. Rice II
Chief Financial Officer

**CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(Subsections (a) and (b) of Section 1350,
Chapter 63 of Title 18, United States Code)**

In connection with the Quarterly Report on Form 10-Q for the period ending March 31, 2017 of Zivo Bioscience, Inc. (the "Company"), Inc., a Nevada corporation (the "Company"), as filed with the Securities and Exchange Commission (the "Report"), I, Andrew Dahl, Chief Executive Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350), 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, as amended; and

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

Date: May 12, 2017

/s/Andrew Dahl
Andrew Dahl
Chief Executive Officer

A SIGNED ORIGINAL OF THIS WRITTEN STATEMENT REQUIRED BY SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 HAS BEEN PROVIDED TO HEALTH ENHANCEMENT PRODUCTS, INC. AND WILL BE RETAINED BY HEALTH ENHANCEMENT PRODUCTS, INC. AND FURNISHED TO THE SECURITIES AND EXCHANGE COMMISSION OR ITS STAFF UPON REQUEST

**CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(Subsections (a) and (b) of Section 1350,
Chapter 63 of Title 18, United States Code)**

In connection with the Annual Report of Zivo Bioscience, Inc. (the "Company"), Inc., a Nevada corporation (the "Company"), on Form 10-Q for the period ended March 31, 2017 as filed with the Securities and Exchange Commission (the "Report"), I, Philip M. Rice II, Chief Financial Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350), 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 (15 U.S.C. 78m or 78o(d)); and

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

Date: May 12, 2017

/s/ Philip M. Rice II

Philip M. Rice II
Chief Financial Officer

A SIGNED ORIGINAL OF THIS WRITTEN STATEMENT REQUIRED BY SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 HAS BEEN PROVIDED TO HEALTH ENHANCEMENT PRODUCTS, INC. AND WILL BE RETAINED BY HEALTH ENHANCEMENT PRODUCTS, INC. AND FURNISHED TO THE SECURITIES AND EXCHANGE COMMISSION OR ITS STAFF UPON REQUEST.