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

FORM 10-K

[X] ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year ended December 31, 2017

or

[ ] 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.

(Name of Registrant as Specified in Its Charter)

Nevada	**87-0699977**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. 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)

Securities registered under Section 12(b) of the Exchange Act:
None

Securities registered under Section 12(g) of the Exchange Act:

Common Stock, par value $.001 per share
(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes [ ] No [X]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
Yes [ ] No [X]

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

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

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

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

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes [ ] No [X]

The aggregate market value of the issuer's voting and non-voting common equity held as of June 30, 2017 by non-affiliates of the issuer was $6,852,340 based on the closing price of the registrant's common stock on such date.

As of February 13, 2018, there were 141,196,061 shares of $.001 par value common stock issued and outstanding.

FORM 10-K
ZIVO BIOSCIENCE, INC. AND SUBSIDIARIES

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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 begin 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.

PART I

Item 1. Business.

2017 Highlights

2017 saw a significant increase in the availability of funding, which allowed the Company to accelerate the discovery and analytics work pertinent to the bovine mastitis therapeutic candidate, and to enter the final arm of the *in vivo* validation study. A number of key research organizations were engaged to work on several fronts simultaneously in order to compress the timeframe and approach the tasks from different functional and analytical perspectives. The research organizations included the National Center for Natural Product Research at the University of Mississippi, the Donald Danforth Plant Science Center, Boston Institute of Biotechnology, SBH Biosciences and Elicityl. On the nutrition side of the R&D effort, we moved forward with production scale-up and compliance, having contracted Synthetic Genomics, Inc. (SGI) to produce our proprietary algae at commercial scale in open ponds at their Imperial Valley facility in southern California. SGI was also contracted to conduct genome sequencing to fully identify our proprietary algal strain and also commenced classical, non-GMO strain development to improve cultivation efficiencies. In anticipation of FDA compliance, we began to actively recruit algae growers in China and India, along with a test-case production contract with Algatek, a photobioreactor producer based in Spain.

General

We were incorporated under the laws of the State of Nevada on March 28, 1983, under the name of "L. Peck Enterprises, Inc." On May 27, 1999, we changed our name to "Western Glory Hole, Inc." From 1990 until October 2003, we had no business operations; we were in the development stage and were seeking profitable business opportunities. On October 30, 2003, we acquired 100% of the outstanding shares of Health Enhancement Corporation ("HEC") in exchange for 9,000,000 of our shares, making HEC our wholly-owned subsidiary. In connection with this transaction, we changed our name to Health Enhancement Products, Inc. On October 14, 2014, at the annual meeting of the Shareholders of the Company, a proposal was passed to change the name of the Company from Health Enhancement Products, Inc. to ZIVO Bioscience, Inc. ("ZIVO"). On October 30, 2014, the Financial Industry Regulatory Authority ("FINRA") approved the name ZIVO Bioscience, Inc. for trading purposes and the symbol change to ZIVO effective November 10, 2014.

We acquired HEC in 2003 because we believed its unique and complex algal culture produced natural bioactive compounds that promoted health benefits. A production facility based in Scottsdale, AZ produced and marketed a liquid dietary supplement with marginal success beginning in 2003 until sales were suspended in January of 2012.

Our new management team, in place since December 2011, determined the sole focus for the near term was to move forward with a research-based product development program. From 2012 through 2017, we engaged fully in such activities, all as more fully explained herein. From the start of 2017 and moving into 2018, we are conducting our final proof of concept validation for a bovine mastitis treatment, consisting of in vitro and in vivo studies, which is intended to dovetail with analytics and characterization of bioactive compounds produced by the algae itself. This body of work will be submitted to Zoetis, Inc. (ZTS) a global animal health company, per an option/collaboration agreement dated December 19, 2013 and amended in 2014, to determine if our bioactive compounds exhibit efficacy in addressing bovine mastitis, a common condition afflicting dairy cows that results in milk production losses. Upon completion of the research, we expect to move into negotiations regarding the option payment and subsequent licensing.

We are also finalizing our efforts in obtaining regulatory approval of the algal biomass as a feed and food ingredient. In anticipation of market approval, we are engaging with algae producers worldwide to produce our proprietary algal strain.

We hold significant intellectual property in the form of bioactive compounds, patented applications and processes, an optimized algal strain, nutritional products and applications derived from our proprietary algal biomass that can find their way into food, feed, supplements and even therapeutics.

Upon the finalization of the negotiations on the aforementioned option and license agreement, we plan to explore our options for further licensing arrangements as they relate to canine joint health and human cholesterol.

On the food and feed application side of the business, our business model anticipates deriving future income from licensing and selling natural bioactive ingredients that may be extracted from or are initially based on the algae cultures. In line with this, on April 20, 2017, we entered into a Limited License Agreement ("Agreement") with NutriQuest, LLC an innovative leader in animal health and nutrition solutions. In the Agreement, we granted to NutriQuest a limited, exclusive license to market, distribute sell and collect the sales proceeds in all of our nutrition, feed additive and supplementation applications relating to naturally-derived algal biomass and extraction products for oral administration in swine and/or poultry species.

Further, we expect that these additional 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) bulk sales of such ingredients. We expect bulk ingredients to be made by contracted algae growers and then sold by us to animal food, dietary supplement and food processors and/or name-brand marketers.

In January 2007, we established HEPI Pharmaceuticals, Inc. as our wholly owned subsidiary ("HEPI Pharma"). The purpose of HEPI Pharma was to develop potential pharmaceutical applications for the bioactive ingredients that may be derived from our algae cultures.

In February 2013, we formed ZIVO Biologic, Inc., a Delaware corporation, for the purpose of manufacturing and commercialization of proprietary ingredients for non-medicinal animal health applications. ZIVO Biologic is 100% owned by ZIVO Bioscience, Inc.

In August 2013, we acquired the assets, consisting primarily of intellectual property rights, of Wellness Indicators, Inc. ("Wellness"), a Michigan corporation based in Illinois. Concurrently, we formed WellMetris, LLC ("WellMetris") as a 100% owned entity of ZIVO. We acquired four patent applications as part of the transaction, in addition to engineering drawings, prototypes, chemical formulae, validation data, laboratory equipment and IT equipment. We assigned all of the intellectual property acquired to WellMetris with a stated value of $1,391,281. The mission of WellMetris is to develop, manufacture, market and sell Wellness Tests. The Wellness Tests are intended to provide individuals the information and opportunity to optimize their health and identify future health risks or to provide insurers, employers and healthcare providers timely information to intervene with wellness programs, fitness regimes or other preventative measures. During the period of time since we have owned WellMetris, we have drafted and filed an additional eight patent applications around the intellectual property acquired, as noted in the section "Patents and Proprietary Rights." In the summer of 2014, we evaluated the circumstances related to the original four patent applications acquired and determined that two of the existing patent applications could be improved and filed new patents applications to redefine and better protect our intellectual property. We have abandoned one of the initial four patent applications purchased, released two of the four applications purchased and substituted them with two new patent applications, and retained ownership of one of the four applications purchased, which has now converted to a national phase application. In connection with the abandoned patents, we have protected our rights with regards to the original patent applications purchased, however we determined we should record a loss on abandonment of $1,391,281 for the year ended December 31, 2014 as the initial value of the acquired patent applications pending resides in the newly drafted and filed eight patent applications.

Marketing and Sales

ZIVO Algal Products & Derivatives

The marketing and sale of all future products are subject to compliance with applicable regulations. Based on the findings from ongoing research, we have approached and are continuing to approach potential customers or licensees in the market verticals described below. The products described throughout this document are still in the development stage, and are subject to development risk. There can be no assurance that any of the products described below will prove to be effective, or if found to be effective, will be able to be produced in a commercially viable manner.

Animal Health and Nutrition

A 2007 pilot study in dairy cows indicated that our algal culture may be effective in fending off the onset, or significantly reducing symptoms, of bovine mastitis – a condition that effectively stops milk production in affected cows. According to the National Mastitis Council, the condition affects 10% of the U.S. dairy herd at any one time, costing producers approximately $1,100 per case. In the U.S. alone, production losses are nearly $3 billion. *Mycoplasma bovis* causes a highly contagious and potentially fatal form of bovine mastitis (an infection of the mammary gland), for which there currently is no treatment. In the cow's udder, mammary epithelial cells form an immunological barrier to protect the mammary gland. When bacteria or other pathogens break through this barrier, an infection can set in, affecting quality and quantity of milk produced. Our compounds showed promising early results for restoration of the immunological barrier in experiments conducted *in vitro*, as conducted by the Principal Researcher at the University of Wisconsin - Madison, Department of Dairy Science.

On December 20, 2013 (amended in 2014), we entered into a Collaboration and Option Agreement ("Agreement") with Zoetis, a global animal health company, in connection with the prevention, treatment, and management of bovine mastitis. In the Agreement, we granted to the counterparty an exclusive option to negotiate an exclusive license with us. Specifically, upon completion of a collaborative study (which is in process), and acceptance of the work product by Zoetis, the Agreement provides for a 90-day exclusivity period for evaluation of results, followed by a 90 day period to exercise the option and negotiate an option payment.

With respect to livestock and poultry applications, we intend to move on three related fronts – working to bring an algal feed ingredient to market in the United States by amplifying the algae culture; working to produce a dietary supplement or feed additive for global consumption outside the U.S.; and, putting ourselves in a position to license the isolated bioactive molecules to a pharmaceutical or drug development company for synthetic development as a prescribed treatment for production animal applications. The isolated bioactive molecules form the intellectual property of interest to Zoetis. The feed ingredient, feed additive and dietary supplement are intended for other potential collaborators along with NutriQuest, (whose agreement covers swine and/or poultry species only).

The veterinarian who conducted the initial dairy cow *in vivo* study believes that the same autoimmune effect may be useful in combating bovine respiratory disease complex ("BRDC"), also known as "shipping fever." BRDC typically occurs when beef cattle are shipped from the ranch to the feedlot prior to processing. According to the American Association of Beef Producers, cattle ranchers and feedlot operators attribute a 30% loss in body weight to BRDC when it occurs – a $10 billion problem in the U.S. alone. We are planning a field study to validate several dosing modalities before offering a licensing option, when resources and funding permits.

A 2008 pilot study in dogs indicated that our algal culture may be effective in relieving the symptoms of osteoarthritis and soreness from overexertion. That same experiment with our amplified algae culture can be repeated in dogs, which if successful could allow a relatively rapid release to production and sales as a companion animal dietary supplement. According to the Nutrition Business Journal, the canine joint-health dietary supplement market segment tops $360 million annually in the U.S. alone. Estimates for the world market may be substantially higher, but such estimates are difficult to obtain. An *in vitro* tissue explant experiment conducted by the Comparative Orthopaedics Laboratory at University of Missouri found that direct stimulation of living canine joint tissue with our bioactive compounds protected cartilage from degradation by IL-1b, an inflammatory cytokine. If our product is proven to be effective *in vivo* and can be produced on an efficient basis, we intend to sell or license our product as a supplement ingredient to larger, well-established and profitable brand names in the pet industry. We have conducted other laboratory studies simulating the effects of canine osteoarthritis with positive results.

With all of the above, the isolated bioactive molecules found in the amplified algae product may, subject to successful negotiations, be licensed to a pharmaceutical company for development as a synthetic prescription drug. We expect that the process of developing and testing such a drug could take years. Therefore, as is common practice, we intend to work toward negotiating an upfront licensing fee, milestone payments upon each successful conclusion of a development phase, followed by pre-market approval; and finally, a steady stream of royalties in the future. The other revenue streams generated by feed and supplement sales may begin to be realized in 2018, but no assurance can be provided in that regard. Much of the research and licensing progress has been and will continue to be paced by the availability of capital funding and/or debt financing (see Item 7 – Management's Discussion and Analysis of Financial Condition and Results of Operations: Liquidity and Capital Resources).

Functional Food Ingredient - Human

According to NutraIngredients-USA, functional foods, or health foods, represent an estimated $20 billion business in the U.S. and a $28 billion business in Europe. The Middle East, although significantly smaller, is growing at a rate of 12-14% annually, followed closely by the newly-affluent in China and India. These foods typically are processed products that contain one or more staple foods augmented with a variety of performance-enhancing ingredients.

We intend to enter the food market with a healthy cholesterol and healthy immune response ingredient in mid to late 2018 upon successful GRAS self-certification and availability of our proprietary algal biomass from contracted growers. As stated herein, we are recruiting growers around the world and expect to begin importing market-ready product into the US by late 2018, and into the EU in 2019.

Dietary Supplement & Nutraceutical - Human

The success of spirulina algae, dried kelp, Omega-3 fish oil, resveratrol, saw palmetto and similar supplements attests to the American public's obsession with 'natural' products. The dietary supplement business is a $24 billion industry in the U.S. alone, and twice that the world over.

Rather than attempting to market a potential cholesterol related bioactive as a branded nutraceutical or supplement, we will endeavor to private-label the compound or finished product for larger, established marketers and retailers. If we are able to accomplish this, we believe this is a more efficient use of capital and resources while still retaining control of the intellectual property, the manufacturing process and pricing decisions. Our goal is not to be placed in a position where our premier product application is commodified and we must compete on price.

Medicinal Food and Botanical Drug

Doctors prescribe medicinal foods and botanical drugs prior to, during or after various medical procedures, including surgery, chemotherapy, radiation therapy and physical therapy. At times, medicinal foods are used to augment the effects of prescription drugs. These medicinal foods are expensive and typically reimbursed by health insurers. Botanical drugs can also be made available over-the-counter (OTC) after an extensive compliance program.

We believe that this area has potential for us if we can demonstrate that various properties of the algal extract can be isolated and produced as a medicinal food or beverage prescribed by physicians, or as an OTC botanical drug. These are both FDA-regulated sectors. Medicinal food standards are somewhat less stringent than pharmaceutical applications. Botanical drug standards are similar to other pharmaceutical applications. Under our business model, if we are able to produce a commercial product in these areas, we will endeavor to enter into a private-label arrangement with a larger strategic partner to produce and distribute these product applications.

Pharmaceuticals

We believe that we may be able to pursue prescription drug applications for our product. The process for developing a new prescription drug is costly, complex and time-consuming. It is an undertaking well beyond our financial capabilities and one that may take years to achieve. If we pursue the development of a prescription drug, we will likely seek a partnership with a co-developer that will share in the risk and expense of the initial development process, and then share in any royalties resulting from the licensing or sale of any synthetic molecule and its homologs we are able to develop and license. Or, we may out-license the natural molecules at discovery stage and allow the licensee to develop the Investigatory New Drug (IND) filing and conduct subsequent safety/efficacy phases in order to bring a therapeutic product to market.

The first such step was the execution of the bovine mastitis Collaboration and Option Agreement with Zoetis. Part of our business plan is to execute agreements that may ultimately result in option payments, licenses fees and royalty payments across animal and human applications, typically at the discovery stage.

WellMetris

WellMetris was formed for the purpose of developing, manufacturing, marketing, and selling tests that we believe will allow individuals and their care providers to optimize personal health and identify future health risks. The information obtained will also provide insurers, employers and healthcare providers timely information to intervene with wellness programs, fitness regimes or other preventative measures. 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 finalizing its transition cow syndrome test, for which a provisional patent application has already been filed.

We are currently in Phase One of development as described above.

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.

Due to funding issues, all development work has been halted until this entity is either sold, funded independently of ZIVO Bioscience, or spun out as a free-standing business.

Corporate Communications

We maintain our website: www.zivobioscience.com and provide a toll-free number (888) 871-6903. The content of our website is not a part of this Annual Report on Form 10-K and should not be construed as such.

WellMetris maintains a separate website: www.wellmetris.com and provides the same toll-free number as ZIVO Bioscience on its website.

Competition

ZIVO Algal Products & Derivatives

Generic dietary supplements and functional food ingredients such as vitamins, Omega-3 and antioxidants are made and marketed in a fiercely competitive, price-sensitive market environment. Recently, several algae producers have made health claims for their proprietary algae strains, ranging from treatment for diabetes to controlling HIV symptoms. Proprietary products offered by some marketers are often dogged by unsubstantiated claims of product efficacy or present potential product safety issues, which in turn draw the attention of regulators. The optimal position for a supplement and ingredient maker is when pricing power can be exerted through well-protected intellectual property and further backed by well-documented safety and efficacy claims.

We believe that our primary competition will come from innovators in food technology such as DSM-Martek, Cognis, ConAgra, Cargill and Nestle, each of which has active M&A efforts, a large scientific staff and a generous R&D budget to develop supplements and ingredients for a wide range of applications. However, we intend to approach these very same competitors as potential strategic partners, in order to leverage their specific expertise in certain food and supplement categories where a mutually beneficial relationship can be established. There can be no assurance that this strategy will be effective.

With respect to animal health, the companion animal dietary supplement segment, and specifically canine joint health, is made up almost exclusively of chondroitin/glutathione supplements, which have dominated that segment for more than a decade. This $360 million segment represents a potentially lucrative opportunity to introduce a completely new product if we are able to demonstrate superior benefits and produce a product at a comparable price.

Further, the animal health market as it pertains to mastitis in dairy cows, and specifically feed ingredients that exhibit beneficial properties, has been largely in the realm of yeast-based products. Only recently has there been a focus on algae-based alternatives, as promoted by Alltech with its $200 million expansion of an algae facility in Kentucky. In the U.S., feed ingredients cannot be promoted using any form of health claim, and dietary supplements for production animals are, to our knowledge, non-existent. However, outside the U.S., the use of dietary supplements is widespread, and we intend to market our refined ingredients to a worldwide market in partnership with a global brand name.

WellMetris

The biomedical and biotech fields are fiercely competitive. Many of the “wellness” tests available to the healthcare consumer or provider are not necessarily accurate nor reliable because some do not take into account urine concentration as normalized by creatinine or specific gravity, which changes markedly throughout the day. Blood-based wellness tests can be even less reliable because the biomarkers for oxidative stress and inflammation are extremely dynamic and will often change before the blood can be tested, casting doubt on the results.

Although we are not aware that competitors or competing products have entered the market recently, there is no guarantee that our products will be proven to be effective and commercially viable, or that a larger, better-financed competitor may not emerge once we begin promoting our products.

Raw Materials

ZIVO Algal Products & Derivatives

We produce our microbial mixture using third party facilities. At the close of 2016, we contracted Synthetic Genomics, Inc. to conduct commercial scale-up at a facility in Imperial Valley, California. We continue to use the AzCATI facility at Arizona State University to produce our microbial mixture for continued experimentation. In January 2018, we signed a Letter of Intent with Tianjin Norland Biotech Co., Ltd. of Tianjin, China to commence production of our microbial mixture. Other growers in China, India, Taiwan and Thailand have been approached and negotiations are underway.

China and Taiwan require registration of the ZIVO algal strain as a foreign specie. The process can range from several weeks to several months, at which point production can commence. This affects the initial start of biomass delivery, but is unlikely to affect ongoing shipments once the algal strain is registered.

WellMetris

In tandem with seeking regulatory approval, we will need two physical components to deliver our services. A dedicated, custom reader device and a test comprised of eight (8) different chemistry tests on a single urine test panel housed in a proprietary disposable cartridge.

- The dedicated, custom reader device is manufactured by a third party to our specifications. We do not believe that there is a risk of supply, as there are several manufacturers available to produce the unit.

- The test panel and proprietary cartridge are manufactured by a third party to our specifications. We do not believe that there is a risk of supply, as there are several manufacturers available to produce the units.

Dependence on Customers

As discussed above, we reoriented the business model to focus on research and development in order to license our product and technology to third parties and to furnish algal biomass in bulk. Our potential customers are larger, well-established brand names in nutrition and health who will likely combine our algal biomass with other ingredients for feed, food and beverage applications. At this time, there are no customers providing any revenue.

Production

ZIVO Algal Products & Derivatives

We produce our microbial mixture using third party laboratory facilities. At this time, we are only manufacturing the product for purposes of research and development programs that are currently underway. However, in January 2018, we signed a Letter of Intent with Tianjin Norland Biotech Co., Ltd. of Tianjin, China to commence production of our microbial mixture. We are continuing to search for additional production sites throughout the world.

WellMetris

As discussed above, we are using third parties to manufacture our custom reader device and test panel, which we are currently using for development purposes.

Patents and Proprietary Rights

ZIVO Algal Products & Derivatives

We have rights in certain patent applications and trademarks. With respect to patents and trademarks, we have secured patent and federal trademark registrations in the U.S. Patent and Trademark Office ("USPTO") as described below:

- U.S. Patent No. 7,807,622 issued October 5, 2010, relates to our proprietary complex algal culture. The title of the patent is: "Composition and use of phyto-percolate for treatment of disease." This invention relates generally to a method of preparation of a phytopercolate that is derived from fresh water mixture including algae. The invention further relates to the potential use of the phyto-percolate in a variety of disease states. This patent was filed on November 30, 2006 and has a term of 20 years from the earliest claimed filing date (which may be subject to extension via Patent Term Adjustment and Patent Term Extension).

- U. S. Patent No. 8,586,053 issued November 19, 2013, relates to our proprietary algal culture. The title of the patent is: "Composition and Use of Phytopercolate for Treatment of Disease." This invention relates generally to a method of preparation of a phyto-percolate that is derived from fresh water mixture including algae. The invention further relates to the use of the phyto-percolate in a variety of disease states. The phyto-percolate is believed to contain an activity that induces the reduction of soluble and insoluble fibrin. Further, the phyto-percolate is believed to reduce oxidative stress in the body. The patent was filed on April 20, 2006 and has a term of 20 years from the earliest claimed filing date.

- U.S. Patent No. 8,791,060 issued July 29, 2014, relates to our proprietary culture. Title of the patent is the same: "Composition and Use of Phytopercolate for Treatment of disease." This invention relates generally to a method of preparation of a phyto-percolate that is derived from fresh water mixture including algae. The invention further describes proteolytic activity. The patent was filed on October 4, 2010 and has a term of 20 years from the earliest claimed filing date.

- U.S. Patent No. 9,486,005 issued November 8, 2016, relates to our proprietary culture. Title of the patent is: "Agents and Mechanisms for Treating Hypercholesterolemia." This invention relates generally to a method of treating hypercholesterolemia in mammals, by administering an effective amount of microbial fermentation product and regulating genes involved in lipoprotein metabolism.

We also have allowed pending trademark applications for "ZIVO BIOSCIENCE," "ZIVO BIOLOGIC," "WELLM8" and "WELLMETRIX". We may have other common law rights in other trademarks, trade names, service marks, and the like which will continue as long as we use those respective marks.

We have registered the name "WellMetrix" to replace the current "WellMetris" corporate identification, and secured an ICANN domain of the same spelling in late 2017.

The following patent filings are pertinent to the operation of the ZIVO business:

Title	Country	Patent/Application Number	Status
Composition and Use of Phytopercolate For Treatment of Disease	Canada	2,631,773	Office action issued; response filed to foreign associate; office action received; office action response filed 11/13/17;
Composition and Method For Affecting Cytokines and NF-κB	PCT	PCT/US2010/056862	National stage filings completed
Composition and Method For Affecting Cytokines and NF-κB	US	14/558,516	Application filed; informational notice to applicant received; office action received; office action response filed 10/2/17; notice of allowance issued 1/12/18;
Composition and Method For Affecting Cytokines and NF-κB	BR	BR 11 2012 011678 9	Request for examination submitted 11/11/13; awaiting examination;
Composition for Affecting Cytokines, Lactoferrin, and Serum Amyloid A	U.S.	61/834,842	Claimed by PCT/US14/42331; filed 6/13/14
Composition for Affecting Cytokines, Lactoferrin and Serum Amyloid A	PCT	PCT/US 14/42331	National stage filings completed
Composition for Affecting Cytokines, Lactoferrin, and Serum amyloid A	US	SN 14/898,091	Application filed 12/11/15; office action received; response due 2/3/18
Agents and Mechanisms for Treating Hypercholesterolemia	PCT	PCT/US11/25713	Entered National Phase
Agents and Mechanisms for Treating Hypercholesterolemia	Europe Union	SN 11745434.8	Filed 2/22/11; Undergoing Prosecution
Agents and Mechanisms for Treating Hypercholesterolemia	Canada	SN 2,827,401	Filed 2/22/11; Undergoing Prosecution
Agents and Mechanisms for Treating Hypercholesterolemia	US Div	SN15/330,830	Filed 11/7/16; Undergoing prosecution
Stress and Inflammation Biomarker Urine Panel for Dairy Cows and Beef Cattle	US	SN 61/835,282	Converted to PCT 6/14/14

Stress and Inflammation Biomarker Urine Panel for Dairy Cows and Beef Cattle	Intl.	SN14/42464	Entered National Phase
Stress and Inflammation Biomarker Urine Panel for Dairy Cows and Beef Cattle	US	14/904,274	Filed 1/11/16; response to restriction requirement due 2/17/18;
Wellness Panel for Companion Animals	US	SN 61/872,928	Converted to PCT 9/3/14
Wellness Panel for Companion Animals	US	14/916,068	US Natl Phased based on PCT/US14/53836; awaiting examination
Wellness Panel	US	SN 13/812,220	Office action response filed 8/24/17; response to office action due 2/8/18
Wellness Panel	US	61/367,486	Converted to PCT
Wellness Panel	PCT	PCT/US11/44786	US National Phase entered
Methods of modulating immune response and inflammatory response via administration of algal biomass	PCT	PCT/US16/18105	Filed: National stage filings due 8/16/17; applications filed in Brazil, EP and US
Nutritional support for animals via administration of an algal derived supplement	US	62/295,976	Application filed Feb 16, 2016; Claimed by PCT/US17/17906
Nutritional support for animals via administration of an algal derived supplement	PCT	PCT/US17/17906	Filed 2/15/17; ISR &WO received 5/27/17;
Nutritional Support for Humans Via Administration of Algal Derived Supplement	US Prov.	62/457,566	Filed 2/10/17; claimed by PCT/US17/17906
Algal-Derived Protein	US Prov.	62/467,984	Filed 3/17/17;
Methods of modulating immune response and inflammatory response via administration of algal biomass	US	SN 62,116,766	Filed Feb 16, 2015; Claimed by PCTUS16/18105 (filed 2/16/16)
Methods of modulating immune response and inflammatory response via administration of algal biomass	US	15/550,749	Filed 8/11/17; received filing receipt and notice of acceptance 10/16/17; awaiting first office action
Methods of modulating immune response and inflammatory response via administration of algal biomass	EU	EP16752918.9	Voluntary amendment to claims due 4/9/18;
Methods of modulating immune response and inflammatory response via administration of algal biomass	BR	1120170175991	Filed 8/16/17;

WellMetris

We have rights in certain patent applications and trademarks. The patent filings below are pertinent to the operation of the Wellness test, its constituent components and the methodology of the test panel.

Smartphone urinalysis device	US	SN 62 136,764	Filed March, 23, 2015; converted to PCT
Stress and Inflammation Biomarker Urine Panel for Dairy Cows and Beef Cattle	Intl.	SN14/42464	Entered National phase
Smartphone Enabled Urinalysis Devise, software and Test Platform	PCT	PCT/US16/23702	National stage applications filed in US, CA, EP, JP and MX
Smartphone Enabled Urinalysis Devise, software and Test Platform	US	15/560,989	US National phased based on PCT/US16/23707; filed 9/22/17; preliminary amendment filed 9/28/17; awaiting first office action
Smartphone Enabled Urinalysis Devise, software and Test Platform	CA	2979864	Application filed 09/14/2017; annuity Fee Due 03-23-2018; request for exam due 03-23-2021
Smartphone Enabled Urinalysis Devise, software and Test Platform	EU	EP167695572.5	Application Filed 10/10/2017; annuity fee due 03-23-2018
Smartphone Enabled Urinalysis Devise, software and Test Platform	JP	2017-549797	Application filed 09/19/2017; request for exam due 03/23/2019
Smartphone Enabled Urinalysis Devise, software and Test Platform	MX	MX/a/2017/012095	Filed 9/25/17

Sample Collection Device and Method for Urine and other Fluids	PCT	PCT/US/16/29725	National stage applications filed in US, CA, EP, JP and MX
Sample Collection Device and Method for Urine and other Fluids	US	15/569,376	US national phase of PCT/US2016/29725; filed 10/25/17; preliminary amendment filed 10/25/17; awaiting first office action
Sample Collection Device and Method for Urine and other Fluids	CA	2984152	Application filed 10/26/17; annuity fee due 4/28/18
Sample Collection Device and Method for Urine and other Fluids	EU	EP16787127.6	Application field 11/10/17; annuity fee due 4/28/18
Sample Collection Device and Method for Urine and other Fluids	JP	2017-556723	Application filed 10/27/17; request for exam due 4/28/19
Sample Collection Device and Method for Urine and other Fluids	MX	MX/a/2017/013898	Application filed 10/27/17

Regulation

ZIVO Algal Products & Derivatives

General Regulatory Framework

In the United States and in any foreign market we may choose to enter, our product(s) are subject to extensive governmental regulations.

In the United States, these laws, regulations and other constraints exist at the federal, state and local levels and at all levels of government in foreign jurisdictions. The majority of these regulations directly relate to (1) the formulation, clinical testing, manufacturing, packaging, labeling, distribution, sale and storage of our product(s) and (2) product claims and advertising, including claims and advertising by us, as well as claims and advertising by distributors for which we may be held responsible.

U.S. product classification

In the U.S., the formulation, testing, manufacturing, packaging, storing, labeling, promotion, advertising, distribution and sale of our product(s) are subject to regulation by various governmental agencies, primarily (1) the Food and Drug Administration ("FDA") and (2) the Federal Trade Commission ("FTC"). Our activities also are regulated by various agencies of the states and localities and foreign countries in which our product(s) are manufactured, promoted, distributed and sold. The FDA, in particular, regulates the formulation, manufacture and labeling of conventional foods, dietary ingredients and dietary supplements (or nutraceuticals).

The FDA is responsible for the oversight of all foods (including dietary supplements), drugs, cosmetics and medical devices in the United States. To the extent that we manufacture finished product(s) for sale to consumers (and in certain other limited circumstances where we sell our product as an ingredient), FDA regulations require us to comply with current good manufacturing practice ("cGMP") regulations for the preparation, packing and storage of dietary supplements. This is a complex series of regulations that have posed significant compliance challenges to the supplement industry. To the extent that we supply our product(s) as ingredients for the use in foods or nutraceuticals, we would be required to comply with cGMP regulations for foods, as well as the provisions of the Food Safety Modernization Act of 2011 which require all companies involved in the production of food and food ingredients to develop and implement a Hazard Analysis and Critical Control Point ("HACCP") program.

The Dietary Supplement Health and Education Act of 1994 (DSHEA") revised the provisions of the Federal Food, Drug and Cosmetic Act ("FFDCA") by recognizing "dietary supplements" as a distinct category of food and, we believe, is generally favorable to the dietary supplement industry. The legislation grandfathered, with some limitations, dietary ingredients that were on the market before October 15, 1994. A dietary supplement that contains a dietary ingredient that was not on the market before October 15, 1994 will require evidence of a history of use or other evidence of safety establishing that it is reasonably expected to be safe. To the extent that we offer for sale unique, proprietary ingredients we will be required to file with FDA evidence supporting the conclusion that we have a "reasonable expectation" that they will be safe for human consumption when used as directed. The FDA recently published an "Advance Notice of Proposed Rulemaking" which the nutraceutical industry believes will substantially increase the level of evidence required to satisfy the "reasonable expectation" standard.

DSHEA provides for specific nutritional labeling requirements for dietary supplements. DSHEA permits substantiated, truthful and non-misleading statements of nutritional support to be made in labeling, such as statements describing general well-being from consumption of a nutraceutical ingredient or the role of a nutrient or dietary ingredient in affecting or maintaining structure or function of the body. A company making a statement of nutritional support must possess adequate substantiating scientific evidence for the statement, disclose on the label that the FDA has not reviewed the statement and that the product is not intended to mitigate, treat, cure or prevent disease, and notify the FDA of the statement within 30 days after its initial use. To the extent we produce finished product for use by consumers as nutraceuticals, we will be required to comply with these provisions of DSHEA.

Labeling and advertising regulations

We may market one or more of our products as a conventional food or for use as an ingredient in conventional foods. Within the U.S., this category of products is subject to the Nutrition, Labeling and Education Act ("NLEA") and regulations promulgated under the NLEA. The NLEA regulates health claims, ingredient labeling and nutrient content claims characterizing the level of a nutrient in the product. The ingredients added to conventional foods must either be generally recognized as safe by experts ("GRAS") or be approved as food additives under FDA regulations.

The FTC, which exercises jurisdiction over the advertising of our product, has for years instituted enforcement actions against companies marketing supplements for alleged false, misleading or unsubstantiated advertising of some of their products. The FTC has specific guides for advertising claim substantiation as well as for the use of testimonials. As a general matter, companies making health related claims for their products or ingredients are required to possess well designed human clinical studies supporting such claims at the time they are made. Enforcement actions have often resulted in consent decrees and significant monetary payments by the companies involved. In addition, the FTC has increased its scrutiny of the use of testimonials which we have and may in the future utilize.

International regulations of our product(s)

In many foreign markets in which we may choose to offer our product(s) for sale, we may be required to obtain an approval, license or certification from the relevant country's ministry of health or comparable agency. This would hold true for jurisdictions such as Canada, the European Union, Japan, Australia and New Zealand. The approval process generally requires us to present each product and product ingredient to appropriate regulators for review of data supporting safety as well as substantiating any claims we may desire to make. We would also be required to comply with product labeling and packaging regulations that vary from country to country. Our failure to comply with these regulations could prevent our product(s) from being legally offered for sale.

California Proposition 65

California's Safe Drinking Water and Toxic Enforcement Act of 1986, also known as Proposition 65, provides that no person in the course of doing business shall knowingly discharge or release a chemical known to the state to cause cancer or reproductive toxicity into water or into land where such chemical passes or probably will pass into any source of drinking water, without first giving clear and reasonable warning. Among other things, the statute covers all consumer goods (including foods) sold in the State of California. Prop. 65 allows private enforcement actions (sometimes called "bounty hunter" actions). Reports indicate that over 100 such actions have been commenced annually over the past 3 years against companies in the nutraceutical industry (e.g., lead content of calcium, lead content of ginseng, PCB in fish oil) alleging that their products are contaminated with heavy metals or other compounds that would trigger the warning requirements of the Act. While we intend to take appropriate steps to ensure that any of our products that we may market will be in compliance with the Act, given the nature of this statute and the extremely low tolerance limits it establishes (well below federal requirements), there is a risk that we, our contracted producer or a licensee could be found liable for the presence of miniscule amounts of a prohibited chemical in our product. Such liability could be significant.

General

To the extent dictated by our research partners, we will produce research-only feedstock for chemical analysis, safety studies and efficacy studies compliant with applicable state and federal regulations. However, we will rely on our research partners to conduct their respective R&D programs in a manner compliant with applicable regulation and law. Once a product concept has been fully developed, we intend to manufacture that product, either internally or on a contract basis. In either case, we intend to adhere to all state and federal regulations relative to the safety and efficacy of the product application, as well as relevant regulations covering the safe and consistent manufacture of that product.

Compliance

During 2017, we continued our efforts to achieve GRAS (Generally Recognized As Safe) status for the algal biomass, intended for use in humans, poultry, dogs and cattle. We contracted a well-regarded FDA consultant to map out the strategy and manage the process of developing product specifications, safety testing, publication of results and convening a GRAS panel for human use. We anticipate this process to be completed in 2018. In April 2017, we entered into a Limited License Agreement ("Agreement") with NutriQuest, an animal nutrition company based in Cedar Rapids, Iowa, with the strategy expanded to accommodate a compliance track for swine and/or poultry species use as well.

As part of the effort, we contracted a number of well-regarded private and academic laboratories to establish a nutritional profile for the algal biomass, as well conduct various safety and toxicology tests required for the GRAS self-affirmation process. The tests, studies and validations will continue through of 2018 until the process is completed.

WellMetris

We are working to make the WellMetris testing systems compliant with existing FDA regulations and to that end have retained FDA counsel and a medical device consulting firm, which have advised us as to the most time and cost-efficient path to classification and approvals. This activity will continue upon availability of additional funding.

Research and Development

ZIVO

Research

Our algal culture has been subjected to product testing in its original form over several years, beginning in 2004. In spring of 2009, we undertook a research and development process with a view to fractioning the existing product into much smaller, concentrated groups of molecules with similar physical properties. These groups were then tested *in vivo* and *in vitro* with successful results noted in maintaining healthy cholesterol levels. A patent application describing a novel method of cholesterol regulation was submitted to the US Patent & Trademark Office in spring of 2010 and a PCT filing was submitted in February of 2011.

Since January 2012, we continue to develop our research programs internally and direct outside academic researchers, private laboratories or contract research organizations to conduct experiments, tests and studies on our behalf. We spent approximately $2,381,000 for the year ended December 31, 2017 on research and development, as compared to $789,000 in 2016. The resources were spent on external research, mainly to independent facilities involved in the analysis and validation of our bioactive compounds in various applications and animal models. To date, all of these amounts have been directly expensed as they have been incurred.

Beginning in March 2016, the Company has moved forward with the following R&D activities:

- We are continuing work on a large-scale bovine mastitis study utilizing samples validated *in vitro* by the principal researcher at the University of Wisconsin - Madison and samples processed and validated *in vivo* by other researchers in the fall of 2016.. The pre-pilot and pilot arms of this study have been completed and the results gained thus far may shorten the primary arm of this bovine study, which commenced in late spring 2017 with the preparation of testing samples and final study design. The primary arm of the study is expected to conclude in spring 2018, concurrently with isolation and characterization of the bioactive compounds.

- A study utilizing cadaver cartilage and joint tissue at the Comparative Orthopaedics Laboratory located at the University of Missouri showed positive early results for protective effects in canine joint health, using our natural bioactive compounds. The study will be repeated and expanded when capital funding is made available.

- A canine whole blood experiment was conducted at an international contract research organization to study the effects of our natural bioactive compounds on inflammatory cytokines and chemokines present in blood to assess whether a systemic or localized mechanism of action can be determined. Although the results trended in a positive direction, Company principals determined that a more definitive in vivo study would be more useful. Such study is expected to be conducted when capital funding is available.

- The ongoing elucidation and characterization of the natural bioactive compounds had undergone a data integrity review in early 2014. Further work to develop a more comprehensive understanding of the bioactives and developing a 3D model had been placed on hold since spring of 2014 pending available funding. In mid-March 2016, the Company re-activated the elucidation and characterization of the natural bioactive compounds as funding became available. The Center for Complex Carbohydrate Research at the University of Georgia was tasked with sample purification and preliminary analysis. Other laboratories were contracted to conduct bioassays to validate the bioactivity of the purified and isolated samples, with work ongoing at the close of 2016.

- Beginning in spring 2017, we contracted with the National Center for Natural Products Research at the University of Mississippi, the Boston Institute of Biotechnology, the Donald Danforth Plant Science Center, Elicityl SA, SBH Biosciences and other research facilities to accelerate the elucidation and characterization of the bioactive compounds present in the algal biomass, with the intent to converge these findings with the in vivo validation conducted for treatment of bovine mastitis, and present this body of work to Zoetis and effectively start the clock on the 90-day evaluation period.

- Beginning in fall 2016, we commenced a significant number of tests to determine the nutritional composition of the algal biomass, its toxicity, genetic mutagenicity, bacterial count and other safety measures for successive batches of biomass produced at AzCATI and subsequently, at Synthetic Genomics to establish consistent production and repeatability in anticipation of GRAS approvals. These tests form the basis for safety and stability claims as part of the requirement to meet GRAS standards.

- As mentioned previously, 2017 saw an increase in R&D spending and the active recruitment of algae growers in China and India. We engaged an outside consultant to advise us on outsourcing algae production and hired an experienced supply chain and operations manager to develop our internal and external organizational structures to support a global supply chain in anticipation of a market launch in mid to late 2018. In addition, we worked closely with our animal feed partner NutriQuest to conduct initial trials and analyses of a potential poultry feed ingredient, with good results. The FDA compliance effort is still underway and is expected to dovetail with product availability in mid to late 2018, pending available funding.

The purposes for these various tests and experiments are manifold: We are not only isolating bioactive molecules, but also testing the method of isolation and then validating that the isolated molecules retain their bioactivity across a select range of human and animal cell lines, and that these molecules exhibit no deleterious effects before they are introduced into humans or animals during *in vivo* studies. We must ensure that this does not occur occasionally, it is required for every production process, every safety validation process and every intended application, such as a canine dietary supplement that is mixed with food, as opposed to a canine dietary supplement that is administered in the form of a chewable caplet.

As of late 2017, as we enter production scale-up, we are required to provide cGMP protocols and Quality Assurance ("QA") protocols that show we can produce the algal biomass and/or the active ingredients safely, consistently and in defined quantities, and therefore rely on these same experiments and methods to substantiate our quality claims. These datasets form the basis for establishing the value of a license agreement. Therefore, every single license that we hope to issue requires its own data set and safety validation for the specific application being licensed. These datasets represent the core of the intellectual property that is being licensed.

Status of Culturing and Production

Independent of identifying the bioactive compound(s) or validating their bioactivity and safety is the process and method of growing and maintaining the algal culture that gives rise to the bioactive compound(s) in the first place. This culture and its growing environment were developed decades ago. However, the method was not commercially viable, and the Company has expended considerable resources to develop a single-species, high-volume and commercially viable production methodology.

We made the decision to spread product development risk, resulting in the creation of a product platform strategy whereby four different forms could be developed for future marketing across several categories and applications:

a) the raw algae biomass, which would naturally contain the beneficial compound(s); b) a more refined extraction which could be introduced into animal feed or supplements; c) the isolated natural molecule(s) which could be more appropriate for human consumption in food or supplements; and d) the synthetic version of any such natural molecule(s) which could be licensed to drug development companies or joint-ventured in a risk-sharing arrangement.

To that end, we contracted with several experts in the field to coordinate isolation of the different organisms present in the culture, grow each of them separately and then subject them to the same life-cycle stressors as the original culture. The stated goal was to grow algae in bulk as a direct source of micro-nutrition and feed ingredient for production animals, namely beef cattle and dairy cows, as well as companion animal dietary supplementation. The production capability would be licensed to others. Per the business model, we have no intention of fielding a finished product, but rather empowering licensees to strike supply agreements with larger, better-financed brand names or licensing directly with such brand names. There can be no assurance that commercially viable products will be developed, or that they can be successfully and profitably manufactured and marketed.

Over the course of 2013 and 2014, our contracted researchers were able to successfully isolate one or more algal species, scale up the production/output of the isolated species and still retain some of the key, desirable bioactive properties associated with the earlier, complex culture. Proof of concept growing techniques, including both pond and bioreactor modes, showed that our target algal specie can be grown in commercially viable quantities, and the harvest time was compressed from several months to several days' time. We are uncertain if we can grow biomass in sufficient tonnage for livestock feed, but we believe that the current production methods will allow us to satisfy demand for a more refined product introduced into animal feed and into human supplements.

In 2014, we tested the algal biomass and isolates derived from the aforementioned prototype growing facilities in dairy cows with successful results.

In 2015, we finalized development of Standard Operating Procedures ("SOP's") in order to draft contractual terms with contract growers domestically and abroad. The SOP's form the basis for current Good Manufacturing Practice ("cGMP") protocols to which contract growers and processors must adhere as part of the FDA's updated Food Safety Modernization Act of 2011 ("FSMA") requirements, regardless of country of origin. In early 2016, we contracted with a Florida-based algae grower to scale-up production in a commercial setting. Due to weather problems, including Hurricane Matthew, the grower was unable to successfully deliver the biomass required. To remedy the situation, we identified and began contract negotiations in late October with Synthetic Genomics, Inc., (SGI) which operates an algae production facility in Imperial Valley, California, and concluded a tolling agreement in late December, 2016. SGI will also convert and upgrade the SOPs to cGMP level specifications so that we can meet compliance requirements. We conducted experiments in post-processing, such as spray-drying centrifugal water extraction and other techniques to better understand feed and food handling requirements. We contracted the Burdock Group of Orlando, Florida in summer of 2016 to manage the compliance process on our behalf. During 2017, SGI scaled production up to 1 million liters, finishing a proof-of-concept for commercial sale.

Looking Forward

A significant portion of our research efforts have been directed towards identifying a candidate "class of compound" and one or more "active ingredients," as it relates to autoimmune and anti-inflammatory response. These are very broad categories and work is still required to fully describe the 3D structure of such compounds, as the actual structure is how the bioactivity exists and where the value is locked. One approach among several we've taken is to create synthetic homologs, and from them deduce the composition and 3D structure of the naturally bioactive compounds. In early 2014, we determined that the synthetic approach was not yielding the hoped-for results and halted that particular effort.

In mid-March 2016, we restarted the elucidation and characterization effort by contracting the Center for Complex Carbohydrate Research at the University of Georgia to begin sample purification, isolation and analyses, supported by bioassay validation conducted at several private labs.

Subject to the availability of sufficient funding, we estimate that we will, in fiscal 2018, be required to expend in excess of $3,000,000 on research and subsequent product development and manufacturing in order to complete the initiatives discussed herein. In addition to the activity in 2018, we plan to continue our research and development efforts as well as manufacturing in 2019 and beyond. These expenditures will need to be met from external funding sources as well as revenues we intend to receive. In the past, we have had difficulty raising funds from external sources. Thus, we may not be able to raise the funding required to continue our research and development activities. In the event that these sources are not available or adequate to meet our research needs, we will be unable to pursue our research activities, in which case our ability to substantiate the accumulated intellectual property with objective clinical support for its characterization, method of action and efficacy will continue to be impeded, thereby severely hindering our ability to generate licensing revenue (or otherwise commercialize our products) and adversely affect our operating results.

In the event that we are successful in raising the necessary capital, we will continue our current research program with our research partners, we will expand our investigations to include various experts and consultants on an as-needed basis and explore new product concepts and applications. Our current contracts with our research partners cover the following activities:

- Ongoing isolation and characterization of individual natural molecules from various production formats in sufficient quantities for downstream analyses, experiments, standards development, FDA compliance, cGMP and QA protocols, whether as the basis for synthetic compounds, or as a medical food or botanical drug

- Ongoing validation of samples *in vivo* and *in vitro* to substantiate efficacy and safety for each specific application or claim, i.e., bovine mastitis, poultry immune health, canine osteoarthritis, canine joint health, porcine respiratory/reproductive syndrome, etc., to boost value for each specific license

- Synthetic development/validation of individual molecules to boost value of licenses, likely to be conducted by others, either as licensees or joint venturers

- Ongoing validation of samples in vivo and in vitro for standards development, FDA safety compliance, cGMP and QA protocols

- Product development initiatives such as the joint development project with NutriQuest to develop a successful poultry feed ingredient; with other partners, to develop a protein enhancement ingredient for vegan drinks and smoothies as well as a human dietary supplement formulation

Ancillary development activities would occur in parallel with our research partners.

Development

WellMetris

WellMetris was initially focused on large-scale, programmatic applications of its testing and reporting platform. We are interested in supporting the intervention by wellness consultants or medical professionals in the lifestyle choices made by individuals covered by traditional health insurance plans, retiree medical benefits pools, employer-sponsored health initiatives and taxpayer-sponsored programs like Medicaid and the ACA (Affordable Care Act) or its proposed replacement. These interventions, which are typically pre-clinical, have been shown to be successful in delaying the onset of chronic diseases such as diabetes or cardiovascular problems. We believe that targeting asymptomatic individuals and focusing intervention efforts on these individuals may have a positive result for wellness programs, and potentially lower premiums and health claims.

At the close of 2015, the WellMetris product platform required additional prototype analyzers and additional dry chemistry reagent strips and cartridges to conduct pilot programs for potential customers, and to use the result of these pilot programs to help normalize data for the dry chemistry reagents as part of the FDA submission package.

In early 2016 we refocused product development on self-monitoring of individual health, primarily focused on those individuals who purchase dietary supplements, join health clubs or are otherwise actively pursuing a healthy lifestyle. This involves miniaturizing some aspects of our test cartridge concept and creating a mobile application, thereby eliminating the need for the analyzer device. This is a significant undertaking, which will not commence until we realize revenues from our Phase 1 product launch or attract additional capital funding. However, incremental steps were taken in 2016 to finalize 3D models of the sample collection device and the assay carrier in preparation for finite element testing of each component sometime in 2018, pending available funding.

In 2017, we redeveloped the sample collection device to reduce manufacturing costs and create an upscale look to the device while simplifying one-handed use. The exterior design of the reader/analyzer was also updated. The company filed a trademark for "WellMetrix" and purchased the ICANN domain www.wellmetrix.com and www.wellmetrix-bts.com and registered "WellMetrix" as an LLC in the state of Delaware.

Compliance with Environmental Laws

We believe that we are, in all material respects, in compliance with local, state, and federal environmental laws applicable to our production and waste disposal. The cost of this compliance activity to date has not been material, and has been absorbed within our general operations overhead.

Employees

As of December 31, 2017 we had three full-time employees, positioned in executive management. In addition, we have two part-time people acting on a consulting basis as our Chief Science Officer and our Director, Research & Development. We believe that our employee relations are good. No employee is represented by a union.

Available Information

Our website is http://zivobioscience.com/. Information on our website is not incorporated by reference into this Form 10-K and should not be considered part of this report or any other filing we make with the SEC. We file annual, quarterly and current reports, and other information with the Securities and Exchange Commission. Our filings with the SEC can be viewed at www.sec.gov.

Item 1A. Risk Factors.

There is substantial doubt about our ability to continue as a going concern. Our independent registered public accounting firm has issued an opinion on our consolidated financial statements which states that the consolidated financial statements were prepared assuming we will continue as a going concern and further states that our recurring losses from operations, stockholders' deficit and inability to generate sufficient cash flow to meet our obligations and sustain our operations raise substantial doubt about our ability to continue as a going concern.

We are materially dependent on external sources for continued funding. Unless and until we realize licensing and royalty revenues sufficient to cover our expenses, we will be reliant upon external sources to fund our continued operations. There is no guarantee that this funding will continue. If we are unable to raise additional funds, there will be a material adverse effect on our business, financial condition and results of operations.

We only have 700 million shares authorized for issuance. As of December 31, 2017, we had 141,306,061 shares outstanding. We also had contractual commitments to issue 315,073,306 additional shares as of December 31, 2017, consisting of 196,321,552 common shares issuable upon the conversion of convertible debentures and related accrued interest and 118,751,754 common shares issuable upon the exercise of outstanding warrants. This totals a potential 456,379,367 shares outstanding if all debentures were converted and warrants exercised. In order to increase the authorized shares to a higher number, we would need to amend our articles of incorporation, which would require shareholder approval. There is no guarantee that we will be able to obtain the shareholder approval necessary to amend our articles of incorporation to increase our authorized shares.

Our future success is dependent on our ability to establish strategic partnerships. We do not have resources to pursue the development, manufacturing and marketing of products on our own, and we will need to rely on third parties for some of these activities. There is no guarantee that we will be able to successfully establish strategic partnerships.

The ability to market our product is dependent upon the completion of proven, clinical research. While we are currently undergoing studies to further identify the active ingredients in our products, there is no guarantee that the research will successfully achieve this goal. If our current research does not return the results we expect, our business prospects will be materially and adversely affected.

Government regulation of our products may adversely affect sales. Nutraceutical and animal supplement products, although not subject to FDA approval, must follow strict guidelines in terms of production and advertising claims. Our ability to produce and successfully market our products is dependent upon adhering to these requirements. If we fail to comply with applicable government regulations concerning the production and marketing of our product, we could be subject to substantial fines and penalties, which would have a material adverse effect on our business.

We have a history of losses, we expect to continue to incur losses and we may not achieve or sustain profitability in the future. We have incurred losses in each fiscal year of our existence. We cannot assure you that we will reach profitability in the future or at any specific time in the future or that, if and when we do become profitable, we will sustain profitability. If we are ultimately unable to generate sufficient revenue to meet our financial targets, become profitable and have sustainable positive cash flows, investors could lose their investment.

Competition from current competitors and new market entrants could adversely affect us. We compete with a wide range of established companies in a variety of different markets, all of whom have substantially greater name recognition and resources than we do. We face or will face other specialized competitors if we are able to expand into new vertical markets. These competitors may be more efficient and successful than we are. If we fail to compete successfully, our operating results and financial condition will be materially adversely affected.

Changes in laws and/or regulations may cause our business to suffer. The future success of our business depends upon our ability to meet regulatory requirements for the sale of our products. Increased enforcement of existing laws and regulations, as well as any laws, regulations, or changes that may be adopted or implemented in the future, could limit our ability to market our products.

The loss of key employees and technical personnel or our inability to hire additional qualified personnel could have a material adverse effect on our business. Our success depends in part upon the continued service of our senior management personnel. Our success will also depend on our future ability to attract and retain highly qualified technical, managerial and marketing personnel. The market for qualified personnel has historically been, and we expect that it will continue to be, intensely competitive. We cannot assure you that we will continue to be successful in attracting or retaining such personnel. The loss of certain key employees or our inability to attract and retain other qualified employees could have a material adverse effect on our business.

We could incur substantial costs as a result of any claim of infringement of another party's intellectual property rights. In recent years, there has been significant litigation in the U.S. and elsewhere involving patents and other intellectual property rights. Companies are increasingly bringing and becoming subject to suits alleging infringement, misappropriation or other violations of patents, copyrights, trademarks, trade secrets or other intellectual property rights. These risks have been amplified by an increase in the number of third parties whose sole or primary business is to assert such claims. We could incur substantial costs in prosecuting or defending any intellectual property litigation. Additionally, the defense or prosecution of claims could be time-consuming and could divert our management's attention away from the execution of our business plan.

We cannot be certain that our products do not infringe the intellectual property rights of third parties. Claims of alleged infringement or misappropriation could be asserted against us by third parties in the future. We cannot be sure that we would prevail against any such asserted claim.

Moreover, any settlement or adverse judgment resulting from a claim could require us to pay substantial amounts or obtain a license to continue to use the technology that is the subject of the claim, or otherwise restrict or prohibit our use of the technology. We cannot assure you that we would be able to obtain a license from the third patty asserting the claim on commercially reasonable terms, that we would be able to develop alternative technology on a timely basis, or that we would be able to obtain a license to use a suitable alternative technology to permit us to continue offering, and our customers to continue using, our affected products or technology. In addition, we may be required to indemnify our customers for third-party intellectual property infringement claims, which would increase the cost to us. An adverse determination could also prevent us from offering our products or services to others. Infringement claims asserted with or without merit against us may have an adverse effect on our business, financial condition and results of operations.

If we are required to make substantial payments or undertake any of the other actions noted above as a result of any intellectual property infringement claims against us or any obligation to indemnify our customers for such claims, such payments or costs could have a material adverse effect upon our business and financial results. Even if we are not a party to any litigation between a customer and a third party, an adverse outcome in any such litigation could make it more difficult for us to defend our technology in any subsequent litigation in which we are a named party. Moreover, such infringement claims with or without merit may harm our relationships with our existing customers and may deter others from dealing with us.

We may not be able to adequately protect our intellectual property rights and efforts to protect them may be costly and may substantially harm our business. Our ability to compete effectively is dependent in part upon our ability to protect our intellectual property rights. While we hold one issued patent and pending patent applications covering certain elements of our technology, these patents, and, more generally, existing patent laws, may not provide adequate protection for portions of the technology that are important to our business. In addition, our pending patent applications may not result in issued patents.

U.S. patent, copyright, trademark and trade secret laws offer us only limited protection and the laws of some foreign countries do not protect proprietary rights to the same extent. Accordingly, defense of our trademarks and proprietary technology may become an increasingly important issue as we seek to expand our product development into countries that provide a lower level of intellectual property protection than the U.S. Policing unauthorized use of our trademarks and technology is difficult and the steps we take may not prevent misappropriation of the trademarks or technology on which we rely. If competitors are able to use our trademarks or technology without recourse, our ability to compete would be harmed and our business would be materially and adversely affected.

We may elect to initiate litigation in the future to enforce or protect our proprietary rights or to determine the validity and scope of the rights of others. That litigation may not be ultimately successful and could result in substantial costs to us, the reduction or loss in intellectual property protection for our technology, the diversion of our management's attention and harm to our reputation, any of which could materially and adversely affect our business and results of operations.

We do not anticipate paying any dividends on our common stock. We do not anticipate paying any cash dividends on our common stock in the foreseeable future. If we do not pay cash dividends, you could receive a return on your investment in our common stock only if the market price of our common stock has increased when you sell your shares.

Substantial future sales of our common stock in the public market could cause our stock price to fall. Sales of substantial amounts of our common stock in the public market, or the perception that these sales could occur, could cause the market price of our common stock to decline and impede our ability to raise capital through the issuance of additional equity securities. We have outstanding warrants and convertible debt that may result in substantially more outstanding shares, which could cause the price of our common stock to decline.

Sales Risk – WellMetris products. We have not finished developing our products or sold any products. We have only begun test marketing. We cannot be assured that there is a sufficient market demand for our products. In addition, while we are actively pursuing the relationships necessary to begin manufacturing and marketing the Wellness Tests, we have not yet finalized agreements with potential business partners, including third-party resellers, labs or distributors of the Wellness Tests. Failure to secure these critical alliances on reasonable terms could negatively impact us, our business and future plans.

Dependence on Manufacturers. We do not own or operate, and currently do not plan to own or operate, manufacturing facilities for production of tests or devices which are critical to the successful operation of the business. We plan to target manufacturers and to form alliances for the mass production of our products, but we have no assurance that such alliances will be established. Furthermore, once we enter into such relationships, we may not have sufficient long-term agreements with any third-party manufacturers to ensure adequate supply and price controls. This may result in delays, quality control issues, additional expenses, and failure to meet demand or other customer obligations or needs.

Failure of Manufacturers to Meet Design Specifications. The success of our products is contingent upon one or more third parties manufacturing products according to design specifications. In practice, this is difficult to enforce and guarantee. As a result, we may never realize the expected efficiency, quality or sensitivity of our products and, as a result, may be required to continue research and development with another manufacturer. If a joint venture partner or contractor fails to meet design specifications, we will experience delays in commencing operations or delays in fulfilling orders in the future. Such delays could have a material adverse impact on our financial condition.

Item 1B. Unresolved Staff Comments.

Not required for smaller reporting companies.

Item 2. Facilities.

We have leased 500 square feet in Bloomfield Hills, Michigan and 2,000 square feet in Keego Harbor, Michigan on a month to month basis to serve as the headquarters of our company. The monthly rent is $4,500.

Item 3. Legal Proceedings.

From time to time we are involved in litigation incidental to our business.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information

Our common stock is quoted on the OTC Market ("OTCQB") administered by the Financial Industry Regulatory Authority under the symbol "ZIVO." The following table sets forth the range of high and low bid information as reported on the OTCQB by quarter for the last two fiscal years. These quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not represent actual transactions.

Year ended December 31, 2016	**HIGH**	**LOW**
First Quarter	$ 0.09	$ 0.04
Second Quarter	0.09	0.05
Third Quarter	0.07	0.04
Fourth Quarter	0.12	0.05
Year ended December 31, 2017	**HIGH**	**LOW**
First Quarter	$ 0.12	$ 0.07
Second Quarter	0.09	0.06
Third Quarter	0.10	0.06
Fourth Quarter	0.14	0.07

As of December 31, 2017 we had 145 shareholders of record.

We have not paid any dividends on our common stock during the last two fiscal years, due to our need to retain all of our cash for operations. We do not anticipate paying any cash dividends on our common stock for the foreseeable future.

Recent Sales of Unregistered Securities.

During the three months ended March 31, 2017, we issued 450,000 shares of common stock valued at $36,000 in connection with $1,000,000 of convertible debt financings in the first quarter.

During the three months ended June 30, 2017, we issued 1,875,000 shares of common stock valued at $131,250 in connection with an Investment Banking, Merger and Acquisition (M&A) and Corporate Advisory firm.

During the three months ended September 30, 2017, we issued 1,285,714 shares of common stock valued at $90,000 in connection with $2,500,000 of convertible debt financings in the third quarter.

During the three months ended December 31, 2017, we issued 200,000 shares of common stock valued at $18,000 in connection with $500,000 of convertible debt financings in the fourth quarter.

The Company believes that the foregoing transactions were exempt from the registration requirements under Rule 506 of Regulation D promulgated under the Securities Act of 1933, as amended ("the Act") or Section 4(2) under the Act, based on the following facts: in each case, there was no general solicitation, there was a limited number of investors, each of whom was an "accredited investor" (within the meaning of Regulation D under the "1933 Act", as amended) and/or was (either alone or with his/her purchaser representative) sophisticated about business and financial matters, each such investor had the opportunity to ask questions of our management and to review our filings with the Securities and Exchange Commission, and all shares issued were subject to restrictions on transfer, so as to take reasonable steps to assure that the purchasers were not underwriters within the meaning of Section 2(11) under the 1933 Act.

Item 6. Selected Financial Data.

Not required for smaller reporting companies.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

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. During 2017, we successfully raised capital to fund operations and research for 2017 and into the beginning of 2018. 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.

Results of Operations for Years Ended December 31, 2017 and 2016

Sales

We had no sales for the years ended December 31, 2017 and 2016.

Cost of Sales

The Company had no Costs of Sales for the years ended December 31, 2017 and 2016. As noted above, we ceased all sales activities as of January 2012.

Selling Expenses

The Company had no Selling Expenses for the years ended December 31, 2017 and 2016. As noted above, we ceased all sales activities as of January 2012.

General and Administrative Expenses

General and administrative expenses increased approximately $1,296,000 to $2,128,000 in 2017 compared to $832,000 in 2017. General and administrative expenses increased in the following areas: an increase in salaries of $1,229,000, of which is $1,220,000 is due to an award of 10 million warrants to the CEO and 6 million to the CFO (a non-cash expense) and $9,000 is due to the hiring of the Vice President - Operations, an increase of $61,000 web-site development and public relations, an increase of $13,000 in insurance expense and an increase of $9,000 of office expenses, offset by a reduction of depreciation of $7,000 (a non-cash expense), a reduction of $4,000 in travel expenses and a decrease in WellMetris operating expenses of $4,000. Our increase in general and administrative expenses was due to increased activity.

Professional Fees and Consulting Expense

Professional fees and consulting expense decreased approximately $48,000 to $1,821,000 in 2017 compared to $1,869,000 in 2016. Professional fees and consulting expense decreased in 2017 due to the following: an increase in Board of Director Fees of $97,000 (of the total expense of $207,000 in 2017 related to these activities, $167,000 was a non-cash expense in the form of warrants issued for services rendered), an increase in accounting fees of $24,000 an increase in legal fees of $8,000, offset by a decrease of $177,000 in the use of an investment banking firm, an investor relations firm and the use of financial consultants (of the total expense of $1,208,000 in 2017 related to these activities, $1,087,000 was a non-cash expense in the forms of stock and warrants issued for services rendered).

Research and Development Expenses

Research and development expenses increased approximately $1,592,000 to $2,381,000 in 2017 compared to $789,000 in 2016 for the comparable period.

Of these expenses, approximately $2,294,000 and $529,000 for the years ended December 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 $1,765,000 from the prior period is due to the prioritization of Zivo research and the greater availability of cash. We expect external research and development to increase in 2018 as we pursue additional external trials, subject to the availability of sufficient funding, which we do not currently have.

With respect to our WellMetris, LLC subsidiary, we incurred approximately $87,000 and $260,000 in research and development expenses for the year ended December 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 $173,000 from the prior period is due to prioritization of Zivo research.

Other Income (Expenses)

During the year ended December 31, 2017, we recorded approximately $406,000 relating to "Loss on Extinguishment of Debt" relating to the March 1, 2017 restructuring of the Loan Agreements with HEP Investments, LLC, which represented the remaining unamortized discount as of March 1, 2017.

Other income for the year ended December 31, 2017 was $7,000 for the year ended December 31, 2017. This amount represented a settlement of accounts payable from a vendor dispute.

During the year ended December 31, 2017, we recorded approximately $575,000 relating to amortization of bond discount as compared to $1,376,000 for the year ended December 31, 2016, an $801,000 decrease. The decrease is due to the March 1, 2017 restructuring of the Loan Agreements with HEP Investments, LLC. The discounts are amortized on a straight-line basis through September 30, 2018.

During the year ended December 31, 2017, we recorded approximately $690,000 in amortization of deferred finance costs as compared to $27,000 in 2016. The increase of $663,000 is due primarily to additional funding received in 2017 which incurred finance costs of approximately $4,275,000 which are amortized on a straight-line basis through September 30, 2018.

During the year ended December 31, 2017, we recorded approximately $216,000 in finance costs as compared to $108,000 in 2016. The increase of $108,000 was due to an increase in convertible debt funding in 2017 as compared with 2016.

During the year ended December 31, 2017, we recorded approximately $144,000 in finance costs paid in stock and warrants as compared to $72,000 in 2016. The increase of $72,000 was due to an increase in convertible debt funding in 2017 as compared to 2016.

During the year ended December 31, 2017, we recorded approximately $1,684,000 in interest expense as compared to $986,000 in 2016. The increase of $698,000 is due to the increased indebtedness carried by the Company incurred in 2017 as compared to 2016.

Liquidity and Capital Resources

The consolidated financial statements contained in this 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. 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 likely suffer a total loss of your investment in our company.

As of February 20, 2018, we had cash in the bank of $106,000. We have incurred significant net losses since inception, including a net loss of approximately $10,038,000 during the year ended December 31, 2017. We have, since inception, consistently incurred negative cash flow from operations. During the year ended December 31, 2017, we incurred negative cash flows from operations of approximately $4,243,000. As of December 31, 2017, we had a working capital deficiency of $4,228,525 and a stockholders' deficiency of $16,304,492. Although we recently raised a limited amount of capital, we have a near term need for significant additional capital.

During the year ended December 31, 2017, our operating activities used approximately $4,243,000 in cash, compared with $2,543,000 in cash during the comparable prior period. The approximate $1,700,000 increase in cash used by our operating activities was due primarily to the following (all of which are approximated): a $3,979,000 increase in net loss, an increase of $1,314,000 in stock and warrants issued for services rendered (a non-cash expense item), a $663,000 increase in amortization of deferred financing costs (a non-cash expense item), a $406,000 increase in loss on extinguishment of debt, a $323,000 change (decrease) in accounts payable, a $49,000 change in due to related party (decrease), a $332,000 decrease in accrued liabilities, offset by a $808,000 decrease in amortization and depreciation (a non-cash expense item), and a $1,000 change (increase) in prepaid expenses.

During the years ended December 31, 2017 and 2016, there were no investing activities.

During the years ended December 31, 2017 and 2016, our financing activities generated $4,053,000 and $3,034,000 in cash, respectively. The difference of $1,019,000 was primarily related to a net increase of proceeds of $750,000 from issuance of convertible debentures (with loans payable converted into convertible debentures), an increase of $239,000 in net loans from related parties and a decrease in deferred finance costs of $30,000.

During the fourth quarter of 2011, we entered into an agreement with HEP Investments, LLC ("Lender") under which Lender 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, Lender had advanced a total of approximately $16.7 million pursuant to this arrangement. Lender's convertible notes are secured by all our assets.

Although we raised a limited amount of capital during 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.

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 7A. Quantitative and Qualitative Disclosures about Market Risk.

Not required for smaller reporting companies.

Item 8. Financial Statements and Supplementary Data.

Reference is made to the Consolidated Financial Statements, the Reports thereon, and the Notes thereto, commencing on page F-1 of this report, which Consolidated Financial Statements, Reports, Notes and data are incorporated herein by reference.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures. Based on their evaluation as of December 31, 2017, our Chief Financial Officer has 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, as amended (the "Exchange Act"), were effective as of the end of the period covered by this report to ensure that the information required to be disclosed by us in this Annual Report on Form 10-K was recorded, processed, summarized and reported within the time periods specified in the SEC's rules and instructions for Form 10-K. Our disclosure controls and procedures are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Financial Officer, to allow timely decisions regarding required disclosure.

(b) Management's Annual Report on Internal Control Over Financial Reporting. Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting as defined by Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2017. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control-Integrated Framework*. Based on our assessment of those criteria, management believes that the Company maintained effective internal control over financial reporting as of December 31, 2017.

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

This Management's report is not deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section, unless we specifically state in a future filing that such report is to be considered filed.

(c) Changes in Internal Control over Financial Reporting. There were no changes in our internal control over financial reporting (as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) during the year ended December 31, 2016 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Directors and Executive Officers

Incorporated by reference to the Registrant's 2018 Proxy Statement to be filed within 120 days after the Registrant's fiscal year end.

Code of Ethics

We have adopted a Code of Ethics and Business Conduct that defines the standard of conduct expected of our officers, directors and employees. We will upon request and without charge provide a copy of our Code of Ethics. Requests should be directed to Principal Accounting Officer, Zivo Bioscience, Inc., 2804 Orchard Lake Road, Suite 202, Keego Harbor, MI 48320.

Item 11. Executive Compensation

Incorporated by reference to the Registrant's 2018 Proxy Statement to be filed within 120 days after the Registrant's fiscal year end.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

Incorporated by reference to the Registrant's 2018 Proxy Statement to be filed within 120 days after the Registrant's fiscal year end.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Incorporated by reference to the Registrant's 2018 Proxy Statement to be filed within 120 days after the Registrant's fiscal year end.

Item 14. Principal Accountant Fees and Services

Incorporated by reference to the Registrant's 2018 Proxy Statement to be filed within 120 days after the Registrant's fiscal year end.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

(a) (1) (2) *Financial Statements*.

Financial Statements are listed in the Index to Consolidated Financial Statements on page F-1 of this report.

All schedules have been omitted because they are not applicable or the required information is included in the Consolidated Financial Statements or Notes thereto.

(3) *Exhibits*.

The Exhibit Index and required Exhibits immediately following the Signatures to this Form 10-K are filed as part of, or hereby incorporated by reference into, this Form 10-K.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ZIVO BIOSCIENCE, INC.

Date: February 21, 2018

By: */s/ Philip M. Rice II*
Philip M. Rice II
Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: */s/Andrew Dahl*
Andrew Dahl,
Principal Executive Officer
CEO, President
February 21, 2018

By: */s/ Philip M. Rice II*
Philip M. Rice II
Principal Financial Officer,
Chief Financial Officer, Director
February 21, 2018

By: */s/Christopher Maggiore*
Christopher Maggiore,
Director
February 21, 2018

By: */s/Nola Masterson*
Nola Masterson,
Director
February 21, 2018

By: */s/John Payne*
John Payne,
Director
February 21, 2018

By: */s/Robert Rondeau*
Robert Rondeau,
Director
February 21, 2018

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders

ZIVO BIOSCIENCE, INC. AND SUBSIDIARIES

Opinion on the Consolidated financial statements

We have audited the accompanying consolidated balance sheets of ZIVO Bioscience, Inc. and subsidiaries (the "Company") as of December 31, 2017 and 2016, the related consolidated statements of operations, stockholders' deficiency, and cash flows, for each of the two years in the period ended December 31, 2017, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2016, and the results of their operations and their cash flows for each of the two years in the period ended December 31, 2017, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 2 to the consolidated financial statements, the Company has incurred significant operating losses for the years ended December 31, 2017 and 2016 and, as of December 31, 2017, has a significant working capital and stockholders’ deficiency. These factors raise substantial doubt about the Company’s ability to continue as a going concern. Management’s plans regarding those matters are also described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Wolinetz, Lafazan & Company, P.C.
WOLINETZ, LAFAZAN & COMPANY, P.C.

We have served as the Company's auditor since 2004.
Rockville Centre, NY
February 21, 2018

ZIVO BIOSCIENCE, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET

ASSETS	December 31, 2016	December 31, 2017
CURRENT ASSETS:		
Cash	$ 506,986	$ 317,135
Prepaid Expenses	13,437	15,143
Total Current Assets	520,423	332,278
PROPERTY AND EQUIPMENT, NET	18,750	-
OTHER ASSETS:		
Deferred Finance Costs, net	198,119	3,877,801
TOTAL ASSETS	$ 737,292	$ 4,210,079
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Accounts Payable	$ 666,365	$ 541,710
Due to Related Party	319,234	475,834
Loans Payable, Related Parties	245,979	394,019
Convertible Debentures Payable, less discount of $500,490 and $-0- at December 31, 2016 and 2017, respectively	6,886,710	1,490,000
Accrued Interest	2,659,574	1,649,240
Accrued Liabilities – Other	404,618	10,000
Total Current Liabilities	11,182,480	4,560,803
LONG TERM LIABILITIES:		
Convertible Debenture Payable, less discount of $73,953 and $458,072 at December 31, 2016 and 2017, respectively	3,176,047	15,953,768
Total Long-Term Liabilities	3,176,047	15,953,768
TOTAL LIABILITIES	14,358,527	20,514,571
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' DEFICIT:		
Common stock, $.001 par value, 700,000,000 shares authorized; 136,745,347 and 141,106,061 issued and outstanding at December 31, 2016 and 2017, respectively	136,745	141,107
Additional Paid-In Capital	40,016,059	47,366,814
Accumulated Deficit	(53,774,039)	(63,812,413)
Total Stockholders' Deficit	(13,621,235)	(16,304,492)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 737,292	$ 4,210,079

The accompanying notes are an integral part of these financial statements

ZIVO BIOSCIENCE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

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	For the year ended December 31, 2016	For the year ended December 31, 2017
REVENUES:	$ -	$ -
COSTS AND EXPENSES:		
General and Administrative	832,239	2,127,979
Professional Fees and Consulting Expense	1,869,234	1,820,985
Research and Development	788,971	2,381,222
Total Costs and Expenses	3,490,444	6,330,186
LOSS FROM OPERATIONS	(3,490,444)	(6,330,186)
OTHER INCOME (EXPENSE):		
Loss on Extinguishment of Debt	-	(406,482)
Other Income	-	7,394
Amortization of Bond Discount	(1,376,182)	(574,716)
Amortization of Deferred Finance Costs	(26,813)	(690,079)
Financing Costs	(108,000)	(216,000)
Finance Costs Paid in Stocks and Warrants	(72,000)	(144,000)
Interest Expense – Related Parties	(950,698)	(1,544,405)
Interest Expense	(35,490)	(139,900)
Total Other Income (Expense)	(2,569,183)	(3,708,188)
NET INCOME (LOSS)	$ (6,059,627)	$ (10,038,374)
BASIC AND DILUTED LOSS PER SHARE	$ (0.05)	$ (0.07)
WEIGHTED AVERAGE BASIC AND DILUTED SHARES OUTSTANDING	133,844,254	139,243,126

The accompanying notes are an integral part of these financial statements

ZIVO BIOSCIENCE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIENCY
FOR THE PERIOD JANUARY 1, 2016 THROUGH DECEMBER 31, 2017

	Common Stock		Additional Paid in	Accumulated	
	Shares	Amount	Capital	Deficit	Total
Balance, January 1, 2016	132,156,776	$ 132,157	$ 38,085,266	$ (47,714,412)	$ (9,496,989)
Issuance of warrants to board of directors	-	-	69,712	-	69,712
Issuance of warrants for services	-	-	1,116,444	-	1,116,444
Issuance of warrants for services – related party	-	-	15,601	-	15,601
Issuance of common stock for services	3,500,000	3,500	171,500	-	175,000
Discounts on issuance of 11% convertible debentures	-	-	106,693	-	106,693
Warrants issued for financing costs	-	-	99,931	-	99,931
Common stock issued for financing costs	1,088,571	1,088	70,912	-	72,000
Settlement of Litigation – related party	-	-	280,000	-	280,000
Net income	-	-	-	(6,059,627)	(6,059,627)
Balance, December 31, 2016	136,745,347	$ 136,745	$ 40,016,059	$ (53,774,039)	$ (13,621,235)
Issuance of warrants to board of directors	-	-	166,668	-	166,668
Issuance of warrants for services	-	-	1,086,120	-	1,086,120
Issuance of warrants for services – related party	-	-	1,234,991	-	1,234,991
Issuance of common stock for services	1,875,000	1,875	129,375	-	131,250
Issuance of common stock for settlement of litigation	250,000	250	22,250	-	22,500
Common stock issued on conversion of 11% Convertible Debt	300,000	300	29,700		30,000
Discounts on issuance of 11% convertible debentures	-	-	264,826	-	264,826
Warrants issued for financing costs	-	-	4,274,761	-	4,274,761
Common stock issued for financing costs	1,935,714	1,937	142,064	-	144,001
Net loss	-	-	-	(10,038,374)	(10,038,374)
Balance, December 31, 2017	141,106,061	$ 141,107	$ 47,366,814	$ (63,812,413)	$ (16,304,492)

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

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

	For the year ended December 31, 2016	For the year ended December 31, 2017
Cash Flows from Operating Activities:		
Net Loss	$ (6,059,627)	$ (10,038,374)
Adjustments to reconcile Net Loss to net cash used in operating activities:		
Stocks and warrants issued for services rendered	1,291,444	1,217,369
Issuance of warrants for services – related party	15,601	1,234,992
Warrants issued for Directors' Fees	69,713	166,668
Loss on Extinguishment of Debt	-	406,482
Stocks and warrants issued for financing costs	72,000	144,000
Amortization of deferred finance costs	26,813	690,079
Amortization of bond discount	1,376,181	574 ,716
Depreciation expense	25,000	18,750
Changes in assets and liabilities:		
(Increase) in prepaid expenses	(1,096)	(1,705)
(Decrease) in accounts payable	(448,061)	(124,656)
Increase in due to related party	108,001	156,600
Increase in accrued liabilities	980,558	1,312,188
Net Cash (Used) in Operating Activities	(2,543,473)	(4,242,891)
Cash Flows from Investing Activities:		
Net Cash (Used) in Investing Activities	-	-
Cash Flow from Financing Activities:		
Proceeds from (payments of) loans payable, related parties	(91,130)	148,040
Deferred Finance Costs	(125,000)	(95,000)
Proceeds from issuance of 11% convertible debentures	3,250,000	4,000,000
Net Cash Provided by Financing Activities	3,033,870	4,053,040
Increase (Decrease) in Cash	490,397	(189,851)
Cash at Beginning of Period	16,589	506,986
Cash at End of Period	$ 506,986	$ 317,135
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the period for:		
Interest	$ -	$ -
Income taxes	$ -	$ -

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

Supplemental Schedule of Non-Cash Investing and Financing Activities:

For the Year Ended December 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 for settlement of litigation (see Note 12 – Settlement of Litigation – Related Party).

During the quarter ended September 30, 2017, the Company recorded $155,065 in discounts on 11% convertible debentures.

During the quarter ended September 30, 2017, a related party, 11% Noteholder converted $30,000 of convertible debt into 300,000 shares of the Company's common stock

During the quarter ended December 31, 2017, the Company recorded $39,373 in discounts on 11% convertible debentures.

For the Year Ended December 31, 2016:

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

During the quarter ended June 30, 2016, the Company recorded $17,439 in discounts on 11% convertible debentures.

During the quarter ended September 30, 2016, the Company recorded $24,218 in discounts on 11% convertible debentures, and issued 900,000 common stock warrants, valued at $50,371 as Deferred Finance Costs. These warrants are exercisable at $.10 per share and expire five (5) years from the date of issuance.

During the quarter ended December 31, 2016, the Company recorded $15,407 in discounts on 11% convertible debentures, and the Company issued 975,000 common stock warrants, valued at $49,560 as Deferred Finance Costs. These warrants are exercisable at $.10 per share and expire five (5) years from the date of issuance. In addition, the Company reduced its 11% Convertible Debt, due to a related party by $280,000 to offset an award received in settlement of litigation against the related party.

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

NOTE 1 – DESCRIPTION OF BUSINESS

The business model of Zivo Bioscience, Inc. and Subsidiaries (Health Enhancement Corporation, HEPI Pharmaceuticals, Inc., WellMetris, LLC, and Zivo Biologic, Inc.) (collectively the "Company") is as follows: 1) to derive future income from licensing and selling natural bioactive ingredients derived from their proprietary algae cultures to animal, human and dietary supplement and medical food manufacturers (currently, the Company's focus is on research and identification of its bioactive ingredients and is not currently selling its product commercially), and 2) developing, manufacturing, marketing, and selling tests that the Company believes will allow people to optimize their health and identify future health risks.

NOTE 2 – BASIS OF PRESENTATION

Going Concern

The Company had a net loss of $10,038,374 and $6,059,627 during the years ended December 31, 2017 and 2016, respectively.

In addition, the Company had a working capital deficiency of $4,228,525 and a stockholders' deficiency of $16,304,492 at December 31, 2017. These factors raise substantial doubt about the Company's ability to continue as a going concern.

There can be no assurance that sufficient funds required during the next year or thereafter will be generated from operations or that funds will be available from external sources such as debt or equity financings or other potential sources. The lack of additional capital resulting from the inability to generate cash flow from operations or to raise capital from external sources would force the Company to substantially curtail or cease operations and would, therefore, have a material adverse effect on its business. Furthermore, there can be no assurance that any such required funds, if available, will be available on attractive terms or that they will not have a significant dilutive effect on the Company's existing stockholders.

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

The Company is attempting to address its lack of liquidity by raising additional funds, either in the form of debt or equity or some combination thereof. There can be no assurances that the Company will be able to raise the additional funds it requires.

During the year ended December 31, 2017, the Company received proceeds of $4,000,000 from the issuance of 11% convertible debt.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The 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 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. The Company maintains cash and cash equivalents balances at financial institutions and are insured by the Federal Deposit Insurance Corporation up to $250,000. At times, balances in certain bank accounts may exceed the FDIC insured limits. Cash equivalents consist of highly liquid investments with an original maturity of three months or less when purchased. At December 31, 2017, the Company did not have any cash equivalents.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

Property and equipment consists of furniture and office equipment, 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, generally five to seven years. Repair and maintenance costs that do not improve service potential or extend the economic life of an existing fixed asset are expensed as incurred.

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 $690,079 and $26,813 for the years ended December 31, 2017 and 2016.

Revenue Recognition

We will recognize net product revenue when the earnings process is complete and the risks and rewards of product ownership have transferred to our customers, as evidenced by the existence of an agreement, delivery having occurred, pricing being deemed fixed, and collection being considered probable. We record pricing allowances, including discounts based on contractual arrangements with customers, when we recognize revenue as a reduction to both accounts receivable and net revenue.

Shipping and Handling Costs

Shipping and handling costs are expensed as incurred. For the years ended December 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 $2,381,222 and $788,971 for the years ended December 31, 2017 and 2016, respectively.

Income Taxes

The Company follows the authoritative guidance for accounting for income taxes. Deferred income taxes are determined using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry-forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The tax effects of temporary differences that gave rise to the deferred tax assets and deferred tax liabilities at December 31, 2017 and 2016 were primarily attributable to net operating loss carry forwards. Since the Company has a history of losses, and it is more likely than not that some portion or all of the deferred tax assets will not be realized, a full valuation allowance has been established. In addition, utilization of net operating loss carry-forwards is subject to a substantial annual limitation due to the “change in ownership” provisions of the Internal Revenue Code. The annual limitation may result in the expiration of net operating loss carry-forwards before utilization.

We have adjusted Deferred Tax Assets and Liabilities in accordance with the December 22, 2017 enactment of the U.S. Tax Cuts and Jobs Act. (See Note 11 – Income Taxes).

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 2017 and 2016, warrants were granted to employees, directors and consultants of the Company. As a result of these grants, the Company recorded compensation expense of $2,487,779 and $1,201,758 during the years ended December 31, 2017 and 2016 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:

	Year Ended December 31,	
	2017	2016
Expected volatility	175.05% to 177.58%	158.53% to 173.53%
Expected dividends	0%	0%
Expected term	5 years	5 years
Risk free rate	1.63% to 2.11%	.71% to 1.04%

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 its employee options.

Income (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 December 31, 2017, consisted of 196,097,025 common shares from convertible debentures and related accrued interest and 119,301,754 common shares from outstanding warrants. Potentially dilutive securities as of December 31, 2016, consisted of 111,086,456 common shares from convertible debentures and related accrued interest and 32,071,901 common shares from outstanding warrants. For 2017 and 2016, diluted and basic weighted average shares were the same, as potentially dilutive shares are anti-dilutive.

Advertising Costs

Advertising costs are charged to operations when incurred. There were no Advertising Costs during the years 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 has historically maintained cash balances at financial institutions which exceed the current Federal Deposit Insurance Corporation ("FDIC") limit of $250,000 at times during the year.

Reclassifications

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

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. Historically the Company has had no revenues. The Company has not determined the impact of adopting ASU 2014-09.

"Accounting for Leases(Topic 842)," This new lease accounting standard requires that we recognize leased assets and corresponding liabilities on the balance sheet and provide enhanced disclosure of lease activity.

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.

NOTE 4 – PROPERTY AND EQUIPMENT

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

	December 31, 2017	December 31, 2016
Furniture & fixtures	$ 20,000	$ 20,000
Equipment	80,000	80,000
	100,000	100,000
Less accumulated depreciation and amortization	(100,000)	(81,250)
	$ -	$ 18,750

Depreciation and amortization was $18,750 and $25,000 for the years ended December 31, 2017 and 2016, respectively.

NOTE 5 – DUE TO RELATED PARTY

As of December 31, 2017 and 2016, the Company owed HEP Investments, a noteholder and significant shareholder of the Company, had cumulative balances of $475,834 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 the years ended December 31, 2017 and 2016, the Company incurred finance costs related to these transactions of $216,000 and $108,000, respectively.

NOTE 6 – LOAN PAYABLE, RELATED PARTIES

Christopher Maggiore

As of December 31, 2017 and 2016, Mr. Christopher Maggiore, a director and a significant shareholder of the Company, had cumulative balances of $176,405 and $176,405, respectively. The Company has agreed to pay 11% interest on this loan. During the years ended December 31, 2017 and 2016, the Company recorded interest on this indebtedness of $25,966 and $20,396, respectively.

HEP Investments, LLC

In addition to amounts owed to HEP Investments pursuant to Convertible Debt (see Note 7), 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. 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.

NOTE 6 – LOAN PAYABLE, RELATED PARTIES (continued)

HEP Investments, LLC (continued)

During the year ended December 31, 2017, HEP Investments loaned the Company $4,148,040 (see Note 7 - Convertible Debt). Pursuant to the terms of our agreement with HEP Investments, $4,000,000 of these loans were converted to 11% Convertible Secured Promissory Notes, leaving a remaining balance of $217,614 as of December 31, 2017.

NOTE 7 – CONVERTIBLE DEBT

HEP Investments, LLC – Related Party

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, (ii) a Convertible Secured Promissory Note in the principal amount of $17,500,000 ("Note") (of which $16,441,839 has been advanced as of December 31, 2017), (iii) a Security Agreement, under which the Company granted the Lender a security interest in all of its assets, (iv) issue the Lender warrants to purchase 1,666,667 shares of common stock at an exercise price of $.12 per share (including a cashless exercise provision) which expired September 30, 2016 (from the original December 1, 2011 agreement), (v) enter into a Registration Rights Agreement with respect to all the shares of common stock issuable to the Lender in connection with the Loan transaction, in each case subject to completion of funding of the full $2,000,000 called for by the Loan Agreement,. and (vi) 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 year ended December 31, 2016, the Company recorded debt discounts, related to the $2,000,000 of Notes described previously (Note 6), in the amount of $106,693, to reflect the relative fair value of the related warrants as a reduction to the carrying amount of the convertible debt and an addition to additional paid-in capital. The Company is amortizing the debt discount over the term of the debt. Amortization of the debt discounts was $1,376,182 for the years ended December 31, 2016. The $2,000,000 of Notes are convertible at $.10 per share. As discussed in Note 12 – Settlement of Litigation – Related Party, the Lender reduced the principal of the debt by $280,000 (at $.12 per share) relating to a settlement with the Company.

On March 1, 2017, the Company and the Lender entered into the following documents: (i) an Eighth Amendment to the 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. As consideration for the extension of the maturity date to September 30, 2018, agreed to change the conversion price of the $12,441,839 Convertible Promissory Note from conversion prices ranging from $.10 to $.30 per share to $.10 per share. The total outstanding debt as of March 1, 2017 was $12,441,839. The amount includes unpaid principal of $9,147,200, 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 $12,441,839, 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 has agreed to pay a closing fee of 9% in connection with the Loan transaction (when the remaining funding is achieved), consisting of 5.4% in cash and 3.6% paid in shares of common stock valued at various amounts based on the timing of the funding and the related stock price.

NOTE 7 – CONVERTIBLE DEBT (continued)

HEP Investments, LLC – Related Party (continued)

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. As of December 31, 2017, the Company has not made any interest payments. The Company has received an extension of 3 months to pay the interest expense, to March 31, 2018.

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 12).

On July 14, 2017, the Lender converted $30,000 of the debt into 300,000 shares of the Company's common stock (at $.10 per share).

On July 19, 2017, the Board of Directors approved the issuance to Lender of a warrant to purchase 50 million shares of common stock at an exercise price of $.10 for a term of two years on the basis of $2.5 million funding through the 11% convertible note (at a conversion price of $.10). This warrant is in addition to 10% warrant coverage (five-year term) provided to Lender in connection with investments in convertible debt pursuant to existing agreements. The warrant was issued on November 20, 2017 as the related funding was complete. The warrant has a cashless exercise provision.

In an agreement dated July 21, 2017 ("Funding Agreement") between Lender and Strome Mezzanine Fund LP ("Participant"), the Participant agreed to fund a total of $1.5 million ("the committed funding"), through the Lender's 11% convertible note (at a conversion price of $.10). The Company also agreed to a "Right of First Refusal" (ROFR) with the Participant. The Company would give the Participant the ROFR to invest funds into the Company on the same terms and conditions ("Right of Participation") as negotiated by the Company with a third party, provided that the Right of Participation must be exercised within 10 days. Certain exclusions apply relating to the committed funding from parties unrelated to the Participant. This ROFR terminates on the third (3) anniversary of the Agreement. The Participant has an agreement with the Lender that upon the funding of the Participant's $1.5 million by November 20, 2017, the Lender would allocate a portion (50%) of the warrant to purchase 50 million shares of common stock at a conversion price of $.10 issued to the Participant on the $2.5 million funding through the 11% convertible note as discussed above. On July 24, 2017 the Lender funded $1,000,000 of the $2.5 million (of which $500,000 is from the Lender and $500,000 is from the Participant). Due to this additional funding, the Company issued to the Lender a $1,000,000, 11% convertible note (at a conversion price of $.10) and warrants to purchase 1,000,000 shares of common stock, at a conversion `price of $.10 for a term of five years. On September 25, 2017 the Lender funded an additional $1,000,000 of the $2.5 million (of which $500,000 is from the Lender and $500,000 is from the Participant). Due to this additional funding, the Company issued to the Lender a $1,000,000, 11% convertible note (at a conversion price of $.10) and warrants to purchase 1,000,000 shares of common stock, at a conversion price of $.10 for a term of five years.

On October 18, 2017 the Company, Lender and Participant entered into an Amended and Restated Registration Rights Agreement ("Amended Agreement"). The Company and Lender are party to that certain Registration Rights Agreement, dated December 1, 2011 ("Original Agreement") (filed as Exhibit 10.10 filed with the Company's 2011 Form 10-K filed on March 30, 2012). In the Funding Agreement (dated July 21, 2017) between Lender and Participant, the Participant agreed to fund a total of $1.5 million through the Lender's 11% convertible note (at a conversion price of $.10).

During the year ended December 31, 2017, the Company recorded debt discounts, related to $4,000,000 of Notes in the amount of $264,826 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 relative fair value of the debt discounts of $264,826 were calculated using the Black Scholes pricing model relying on the following assumptions: volatility 175.08 to 176.97%; annual rate of dividends 0%; discount rate 1.63% to 2.09%. The $4,000,000 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 $574,716 for the year ended December 31, 2017.

If the Lender converted the total principal of $16,411,839 convertible debt as of December 31, 2017, the total shares of common stock to be issued would be 177,380,045 shares, not including the related accrued and any future interest charges which may be converted into common stock.

NOTE 7 – CONVERTIBLE DEBT (continued)

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 of 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 restricted 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. The Company has not made the interest payment due on the first anniversary of the Note. The Company has not received any notice of default.

Other Debt

In September 2014, the Lender of the 1% convertible debentures 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 is not a substantial modification in accordance with ASC 470-50, "Modifications and Extinguishments."

Convertible debt consists of the following:

	December 31, 2017	December 31, 2016
1% Convertible notes payable, due January 2018	$ 240,000	$ 240,000
11% Convertible note payable – HEP Investments, LLC, a related party, net of unamortized discount of $458,072 and $574,443, respectively, due September 30, 2018 (See Note 13 - Subsequent Events)	15,953,768	8,572,757
11% Convertible note payable – New Lenders; placed by Paulson, due at various dates ranging from September 2018 to October 2018	1,250,000	1,250,000
	17,443,768	10,062,757
Less: Current portion	1,490,000	6,886,710
Long term portion	$ 15,953,768	$ 3,176,047

Amortization of debt discounts was $574,716 and $1,376,182 for the year ended December 31, 2017 and 2016, respectively.

NOTE 8 - STOCKHOLDERS' DEFICIENCY

Recapitalization

On November 8, 2017, the shareholders of the Company voted for Approval and adoption of an amendment to the Articles of Incorporation, as amended, to increase the number of authorized shares of common stock from 450,000,000 shares to 700,000,000 shares. The Certificate of Amendment to the Articles of Incorporation have been filed with the Secretary of State of Nevada.

NOTE 8 - STOCKHOLDERS' DEFICIENCY (continued)

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 vest 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.

On September 10, 2016, the board of directors granted to each of its Directors warrants to purchase 250,000 shares of common stock at an exercise price of $.05 per share. The warrants have a term of five years and vest immediately. The warrants were valued at $59,125 using the Black Scholes pricing model relying on the following assumptions: volatility 171.58%; annual rate of dividends 0%; discount rate 0.79%. In addition, each director is entitled to receive $10,000 for each annual term served.

On September 11, 2017, the board of directors granted to each of its Directors warrants to purchase 500,000 shares of common stock at an exercise price of $.07 per share. The warrants have a term of five years and vest immediately. The warrants were valued at $166,668 using the Black Scholes pricing model relying on the following assumptions: volatility 175.54%; annual rate of dividends 0%; discount rate 1.71%. In addition, each director is entitled to receive $10,000 for each annual term served.

The Company recorded directors' fees of $206,668 and $109,713 for the years ended December 31, 2017 and 2016, respectively, representing the cash fees and the value of the vested warrants described above.

Stock Based Compensation

On May 19, 2016, the Company issued warrants to purchase 14,500,000 shares of common stock at an exercise price of $.08 with a term of 5 years pursuant to agreements with financial consultants. The warrants were valued at $1,095,063 using the Black Scholes pricing model relying on the following assumptions: volatility 170.07%; annual rate of dividends 0%; discount rate 0.89%. On September 19, 2016, the Company issued 3,500,000 shares of common stock, valued at $175,000, to an investor relations consulting firm. On November 17, 2016, the Company issued warrants to purchase 400,000 shares of common stock at an exercise price of $.09 with a term of 5 years pursuant to agreements with financial consultants. The warrants were valued at $21,381 using the Black Scholes pricing model relying on the following assumptions: volatility 173.41%; annual rate of dividends 0%; discount rate 1.04%.

During the quarter 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 as a financial consultant. The warrants were valued at $33,148 using the Black Scholes pricing model relying on the following assumptions: volatility 175.05%; annual rate of dividends 0%; discount rate 1.87%.

During the quarter ended June 30, 2017, the Company entered into a Limited License Agreement ("License Agreement") with NutriQuest, LLC ("NutriQuest"). Pursuant to the agreement, the Company issued NutriQuest warrants to purchase 687,227 shares of common stock valued at $45,662 using the Black Scholes pricing model relying on the following assumptions: volatility 175.75%; annual rate of dividends 0%; discount rate 1.78%. The warrants are exercisable at $.08 per share and expire five (5) years from the date of issuance. The License Agreement provides that the Company is obligated to pay a termination fee to NutriQuest if the parties are unable to agree upon quality and volume delivered standards.

During the quarter ended September 30, 2017, the Company issued warrants to purchase 16,250,000 shares of common stock at an exercise price of $.06 to $.07 with a term of 5 years pursuant to agreements with financial consultants. The warrants were valued at $923,430 using the Black Scholes pricing model relying on the following assumptions: volatility 175.61% to 175.58%; annual rate of dividends 0%; discount rate 1.63% to 1.79%. Also, in the third quarter, the Company issued warrants to purchase 250,000 shares of common stock at an at an exercise price of $.07 with a term of 5 years pursuant to an agreement with a research consultant. The warrants were valued at $16,667 using the Black Scholes pricing model relying on the following assumptions: volatility 175.61%; annual rate of dividends 0%; discount rate 1.63%.

NOTE 8 - STOCKHOLDERS' DEFICIENCY (continued)

Stock Based Compensation (continued)

During the quarter ended December 31, 2017, the Company issued warrants to HEP Investments LLC (a related party) to purchase 50,000,000 shares of common stock at an exercise price of $.10 with a term of 5 years pursuant to an approval of the board of directors relating to the additional funding of $2.5 million through the 11% convertible note. See Note 7 - Convertible Debt. The warrants were valued at $4,274,761 using the Black Scholes pricing model relying on the following assumptions: volatility 175.10%; annual rate of dividends 0%; discount rate 2.09%. Also, in the fourth quarter, the Company issued warrants to purchase 600,000 shares of common stock at an exercise price of $.10 with a term of 5 years pursuant to an agreement as a financial consultant. The warrants were valued at $57,212 using the Black Scholes pricing model relying on the following assumptions: volatility 176.09%; annual rate of dividends 0%; discount rate 2.11%.

Stock Issuances

On January 27, 2016, in connection with the issuance of $250,000 in principal of an 11% Convertible Debenture, the Company issued 180,000 shares of common stock valued at $9,000 and a warrant to purchase 250,000 shares of common stock at an exercise price of $.10 per share. The warrants were valued at $8,018 using the Black Scholes pricing model relying on the following assumptions: volatility 158.1%; annual rate of dividends 0%; discount rate 0.84%. See Note 7 - Convertible Debt.

On March 1, 2016, in connection with the issuance of $750,000 in principal of an 11% Convertible Debenture, the Company issued 337,500 shares of common stock valued at $27,000 and a warrant to purchase 750,000 shares of common stock at an exercise price of $.10 per share. The warrants were valued at $44,371 using the Black Scholes pricing model relying on the following assumptions: volatility 167.7%; annual rate of dividends 0%; discount rate 0.85%. See Note 7 - Convertible Debt.

On May 16, 2016, in connection with the issuance of $250,000 in principal of an 11% Convertible Debenture, the Company issued 112,500 shares of common stock valued at $9,000 and a warrant to purchase 250,000 shares of common stock at an exercise price of $.10 per share. The warrants were valued at $18,746 using the Black Scholes pricing model relying on the following assumptions: volatility 170.1%; annual rate of dividends 0%; discount rate 0.79%. See Note 7 - Convertible Debt.

On July 26, 2016, in connection with the issuance of $250,000 in principal of an 11% Convertible Debenture, the Company issued 180,000 shares of common stock valued at $9,000 and a warrant to purchase 250,000 shares of common stock at an exercise price of $.10 per share. The warrants were valued at $11,523 using the Black Scholes pricing model relying on the following assumptions: volatility 170.3%; annual rate of dividends 0%; discount rate 0.75%. See Note 7 - Convertible Debt.

On August 25, 2016, in connection with the issuance of $250,000 in principal of an 11% Convertible Debenture, the Company issued 150,000 shares of common stock valued at $9,000 and a warrant to purchase 250,000 shares of common stock at an exercise price of $.10 per share. The warrants were valued at $13,939 using the Black Scholes pricing model relying on the following assumptions: volatility 170.8%; annual rate of dividends 0%; discount rate 0.78%. See Note 7 - Convertible Debt.

On October 20, 2016, in connection with the issuance of $250,000 in principal of an 11% Convertible Debenture, the Company issued 128,571 shares of common stock valued at $9,000 and a warrant to purchase 250,000 shares of common stock at an exercise price of $.10 per share. The warrants were valued at $16,419 using the Black Scholes pricing model relying on the following assumptions: volatility 173.2%; annual rate of dividends 0%; discount rate 0.84%. See Note 7 - Convertible Debt.

On March 7, 2017, the Company issued 250,000 shares of common stock valued at $22,500 as discussed in Note 12 - Settlement of Litigation – Related Party.

On March 31, 2017, in connection with the issuance of $1,000,000 in principal of an 11% Convertible Debenture, the Company issued 450,000 shares of common stock valued at $36,000 and a warrant to purchase 1,000,000 shares of common stock at an exercise price of $.10 per share. The warrants were valued at $75,718 using the Black Scholes pricing model relying on the following assumptions: volatility 175.1%; annual rate of dividends 0%; discount rate 1.97%. See Note 7 - Convertible Debt.

On July 14, 2017, in connection with the issuance of $250,000 in principal of an 11% Convertible Debenture, the Company issued 128,571 shares of common stock valued at $9,000 and a warrant to purchase 250,000 shares of common stock at an exercise price of $.10 per share. The warrants were valued at $16,546 using the Black Scholes pricing model relying on the following assumptions: volatility 177.0%; annual rate of dividends 0%; discount rate 1.87%. See Note 7 - Convertible Debt.

NOTE 8 - STOCKHOLDERS' DEFICIENCY (continued)

Stock Issuances (continued)

On July 24, 2017, in connection with the issuance of $1,000,000 in principal of an 11% Convertible Debenture, the Company issued 514,286 shares of common stock valued at $36,000 and a warrant to purchase 1,000,000 shares of common stock at an exercise price of $.10 per share. The warrants were valued at $66,181 using the Black Scholes pricing model relying on the following assumptions: volatility 177.0%; annual rate of dividends 0%; discount rate 1.83%. See Note 7 - Convertible Debt.

On September 7, 2017, in connection with the issuance of $250,000 in principal of an 11% Convertible Debenture, the Company issued 128,571 shares of common stock valued at $9,000 and a warrant to purchase 250,000 shares of common stock at an exercise price of $.10 per share. The warrants were valued at $16,506 using the Black Scholes pricing model relying on the following assumptions: volatility 175.6%; annual rate of dividends 0%; discount rate 1.63%. See Note 7 - Convertible Debt.

On September 25, 2017, in connection with the issuance of $1,000,000 in principal of an 11% Convertible Debenture, the Company issued 514,286 shares of common stock valued at $36,000 and a warrant to purchase 1,000,000 shares of common stock at an exercise price of $.10 per share. The warrants were valued at $66,086 using the Black Scholes pricing model relying on the following assumptions: volatility 176.0%; annual rate of dividends 0%; discount rate 1.85%. See Note 7 - Convertible Debt.

On November 20, 2017, in connection with the issuance of $500,000 in principal of an 11% Convertible Debenture, the Company issued 200,000 shares of common stock valued at $18,000 and a warrant to purchase 500,000 shares of common stock at an exercise price of $.10 per share. The warrants were valued at $42,739 using the Black Scholes pricing model relying on the following assumptions: volatility 175.2%; annual rate of dividends 0%; discount rate 2.09%. See Note 7 - Convertible Debt.

Executive Compensation

As compensation for serving as Chief Financial Officer, the Company, quarterly, will issue 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 May 13, 2016, the Company issued warrants to purchase 50,000 shares of common stock at $.08. The warrants were valued at $3,777 using the Black Scholes pricing model relying on the following assumptions: volatility 170.23%; annual rate of dividends 0%; discount rate 0.76%.

On August 12, 2016, the Company issued warrants to purchase 50,000 shares of common stock at $.07. The warrants were valued at $3,307 using the Black Scholes pricing model relying on the following assumptions: volatility 170.83%; annual rate of dividends 0%; discount rate 0.71%.

On November 14, 2016, the Company issued warrants to purchase 50,000 shares of common stock at $.10. The warrants were valued at $4,745 using the Black Scholes pricing model relying on the following assumptions: volatility 173.53%; annual rate of dividends 0%; discount rate 1.00%.

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%.

On May 12, 2017, the Company issued warrants to purchase 50,000 shares of common stock at $.09. The warrants were valued at $4,283 using the Black Scholes pricing model relying on the following assumptions: volatility 176.74%; annual rate of dividends 0%; discount rate 1.93%.

On August 11, 2017, the Company issued warrants to purchase 50,000 shares of common stock at $.06. The warrants were valued at $2,863 using the Black Scholes pricing model relying on the following assumptions: volatility 177.01%; annual rate of dividends 0%; discount rate 1.74%.

NOTE 8 - STOCKHOLDERS' DEFICIENCY (continued)

Executive Compensation (continued)

On October 19, 2017, the Company issued warrants to purchase 50,000 shares of common stock at $.09. The warrants were valued at $4,290 using the Black Scholes pricing model relying on the following assumptions: volatility 176.02%; annual rate of dividends 0%; discount rate 1.98%.

On November 8, 2017, the board of directors granted to Andrew Dahl, CEO warrants to purchase 10,000,000 shares of common stock at an exercise price of $.08 per share. The warrants have a term of five years and vest immediately. The warrants were valued at $762,649 using the Black Scholes pricing model relying on the following assumptions: volatility 176.02%; annual rate of dividends 0%; discount rate 1.99%.

On November 8, 2017, the board of directors granted to Philip Rice, CFO, warrants to purchase 6,000,000 shares of common stock at an exercise price of $.08 per share. The warrants have a term of five years and vest immediately. The warrants were valued at $457,589 using the Black Scholes pricing model relying on the following assumptions: volatility 176.02%; annual rate of dividends 0%; discount rate 1.99%.

Common Stock Warrants

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

	December 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	$ 0.10	14,705,818	$ 0.13
Issued	88,737,227	0.09	20,350,000	0.08
Exercised	-	-	-	-
Cancelled	-	-	-	-
Expired	(1,507,374)	0.17	(2,983,917)	0.14
Outstanding, end of period	119,301,754	$ 0.09	32,071,901	$ 0.10

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

Outstanding Warrants			Exercisable Warrants		
Range of	Number	Average Weighted Remaining Contractual Life in Years	Exercise Price	Number	Weighted Average Exercise Price
$ 0.05	1,250,000	4.70	$ 0.05	1,250,000	$ 0.05
0.06	16,050,000	4.59	0.06	16,050,000	0.06
0.07	3,000,000	4.70	0.07	3,000,000	0.07
0.08	18,625,000	3.99	0.08	18,625,000	0.08
0.09	809,110	3.38	0.09	809,110	0.09
0.10	60,527,200	4.64	0.10	60,527,200	0.10
0.12	50,000	2.62	0.12	50,000	0.12
0.14	50,000	1.62	0.14	50,000	0.14
0.15	1,376,941	1.68	0.15	1,376,941	0.15
0.17	50,000	1.25	0.17	50,000	0.17
0.19	50,000	1.37	0.19	50,000	0.19
0.22	269,276	1.75	0.22	269,276	0.22
0.25	707,000	0.38	0.25	707,000	0.25
0.30	250,000	0.92	0.30	250,000	0.30
0.33	250,000	0.50	0.33	250,000	0.33
	119,301,754	4.34		119,301,754	$ 0.09

NOTE 9- 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 December 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 recorded the expense in Professional Fees and Consulting Expenses in the amount of $131,250 on its Condensed Consolidated Statement of Operations for the year ended December 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).

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. (See Note 13 – Subsequent Events)

Legal Contingencies

We may become a party to litigation in the normal course of business. In the opinion of management, there are no legal matters involving us that would have a material adverse effect upon our financial condition, results of operation or cash flows.

Workers' Compensation

The Company does not carry workers' compensation insurance, which covers on the job injury.

NOTE 10 - RELATED PARTY TRANSACTIONS

Due to Related Party

See Note 5 Due to Related Party for disclosure of payable to related Party.

Loan Payable – Related Party

See Note 6 Loan Payable – Related Parties for disclosure of loans payable to related Parties

Executive Compensation

See Note 8 – Stockholder' Deficiency for disclosure of compensation to the Chief Executive Officer and Chief Financial Officer.

Employment Agreement

See Note 9 – Commitments and Contingencies for disclosure of the Employment Agreement with the Chief Executive Officer.

NOTE 11 - INCOME TAXES

At December 31, 2017 the Company had available net-operating loss carry-forwards for Federal tax purposes of approximately $44,981,000, which may be applied against future taxable income, if any, at various dates from 2017 through 2037. Certain significant changes in ownership of the Company may restrict the future utilization of these tax loss carry-forwards.

At December 31, 2017 the Company had a deferred tax asset of approximately $12,145,000 representing the benefit of its net operating loss carry-forwards. The Company has not recognized the tax benefit because realization of the tax benefit is uncertain and thus a valuation allowance has been fully provided against the deferred tax asset.

The Company's Deferred Tax Assets decreased by $3,748,000 from $15,893,000 as of December 31, 2016 to $12,145,000 as of December 31, 2017. The net decrease consisted of an increase in the asset of $2,099,000 as a result of additional Net Operating Losses of $4,589,000 during the current year, offset by a decrease of $5,847,000 resulting from the enactment of the Tax Cuts and Jobs Act ("TCJ Act") in the fourth quarter of 2017. One of the provisions of the TCJ Act was to decrease the maximum U.S. Corporate income tax rate from 35% to 21%. As a result of this new law the Company will now be calculating its Deferred Tax Assets using a rate of 27% versus 40% in prior years.

NOTE 12 – 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 paid 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 13 – SUBSEQUENT EVENTS

LOAN PAYABLE, RELATED PARTIES

Loan Payable, Related Parties

During the period from January 1, 2018 to February 15, 2018, Mr. Maggiore advance the Company an additional $60,000, for a total advanced of $302,602.

CONVERTIBLE DEBT: HEP Investments, LLC

Debt Modification

On January 31, 2018, the Company and HEP Investments, LLC ("Lender"), entered into the following documents, effective as of January 31, 2018: (i) Ninth 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 Tenth Amended and Restated Senior Secured Convertible Promissory Note. The Ninth Amendment to Loan Agreement amends and restates the Eighth Amendment to Loan Agreement, which was entered into with the Lender on March 1, 2017 and disclosed in the Company's Form 8-K Current Report filed on March 6, 2017. The Tenth Amended and Restated Senior Secured Convertible Promissory Note extends the maturity date for all convertible debt due to HEP Investments to April 1, 2019, including the payment of any interest due and owing at that time. The total outstanding debt as of January 31, 2018 is $16,411,839, and the related amount of unpaid interest is $1,476,607.

In consideration for extending the maturity date of the Loan to April 1, 2019 in accordance with the Tenth Amended and Restated Senior Convertible Promissory Note, the Company agreed to issue to the Lender warrants to purchase 3,250,000 shares of common stock at an exercise price of $.10 with a term of 5 years.

In accordance with FASB ASC 470-10-45, as a result of the January 31, 2018 amendment to the Loan Agreement and Convertible Promissory Note, the Company has reclassified all outstanding indebtedness to HEP Investments, LLC as non-current on the Consolidated Balance Sheet as of December 31, 2017.

Based on the above, the total shares of common stock, if the Lender converted the complete $16,411,839 convertible debt, would be 164,118,392 shares, not including any future interest charges which may be converted into common stock.

Amounts advanced under the Note are secured by all the Company's assets.

The Company has agreed to pay a closing fee of 9% in connection with the Loan transaction (when the remaining funding is achieved), consisting of 5.4% in cash and 3.6% paid in shares of common stock valued at various amounts based on the timing of the funding and the related stock price.

The Company has 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. Two representatives of the Lender will have the right to attend Board of Director meetings as non-voting observers.

The Company determined that the modification of these Notes was not a substantial modification in accordance with ASC 470-50, "Modifications and Extinguishments."

11% Convertible Debt - HEP Investments, LLC

Through February 20, 2018, HEP Investments LLC ("Lender") funded an additional of $203,000. Due to this additional funding, the Company issued to the Lender a $250,000, 11% convertible note and warrants to purchase 250,000 shares of common stock, at an exercise price of $.10 for a term of five years. The terms of the debt are in described in Note 7 - Convertible Debt.

COMMITMENTS AND CONTINGENCIES

Change of Control Provisions

Effective as of February 9, 2018, the Board of Directors extended to December 31, 2018 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, 2018, 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.

EXHIBIT INDEX

Exhibit Number	Title	
3.13	Articles of Incorporation of Health Enhancement Products, Inc., as amended	(1)
3.11	Amendment to Articles of Incorporation of the Company, dated July 24, 2012	(2)
3.12	Amended Articles of Incorporation dated October 16, 2014 for name change	(3)
3.1	Certificate to Amendment of Articles of Incorporation of Incorporation dated November 14, 2016	(4)
3.2	Amended and restated By-laws of the Company	(5)
10.04	Security Agreement with HEP Investments, LLC ($100K loan) dated September 8, 2011	(6)
10.05	Senior Secured Note with HEP Investments, LLC ($100K loan) dated September 8, 2011	(7)
10.06	Loan Agreement with HEP Investments, LLC ($2M loan) dated December 2, 2011	(8)
10.07	Senior Secured Note with HEP Investments, LLC ($2M loan) dated December 2, 2011	(9)
10.08	Security Agreement with HEP Investments, LLC ($2M loan) dated December 2, 2011	(10)
10.09	IP Security Agreement with HEP Investments, LLC ($2M loan) dated December 2, 2011	(11)
10.24	Amended and Restated Senior Secured Convertible Promissory Note and the First Amendment to Loan Agreement with HEP Investments, LLC dated April 15, 2013	(12)
10.26	Second Amendment to Loan Agreement with HEP Investments, LLC dated December 16, 2013	(13)
10.27	Third Amendment to Loan Agreement with HEP Investments, LLC dated March 17, 2014	(14)
10.28	Third Amendment to Loan Agreement with HEP Investments, LLC dated July 1, 2014	(15)
10.29	Fourth Amended and Restated Senior Secured Convertible Promissory Note with HEP Investments, LLC dated July 1, 2014	(16)
10.31	Fourth Amendment to Loan Agreement with HEP Investments, LLC dated December 1, 2014	(17)
10.32	Fifth Amended and Restated Senior Secured Convertible Promissory Note with HEP Investments, LLC dated December 1, 2014	(18)
10.33	Fifth Amendment to Loan Agreement with HEP Investments, LLC dated April 28, 2015	(19)
10.34	Sixth Amended and Restated Senior Secured Convertible Promissory Note with HEP Investments, LLC dated April 28, 2015	(20)
10.36	Sixth Amendment to Loan Agreement with HEP Investments, LLC dated December 31, 2015	(21)
10.37	Seventh Amended and Restated Senior Secured Convertible Promissory Note with HEP Investments, LLC dated December 31, 2015	(22)
10.39	Amended and Restated Employment Agreement with Andrew Dahl, the Registrant's CEO	(23)
10.40	Seventh Amendment to Loan Agreement with HEP Investments, LLC dated September 30, 2016	(24)
10.41	Eighth Amended and Restated Senior Secured Convertible Promissory Note with HEP Investments, LLC dated September 30, 2016	(25)
10.42	Eighth Amendment to Loan Agreement with HEP Investments, LLC dated March 1, 2017	(26)
10.43	Ninth Amended and Restated Senior Secured Convertible Promissory Note with HEP Investments, LLC dated March 1, 2017	(27)
10.44	Amended and Restated Change of Control Agreement dated April 21, 2017	(28)
10.45	Limited License Agreement with NutriQuest dated April 20, 2017	(29)
10.46	Amended and Restated Registration Rights Agreement with HEP Investments, LLC (Lender) and Strome Mezzanine Fund LP dated October 18, 2017	(30)
10.47	Ninth Amendment to Loan Agreement with HEP Investments, LLC dated January 31, 2018	(31)
10.48	Tenth Amended and Restated Senior Secured Convertible Promissory Note with HEP Investments, LLC dated January 31, 2018	(32)
10.49	Amended and Restated Change of Control Agreement dated February 9, 2018	*
14.1	Code of Ethics	*
21	Subsidiaries of the Registrant	*
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	*

*Filed herewith

(1) Filed as Exhibit 3.13 to the Registrant's Form 8K filed with the Commission on June 29, 2015 and incorporated herein by this reference.
(2) Filed as Exhibit 3.11 to the Registrant's Form 10Q filed with the Commission on March 25, 2013 and incorporated by this reference.
(3) Filed as Exhibit 3.12 to the Registrant's Form 10Q filed with the Commission on November 14, 2014 and incorporated by this reference.
(4)Filed as Exhibit 3.1 to the Registrant's Form 10Q filed with the Commission on November 14, 2016 and incorporated by this reference.
(5) Filed as Exhibit 3.2 to the Registrant's Form 10Q filed with the Commission on May 17, 2010 and incorporated by this reference.
(6) Filed as Exhibit 10.04 to Form 10K filed with the Commission on March 30, 2012 and incorporated by this reference.
(7) Filed as Exhibit 10.05 to Form 10K filed with the Commission on March 30, 2012 and incorporated by this reference.
(8) Filed as Exhibit 10.06 to Form 10K filed with the Commission on March 30, 2012 and incorporated by this reference.
(9) Filed as Exhibit 10.07 to Form 10K filed with the Commission on March 30, 2012 and incorporated by this reference.
(10) Filed as Exhibit 10.08 to Form 10K filed with the Commission on March 30, 2012 and incorporated by this reference.
(11) Filed as Exhibit 10.09 to Form 10K filed with the Commission on March 30, 2012 and incorporated by this reference.
(12) Filed as Exhibit 10.24 to Form 10Q filed with the Commission on May 16, 2013 and incorporated by this reference.
(13) Filed as Exhibit 10.26 to Form 10K filed with the Commission on March 31, 2014 and incorporated by this reference.
(14) Filed as Exhibit 10.27 to Form 10K filed with the Commission on March 31, 2014 and incorporated by this reference.
(15) Filed as Exhibit 10.28 to Form 10K filed with the Commission on March 31, 2014 and incorporated by this reference.
(16) Filed as Exhibit 10.29 to Form 10K filed with the Commission on March 31, 2014 and incorporated by this reference.
(17) Filed as Exhibit 10.31 to Form 8K filed with the Commission on December 26, 2014 and incorporated by this reference.
(18) Filed as Exhibit 10.32 to Form 8K filed with the Commission on December 26, 2014 and incorporated by this reference.
(19) Filed as Exhibit 10.33 to Form 8K filed with the Commission on May 1, 2015 and incorporated by this reference.
(20) Filed as Exhibit 10.34 to Form 8K filed with the Commission on May 1, 2015 and incorporated by this reference.
(21) Filed as Exhibit 10.36 to Form 8K filed with the Commission on January 7, 2016 and incorporated by this reference.
(22) Filed as Exhibit 10.37 to Form 8K filed with the Commission on January 7, 2016 and incorporated by this reference.
(23) Filed as Exhibit 10.39 to Form 10Q filed with the Commission on August 12, 2016 and incorporated by this reference.
(24) Filed as Exhibit 10.40 to Form 8K filed with the Commission on October 5, 2016 and incorporated by this reference.
(25) Filed as Exhibit 10.41 to Form 8K filed with the Commission on October 5, 2016 and incorporated by this reference.
(26) Filed as Exhibit 10.42 to Form 8K filed with the Commission on March 6, 2017 and incorporated by this reference.
(27) Filed as Exhibit 10.43 to Form 8K filed with the Commission on March 6, 2017 and incorporated by this reference.
(28) Filed as Exhibit 10.1 to Form 10Q filed with the Commission on May 12, 2017 and incorporated by this reference.
(29) Filed as Exhibit 10.2 to Form 10Q filed with the Commission on May 12, 2017 and incorporated by this reference.
(30) Filed as Exhibit 10.1 to Form 10Q filed with the Commission on October 19, 2017 and incorporated by this reference.
(31) Filed as Exhibit 10.1 to Form 8K filed with the Commission on February 12, 2018 and incorporated by this reference.
(32) Filed as Exhibit 10.2 to Form 8K filed with the Commission on February 12, 2018 and incorporated by this reference.

Name	**Title**
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 9th day of February 2018, 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.

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

EMPLOYEE

Exhibit 31.1

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 D. Dahl, certify that:

1. I have reviewed this Annual report on Form 10-K 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: February 21, 2018

/s/ Andrew D. Dahl
Andrew D. Dahl
Chief Executive Officer

Exhibit 31.2

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 Annual report on Form 10-K 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: February 21, 2018

/s/ Philip M. Rice II
Philip M. Rice II
Chief Financial Officer

Exhibit 32.1

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., a Nevada corporation (the "Company"), on Form 10-K for the year ended December 31, 2017 as filed with the Securities and Exchange Commission (the "Report"), I, Andrew D. Dahl, Chief Administrative 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: February 21, 2018

/s/ Andrew D. Dahl
Andrew D. 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 ZIVO BIOSCIENCE, INC. AND WILL BE RETAINED BY ZIVO BIOSCIENCE, INC. AND FURNISHED TO THE SECURITIES AND EXCHANGE COMMISSION OR ITS STAFF UPON REQUEST.

Exhibit 32.2

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., a Nevada corporation (the "Company"), on Form 10-K for the period ended December 31, 2017 as filed with the Securities and Exchange Commission (the "Report"), I, Philip M. Rice II, Chief Accounting 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: February 21, 2018

/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 ZIVO BIOSCIENCE, INC. AND WILL BE RETAINED BY ZIVO BIOSCIENCE, INC. AND FURNISHED TO THE SECURITIES AND EXCHANGE COMMISSION OR ITS STAFF UPON REQUEST.