

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

Form 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2017

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

For the transition period from _____ to _____

Commission file number: **000-30415**

Zivo Bioscience, Inc.

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

Nevada

(State or other jurisdiction of
incorporation or organization)

87-0699977

(IRS Employer Identification No.)

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

(Address of principal executive offices)

(248) 452 9866

(Issuer's telephone number)

Not Applicable

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of regulation ST (Sec. 232.405) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by checkmark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company and "emerging growth company". See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Emerging growth company

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

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

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

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

APPLICABLE ONLY TO CORPORATE ISSUERS

There were 140,906,061 shares of common stock, \$0.001 par value, outstanding at October 19, 2017.

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

PART I – FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

**ZIVO BIOSCIENCE, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEET**

	September 30, 2017	December 31, 2016
	(Unaudited)	
ASSETS		
CURRENT ASSETS:		
Cash	\$ 1,224,581	\$ 506,986
Prepaid Expenses	90,831	13,437
Total Current Assets	1,315,412	520,423
 PROPERTY AND EQUIPMENT, NET	-	18,750
 OTHER ASSETS:		
Deferred Finance Costs, net	113,769	198,119
Total Other Assets	113,769	198,119
 TOTAL ASSETS	\$ 1,429,181	\$ 737,292
 LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Accounts Payable	\$ 635,039	\$ 666,365
Due to Related Party	478,534	319,234
Loans Payable, Related Parties	344,019	245,979
Convertible Debentures Payable, less discount of \$566,701 and \$500,490 at September 30, 2017 and December 31, 2016, respectively	16,186,051	6,886,710
Accrued Interest	1,163,827	2,659,574
Accrued Liabilities – Other	10,000	404,618
Total Current Liabilities	18,817,470	11,182,480
 LONG TERM LIABILITIES:		
Convertible Debentures Payable, less discount of \$- and \$73,953 at September 30, 2017 and December 31, 2016, respectively	650,000	3,176,047
Total Long Term Liabilities	650,000	3,176,047
 TOTAL LIABILITIES	19,467,470	14,358,527
 COMMITMENTS AND CONTINGENCIES		
 STOCKHOLDERS' DEFICIT:		
Common stock, \$.001 par value, 450,000,000 shares authorized; 140,906,061 and 136,745,347 issued and outstanding at September 30, 2017 and December 31, 2016	140,906	136,745
Additional Paid-In Capital	41,753,140	40,016,059
Accumulated deficit	(59,932,335)	(53,774,039)
Total Stockholders' Deficit	(18,038,289)	(13,621,235)
 TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$ 1,429,181	\$ 737,292

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

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

	For the three Months ended September 30, 2017	For the three Months ended September 30, 2016	For the nine Months ended September 30, 2017	For the nine Months ended September 30, 2016
REVENUES:	\$	-	\$	-
COSTS AND EXPENSES:				
General and Administrative	245,959	195,481	674,529	600,150
Professional fees and Consulting expense	1,264,111	355,941	1,703,725	1,646,669
Research and Development	550,549	125,695	1,355,085	600,966
	<u>2,060,619</u>	<u>677,117</u>	<u>3,733,339</u>	<u>2,847,785</u>
Total Costs and Expenses				
	<u>2,060,619</u>	<u>677,117</u>	<u>3,733,339</u>	<u>2,847,785</u>
LOSS FROM OPERATIONS	(2,060,619)	(677,117)	(3,733,339)	(2,847,785)
OTHER INCOME (EXPENSE):				
Loss on Extinguishment of Debt	-	-	(406,482)	-
Other income	7,394	-	7,394	-
Amortization of Debt Discount	(121,618)	(170,757)	(427,626)	(1,119,875)
Amortization of Deferred finance costs	(28,117)	-	(84,350)	-
Financing Costs	(135,000)	(27,000)	(189,000)	(94,500)
Finance Costs paid in stocks and warrants – related party	(90,000)	(18,000)	(126,000)	(63,000)
Interest expense	(35,446)	(600)	(104,926)	(1,800)
Interest expense – related parties	(405,112)	(246,907)	(1,093,967)	(700,469)
Total Other Income (Expense)	<u>(807,899)</u>	<u>(463,264)</u>	<u>(2,424,957)</u>	<u>(1,979,644)</u>
NET LOSS	<u>\$ (2,868,518)</u>	<u>\$ (1,140,381)</u>	<u>\$ (6,158,296)</u>	<u>\$ (4,827,429)</u>
BASIC AND DILUTED LOSS PER SHARE	<u>\$ (0.02)</u>	<u>\$ (0.01)</u>	<u>\$ (0.04)</u>	<u>\$ (0.04)</u>
WEIGHTED AVERAGE BASIC AND DILUTED SHARES OUTSTANDING	<u>140,159,788</u>	<u>133,507,211</u>	<u>138,652,686</u>	<u>132,879,550</u>

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

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

	For the Nine Months Ended September 30, 2017	For the Nine Months Ended September 30, 2016
Cash Flows for Operating Activities:		
Net Loss	\$ (6,158,296)	\$ (4,827,429)
Adjustments to reconcile net loss to net cash used by operating activities:		
Stock and warrants issued for services rendered – related party	10,463	10,857
Stock and warrants issued for services rendered	1,160,157	1,270,060
Loss on Extinguishment of Debt	406,482	-
Warrants issued for Directors' Fees	166,668	69,713
Stock and warrants issued for financing costs - related party	126,000	63,000
Amortization of deferred finance costs	84,350	-
Amortization of bond discount	427,626	1,119,875
Depreciation expense	18,750	18,750
Changes in assets and liabilities:		
(Increase) in prepaid expenses	(77,394)	(16,916)
(Decrease) in accounts payable	(31,326)	(290,700)
Increase in due to related party	159,300	94,500
Increase in accrued liabilities and interest	826,775	764,667
Net Cash (Used) by Operating Activities	<u>(2,880,445)</u>	<u>(1,723,623)</u>
Cash Flows from Investing Activities:		
	<u>-</u>	<u>-</u>
	-	-
Cash Flow from Financing Activities:		
Proceeds of Loan Payable, related party	98,040	2,315
Deferred Finance Costs	-	(60,000)
Proceeds from issuance of 11% convertible debentures	3,500,000	2,350,000
Net Cash Provided by Financing Activities	<u>3,598,040</u>	<u>2,292,315</u>
Increase (Decrease) in Cash	717,595	568,692
Cash at Beginning of Period	<u>506,986</u>	<u>16,589</u>
Cash at End of Period	<u>\$ 1,224,581</u>	<u>\$ 585,281</u>
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the period for:		
Interest	\$ -	\$ -
Income Taxes	<u>\$ -</u>	<u>\$ -</u>

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

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

Supplemental Disclosure of Non-Cash Investing and Financing Activities:

Nine Months Ended September 30, 2017:

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

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

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

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

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

Nine Months Ended September 30, 2016:

During the quarter ended March 31, 2016, the Company recorded \$724,280 in discounts on 11% convertible debentures.

During the quarter ended June 30, 2016, the Company recorded \$186,744 in discounts on 11% convertible debentures.

During the quarter ended September 30, 2016, the Company recorded \$24,218 in discounts on 11% convertible debentures.

During the quarter ended September 30, 2016, the Company 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.

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

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

NOTE 1 – BASIS OF PRESENTATION

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

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

The Company incurred a net loss of \$6,158,296 for the nine months ended September 31, 2017. In addition, the Company had a working capital deficiency of \$17,502,058 and a stockholders’ deficit of \$18,038,289 at September 31, 2017. These factors continue to raise substantial doubt about the Company’s ability to continue as a going concern. During the nine months ended September 31, 2017, the Company raised \$3,500,000 from the issuance of convertible debt. There can be no assurance that the Company will be able to raise additional capital.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

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

Accounting Estimates

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

Cash and Cash Equivalents

For the purpose of the statements of cash flows, cash equivalents include time deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less. Cash equivalents consist of highly liquid investments with an original maturity of three months or less when purchased. At September 30, 2017, the Company did not have any cash equivalents.

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. Repair and maintenance costs that do not improve service potential or extend the economic life of an existing fixed asset are expensed as incurred.

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

Deferred Financing Costs

The Company follows authoritative guidance for accounting for financing costs as it relates to convertible debt issuance cost. These costs are deferred and amortized over the term of the debt period or until redemption of the convertible debentures. Amortization of deferred financing costs amounted to \$84,350 and \$-0- for the nine months ended September 30, 2017 and 2016, respectively.

Revenue Recognition

For revenue from product sales, the Company recognizes revenue in accordance with Staff Accounting Bulletin No. 104, “Revenue Recognition” (“SAB No. 104”), which superseded Staff Accounting Bulletin No. 101, “Revenue Recognition in Financial Statements” (“SAB No. 101”). SAB No. 104 requires that four basic criteria must be met before revenue can be recognized: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred; (3) the selling price is fixed and determinable; and (4) collectability is reasonably assured. Determination of criteria (3) and (4) are based on management’s judgment regarding the fixed nature of the selling prices of the products delivered and the collectability of those amounts. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments are provided for in the same period the related sales are recorded. For nine months ended September 30, 2017 and 2016, the Company had no revenue.

Shipping and Handling Costs

Shipping and handling costs are expensed as incurred. For the nine months ended September 30, 2017 and 2016, no shipping and handling costs were incurred.

Research and Development

Research and development costs are expensed as incurred. The majority of the Company’s research and development costs consist of clinical study expenses. These consist of fees, charges, and related expenses incurred in the conduct of clinical studies conducted with Company products by independent outside contractors. External clinical studies expenses were approximately \$1,355,000 and \$601,000 for the nine months ended September 30, 2017 and 2016, respectively.

Stock Based Compensation

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

During the nine months ended September 30, 2017 and 2016, warrants were granted to employees and consultants of the Company. As a result of these grants, the Company recorded compensation expense of \$1,337,289 and \$1,175,630 for these periods, respectively.

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

	Nine Months Ended September 30,	
	2017	2016
Expected volatility	175.05% to 177.58%	158.53% to 172.80%
Expected dividends	0%	0%
Expected term	5 years	5 years
Risk free rate	1.63% to 1.93%	.71% to .97%

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

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

Loss Per Share

Basic loss per share is computed by dividing the Company's net loss by the weighted average number of common shares outstanding during the period presented. Diluted loss per share is based on the treasury stock method and includes the effect from potential issuance of common stock such as shares issuable pursuant to the exercise of warrants and conversions of debentures. Potentially dilutive securities as of September 30, 2017, consisted of 186,314,359 common shares issuable upon the conversion of convertible debentures and related accrued interest and 52,151,754 common shares issuable upon the exercise of outstanding warrants. Potentially dilutive securities as of September 30, 2016, consisted of 102,036,360 common shares issuable upon the conversion of convertible debentures and related accrued interest and 30,167,488 common shares issuable upon the exercise of outstanding warrants. For the nine months ended September 30, 2017 and 2016 diluted and basic weighted average shares are the same, as potentially dilutive shares are anti-dilutive.

Advertising

Advertising costs are charged to operations when incurred. There were no advertising costs for the nine months ended September 30, 2017 and 2016.

Concentrations of Credit Risk

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

Reclassifications

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

Future Impact of Recently Issued Accounting Standards

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2014-09 (ASU 2014-09), "Revenue from Contracts with Customers." ASU 2014-09 superseded the revenue recognition requirements in "Revenue Recognition (Topic 605)" and requires entities to recognize revenue when it transfers promised goods or services to customers in an amount that reflect the consideration to which the entity expects to be entitled to in exchange for those goods or services. ASU 2014-09 is effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period. Early adoption is not permitted. ASU 2014-09 is not expected to have a material impact on the Company's financial position or results of operations.

In August 2014, the FASB issued Accounting Standards Update 2014-15 (ASU 2014-15) "Presentation of Financial Statements – Going Concern (Subtopic 205-40)." The amendments in this Update are effective for the annual period ending after December 15, 2015, and for annual periods and interim periods thereafter. Early application is permitted. This Update had no effect on the Company's financial position and results of operations for the year ended December 31, 2016.

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

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment at September 30, 2017 and December 31, 2016 consisted of the following:

	<u>September 30, 2017</u>	<u>December 31, 2016</u>
	<u>(Unaudited)</u>	
Furniture and fixtures	\$ 20,000	\$ 20,000
Equipment	80,000	80,000
	<u>100,000</u>	<u>100,000</u>
Less accumulated depreciation and amortization	(100,000)	(81,250)
	<u>\$ 0</u>	<u>\$ 18,750</u>

Depreciation and amortization was \$18,750 and \$18,750 for the nine months ended September 30, 2017 and 2016 respectively.

NOTE 4 – DUE TO RELATED PARTY

As of September 30, 2017 and December 31, 2016, the Company owed HEP Investments, LLC, a related party, cumulative balances of \$478,534 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 nine months ended September 30, 2017 and 2016, the Company incurred finance costs related to these transactions of \$189,000 and \$94,500, respectively.

NOTE 5 – LOAN PAYABLE, RELATED PARTIES

Christopher Maggiore

During the year ended December 31, 2016, Mr. Christopher Maggiore, a director and a significant shareholder of the Company, advanced the Company \$20,000, for a total owed of \$176,405. The Company has agreed to pay 11% interest on this loan. As of September 30, 2017 and December 31, 2016, accrued interest on this indebtedness totaled \$59,652 and \$40,231, respectively, and is included in Accrued Liabilities on the Condensed Consolidated Balance Sheet.

HEP Investments, LLC

In addition to amounts owed to HEP Investments pursuant to Convertible Debt (see Note 6), 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.

During the nine months ended September 30, 2017, HEP Investments loaned the Company \$3,598,040 (see Note 6 - Convertible Debt). Pursuant to the terms of our agreement with HEP Investments, \$3,500,000 of these loans were converted to 11% Convertible Secured Promissory Notes, leaving a remaining balance of \$167,614 as of September 30, 2017.

NOTE 6 – CONVERTIBLE DEBT

HEP Investments, LLC

On December 2, 2011, the Company and HEP Investments, LLC, a Michigan limited liability company (“Lender”), entered into the following documents, effective as of December 1, 2011, as amended through March 1, 2017: (i) a Loan Agreement under which the Lender has agreed to advance up to \$17,500,000 to the Company, subject to certain conditions, (ii) a Convertible Secured Promissory Note in the principal amount of \$17,500,000 (“Note”) (of which \$15,941,839 has been advanced as of September 30, 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) expiring 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 nine months ended September 30, 2016, the Company recorded debt discounts, related to \$1,750,000 of Notes in the amount of \$91,287, to reflect the relative fair value of the related warrants pursuant to "FASB ASC 470-20-30 – Debt with Conversion and Other Options: Beneficial Conversion Features" as a reduction to the carrying amount of the convertible debt and an addition to additional paid-in capital. The \$1,750,000 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 \$1,119,875 for the nine months ended September 30, 2016.

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

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

The Company has agreed to pay a closing fee of \$109,634 in connection with the Loan transaction (when the remaining \$1,218,161 in funding is achieved), consisting of \$65,781 in cash and \$43,854 paid in shares of common stock valued at various amounts based on the timing of the funding and the related stock price.

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 September 30, 2017, the Company has not made any interest payments. The Company has received an extension of 3 months to pay the interest expense, to December 31, 2017.

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

NOTE 6 – CONVERTIBLE DEBT – (continued)

HEP Investments, LLC - (continued)

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 a 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 will not be issued until the related funding is complete. The warrant has a cashless exercise provision.

In an agreement dated July 21, 2017 (“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 or if the participant fails to fund the full \$1.5 million by November 20, 2017. 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 Lender 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. (See Note 11 - Subsequent Events).

During the nine months ended September 30, 2017, the Company recorded debt discounts, related to \$3,500,000 of Notes in the amount of \$225,453, 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 \$3,500,000 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 \$426,712 for the nine months ended September 30, 2017.

If the Lender converted the total principal of \$15,911,839 convertible debt as of September 30, 2017, the total shares of common stock to be issued would be 159,118,390 shares, not including the related accrued and any future interest charges which may be converted into common stock.

Paulson Investment Company, LLC - Related Debt

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

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

NOTE 6 – CONVERTIBLE DEBT – (continued)**Other Debt**

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

Convertible debt consists of the following:

	September 30, 2017	December 31, 2016
	(Unaudited)	
1% Convertible notes payable, due October 2017	\$ 240,000	\$ 240,000
11% Convertible note payable – HEP Investments, a related party, net of unamortized discount of \$565,788 and \$574,443 at September 30, 2017 and December 31, 2016, respectively, due September 2018 (at September 30, 2017).	15,346,051	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
	<u>16,836,051</u>	<u>10,062,757</u>
Less: Current portion	<u>16,186,051</u>	<u>6,886,710</u>
Long term portion	<u>\$ 650,000</u>	<u>\$ 3,176,047</u>

Amortization of debt discounts was \$427,626 and \$1,119,875 for the nine months ended September 30, 2017 and 2016, respectively.

NOTE 7 - STOCKHOLDERS' DEFICIT**Board of Directors fees**

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

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 \$196,668 and \$99,713 for the nine months ended September 30, 2017 and 2016, respectively, representing the cash fees and the value of the vested warrants described above.

NOTE 7 - STOCKHOLDERS' DEFICIT - (continued)

Stock Based Compensation

During the nine months ended September 30, 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%. The Company also issued 3,500,000 shares of common stock, valued at \$175,000, to an investor relations consulting firm.

On April 18, 2017, the Company entered into a Limited License Agreement ("License Agreement") with NutriQuest, LLC ("NutriQuest"), as disclosed in a Form 8-K filed on April 26, 2017. 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 nine months ended September 30, 2017, the Company issued warrants to purchase 17,000,000 shares of common stock. In the first quarter, 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%. In the third quarter, 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 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%.

Stock Issuances

During the nine months ended September 30, 2016, in connection with the issuance of \$2,350,000 in principal of 11% Convertible Debenture the Company issued 960,000 shares of common stock valued at \$63,000 and warrants to purchase 2,712,500 shares of common stock at an exercise price of \$.10 per share as financing costs related to the issuance of the 11% convertible debt. The warrants were valued at \$113,231 using the Black Scholes pricing model relying on the following assumptions: volatility 158.5% to 172.8%; annual rate of dividends 0%; discount rate 0.75% to 0.85%.

During the nine months ended September 30, 2017, in connection with the issuance of \$3,500,000 in principal of 11% Convertible Debenture the Company issued to HEP Investments 1,735,714 shares of common stock valued at \$126,000 and a five-year warrant to purchase 3,500,000 shares of common stock at an exercise price of \$.10 per share. The Company also issued 250,000 shares of common stock valued at \$22,500 as discussed in Note 10 - Settlement of Litigation – Related Party.

Executive Compensation

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

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

NOTE 7 - STOCKHOLDERS' DEFICIT (Continued)

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 \$2,363 using the Black Scholes pricing model relying on the following assumptions: volatility 177.01%; annual rate of dividends 0%; discount rate 1.74%.

Common Stock Warrants

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

	<u>September 30, 2017</u>		<u>December 31, 2016</u>	
	<u>Number of Warrants</u>	<u>Weighted Average Exercise Price</u>	<u>Number of Warrants</u>	<u>Weighted Average Exercise Price</u>
Outstanding, beginning of year	32,071,901	\$ 0.13	14,705,818	\$ 0.16
Issued	21,587,227	0.07	20,350,000	0.09
Exercised	-	-	-	-
Cancelled	-	-	-	-
Expired	(1,507,374)	0.17	(2,983,917)	0.13
Outstanding, end of period	<u>52,151,754</u>	<u>\$ 0.08</u>	<u>32,071,901</u>	<u>\$ 0.13</u>

Warrants outstanding and exercisable by price range as of September 30, 2017 were as follows:

<u>Outstanding Warrants</u>				<u>Exercisable Warrants</u>		
<u>Exercise Price</u>	<u>Number</u>	<u>Average Weighted Remaining Contractual Life in Years</u>		<u>Exercise Price</u>	<u>Number</u>	<u>Weighted Average Exercise Price</u>
\$ 0.05	1,250,000	3.95		\$ 0.05	1,250,000	\$ 0.05
0.06	16,050,000	4.87		0.06	16,050,000	0.06
0.07	3,000,000	4.95		0.07	3,000,000	0.07
0.08	18,612,227	3.50		0.08	18,612,227	0.08
0.09	759,110	4.78		0.09	759,110	0.09
0.10	9,427,200	3.55		0.10	9,427,200	0.10
0.12	50,000	2.87		0.12	50,000	0.12
0.14	50,000	1.87		0.14	50,000	0.14
0.15	1,376,941	1.93		0.15	1,376,941	0.15
0.17	50,000	1.50		0.17	50,000	0.17
0.19	50,000	1.62		0.19	50,000	0.19
0.22	269,276	1.00		0.22	269,276	0.22
0.25	707,000	0.63		0.25	707,000	0.25
0.30	250,000	1.18		0.30	250,000	0.30
0.33	250,000	0.75		0.33	250,000	0.33
	<u>52,151,754</u>	<u>3.89</u>			<u>52,151,754</u>	<u>\$ 0.08</u>

NOTE 8- COMMITMENTS AND CONTINGENCIES

Employment Agreement

The Company's Chief Executive Officer, Andrew Dahl, is serving under the terms of an employment agreement dated December 16, 2011 as amended August 11, 2016. Under the agreement, Mr. Dahl serves as CEO for one year terms, subject to automatic renewal, unless either party terminates the Agreement on sixty days' notice prior to the expiration of the term of the agreement. Mr. Dahl is compensated as follows: he receives an annual base salary of \$240,000. In addition, Mr. Dahl is entitled to monthly bonus compensation equal to 2% of the Company's revenue, but only to the extent that such bonus amount exceeds his base salary for the month in question. In addition, Mr. Dahl will be entitled to warrants having an exercise price of \$.25 per share, upon the attainment of specified milestones as follows: 1) Warrants for 500,000 shares upon identification of bio-active agents in the Company's product and filing of a patent with respect thereto, 2) Warrants for 500,000 shares upon entering into a business contract under which the Company receives at least \$500,000 in cash payments, 3) Warrants for 1,000,000 shares upon the Company entering into a co-development agreement with a research company to develop medicinal or pharmaceutical applications (where the partner provides at least \$2 million in cash or in-kind outlays), 4) Warrants for 1,000,000 shares upon the Company entering into a co-development agreement for nutraceutical or dietary supplement applications (where the partner provides at least \$2 million in cash or in-kind outlays), 5) Warrants for 1,000,000 shares upon the Company entering into a pharmaceutical development agreement. Further, as it relates to Company's wholly-owned subsidiary, WellMetris, LLC ("WellMetris"), in the event the Company ceases to own a controlling interest in WellMetris for any reason whatsoever, the Company shall cause WellMetris to grant Mr. Dahl warrants to purchase a seven percent (7%) equity interest in WellMetris at the time outside funding is closed and/or at the time an event occurs whereby the Company relinquishes majority control of WellMetris. Such Warrant shall be priced at the per-unit or per-share price at the time of the applicable closing or change of control with respect to WellMetris. As of September 30, 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 nine months ended September 30, 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.

NOTE 9 - RELATED PARTY TRANSACTIONS

Due to Related Party

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

Loan Payable – Related Party

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

Executive Compensation

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

Employment Agreement

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

NOTE 10 – SETTLEMENT OF LITIGATION - RELATED PARTY

On July 15, 2015, a shareholder of the Company (“Shareholder”) brought action against HEP Investment alleging certain technical violations of Section 16(b) of the Securities Act of 1934, as amended. On March 3, 2017, without admitting any liability whatsoever, HEP Investment settled with the Shareholder by agreeing to reduce the Company’s debt owed to HEP Investment by \$280,000. Related to this debt reduction, the Company 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 11 - SUBSEQUENT EVENTS

11% Convertible Debt - HEP Investments, LLC

On October 18, 2017 the Company, HEP Investments, LLC (“Lender”) and Strome Mezzanine Fund LP (“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 an agreement dated July 21, 2017 (“Funding Agreement”) 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) (see Note 6 – Convertible Debt). As a part of this Funding Agreement, the Lender and the Company agreed to amend and restate the Original Agreement. The Amended Agreement, among other items, reaffirms or grants, as applicable, registration rights to Lender and Participant. Further details are included in the Amended Agreement and filed as Exhibit 10.1 as a part of this Form 10-Q.

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

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

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

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

Critical Accounting Policies

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

Results of Operations for the three months ended September 30, 2017 and 2016

Overview:

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

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

• In phase one (“Phase One”) or, alternately named Gen 1.0, we plan to develop and commercialize a series of tests, which are intended to measure indicators of good health and optimal metabolic function (collectively, the “Phase One Test”). The Phase One Test is being designed to measure biomarkers related to oxidative stress, inflammation, and antioxidant status to establish a metabolic assessment from which intervention can commence, and from which metabolic syndrome can be inferred.

• In phase two (“Phase Two”) or alternately named Gen 1.5, we plan to develop and commercialize a testing technology focused on the positive or negative metabolic effects of metabolizing fat and muscle efficiency due to changes in diet, exertion, hydration and dietary supplements in a self-administered format that integrates with smartphone operating systems.

• In phase three (“Phase Three”) or alternately named Gen 2.0, we plan to develop and commercialize additional tests intended to provide a more complete metabolic profile for an individual utilizing the metabolites present in urine. The Company believes the Gen 2.0 tests, in aggregate, will allow identification of healthy versus unhealthy bodily processes in real-time. This technology can also be applied to livestock and companion animals. As capital funding becomes available, the Company will move forward with product development.

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

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

Due to funding constraints, current efforts are primarily focused on ZIVO research and development efforts.

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. Through July of 2017, we successfully raised capital to fund operations and research for 2017. If we are unable to obtain additional funding in the near term, we may be unable to continue as a going concern, in which case you would likely suffer a total loss of your investment in our Company.

Net Sales.

We had no sales during the three months ended September 30, 2017 and 2016.

Cost of Sales.

We had no cost of sales during the three months ended September 30, 2017 and 2016.

General and Administrative Expenses.

General and administrative expenses were \$245,959 for the three months ended September 30, 2017, as compared to \$195,481 for the comparable prior period. The approximately \$51,000 increase in general and administrative expense during 2017 is due primarily due to the engagement of a Public Relations firm and more press releases of approximately \$40,000 and an increase in office expenses of approximately \$11,000.

Professional and Consulting Expenses.

Professional and consulting expenses were \$1,264,111 for the three months ended September 30, 2017, as compared to \$355,941 for the comparable prior period. The increase of approximately \$908,000 in professional and consulting expense during 2017 is mainly due to the issuance of warrants to purchase 16,250,000 shares of common stock valued at \$933,000 pursuant to agreements with financial consultants compared with the issuance in 2016 of 3,500,000 shares of stock valued at \$175,000 to investor relation consultants, resulting in a net increase of \$758,000, a non-cash expense. Further, director fees increased in 2017 due to the issuance of warrants to purchase 500,000 shares of common stock per director valued at approximately \$167,000 compared to the issuance in 2016 of warrants to purchase 250,000 shares of common stock to each Director valued at approximately \$59,000, an increase of \$108,000, a non-cash expense. Disregarding the net effects of the non-cash expenses, cash related expenses were \$42,000 more than the prior period due to an increase in accounting, consulting and legal fees.

Research and Development Expenses.

For the three months ended September 30, 2017, we incurred \$550,549 in research and development expenses, as compared to \$125,695 for the comparable period in 2016.

Of these expenses, approximately \$530,000 and \$103,000 for the three months ended September 30, 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 approximately \$427,000 from the prior period is due to the greater availability of cash and the prioritization of Zivo research.

With respect to our WellMetris, LLC subsidiary, we incurred approximately \$21,000 and \$23,000 in research and development expenses for the three months ended September 30, 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 from the prior periods is due to prioritization of Zivo research, and the limited amount of capital available for research and development.

Results of Operations for the nine months ended September 30, 2017 and 2016

Net Sales.

We had no sales during the nine months ended September 30, 2017 and 2016.

Cost of Sales.

We had no cost of sales during the nine months ended September 30, 2017 and 2016.

General and Administrative Expenses.

General and administrative expenses were \$674,529 for the nine months ended September 30, 2017, as compared to \$600,150 for the comparable prior period. The approximately \$75,000 increase in general and administrative expense during 2017 is due primarily due to the engagement of a Public Relations Firm, more press releases and increased web development expenses of approximately \$59,000 and an increase in office expenses of approximately \$16,000.

Professional and Consulting Expenses.

Professional and consulting expenses were \$1,703,725 for the nine months ended September 30, 2017, as compared to \$1,646,669 for the comparable prior period. The increase of approximately \$57,000 of professional and consulting expense during 2017 is split between non-cash expenses and cash expenses.

Non-cash expenses were approximately \$1,231,000 for the nine months ended September 30, 2017, as compared to approximately \$1,340,000 for the comparable prior period, a decrease of \$109,000. This decrease is due to the issuance of warrants to purchase 16,250,000 shares of common stock valued at approximately \$933,000 pursuant to agreements with financial consultants, issuance of 1,875,000 shares of common stock valued at approximately \$131,000 to an investment advisory firm, offset by the issuance in 2016 of 3,500,000 shares of stock valued at \$175,000 to investor relation consultants and warrants to purchase 14,500,000 shares of common stock valued at approximately \$1,095,000 pursuant to agreements with financial consultants resulting in a net decrease of \$337,000, a non-cash expense. Further, Directors fees increased in 2017 due to the issuance of warrants to purchase 500,000 shares of common stock for each Director valued at approximately \$167,000 compared to the issuance in 2016 of 250,000 warrants to each Director (and warrants to purchase 125,000 shares of common stock issued in 2016 to a new Director mid-term) valued at approximately \$70,000, an increase of \$97,000, a non-cash expense.

Disregarding the net effects of the non-cash expenses, cash related expenses were \$103,000 more than the prior period due to an increase in accounting, consulting and legal fees.

Research and Development Expenses.

For the nine months ended September 30, 2017, we incurred \$1,355,085 on research and development expenses, as compared to \$600,966 for the comparable period in 2016.

Of these expenses, approximately \$1,313,000 and \$328,000 for the nine months ended September 30, 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 \$985,000 from the prior period is due to the prioritization of Zivo research and the greater availability of cash.

With respect to our WellMetris, LLC subsidiary, we incurred approximately \$42,000 and \$273,000 in research and development expenses for the nine months ended September 30, 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 \$231,000 from the prior period is due to prioritization of Zivo research, and the limited amount of capital available for research and development.

Liquidity and Capital Resources

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

As of October 17, 2017, we had a cash balance of approximately \$750,000. We have incurred significant net losses since inception. We have, since inception, consistently incurred negative cash flow from operations. During the nine months ended September 30, 2017, we incurred negative cash flows from operations of \$2,880,445. As of September 30, 2017, we had a working capital deficiency of \$17,502,058 and a stockholders' deficit of \$18,038,289. Although we recently received funding of \$3,500,000 from HEP Investments, we have a near term need for additional capital.

During the nine months ended September 30, 2017, our operating activities used \$2,880,445 in cash, an increase of \$1,156,822 from the comparable prior period. The approximate \$1,157,000 increase in cash used by operating activities was primarily attributable to the following (all of which are approximated): a \$1,331,000 increase in net loss, an increase of \$151,000 in non-cash expenses (an increase of stocks and warrants issued of \$50,000, a decrease of lower amortization of bond discount of \$692,000, offset by the \$407,000 loss on extinguishment of debt and \$84,000 of amortized deferred finance), offset by \$326,000 of changes made up of an (increase) in prepaid expenses - \$60,000, offset by a decrease in accounts payable - \$259,000 and a decrease in due to related parties and accrued liabilities - \$127,000.

Our financing activities generated \$3,598,000, an approximately \$1,306,000 increase from the comparable prior period. The increase in cash provided by financing activities was due to an increase in proceeds of approximately \$96,000 from proceeds of loans payable from a related party, a decrease of \$60,000 in deferred financing costs and an increase of \$1,150,000 of proceeds from the issuance of 11% convertible debentures as compared to the prior period.

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 \$15.9 million pursuant to this arrangement. Lender’s convertible notes are secured by all our assets.

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

We estimate that we will require approximately \$3,000,000 in cash over the next 12 months in order to fund our normal operations and to fund our research and development initiatives. Based on this cash requirement, we have a near term need for additional funding. Historically, we have had substantial difficulty raising funds from external sources; however, we recently were able to raise a limited amount of capital from outside sources. If we are unable to raise the required capital, we will be forced to curtail our business operations, including our research and development activities.

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

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

Seasonality

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

For ZIVO:

royalties and advances for licensed natural bioactive ingredients, isolated natural compounds and synthetic variants thereof, and

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.

We are currently prioritizing efforts related to ZIVO.

Staffing

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

Off-Balance Sheet arrangements

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

Item 4T. Controls and Procedures

Management's Report on Disclosure Controls and Procedures.

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

As of June 30, 2017, we carried out an evaluation, under the supervision and with the participation of our management, including our principal executive/principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934. Based upon that evaluation, our principal executive/principal financial officer concluded that our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, are effective in enabling us to record, process, summarize and report information required to be included in our periodic SEC filings within the required time period.

Changes in Internal Control Over Financial Reporting.

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

PART II – OTHER INFORMATION

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

During the nine months ended September 30, 2017, the Company issued 1,735,714 shares of common stock to HEP Investments relating to the issuance of \$3,500,000 in principal of 11% Convertible Debentures to the Company. The Company issued 1,875,000 shares of common stock to an Investment Banking, Merger and Acquisition (M&A) and Corporate Advisory firm as discussed in Note 8 to the financial statements. The Company issued 250,000 shares of common stock to a Shareholder's legal counsel related to the settlement of litigation as discussed in Note 10 to the financial statements. The Company issued 1,875,000 shares of common stock to a Investment Banking, Merger and Acquisition (M&A) and Corporate Advisory firm as discussed in Note 8 to the financial statements.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit Number	Description
10.1	Amended and Restated Registration Rights Agreement with HEP Investments, LLC (Lender) and Strome Mezzanine Fund LP dated October 18, 2017
31.1	Certification of the Principal Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended *
31.2	Certification of the Principal Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended *
32.1	Certification of the Principal Executive Officer pursuant to U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 *
32.2	Certification of the Principal Financial Officer pursuant to U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 *

*Furnished herewith (all other exhibits are deemed filed)

SIGNATURES

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

ZIVO BIOSCIENCE, INC.

Date: October 19, 2017

By: /s/Andrew Dahl
Andrew Dahl
Chief Executive Officer

AMENDED AND RESTATED
REGISTRATION RIGHTS AGREEMENT

THIS AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT (this “Agreement”) is made and entered into on October 18, 2017 by and between Zivo Bioscience, Inc. (f/k/a Health Enhancement Products, Inc.), a Nevada corporation, with its principal place of business at 2804 Orchard Lake Road, Suite 202, Keego Harbor, Michigan 48320 (hereinafter referred to as the “Company”), HEP Investments LLC, a Michigan limited liability company, with its principal place of business at 2804 Orchard Lake Road, Suite 205, Keego Harbor, Michigan 48320 (hereinafter referred to as “Lender”), and Strome Mezzanine Fund LP, a Delaware limited partnership, with its place of business at 100 Wilshire Blvd.; Suite 1750; Santa Monica, California, 90401 (hereinafter referred to as “Strome”).

RECITALS:

A. The Company and Lender are party to that certain Registration Rights Agreement, dated December 1, 2011 (the “Original Agreement”).

B. In connection with the Original Agreement, Company and Lender entered into that certain Loan Agreement, dated December 1, 2011 (as amended, restated or otherwise modified from time to time, the “Loan Agreement”).

C. On July 21, 2017, Strome purchased a participation in the Loan Agreement pursuant to, respectively, that certain Participation Agreement between Lender, Company and Strome dated July 21, 2017 (the “Participation Agreement”). In connection with the Participation Agreement, Strome were or will be (x) issued warrants to purchase shares of the Company’s Common Stock (the “Strome Warrants” and the Common Stock issued thereunder the “Strome Warrant Shares”) and (y) receiving shares of the Company’s Common Stock in connection with any conversion of the loan underlying their respective loan participations (“Strome Conversion Shares” and, with the Strome Warrant Shares, the “Strome Shares”).

D. The parties hereto wish to amend and restate the Original Agreement in its entirety with this Agreement in order to (i) include Strome as a signatory to this Agreement and add registration rights for the Strome Warrants and the Strome Shares, (ii) update information relating to the Company, the Lender and the registration rights of the Lender and (iii) make such further updates and amendments as may be set forth herein, in each case, upon the terms and conditions set forth herein.

E. In connection with the consummation of the transactions contemplated in the Loan Agreement (and the maintenance of credit thereunder) and the transactions contemplated by the Participation Agreements, the Company has agreed to enter into this Agreement in order to reaffirm or grant, as applicable, registration rights to Lender and Strome, as set forth below.

AGREEMENTS:

NOW, THEREFORE, in consideration of these premises and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. Certain Definitions. As used in this Agreement, the following terms shall have the following respective meanings:
 - (a) “Commission” means the United States Securities and Exchange Commission, and any successor thereto.
 - (b) “Common Stock” means the Company’s common stock and any common stock or other securities of the Company or any successor entity which may be issued or distributed in respect of the common stock by way of stock dividend or stock split or other distribution, recapitalization, merger, conversion or reclassification.
 - (c) “Equity Security” shall have the meaning ascribed to such term in the rules and regulations of the Commission issued under the Securities Act.
 - (d) “Exchange Act” means the Securities Exchange Act of 1934, as amended, and all rules and regulations promulgated thereunder, as in effect from time to time.
 - (e) “Note” shall mean that certain Ninth Amended and Restated Senior Secured Convertible Promissory Note, in the face amount of up to \$17,500,000.00 dated March 1, 2017 (as amended, restated or otherwise modified from time to time).
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- (f) “Prospectus” means the prospectus included in a Registration Statement (including a prospectus that includes any information previously omitted from a prospectus filed as part of an effective Registration Statement in reliance upon Rule 430A promulgated under the Securities Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the securities covered by a Registration Statement, and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such prospectus.
- (g) “Registration Statement” means a registration statement in the form required to register the resale of Registrable Securities under the Securities Act and other applicable law, and including any Prospectus, amendments and supplements to each such registration statement or Prospectus, including pre- and post-effective amendments, all exhibits thereto, and all material incorporated by reference or deemed to be incorporated by reference in such registration statement.
- (h) “Registration Expenses” means the expenses described in Section 5 below.
- (i) “Registrable Securities” means (i) the shares of Common Stock issued to Lender as a fee pursuant to the Loan Agreement, (ii) the shares of Common Stock issued or issuable upon conversion of the Note, including, for the avoidance of doubt, the Strome Conversion Shares, (iii) the shares of Common Stock issued or issuable upon exercise of any Warrant; (iv) the Strome Warrants; and (v) any other shares of Common Stock or Warrants issued in respect of the shares of Common Stock or Warrants described in subparagraphs (ii), (iii) and (iv) above (because of stock splits, stock dividends, reclassifications, recapitalizations or similar events), provided, however, that shares of Common Stock and Warrants which are Registrable Securities shall cease to be Registrable Securities upon any sale pursuant to a Registration Statement, Section 4(1) of the Securities Act or Rule 144 under the Securities Act. Wherever reference is made in this Agreement to a request or consent of holders of a certain percentage of Registrable Securities, the determination of such percentage shall include shares of Common Stock issuable upon conversion of the Note or exercise of any Warrant even if such conversion or exercise has not yet occurred.
- (j) “Rule 144” means Rule 144 (or any successor rule of similar effect) promulgated under the Securities Act.
- (k) “Securities Act” means the Securities Act of 1933, as amended, and all rules and regulations promulgated thereunder, as in effect from time to time.
- (l) “Shareholders” means Lender, Strome and any persons or entities to whom the rights granted under this Agreement are transferred by Lender and/or Strome and their respective successors or assigns.
- (m) “Warrant” means any Warrant to Purchase Common Stock issued to Lender and/or Strome by the Company.

2. Required Registrations.

(a) Subject to the conditions of this Section 2, at any time, Lender and/or Strome may request, in writing, that the Company effect the registration on Form S-1, or if available, Form S-3 (or any successor form) of Registrable Securities owned by such person. If Lender or Strome, as applicable, intends to distribute the Registrable Securities by means of an underwriting, it shall so advise the Company in its request of such intention and of its selection of an underwriter. In the event such registration is underwritten, the right of other Shareholders to participate shall be conditioned on such Shareholders' participation in such underwriting. Upon receipt of any such request, the Company shall promptly give written notice of such proposed registration to all other Shareholders. Such Shareholders shall have the right, by giving written notice to the Company within thirty (30) days after the Company provides its notice, to elect to have included in such registration such of their Registrable Securities as they may request in such notice of election, subject to the approval of the underwriter managing the offering. Thereupon, the Company shall, as expeditiously as possible, use its best efforts to effect the registration of all Registrable Securities which the Company has been requested to so register. If the managing underwriter or underwriters have not limited the number of securities to be underwritten, the Company may include securities for its own account or the account of others in such registration if the managing underwriter or underwriters so agree and if the number of Registrable Securities which would otherwise have been included in such registration and underwriting will not thereby be decreased. If the managing underwriter or underwriters have limited the number of securities to be underwritten, the Company will include in such registration, prior to the inclusion of any securities which are not Registrable Securities, the number of Registrable Securities requested to be included which in the opinion of such underwriters can be sold without adversely affecting the marketability of the offering, pro-rata among the respective holders thereof on the basis of the number of Registrable Securities that each holder has requested to be included in such registration (with any applicable Warrants constituting Registrable Securities included in such calculation assuming they have been exercised, but without duplication of any Common Stock that may be received in connection with such actual or assumed exercise).

(b) At any time after the Company becomes eligible to file a Registration Statement on Form S-3 (or any successor form relating to secondary offerings), any Shareholder may request the Company, in writing, to effect the registration of its Registrable Securities on Form S-3 (or such successor form), of Registrable Securities having an aggregate offering price of at least \$100,000 (based on the current public market price). Upon receipt of any such request, the Company shall promptly give written notice of such proposed registration to all other Shareholders. Such Shareholders shall have the right, by giving written notice to the Company within thirty (30) days after the Company provides its notice, to elect to have included in such registration such of their Registrable Securities as such Shareholders may request in such notice of election. Thereupon, the Company shall, as expeditiously as possible, use its best efforts to effect the registration of all Registrable Securities which the Company has been requested to register.

(c) The Company shall not be required to effect more than three registrations pursuant to Section 2(a) above, but there shall be no numerical limitation on the number of registrations that the Company shall be required to effect pursuant to Section 2(b) above; provided, Lender shall exercise no more than two demands pursuant to Section 2(a), and Strome will exercise no more than one demand pursuant to Section 2(a).

(d) If at the time of any request to register Registrable Securities pursuant to this Agreement, the Company is engaged in any activity which, in the good faith determination of the Board, would be adversely affected by the requested registration to the material detriment of the Company, then the Company may at its option direct that such request be delayed for a period not in excess of three months from the effective date of such offering or the date of commencement of such other material activity, as the case may be.

3. Incidental Registration.

(a) Whenever the Company proposes at any time to file a Registration Statement that contemplates the sale of Common Stock or Warrants or other Equity Security and is on a form which would allow registration of the Registrable Securities, it will, prior to such filing, give written notice to all Shareholders of its intention to do so and, upon the written request of the Shareholders given within ten (10) days after the Company provides such notice, the Company shall use its best efforts to cause all Registrable Securities which the Company has been requested by such Shareholders to register to be registered under the Securities Act to the extent necessary to permit their sale or other disposition in accordance with the intended methods of distribution specified in the request of the Shareholders; provided, however, that the Company shall have the right to postpone or withdraw any registration proposed pursuant to this Section 3(a) without obligation to any Shareholder.

(b) In connection with any offering under Section 3(a) involving an underwriting, the Company shall not be required to include any Registrable Securities in such underwriting unless the holders thereof accept the terms of the underwriting as agreed upon between the Company and the underwriters selected by it, and then only in such quantity as will not, in the opinion of the underwriters, jeopardize the success of the offering by the Company. If in the opinion of the managing underwriter the registration of all, or part of, the Registrable Securities which the holders have requested to be included would materially and adversely affect such public offering, then the Company shall be required to include in the underwriting only that number of Registrable Securities which the managing underwriter believes may be sold without causing such material adverse effect, but in no event shall the amount of Registrable Securities included in the offering be reduced below 25% of the total amount of securities included in the offering. If the number of Registrable Securities to be included in the underwriting in accordance with the foregoing is less than the total number of securities which the holders of Registrable Securities have requested to be included, then the holders of Registrable Securities who have requested registration shall participate in the underwriting pro-rata on the basis of the number of Registrable Securities that the holders have requested to be so included (with any applicable Warrants constituting Registrable Securities included in such calculation assuming they have been exercised, but without duplication of any Common Stock that may be received in connection with such actual or assumed exercise).

4. Registration Procedures. If and whenever the Company is required by the provisions of this Agreement to use its best efforts to effect the registration of any of the Registrable Securities under the Securities Act, the Company shall:

(a) File with the Commission a Registration Statement with respect to such Registrable Securities and use its best efforts to cause that Registration Statement to become and remain effective; provided, however, that, before filing a Registration Statement or any amendment or supplement thereto, the Company will furnish to both (x) the Shareholders who have provided any information which will be directly or indirectly incorporated into the Registration Statement and (y) counsel selected by the holders of a majority of the Registrable Securities covered by such Registration Statement (or selected by the applicable Shareholder in the manner described in Section 5, in the case of a registration demanded under Section 2(a) hereof) copies of all such documents proposed to be filed, which documents will be subject to the review and approval of such counsel (who, for the avoidance of doubt, shall represent all holders of the applicable Registrable Securities);

(b) As expeditiously as possible prepare and file with the Commission any amendments and supplements to the Registration Statement and the prospectus included in the Registration Statement as may be necessary to keep the Registration Statement effective for a period of not less than six months from the effective date or such shorter period as will terminate when all of the securities covered by such Registration Statement have been disposed of in accordance with the intended methods of disposition by the sellers thereof;

(c) As expeditiously as possible furnish to each selling Shareholder such reasonable number of copies of the prospectus, including a preliminary prospectus, in conformity with the requirements of the Securities Act, and such other documents as the selling Shareholder may reasonably request in order to facilitate the public sale or other disposition of the Registrable Securities owned by the selling Shareholder;

(d) As expeditiously as possible use its best efforts to register or qualify the Registrable Securities covered by the Registration Statement under the securities or blue sky laws of such states as the selling Shareholders shall reasonably request, and do any and all other acts and things that may be necessary or desirable to enable the selling Shareholders to consummate the public sale or other disposition within such states of the Registrable Securities owned by the selling Shareholders; provided, however, that the Company shall not be required in connection with this paragraph (d) to qualify as a foreign corporation in any jurisdiction, execute a general consent to service of process in any jurisdiction, or subject itself to taxation in any jurisdiction;

(e) Use its best efforts to cause the Registrable Securities (other than Warrants) to be listed on the principal securities exchange on which similar securities of the Company are then listed, if any, if the listing of such shares is then permitted under the rules of such exchange;

(f) Enter into such customary agreements (including an underwriting agreement in customary form, including customary representations, warranties, covenants, conditions and indemnities) and take all such other actions as the holders of a majority of the Registrable Securities being sold or the underwriters, if any, reasonably request in order to expedite or facilitate the disposition of such Registrable Securities;

- (g) At the request of any underwriter in connection with an underwritten offering, the Company will furnish an opinion of counsel, addressed to the underwriters, covering such customary matters as the managing underwriters may reasonably request and (ii) a comfort letter or comfort letters (and updates thereof) from the Company's independent public accountants covering such customary matters as the managing underwriters may reasonably request;
- (h) Provide a CUSIP number, registrar and transfer agent for the Registrable Securities included in any Registration Statement not later than the effective date of such Registration Statement;
- (i) During the period when the Prospectus is required to be delivered under the Securities Act, file all documents required to be filed with the Commission pursuant to the Exchange Act in accordance with the provisions of the Exchange Act and the rules and regulations promulgated thereunder;
- (j) Use best efforts to cause the Registrable Securities (other than Warrants) included in any Registration Statement to be listed on each securities exchange, if any, on which similar securities issued by the Company are then listed; and
- (k) Notify each seller of such Registrable Securities, at any time when a Prospectus relating thereto is required to be delivered under the Securities Act, of the happening of any event as a result of which the prospectus included in such Registration Statement contains an untrue statement of a material fact or omits any material fact necessary to make the statements therein not misleading, and, at the request of any such seller, the Company shall prepare a supplement or amendment to such prospectus so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus shall not contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading.

5. Allocation of Expenses. The Company will pay all Registration Expenses of all registrations under this Agreement; provided, however, that if a registration is withdrawn at the request of the Shareholder demanding such registration under Section 2(a) (other than as a result of information concerning the business or financial condition of the Company which is made known to the applicable Shareholder after the date on which such registration was demanded) and if the demanding Shareholder elects not to have such registration counted as a registration demanded under Section 2(a), the requesting Shareholder (*i.e.*, Lender or Strome) shall pay the Registration Expenses of such withdrawn registration. For purposes of this Section 5, the term "Registration Expenses" shall mean all costs and expenses incident to the Company's performance of, or compliance with, this Agreement, including, without limitation, all registration and filing fees, exchange listing fees, printing expenses, fees of accountants for the Company, fees and disbursements of counsel for the Company and the fees and expenses (not in excess of \$20,000) of one counsel selected by the selling Shareholders to represent the selling Shareholders (as reasonably selected by the Shareholder making the demand, in the case of registrations demanded under Section 2(a)), state securities or blue sky fees and expenses, and the expense of any special audits incident to or required by any such registration, but excluding underwriting discounts, selling commissions or any other brokerage or underwriting fees and expenses and the fees and expenses of the selling Shareholders' own counsel (other than the one counsel selected to represent all selling Shareholders).

6. Indemnification.

(a) In the event of any registration of any of the Registrable Securities under the Securities Act pursuant to this Agreement, the Company will indemnify and hold harmless the seller of such Registrable Securities, each underwriter of such Registrable Securities, and each other person, if any, who controls such seller or underwriter within the meaning of the Securities Act or the Exchange Act against any losses, claims, damages or liabilities, joint or several, to which such seller, underwriter or controlling person may become subject under the Securities Act, the Exchange Act, state securities or blue sky laws or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in any Registration Statement under which such Registrable Securities were registered under the Securities Act, any preliminary prospectus or final prospectus contained in the Registration Statement, or any amendment or supplement to such Registration Statement, or arise out of or are based upon the omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading; and, subject to Section 6(c) below, the Company will reimburse such seller, underwriter and each such controlling person for any legal or any other expenses reasonably incurred by such seller, underwriter or controlling person in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the Company will not be liable to any person in any such case to the extent that any such loss, claim, damage or liability arises out of or is based solely upon (i) any untrue statement or omission made in such Registration Statement, preliminary prospectus or prospectus, or any such amendment or supplement, in reliance upon and in conformity with information furnished to the Company, in writing, by or on behalf of such seller, underwriter or controlling person specifically for use in the preparation thereof, or (ii) the failure of such seller to deliver copies of the prospectus in the manner required by the Securities Act (provided that the Company has delivered to such seller such most recent prospectus, as supplemented or amended).

(b) In the event of any registration of any of the Registrable Securities under the Securities Act pursuant to this Agreement, each seller of Registrable Securities, severally (and not jointly or jointly and severally), will indemnify and hold harmless the Company, each of its directors and officers and each underwriter, if any, and each person, if any, who controls the Company or any such underwriter within the meaning of the Securities Act or the Exchange Act, against any losses, claims, damages or liabilities, joint or several, to which the Company, such directors and officers, underwriter or controlling person may become subject under the Securities Act, Exchange Act, state securities or blue sky laws or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement of a material fact contained in any Registration Statement under which such Registrable Securities were registered under the Securities Act, any preliminary prospectus or final prospectus contained in the Registration Statement, or any amendment or supplement to the Registration Statement, or arise out of or are based upon any omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, but only if the statement or omission was made in reliance upon and in conformity with information furnished in writing to the Company by or on behalf of such seller, specifically for use in connection with the preparation of such Registration Statement, prospectus, amendment or supplement.

(c) Each party entitled to indemnification under this Section 6 (the “Indemnified Party”) shall give notice to the party required to provide indemnification (the “Indemnifying Party”) within a reasonable period of time after such Indemnified Party has actual knowledge of any claim as to which indemnity may be sought (but failure to so notify the Indemnifying Party shall not relieve such Indemnifying Party from any liability hereunder to the extent it is not materially prejudiced thereby), and shall permit the Indemnifying Party to assume the defense of any such claim or any litigation resulting therefrom; provided, however, that counsel for the Indemnifying Party, who shall conduct the defense of such claim or litigation, shall be approved by the Indemnified Party (whose approval shall not be withheld unreasonably). The Indemnified Party may participate in such defense at such party’s expense; provided, however, that the Indemnifying Party shall pay such expense if representation of such Indemnified Party by the counsel retained by the Indemnifying Party would be inappropriate due to actual or potential differing interests between the Indemnified Party and any other party represented by such counsel in such proceeding. No Indemnifying Party in the defense of any such claim or litigation shall, except with the prior written consent of each relevant Indemnified Party, consent to entry of any judgment or enter into any settlement which (x) does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect of such claim or litigation or (y) includes any admission of wrongdoing or fault by the Indemnified Party, and no Indemnified Party shall consent to entry of any judgment or settle such claim or litigation without the prior written consent of the Indemnifying Party (not to be unreasonably withheld).

(d) If for any reason the indemnification provided for in the preceding clauses (a) and (b) is unavailable to an Indemnified Party or insufficient to hold such party harmless as contemplated by the preceding clauses (a) and (b), then the Indemnifying Party shall contribute to the amount paid or payable by the Indemnified Party as a result of the loss, claim, damage, liability or expense in the proportion as is appropriate to reflect (i) the relative fault of the Indemnified Party and the Indemnifying Party, and (ii) any other relevant equitable considerations.

(e) The indemnities provided in this Section 6 shall survive any Shareholder's transfer of any Registrable Securities.

7. Participation in Underwritten Registrations. No Shareholder may participate in any registration hereunder which is underwritten unless such Shareholder (a) agrees to sell such Shareholder's securities on the basis provided in any underwriting arrangements approved by the party entitled hereunder to approve such arrangements and (b) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents required under the terms of such underwriting arrangements.

8. Information.

(a) Each holder of Registrable Securities included in any registration shall furnish to the Company such information regarding such holder and the distribution proposed by such holder as the Company may request in writing if it is required in connection with any registration, qualification or compliance referred to in this Agreement.

(b) In furtherance of their rights hereunder, upon the reasonable advance request of a Shareholder having demand rights under Section 2(a), and at such Shareholder's expense, such Shareholder (or a designee thereof) may visit the offices and/or operations of the Company during normal business hours and obtain and inspect (including by making copies of) the books and records of the Company and review documents, files and information regarding the affairs of the Company; provided, the Company shall not be required to disclose any (x) information upon which the Company reasonably wishes to maintain attorney-client privilege or (y) information for which the disclosure thereof would be unlawful or risk a potential claim against or liability to the Company.

9. Limitations on Subsequent Registration Rights. The Company shall not, without the prior written consent of Shareholders holding at least a majority of all Registrable Securities, enter into any agreement (other than this Agreement) with any holder or prospective holder of any securities of the Company which would allow such holder or prospective holder to demand that his, her or its securities be included in any registration filed under Section 2 or Section 3.

10. Rule 144 Requirements. The Company agrees to:

(a) Make and keep public information available, as those terms are understood and defined in Rule 144 under the Securities Act;

(b) File with the Commission in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements); and

(c) Furnish to any holder of Registrable Securities upon request a written statement by the Company as to its compliance with the reporting requirements of such Rule 144 (at any time after ninety (90) days following the closing of the first sale of securities by the Company pursuant to a Registration Statement), and of the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements), a copy of the most recent annual or quarterly reports of the Company, and such other reports and documents of the Company as such holder may reasonably request to avail itself of Rule 144 or any similar rule or regulation of the Commission allowing it to sell any such securities without registration.

11. Notices. Any and all notices provided for in this Agreement shall be given in writing by registered or certified mail, return receipt requested and shall be deemed to have been given when mailed, and shall be addressed to the parties at the addresses indicated above or to such other address as the respective parties may designate by notice to the others in writing.

12. Entire Agreement. This Agreement contains the entire agreement and understanding among the parties with respect to the subject matter hereof and supersedes all prior agreements, understandings and representations. No addition or modification to this Agreement is valid unless made in writing and signed by the parties hereto.

13. Waiver of Jury Trial. THE COMPANY ACKNOWLEDGES THAT IT MAY HAVE A CONSTITUTIONAL RIGHT TO A JURY TRIAL IN CONNECTION WITH ANY CLAIM, DISPUTE OR LAWSUIT ARISING BETWEEN THE COMPANY, THE LENDER, AND THE OTHER SHAREHOLDERS BUT THAT SUCH RIGHT MAY BE WAIVED. IN THIS COMMERCIAL MATTER, THE COMPANY BELIEVES THAT IT IS IN ITS BEST INTEREST TO WAIVE SUCH RIGHT. ACCORDINGLY, THE COMPANY DOES HEREBY WAIVE SUCH RIGHT TO A JURY TRIAL.

14. Controlling Law; Jurisdiction. This Agreement shall be construed, interpreted and enforced in accordance with the laws of the State of Michigan. The Company expressly submits to the jurisdiction and venue in the federal or state courts of the State of Michigan by process served by mail on the Company at the address set forth above.

15. Specific Performance. The parties agree that, to the extent permitted by law (a) the obligations imposed on them in this Agreement are special, unique and of an extraordinary character and that in the event of a breach by any such party damages would not be an adequate remedy, and (b) each of the other parties shall be entitled to specific performance and injunctive and other equitable relief in addition to any other remedy to which it may be entitled at law or in equity.

16. Construction and Interpretation. Should any provision of this Agreement require judicial interpretation, the parties hereto agree that the court interpreting or construing the same shall not apply a presumption that the terms hereof shall be more strictly construed against one party by reason of the rule of construction that a document is to be more strictly construed against the party that itself or through its agent prepared the same, it being agreed that the Company, the Lender and the other Shareholders and their respective agents have participated in the preparation hereof.

17. Counterparts and Facsimile Signatures. This Agreement may be executed in any number of counterparts each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Copies (whether facsimile, photostatic or otherwise) of signatures to this Agreement shall be deemed to be originals and may be relied on to the same extent as the originals.

18. Amendment and Restatement. This Agreement amends and restates the Original Agreement in its entirety as of the date hereof; provided, to the extent consistent with this Agreement, the Original Agreement shall remain in full force and effect, and any such consistent terms set forth in this Agreement shall be deemed to be a continuation and reaffirmation of such consistent terms set forth in the Original Agreement.

[Signatures on following page]

IN WITNESS WHEREOF, the parties hereto have executed this Registration Rights Agreement as of the day and year first above written.

COMPANY:

ZIVO BIOSCIENCE, INC.,
a Nevada corporation

By: /s/ Philip M. Rice
Philip M. Rice
Its: Chief Financial Officer

LENDER:

HEP INVESTMENTS LLC,
a Michigan limited liability company

By: /s/ Laith Yaldao
Laith Yaldao
Its: Manager

STROME:

STROME MEZZANINE FUND LP

By: /s/ Mark Strome
Mark Strome
President and CEO of Strome Investment Management LP,
its general partner

[Signature Page to Registration Rights Agreement]

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

I, Andrew Dahl, certify that:

1. I have reviewed this Quarterly report on Form 10-Q of Zivo Bioscience, Inc. (the "Company");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:

~~d~~signed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

~~d~~signed 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;

~~e~~valuated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

~~d~~isclosed in this report any change in the registrant's internal control over financial reporting that occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function).

~~a~~l 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~~y 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: October 19, 2017

/s/Andrew Dahl
Andrew Dahl,
Chief Executive Officer

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

I, Philip M. Rice II, certify that:

1. I have reviewed this Quarterly report on Form 10-Q of Zivo Bioscience, Inc. (the “Company”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The Registrants other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:

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;

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;

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

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):

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

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: October 19, 2017

/s/Philip M. Rice II

Philip M. Rice II
Chief Financial Officer

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

In connection with the Quarterly Report on Form 10-Q for the period ending September 30, 2017 of Zivo Bioscience, Inc. (the "Company"), Inc., a Nevada corporation (the "Company"), as filed with the Securities and Exchange Commission (the "Report"), I, Andrew Dahl, Chief Executive Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350), that to the best of my knowledge and belief:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: October 19, 2017

/s/Andrew Dahl
Andrew Dahl
Chief Executive Officer

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

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

In connection with the Quarterly Report of Zivo Bioscience, Inc. (the "Company"), Inc., a Nevada corporation (the "Company"), on Form 10-Q for the period ended September 30, 2017 as filed with the Securities and Exchange Commission (the "Report"), I, Philip M. Rice II, Chief Financial Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350), that to the best of my knowledge and belief:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: October 19, 2017

/s/ Philip M. Rice II

Philip M. Rice II
Chief Financial Officer

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