

2016



ANNUAL REPORT

VIVAKOR



**To our Shareowners:**

On behalf of our fellow Board Directors and the entire organization, we want to express our deep gratitude to the shareholders for your continued commitment and support.

A word about typical corporate cultures, they are enduring, stable and hard to change. It is created slowly over time by the people and by events – by the stories of past success and failure that become a deep part of the company lore. If it's a distinctive culture, it will fit certain people like a custom-made glove or suit. The reason cultures are so stable over time is because people self-select. Someone energized by competitive zeal may select and be happy in one culture, while someone who loves to pioneer and invent may choose another. The world, thankfully, is full of many high-performing, highly distinctive corporate cultures. We never claim that our approach is the right one – just that it's ours – and over the last five years, we've collected a large group of like-minded people, people who find our approach energizing and meaningful.

Struggle and invention are inseparable twins! To invent you have to experiment, and if you know in advance that it's going to work, it's not really an experiment. Most organizations embrace the idea of invention, but are not willing to suffer the string of failed experiments necessary to get there. Our company policy is to push the envelope of science as we look for the opportunity that can add shareholder value. In 2016, we implemented a technology for oil extraction and we uncovered two major market areas that have proven to be very valuable to the Company, oil extraction and remediation. Outsized returns often come from betting against conventional wisdom.

We will continue to work diligently and to function at the highest level with our primary businesses as we also pursue new opportunities with significant upside. We eagerly look to the prospects that lie ahead, along with the dynamics of the markets in which we operate as we forge boldly ahead. Our drive and accomplishments will be marked again by a relentless focus on creating distinct value for our shareholders.

**The following represent some of our major achievements for Fiscal 2016:**

- ☑ *COMMENCED CONSTRUCTION UPGRADE OF OUR FIRST MOBILE OIL EXTRACTION UNIT*
- ☑ *INDEPENDENT 3<sup>RD</sup> PARTY VALIDATION OF OIL PRODUCTION FROM UTAH OIL SANDS*
- ☑ *ENERGY DIVISION COMPLETED THE PRODUCTION OF ITS MOBILE OIL EXTRACTION AND REMEDIATION UNIT AT ITS R & D FACILITY*
- ☑ *ANNOUNCED PATENT PENDING, OIL EXTRACTION TECHNOLOGY AND METHODOLOGY IS OPERATING IN UTAH*

- ☑ *JOINT TECHNOLOGY VENTURE OF THE MOBILE OIL EXTRACTION AND REMEDIATION UNITS WITH REMEDIATION & RECYCLING TECHNOLOGIES INC. (RRT)*
- ☑ *VIVAKOR SUCCESSFULLY TESTS CONTAMINATED SOIL FROM LARGE MIDDLE EASTERN NATIONAL OIL COMPANY*
- ☑ *STRUCTURED A MANAGEMENT SERVICES AGREEMENT WITH AN OIL SANDS OPERATOR WITH THE PROPOSITION OF VIVAKOR MANAGING THEIR OIL EXTRACTION PLANT*
- ☑ *APPOINTED DR. KHALID AL THANI TO ITS ADVISORY BOARD*
- ☑ *APPOINTED MR. JOE MUNSEY TO ITS ADVISORY BOARD*
- ☑ *ANNOUNCED ITS BOARD OF DIRECTORS AUTHORIZED A STOCK REPURCHASE PLAN*
- ☑ *FINANCIAL HIGHLIGHTS YEAR OVER YEAR (YOY):*
  - *INCREASED TOTAL ASSETS OVER 26% TO APPROXIMATELY \$31.45M*
  - *INCREASED STOCKHOLDER EQUITY TO APPROXIMATELY \$24M*
  - *INCREASED GROSS REVENUES BY 126% FROM 2015*
- ☑ *3 CONSECUTIVE YEARS OF POSITIVE FINANCIAL RESULTS; SOLID BALANCE SHEET*

These accomplishments position Vivakor for keen capital usage and accrual through unique projects with appreciable returns for our shareholders and royalty program participants.

In conclusion, we are working diligently on the implementation and continual improvement of our core extraction technologies. Additionally, we are securing more processing material and seeking new opportunities across the globe to create a broader, more diverse revenue stimulus for the Company. As we add to our natural resource asset base, these holdings expand our footprint and augment our financials with the addition to the overall productivity for Vivakor. These combined efforts further position our company in the sectors we operate and increase overall valuation for the Company. As long as we continue to meet our defined goals and objectives we are confident about where Vivakor can go in spite of global economic and geopolitical uncertainty.

Thank you for your continued confidence as we push toward a strong 2017 in our achievements!

Respectfully,

**Matthew Nicosia**  
**Chairman & CEO**  
**VIVAKOR**

**VIVAKOR, INC.**  
**ANNUAL REPORT**  
**FOR THE YEAR**  
**ENDED DECEMBER 31, 2016**

## **CAUTION REGARDING FORWARD-LOOKING STATEMENTS**

This Annual Report contains certain forward-looking statements. These forward-looking statements, which may be identified by words including “anticipates,” “believes,” “intends,” “estimates,” “expects,” “forecasts,” “plans,” “ projects”, and similar expressions include, but are not limited to, statements regarding (i) future plans, objectives, strategies, expenditures, results and objectives of future operations and research, (ii) proposed new products, services, developments or industry rankings; (iii) future revenue, economic conditions or performance; (iv) potential collaborative arrangements and (v) the need for and availability of additional financing.

The forward-looking statements included herein are based on current expectations that involve a number of risks and uncertainties. These forward-looking statements are based on assumptions regarding our business and technology, which involve judgments with respect to, among other things, future scientific, economic and competitive conditions, and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond our control. Accordingly, undue reliance should not be placed on forward looking statements as they only represent the Company’s views as of the date the statements were made. Although we believe that the assumptions underlying the forward-looking statements are reasonable, the Company cannot guarantee future results, levels of activity, performance or achievements and actual results may differ materially from those set forth in the forward-looking statements. In light of the significant uncertainties inherent in the forward-looking information included herein, the inclusion of such information should not be regarded as representation by us or any other person that our objectives or plans will be achieved. We do not intend to and specifically decline any obligation to update any forward-looking statements or to publicly announce the results of any revisions to any statements to reflect new information or future events or developments.

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## **BUSINESS**

### **General**

Vivakor, Inc. (the “Company”) was organized in 2008. The Company identifies new and promising technologies and acquires them or provides secured funding for their development and commercialization. The Company may acquire the technology for the Company’s sole development, commercialization and use, or the Company may enter into joint ventures or strategic alliances to provide secured funding to commence or expand operations and development in exchange for ownership of the developing technology or participation in revenue streams generated by the developed technology. The Company intends to concentrate future fund raising and development efforts in the following industries:

- Oil Sand Extraction – new processing method and proprietary technologies that extract the hydrocarbons from specific oil sand deposits. These methods and technologies have also proven to be successful with reclamation and remediation that may be used on a global scale.
- Mining and minerals – new processes and technologies for the extraction of precious metals from sand-based deposits.
- Alternative energy – specifically the use of nano and other new materials in the generation and storage of energy.

Our financial statements include the accounts of our company and its wholly-owned subsidiaries, VivaSight, Inc., VivaTherma, Inc. and VivaVentures, Inc., and its majority-owned subsidiaries, VivaVentures Energy Group, Inc. and HealthAmerica, Inc., and joint venture VivaRRT, LLC.

Set forth below is a brief description of the business of each of our company’s active investments and subsidiaries.

#### ***VivaVentures Energy Group, Inc., a green energy alternatives and petroleum asset subsidiary***

- Acquired the rights and ownership to multiple proprietary technologies and processes for a green energy oil extraction from oil sands.
- Entered into a joint venture agreement and formed VivaRRT, LLC for technology collaboration and mobile oil extraction and remediation operations on a global scale.
- Acquired the ownership of certain claims in Utah containing oil-sand deposits.
- Developed and are testing an oil sand extraction machine.

- Entered into an ore supply agreement for oil sand supply for oil production in Vernal, Utah.
- Acquired the right to royalties in enhanced oil recovery services in YPFB Andina in Bolivia
- Registered for business operations and opened offices in Doha, Qatar according to our international business model for reclamation and remediation.

***VivaVentures, Inc., a green energy alternatives and mineral asset subsidiary***

- Acquired the rights and ownership to the proprietary technology for a disruptive metallic vaporization science and process for precious metal extraction
- Acquired ownership of certain precious metal mining claims in Arizona and Colorado.
- Acquired a 39% ownership in VivaVentures Precious Metals, LLC. Two precious metal extraction units have been developed with the proprietary extraction technology. The units are currently operated at our Henderson, Nevada facility.
- Focuses on mineral and other such assets that may be extracted or leveraged. This subsidiary has signed letters of intent that are backed by at least a 10 to 1 in value.

***Investment in VivaCeuticals, Inc., a natural and formulary products company***

- We acquired a minority interest in VivaCeuticals, Inc. The Company also has provided secured loan financing and assistance to the development and commercialization of two bioactive beverages and one weight loss beverage, which VivaCeuticals, Inc. markets as RegeneBlend, RegeneBoost, and RegeneSlim. The company has recently ceased operations in the United States, and is structuring for international business. Our loans are collateralized by these formulas and other marketing software assets. Additionally, the Company receives a percentage of total gross sales of VivaCeuticals, Inc. RegeneBlend is a highly concentrated extract of natural products rich in antioxidants and other phytochemicals. RegeneBoost is a nutraceutical, bioactive beverage enriched with phytochemicals and antioxidants.

***Investment in Odyssey Group International, Inc., a natural and formulary products company***

- We have acquired a minority interest in Odyssey Group International, Inc. (Odyssey). The Company has also provided secured loan financing and assistance to the development and commercialization of a natural athletic enhancement beverage, which Odyssey sells to distributors to market and sell. The Company's loans are collateralized by the formula, and the Company receives a percentage of total gross sales until the loan has been repaid in full. This beverage contains



concentrated doses of antioxidants, polyphenols, vitamins, minerals, EGCG, as well as “Young Tissue Extract,” and plant-sourced Marine Mineral Complex which contains Algae Cal. It is believed that the formula ingredients fortify the body against degeneration, increase the recovery rate after physical exercise and sports participation, and mediate oxidative stress, which may enhance metabolism, help balance glucose levels, increase fat oxidation and aid in weight management, and that the beverage may reverse bone loss, especially when incorporated with load-bearing sports. Odyssey is a reporting company under the Securities and Exchange Act of 1934 and expects its common stock to be listed on a quotation system or exchange in early 2017.

### **Our Company’s Inactive Subsidiaries**

Our company has the following wholly-owned or partially-owned subsidiaries which are either inactive or are not generating material revenue:

- VivaSight, Inc., a Nevada corporation (wholly owned);
- VivaOptics, Inc., a Nevada corporation (wholly owned);
- VivaThermic, Inc., a Nevada corporation (wholly owned); and
- HealthAmerica, Inc., a Nevada corporation (approximately 62%, majority owned).

### **Our Commercialized Products and Services**

Our company intends to continue secured lending and assistance in developing existing technologies and commercial products, which include the products described below:

*Petroleum.* VivaVentures Energy Group, Inc. has acquired multiple proprietary technologies and processes to extract oil from oil-sands. We are currently developing a production oil-sand extraction machine and we have entered into a joint venture agreement for technology collaboration and oil production operations and formed VivaRRT, LLC. The production oil-sand extraction machine has had significant upgrades and additions completed and has successfully completed test productions and is projected to be in scaled up production in 2017. We have acquired a Designated Oil Sands Lease from the State of Utah, as well as oil-sand claims in Utah. We currently have approximately three hundred (300) million cubic yards of oil sand material to process. Each cubic yard yields approximately 1 barrel of oil. There is a tremendous need for remediation for the clean-up of oil spills across the globe. With our technology, we have the ability to assist companies and governments in this effort, in particular where there is an oil spill and sand is mixed with oil. This provides us with an enormous opportunity in this multi-billion-dollar global market for clean-up of these tainted environments. Our technology adds a component to remediation that is not readily available through traditional remediation processes. We provide the ability to clean and reclaim the oil that has been spilled. This propels the Company into another market area that is not being served in the manner in which we deliver. After the first extraction unit is in scaled up production, the Company intends to finance the construction of additional oil-sand extraction machines, which will increase the daily oil production. We believe that this proprietary oil-

sand extraction process, when fully implemented, will revolutionize the oil industry.

The Company has agreed to loan VivaVentures Energy Group, Inc. sufficient funds to conduct its operations, including construction of additional oil-sand extraction machines. The Company will be required to raise additional capital to fulfill this commitment but has not received any corresponding commitments to invest. After verification of the initial test results, we expect to attract substantial investment for this venture.

*Mining and Minerals.* We have acquired a proprietary technology which extracts precious metals from sand-based ore materials and we have acquired the rights to certain mining claims located in Arizona and Colorado, which consist of approximately six acres of sand-based ore. We have also acquired a 39% interest in VivaVentures Precious Metal, LLC which operates the precious metal mining and extraction. The proprietary extraction technology uses a thermal vapor extraction process to remove and process precious metals, including gold, silver, platinum, palladium and rhodium. Since inception of this venture in 2012, our company has funded the establishment of two precious metal extraction units. This venture has produced approximately \$5.1 million in precious metals in a concentrate flake form. The Company has received \$3 million of these precious metals according to agreements for financing and use of the extraction technology. For the year ended December 31, 2016, total precious metal production is approximately \$1 million, which the Company received over \$600,000. The 2016 production has mainly been produced from the initial thermal vaporization unit. After the second unit is fully operational, the Company intends to finance the construction of additional thermal vaporization machines, which will increase the daily production of the precious metals. We believe that this proprietary thermal vapor extraction process, when fully implemented, will be one of the most efficient methods of extracting precious metals in the world. The mining claims contain an estimated 32,000,000 tons of sand-based ore, which is estimated to include 150 million ounces of gold and 320 million ounces of silver, as well as platinum and valuable rare earth minerals.

The Company has agreed to loan to VivaVentures Precious Metals, LLC sufficient funds to conduct the mining operations, including construction of the additional thermal vaporization machines. The Company will be required to raise additional capital to fulfill this commitment but has not received any corresponding commitments to invest. After completion of the second vapor extraction unit is completed, we expect to attract substantial investment for this venture.

*Natural and Formulary Products.* We have acquired a minority interest in VivaCeuticals, Inc. The Company has also provided secured loan financing and assistance to the development and commercialization of two bioactive beverages and one weight loss beverage, which VivaCeuticals, Inc. markets as RegeneBlend, RegeneBoost, and RegeneSlim. The company has recently ceased operations in the United States, but is restructuring for international business. The Company's loans are secured by the formulas and other marketing software assets, and the Company will receive a percentage of total gross sales until the loan is repaid in full. RegeneBlend is a highly concentrated extract of natural products rich in antioxidants and other phytochemicals. RegeneBoost is a nutraceutical, bioactive beverage enriched with phytochemicals and antioxidants. We also assisted in developing commercial products for cryogenic preservation and storage technology, called VivaThermic Cryovials. The Cryovials are not actively marketed, but VivaCeuticals will occasionally sell cryovials as a result of customer solicitation.

We have acquired a minority interest in Odyssey Group International, Inc. (Odyssey). The Company has also provided secured loan financing and assistance to the development and commercialization of a natural athletic enhancement beverage, which Odyssey sells to distributors to market and sell. The Company's loans are secured by the formula, and the Company will receive a percentage of total gross sales until the loan has been repaid in full. This beverage contains concentrated doses of antioxidants, polyphenols, vitamins, minerals, EGCG, as well as "Young Tissue Extract," and plant-sourced Marine Mineral Complex which contains Algae Cal. It is believed that the formula ingredients fortify the body against degeneration, increase the recovery rate after physical exercise and sports participation, and mediate oxidative stress, which may enhance metabolism, help balance glucose levels, increase fat oxidation and aid in weight management, and that the beverage may reverse bone loss, especially when incorporated with load-bearing sports. Odyssey is a reporting company under the Securities and Exchange Act of 1934 and expects its common stock to be listed on a quotation system or exchange in 2017.

### **Future Products; Research and Acquisition**

We intend to identify, develop or acquire and bring to market products primarily in the mining and minerals, petroleum and alternative energy industries, but also as opportunities may arise in the natural and formulary products industry. Our general approach is to select products or processes that are at or near commercial viability and have a time to market of less than six months. Once selected, we negotiate agreements to provide secured loan financing to complete development, testing and product launch in exchange for control of, or a significant ownership interest in, the products or companies.

We formed VivaVentures, Inc., our wholly-owned subsidiary, to conduct the operations and hold the investments in the mining and minerals industry and alternative energy industry products, companies or investments acquired in this process.

We formed VivaVentures Energy Group, Inc., a majority-owned subsidiary, to conduct the operations, manage joint ventures, and hold the investments in the petroleum industry, companies or investments acquired in this process.

### **Competition**

Our company competes in numerous industries, all of which are believed by us to be intensively competitive. Our company's competitors have substantially greater resources, financial capabilities, marketing and sales forces and name recognition.

### **Governmental Regulation**

The Company's petroleum and mining activities are subject to federal, state and local laws, regulations and policies, including laws regulating the removal of natural resources from the ground and the discharge of materials into the environment. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Exploration and exploitation activities are also subject to federal, state and local laws and regulations which seek to maintain health and safety standards by regulating the design and use of

exploration methods and equipment. Environmental and other legal standards imposed by federal, state or local authorities are constantly evolving, and typically in a manner which will require stricter standards and enforcement, and increased fines and penalties for non-compliance. Such changes may prevent us from conducting planned activities or increase our costs of doing so, which would have material adverse effects on our business. Moreover, compliance with such laws may cause substantial delays or require capital outlays in excess of those anticipated, thus causing an adverse effect on us. Additionally, we may be subject to liability for pollution or other environmental damages that we may not be able to or elect not to insure against due to prohibitive premium costs and other reasons. Unknown environmental hazards may exist on our mining claims, or we may acquire properties in the future that have unknown environmental issues caused by previous owners or operators, or that may have occurred naturally.

Some aspects of our company's medical, biotechnology and nutraceutical supplement businesses and product candidates are subject to some degree of government regulation. As a provider of medical and biotechnology products, we are subject to extensive regulation by, among other governmental entities, the United States Food and Drug Administration (the "FDA"). In addition, before selling any of our product candidates, we will be required to comply with the rules and regulations of state, local and foreign regulatory bodies in jurisdictions where we desire to sell our products. These regulations govern the introduction of new products, the observance of certain standards with respect to the manufacture, safety, efficacy and labeling of such products, the maintenance of certain records, the tracking of such products and other matters.

For some of our product candidates, and in some countries, government regulation is significant, and generally there is a trend toward more stringent regulation. In recent years, the FDA and certain foreign regulatory bodies have pursued a more rigorous enforcement program to ensure that regulated businesses like our company's businesses comply with applicable laws and regulations. We devote significant time, effort and expense addressing the extensive governmental regulatory requirements applicable to our company's businesses. To date, we have received no notifications or warning letters from the FDA or any other regulatory body of alleged deficiencies in our company's compliance with the relevant requirements, and we have not recalled or issued safety alerts with respect to any of our company's products. There can be no assurance, however, that a warning letter, recall or safety alert, if it occurred, would not have a material adverse effect on our company.

Failure to comply with applicable federal, state, local or foreign laws or regulations could subject our company to enforcement action, including product seizures, recalls, withdrawal of marketing clearances and civil and criminal penalties, any one or more of which could have a material adverse effect on our company's businesses. We believe that our company is in substantial compliance with such governmental regulations. However, federal, state, local and foreign laws and regulations regarding the manufacture and sale of medical devices are subject to future changes. There can be no assurance that such changes would not have a material adverse effect on our company.

### **Environmental Regulation**

Some aspects of our company's mining, mineral extraction and alternative energy businesses may be subject to certain environmental laws. We have not yet determined the costs

and effects of compliance with such environmental laws. Any failure by our company to comply with applicable federal, state or local environment laws could subject our company to enforcement action, including civil and criminal penalties, any one or more of which could have a material adverse effect on our company.

## **Employees**

As of December 31, 2016, we have approximately 15 full-time or contracted employees, consisting of our CEO, CFO, and additional administrative personnel.

## **Principal Executive Office**

Our principal executive office is located at 8565 S. Eastern Ave., Ste. 150, Las Vegas, NV 89123. Our telephone number is (949) 281-2606.



## RISK FACTORS

### Risks Relating to our Business

**We are at a very early operational stage, and our success is subject to the substantial risks inherent in the establishment of a new business venture.**

The implementation of our business strategy is in a very early stage. We are in the process of assisting in developing numerous technology candidates but none have proven to be commercially successful. Our business and operations should be considered to be in a very early stage and subject to all of the risks inherent in the establishment of a new business venture. Accordingly, our intended business and operations may not prove to be successful in the near future, if at all. Any future success that we might enjoy will depend on many factors, several of which may be beyond our control, or which cannot be predicted at this time, and which could have a material adverse effect on our financial condition, business prospects and operations and the value of an investment in our company.

**We have a very limited operating history, and our business plan is unproven and may not be successful.**

Although we began operations in 2008, we recently adopted a new business plan and investment strategy that has not been proven to be successful. We have not sold any substantial amount of products commercially and have not proven that our business model will allow us to identify and develop commercially feasible products or technologies.

**We have suffered operating losses since inception, and we may not be able to achieve profitability.**

We had an accumulated deficit of \$11,702,361 as of December 31, 2016, and we expect to continue to incur significant development expenses in the foreseeable future related to the completion of development and commercialization of our products. As a result, we are incurring substantial operating and net losses, and it is possible that we never will be able to sustain or develop the revenue levels necessary to attain profitability. If we fail to generate sufficient revenues to operate profitably, or if we are unable to fund our continuing losses, you could lose all or part of your investment.

**We may have difficulty raising additional capital, which could deprive us of necessary resources, and you may experience dilution or subordinate stockholder rights, preferences and privileges as a result of our financing efforts.**

We expect to continue to devote significant capital resources to fund the acquisition and development of new products and processes. In order to support the initiatives envisioned in our business plan, we will need to raise additional funds through the sale of assets, public or private debt or equity financing or other arrangements. Our ability to raise additional financing depends on many factors beyond our control, including the state of capital markets, the market price of our Common Stock and the development or prospects for development of competitive technologies by others. Because our Common Stock is not listed on a national stock exchange, many investors may

not be willing or allowed to purchase it or may demand steep discounts. Sufficient additional financing may not be available to us or may be available only on terms that would result in further dilution to the current owners of our Common Stock.

We expect to raise additional capital during 2017, but we do not have any firm commitments for funding. If we are unsuccessful in raising additional capital or the terms of raising such capital are unacceptable, then we may have to modify our business plan and/or curtail our planned activities and other operations.

**Failure to effectively manage our growth could place strains on our managerial, operational and financial resources and could adversely affect our business and operating results.**

Our growth has placed, and is expected to continue to place, a strain on our managerial, operational and financial resources. Further, if our subsidiaries' businesses grow, then we will be required to manage multiple relationships. Any further growth by us or our subsidiaries, or any increase in the number of our strategic relationships, will increase this strain on our managerial, operational and financial resources. This strain may inhibit our ability to achieve the rapid execution necessary to implement our business plan and could have a material adverse effect on our financial condition, business prospects and operations and the value of an investment in our company.

**There are substantial inherent risks in attempting to commercialize new technological applications, and, as a result, we may not be able to successfully develop products or technologies for commercial use.**

Our company intends to acquire or invest in products in numerous technological fields. We have limited scientific experience in some of these fields. Often development requires significant amounts of capital and takes an extremely long time to reach commercial viability, if at all. During the development process, we may experience technological barriers that we may be unable to overcome. Because of these uncertainties, it is possible that many of our product candidates may never be successfully developed. If we are unable to successfully develop products or technology for commercial use, then we will be unable to generate revenue or build a sustainable or profitable business.

**We will need to achieve commercial acceptance of our products to generate revenues and achieve profitability.**

Even if our efforts to acquire or develop products yields technologically feasible applications, we may not successfully develop commercial products, and even if we do, we may not do so on a timely basis. If our research efforts are successful on the technology side, it could take at least several years before this technology will be commercially viable. During this period, superior competitive technologies may be introduced or customer needs may change, which will diminish or extinguish the commercial uses for our applications. We cannot predict when significant commercial market acceptance for our products will develop, if at all, and we cannot reliably estimate the projected size of any such potential market. If markets fail to accept our products, then we may not be able to generate revenues from the commercial application of our

technologies. Our revenue growth and achievement of profitability will depend substantially on our ability to introduce new products that are accepted by customers. If we are unable to cost-effectively achieve acceptance of our technology by customers, or if the associated products do not achieve wide market acceptance, then our business will be materially and adversely affected.

**We expect to rely on third parties for the worldwide marketing and distribution of our product candidates, who may not be successful in selling our products.**

We currently do not have adequate resources to market and distribute products worldwide and expect to engage third party marketing and distribution companies to perform these tasks. While we believe that distribution partners will be available, we cannot assure you that the distribution partners, if any, will succeed in marketing our products on a global basis. We may not be able to maintain satisfactory arrangements with our marketing and distribution partners, who may not devote adequate resources to selling our products. If this happens, we may not be able to successfully market our products, which would decrease or eliminate our ability to generate revenues.

**We may lose out to larger and better-established competitors.**

The industries in which we compete are intensely competitive. Most of our competitors have significantly greater financial, technical, manufacturing, marketing and distribution resources as well as greater experience in industry than we have. Competition may result in price reductions, reduced gross margins and loss of market share.

**We could be damaged by product liability claims.**

Some of our products are intended to be used by consumers. If one of our products malfunctions or a consumer misuses it or has a reaction to it and injury results, then the injured party could assert a product liability claim against our company. We currently do not have product liability insurance and may not be able to obtain such insurance at a rate that is acceptable to us or at all. Furthermore, even if we can obtain insurance, insurance may not be sufficient to cover all of the liabilities resulting from a product liability claim, and we might not have sufficient funds available to pay any claim over the limits of our insurance. Because personal injury claims based on product liability may be very large, an underinsured or an uninsured claim could financially damage our company.

**We may indemnify our directors and officer against liability to us and holders of our securities, and such indemnification could increase our operating costs.**

Our Bylaws allow us to indemnify our directors and officers against claims associated with carrying out the duties of their offices. Our Bylaws also allow us to reimburse them for the costs of certain legal defenses. Insofar as indemnification for liabilities arising under the Securities Act of 1933 (the “Securities Act”) may be permitted to our directors, officers or control persons, we have been advised by the SEC that such indemnification is against public policy and is therefore unenforceable.

Since our officers and directors are aware that they may be indemnified for carrying out the duties of their offices, they may be less motivated to meet the standards required by law to properly carry out such duties, which could increase our operating costs. Further, if our officers and directors file a claim against us for indemnification, the associated expenses could also increase our operating costs.

**We are exposed to risks associated with the recent worldwide economic slowdown and related uncertainties.**

We plan to expand our level of operations. Slower economic activity, concerns about inflation or deflation, decreased consumer confidence, reduced corporate profits and capital spending, adverse business conditions and liquidity concerns in the general economy and recent international conflicts and terrorist and military activity have resulted in a downturn in worldwide economic conditions, especially in the United States. Recent political and social turmoil related to international conflicts and terrorist acts can be expected to place further pressure on economic conditions in the United States and worldwide. These political, social and economic conditions make it extremely difficult for us to accurately forecast and plan future business activities. If such conditions continue or worsen, then our business, financial condition and results of operations could be materially and adversely affected.

**Risks Relating to our Stock**

**We have issued shares of Series A Preferred Stock, which have super voting rights, permitting the holder of voting power over those shares to control a majority vote over certain business aspects.**

AKMN Irrevocable Trust is the record holder of 2,000,000 shares of our Series A Preferred Stock. Matthew Nicosia, CEO, is the trustee of AKMN Irrevocable Trust, and Johnathan Nicosia (Matthew Nicosia's son) is the beneficiary. The Series A Preferred Stock provides for 25 votes for each share of Common Stock into which such shares of Series A Preferred Stock are restricted for five years from the date of issuance (restrictions remain with the stock if assigned to a third party) and currently may only be converted to Common Stock upon liquidation of the Company. With a current conversion ratio of 10 shares of Common Stock for each outstanding share of Series A Preferred Stock, this results in AKMN Irrevocable Trust (currently) having 500,000,000 votes, representing voting control of certain business aspects.

**The sale of shares of our Common Stock and securities convertible into shares or our Common Stock in private placements could cause the price of our Common Stock to decline.**

The trading volume in our shares of Common Stock is very small. A sale of shares at any given time could cause the trading price of our Common Stock to decline. The sale of a substantial number of shares of our Common Stock, or the anticipation of such sales, could make it more difficult for us to sell equity or equity-related securities in the future at a time and at a price at which we otherwise might desire to effect sales.

**Our Common Stock is traded in the Pink Sheets, which may deprive stockholders of the full**

**value of their shares.**

Our Common Stock is approved for quotation on the Pink Sheets. Therefore, our Common Stock is expected to have fewer market makers, lower trading volumes and larger spreads between bid and asked prices than securities listed on an exchange such as the New York Stock Exchange or the NASDAQ Stock Market. These factors may result in higher price volatility and less market liquidity for our Common Stock.

**A low market price would severely limit the potential market for our Common Stock.**

Since trading commenced, our Common Stock has traded at a price substantially below \$5.00 per share, subjecting trading in the stock to certain SEC rules requiring additional disclosures by broker-dealers. These rules generally apply to any non-FINRA equity security that has a market price share of less than \$5.00 per share, subject to certain exceptions (a “penny stock”). Such rules require the delivery, before any penny stock transaction, of a disclosure schedule explaining the penny stock market and the risks associated therewith, and impose various sales practice requirements on broker-dealers who sell penny stocks to persons other than established customers and institutional or wealthy investors. For these types of transactions, the broker-dealer must make a special suitability determination for the purchaser and have received the purchaser’s written consent to the transaction before the sale. The broker-dealer also must disclose the commissions payable to the broker-dealer and current bid and offer quotations for the penny stock, and, if the broker-dealer is the sole market maker, the broker-dealer must disclose that fact and the broker-dealer’s presumed control over the market. Such information must be provided to the customer orally or in writing before or with the written confirmation of trade sent to the customer. Monthly statements must be sent disclosing recent price information for the penny stock held in the account and information on the limited market in penny stocks. The additional burdens imposed on broker-dealers by such requirements could discourage broker-dealers from effecting transactions in our Common Stock.

**FINRA sales practice requirements also may limit a stockholder’s ability to buy and sell our Common Stock.**

In addition to the penny stock rules promulgated by the SEC, which are discussed in the immediately preceding risk factor, FINRA rules require that, in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Before recommending speculative low priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer’s financial status, tax status, investment objectives and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low priced securities will not be suitable for at least some customers. FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our Common Stock, which may limit the ability to buy and sell our Common Stock and have an adverse effect on the market value for our shares.

**A stockholder’s ability to trade our Common Stock may be limited by trading volume.**



A consistently active trading market for our Common Stock may not occur on the Pink Sheets. A limited trading volume may prevent our stockholders from selling shares at such times or in such amounts as they otherwise may desire.

**Our company has a concentration of stock ownership and control, which may have the effect of delaying, preventing or deterring a change of control.**

Our Common Stock ownership is highly concentrated. AKMN Irrevocable Trust, of which Matthew Nicosia, our CEO, is the trustee, is the record owner of all 2,000,000 shares of our Series A Preferred Stock, which has super voting rights to control certain business aspects. As a result of the concentrated ownership of our stock, Mr. Nicosia, as the trustee of this stockholder, will be able to control all matters requiring stockholder approval, including the election of directors and approval of mergers and other significant corporate transactions. This concentration of ownership may have the effect of delaying, preventing or deterring a change in control of our company. It also could deprive our stockholders of an opportunity to receive a premium for their shares as part of a sale of our company, and it may affect the market price of our Common Stock.

**We have not voluntarily implemented various corporate governance measures, in the absence of which stockholders may have more limited protections against interested director transactions, conflicts of interest and similar matters.**

Recent federal legislation, including the Sarbanes-Oxley Act of 2002, has resulted in the adoption of various corporate governance measures designed to promote the integrity of corporate management and the securities markets. Some of these measures have been adopted in response to legal requirements. Others have been adopted by companies in response to the requirements of national securities exchanges, such as the NYSE or the NASDAQ Stock Market, on which their securities are listed. Among the corporate governance measures that are required under the rules of national securities exchanges and FINRA are those that address board of directors' independence, audit committee oversight and the adoption of a code of ethics. While our board of directors has adopted a Code of Ethics and Business Conduct, we have not yet adopted any of these corporate governance measures and, since our securities are not listed on a national securities exchange or NASDAQ, we are not required to do so. It is possible that, if we were to adopt some or all of these corporate governance measures, stockholders would benefit from somewhat greater assurances that internal corporate decisions were being made by disinterested directors and that policies had been implemented to define responsible conduct. For example, in the absence of audit, nominating and compensation committees comprised of at least a majority of independent directors, decisions concerning matters such as compensation packages to our senior officers and recommendations for director nominees may be made by a majority of directors who have an interest in the outcome of the matters being decided. Prospective investors should bear in mind our current lack of corporate governance measures in formulating their investment decisions.

**Our board of directors has the authority to issue shares of “blank check” Preferred Stock, which may make an acquisition of our company by another company more difficult.**

We have adopted and may in the future adopt certain measures that may have the effect of delaying, deferring or preventing a takeover or other change in control of our company that a

holder of our Common Stock might consider in its best interest. Specifically, as of December 31, 2016, our board of directors, without further action by our stockholders, had the authority to issue up to approximately 337,185,024 additional shares of Preferred Stock (not counting the 2,000,000 shares of Series A Preferred Stock or the approximate 76,182,060 shares of Series B Preferred Stock or the 34,632,916 shares of Series B-1 Preferred Stock) and to fix the rights (including voting rights), preferences and privileges of these shares (“blank check” Preferred Stock). Such Preferred Stock may have rights, including economic rights, senior to our Common Stock. As a result, the issuance of the Preferred Stock could have a material adverse effect on the price of our Common Stock and could make it more difficult for a third party to acquire a majority of our outstanding Common Stock.

**Because we will not pay dividends on our Common Stock in the foreseeable future, stockholders will only benefit from owning Common Stock if it appreciates.**

We never have paid cash dividends on our Common Stock, and we do not intend to do so in the foreseeable future. We intend to retain any future earnings to finance our growth. Accordingly, any potential investor who anticipates the need for current dividends from his investment should not purchase our Common Stock.

## PROPERTIES

We currently lease executive office space in Henderson, Nevada; Cottonwood Heights, Utah; and Irvine, California. The monthly base rent for these offices is approximately \$22,000. Additionally, the company has VivaThermic offices in Des Moines, Iowa and an executive office in Las Vegas, Nevada. We believe these facilities are in good condition, but that we may need to expand our leased space as needs increase.

## LEGAL PROCEEDINGS

As of the date of this report, the Company is not party to any legal proceedings.

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

### Market Information

Our stock trades on the Pink Sheets under the symbol "VIVK". The following table sets forth the bid prices quoted for our common stock during each quarter since our stock began trading, as reported by the Pink Sheets, LLC. The following quotations reflect inter-dealer prices, without retail mark-up, markdown or commission and may not necessarily represent actual transactions. The following quotations also include the effects of any reverse and forward stock splits that may have occurred.

	<u>High</u>	<u>Low</u>
<b>Fiscal Year Ended December 31, 2016</b>		
Fourth Quarter	\$ 0.60	\$ 0.15
Third Quarter	0.40	0.12
Second Quarter	0.13	0.11
First Quarter	0.28	\$ 0.07
	<u>High</u>	<u>Low</u>
<b>Fiscal Year Ended December 31, 2015</b>		
Fourth Quarter	\$ 0.45	\$ 0.25
Third Quarter	0.50	0.21
Second Quarter	0.50	0.32
First Quarter	0.60	0.30

## **Transfer Agent**

The Company's transfer agent is Empire Stock Transfer, 1859 Whitney Mesa Drive, Henderson, Nevada 89014 (702) 818-5898.

## **Holder of Common Stock**

Our stockholder list contains the names of approximately 118 registered stockholders of record of the Company's Common Stock on December 31, 2016. This number does not include beneficial owners of our common stock whose shares are held in the names of various dealers, clearing agencies, banks, brokers and other fiduciaries.

## **Dividends and Stock Repurchases**

We have never paid cash dividends on our common stock and do not anticipate paying such dividends in the foreseeable future. The payment of dividends, if any, will be determined by the Board of Directors in light of conditions then existing, including our financial condition and requirements, future prospects, restrictions in financing agreements, business conditions and other factors deemed relevant by the Board of Directors.

## **Purchases of Equity Securities**

For the year ended December 31, 2016, we repurchased 122,000 shares of our Common Stock, which is reflected in and carried at cost on our financial statements.

## **Securities Authorized for Issuance Under Equity Compensation Plans**

The Company has issued 9,000 shares of common stock under its equity compensation plans. The Company has adopted two equity incentive plans, one in 2008 (the "2008 Plan") and one in 2010 (the "2010 Plan"). Pursuant to the 2008 Plan, the Company was authorized to issue up to 7,500,000 shares of common stock and pursuant to the 2010 Plan was authorized to issue an additional 50,000,000 shares. The Company issued options to purchase 600,000 shares under the 2008 Plan, none of which were exercised, and awards of 9,000,000 shares under the 2010 Plan. In March 2011, the Company effectuated a 1 for 1,000 share reverse split, which effectively reduced the number of shares available for issuance under the 2008 Plan to 7,500 shares, all of which are available for issuance, and 50,000 shares under the 2010 plan, of which 41,000 remain available for issuance.

## **Sales of Unregistered Securities**

For the year ended December 31, 2015, convertible debt holders converted \$13,439 of convertible debt and related interest expense into 107,520 shares of the Company's Common Stock.

For the year ended December 31, 2015, debt holders of the Company converted \$7,500 of convertible debt and related interest expense into 30,000 shares of Series B Preferred Stock. The

Company also issued 235,000 shares of Series B Preferred Stock for a \$47,000 reduction in accounts payable.

The Company issued 17,043,960 of Series B Preferred Stock for \$3,048,792 cash. The Company also issued 2,000,000 shares of Common Stock to acquire mineral rights containing oil-sand deposits and 20,000,000 shares of a subsidiaries stock to acquire intellectual property.

For the year ended December 31, 2015, the Company has issued 5,933,433 shares of Series B Preferred Stock as a \$1,483,189 stock interest distribution to Series B Preferred Shareholders. Series B Preferred shareholders also converted \$20,000 of Series B Preferred Stock into 100,000 shares of Common Stock.

As of December 31, 2016, \$580,675 of Preferred Stock was converted into 1,527,527 shares of Common Stock.

For the year ended December 31, 2016, the Company issued 8,126,900 shares of Series B Preferred Stock for \$1,625,004 cash.

For the year ended December 31, 2016, the Company has issued 7,093,093 shares of Series B-1 Preferred Stock as a \$1,773,273 stock interest distribution to Series B Preferred Shareholders.

On September 28, 2016 the Company issued 20,000,000 shares of Series B-1 Preferred Stock for the joint rights to use, make, sell, and exploit an oil extraction and remediation technology and any patents or trade secrets related to the technology.

On January 22, 2016, our majority owned subsidiary's shareholder converted its minority interest (\$10,000,000) into 20,000,000 shares of Vivakor Common Stock.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

**The following discussion should be read in conjunction with our consolidated financial statements and other financial information appearing elsewhere in this Annual Report. In addition to historical information, the following discussion and other parts of this Annual Report contain forward-looking information that involves risks and uncertainties.**

### **Plan of Operation**

The Company intends to continue secured lending services and investments to current technology development, while developing a business plan and strategy to acquire or invest in new technologies in the mining and mineral, petroleum, alternative energy and natural products industries.

We intend to invest in the companies or persons who have designed or invented such products and technologies, and retain them to continue product development, marketing and sales.



## Liquidity and Capital Resources

As of December 31, 2016, the Company had approximately \$1 million in cash, \$3 million in precious metals concentrate, \$154,000 in accounts receivable, and \$39,000 in deposits. As of December 31, 2016 current liabilities consisted of approximately \$2,600 in accounts payable, \$267,000 in notes payable, and a \$167,000 grant payable. The grant payable is required to be repaid upon the occurrence of certain events, including termination of office facilities in Iowa.

Cash reserves decreased by approximately \$32,000 with cash and cash equivalents from December 31, 2015 to December 31, 2016. The decrease in cash is attributed to net effect of the following material events:

Net cash provided by operating activities as of December 31, 2016 was approximately \$630,241, which is mainly due to the net effect of a net loss of (\$685,000), equity loss from our joint venture with VivaRRT, LLC (\$274,413), amortization and depreciation (\$589,000), an impairment loss (791,000) on the Vivaceuticals loan receivable due to the company ceasing domestic operations, and an decrease of accounts receivable (108,000), and accepting commodity of precious metals concentrate in lieu of cash payments on royalties owed to the Company (\$607,000).

Net cash used in investing activities as of December 31, 2016 was approximately \$1.6 million, and is mainly due to additions in equipment (\$453,000) and the purchase of Bolivia royalty rights (\$250,000) and contributions to the VivaRRT, LLC joint venture (\$984,000).

Net cash provided by financing activities as of December 31, 2016 was approximately \$1 million and is due to the net effect of the Company issuing Preferred Series B shares for cash (\$1.6 million), issuance of production contracts (\$621,000), payment of notes payable (\$98,000) and further investment in ongoing technologies and investments in the mining and minerals, petroleum, alternative energy, and health and nutrition industries (\$1.1 million).

On December 16, 2013, the Company commenced a private offering of Series B Preferred Stock, from which the Company intends to raise approximately \$10,000,000 by issuing 98,000,000 shares of 12.5% Cumulative Redeemable Series B Preferred Stock at \$0.20 per share.

We do have sufficient cash on hand to fund our administrative and marketing functions, and investments in the health and wellness industry, but we do not have sufficient cash on hand to fund our proposed investments in precious metals technology expansion for the next twelve months. In order to meet our obligations as they come due and to fund the expansion of our asset acquisition strategy, we will require new funding to pay for these expenses. We may do so through loans from current stockholders, public or private equity or debt offerings, grants or strategic arrangements with third parties. There can be no assurance that additional capital will be available to the Company. We currently have no agreements, arrangements or understandings with any person to obtain additional funds through bank loans, lines of credit or any other sources.

We have no material commitments or contractual purchase obligations for the next twelve, months other than the amounts that may be agreed to under our acquisition agreements relating to our mining operations.

### **Significant Accounting Policies**

Our consolidated financial statements and accompanying notes have been prepared in accordance with United States generally accepted accounting principles applied on a consistent basis. The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods.

See Note 2 in the accompanying financial statements where reference is made to the Company's significant accounting policies.

### ***Impact of New Accounting Pronouncements***

Information regarding recent accounting pronouncements that may impact our business is contained in Note 2 to consolidated financial statements, if any are present. Such financial statements are attached to this Annual Report.

### **Results of Operations**

#### *Comparison of year ended December 31, 2016 and 2015*

As of December 31, 2016, the Company had a net loss of approximately \$685,000 compared to net income of \$115,000 as of December 31, 2015. Gross revenue for the year ended December 31, 2016 is mainly attributed to financing and service agreements using our precious metal extraction technology and consulting services rendered for oil royalty program. Gross revenues from the financing and service agreements for the precious metal mining operations was \$607,000 and \$780,000 for the years ended December 31, 2016 and 2015. The decline in royalty revenue from the mining operations is due to the mobilization of the unit to Arizona in the last quarter of 2016. Gross revenues from consulting services rendered were \$1.9 million and \$283,000 for the years ended December 31, 2016 and 2015, with deferred consulting revenue of \$496,000 that will be realized over the course of the operations of the consulting contracts as of December 31, 2016. The increase in consulting revenue is due to the increased consulting services rendered in regards to the oil production contracts and royalty agreements entered into for the period. Cost of revenues increased from \$134,000 to \$810,000 or 504% for the years ended December 31, 2015 and 2016. This is due to the cost of consulting services rendered in relation to our consulting revenue on the oil production contracts and royalty agreements for the year ended December 31, 2016. Operating expenses increased from approximately \$848,000 as December 31, 2015 to \$2.2 million as of December 31, 2016. The increase in operating expenses is attributed to the following events: an increase in amortization and depreciation expenses from \$250,000 as of December 31, 2015 to \$582,000 as of December 31, 2016, from assets acquired and the Company recognizing a

full year of depreciation on acquired equipment or technologies in 2015. The Company also recognized an impairment loss on the loan receivable with Vivaceuticals, Inc. The company recently ceased domestic operations due to FDA regulations and is restructuring for international operations. Due to the company's decrease in sales and operations the Company recognized an impairment allowance of \$791,383 against the loan receivable as of December 31, 2016.

### **Off-Balance Sheet Arrangements**

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

## **FINANCIAL STATEMENTS**

Attached are the unaudited consolidated financial statements of the Company for the year ended December 31, 2016. See the Index to Financial Statements at page F-1.

## **DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE**

### **Directors**

We currently have two members of the Board of Directors and have three vacancies on the Board. We anticipate filling such vacancies as qualified candidates are identified and agree to serve. We have not yet identified any candidates.

**Matthew Nicosia.** From 2000 to 2007, prior to joining the Company as Executive Chairman of the Board, Mr. Nicosia co-founded Quantum Sphere, Inc. and served as a director until 2004. Mr. Nicosia also currently sits on the Board of Directors and is a director of several private companies. Mr. Nicosia received his Bachelor of Arts degree from Brigham Young University and an MBA degree from Pepperdine University.

**Pablo Penalzoa.** Mr. Penalzoa is a 15-year veteran of the banking industry and has managed international assets of \$1 Billion. Mr. Penalzoa has an MBA from Brigham Young University. As a native of Argentina, Mr. Penalzoa speaks Spanish and Portuguese fluently and runs Vivakor's Latin American acquisition group.

### **Executive Officers**

<b>Name</b>	<b>Age</b>	<b>Position</b>
Matthew Nicosia	42	Executive Chairman of the Board, Chief Executive Officer and Secretary
Tyler Nelson	36	Chief Financial Officer

**Family Relationships.** There are no family relationships among the directors and executive officers of the Company.

## Code of Ethics

We have adopted a code of business conduct and ethics that applies to our directors, officers and all employees. The code of business conduct and ethics is posted on our website at [www.vivakor.com](http://www.vivakor.com). The code of business conduct and ethics may be also obtained free of charge by writing to us at our corporate headquarters

## EXECUTIVE COMPENSATION

The following summary compensation table sets forth information concerning compensation for services rendered in all capacities during our past two fiscal years awarded to, earned by or paid to each of the following individuals. Salary and other compensation for these officers and employees are set by the Board of Directors, except for employee compensation which is set by officers of the Company.

Name and Principal Position	Year	Salary	Bonus	(2)	(1)	Total Compensation
				Option Awards	All Other Compensation	
Matt Nicosia	2016	\$ 50,000	\$ 0	\$ 0	\$ 0	\$ 0
Exec. Chairman of the Board, CEO	2015	\$ 50,000	\$ 0	\$ 0	\$ 0	\$ 0

None of the executive officers have a written employment agreement.

## Outstanding Equity Awards at Fiscal Year End

The Company has not issued any equity awards during 2016 and all prior equity awards have been either fully exercised, relinquished or extinguished by their terms, except 9,000 shares awarded pursuant to the Company's 2010 Equity Compensation Plan.

## Director Compensation

Our directors do not receive any consideration for their services.

## Audit, Compensation and Nominating Committees

As noted above, our common stock is listed on the Pink Sheets, which does not require companies to maintain audit, compensation or nominating committees. Considering the fact that we are an early stage company, we do not maintain standing audits, compensation or nominating committees. The functions typically associated with these committees are performed by the entire Board of Directors which currently consists of two members none of which are considered independent.

## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

### Beneficial Ownership of Common Stock

The following table sets forth, to the knowledge of the Company, certain information regarding the beneficial ownership of the Company's Common Stock as of December 31, 2016 by (i) each person known by the Company to be the beneficial owner of more than 5% of the outstanding Common Stock, (ii) each of the Company's directors, (iii) each of the named executive officers in the Summary Compensation Table and (iv) all of the Company's executive officers and directors as a group. Except as indicated in the footnotes to this table, the Company believes that the persons named in this table have sole voting and investment power with respect to the shares of Common Stock indicated.

Directors, Officers and 5% Stockholders	Shares of Common Stock Beneficially Owned	Percent of Common Stock Beneficially Owned	Shares of Series A Preferred Stock Beneficially Owned	Percent of Series A Preferred Stock Beneficially Owned
AKMN Irrevocable Trust <sup>(1)(2)(3)</sup>	160,101,110	69.49%	2,000,000	100.00%
Matt Nicosia <sup>(1)(3)</sup>	78,500	*		

(1) The address for these stockholders is: c/o Vivakor, Inc., 8565 S. Eastern Ave., Ste 150, Las Vegas, NV 89123.

(2) Matt Nicosia is the trustee of the Trust, of which Johnathan Nicosia is the beneficiary. Matt Nicosia disclaims beneficial ownership of these shares.

(3) Restricted stock. In accordance with laws and regulations set forth by the Securities Exchange Commission, restricted stock remains restricted even when assigned to a third party.

\* Less than 1%

## CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

It is our practice and policy to comply with all applicable laws, rules and regulations regarding related-person transactions, including the Sarbanes-Oxley Act of 2002. A related person is an executive officer, director or more than 5% stockholder of Vivakor, including any immediate family members, and any entity owned or controlled by such persons. Our Board of Directors (excluding any interested director) is charged with reviewing and approving all related-person transactions, and a special committee of our Board of Directors is established to negotiate the terms of such transactions. In considering related-person transactions, our Board of Directors takes into account all relevant available facts and circumstances.

### Related Party Transactions

The Company has a common officer with VivaCeuticals, Inc. As of December 31, 2016 and 2015 the Company had notes receivable from VivaCeuticals, Inc., in the amount of \$3,182,750



and \$2,438,738 in a secured lending agreement. As of December 31, 2016 the Company realized an impairment allowance in the amount of \$791,383.

### **Director Independence**

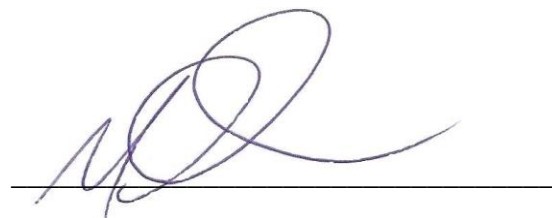
Our Board of Directors has adopted the definition of “independence” as described under the Sarbanes-Oxley Act of 2002 (Sarbanes-Oxley) Section 301, Rule 10A-3 under the Securities Exchange Act of 1934 (the Exchange Act) and NASDAQ Rules 4200 and 4350. Our Board of Directors has determined that none of its members meet the independence requirements.

### **ISSUER CERTIFICATION**

I, Matt Nicosia, Chief Executive Officer of Vivakor, Inc., certify that:

1. I have reviewed this Annual Report of Vivakor, Inc.
2. Based on my knowledge, this Annual Report does not contain any untrue statement of material fact or omit to state any 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 the Annual Report; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this Annual Report, fairly present in all material respects the financial condition, results of operations and cash flows of Vivakor, Inc. as of, and for, the periods presented in this Annual Report.

April 19, 2017

A handwritten signature in blue ink, appearing to read 'MN', is written over a horizontal line.

Matt Nicosia, CEO

**VIVAKOR, INC.**  
**INDEX TO CONSOLIDATED FINANCIAL STATEMENTS**

*Consolidated Financial Statements of Vivakor, Inc.*

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See accompanying notes to the consolidated financial statements.

**VIVAKOR, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(Unaudited)

	<b>December 31,</b>	
	<b>2016</b>	<b>2015</b>
<b><u>ASSETS</u></b>		
Current assets:		
Cash and cash equivalents	\$ 1,009,684	\$ 1,041,635
Precious metals concentrate	3,022,823	2,108,729
Marketable securities	-	386,498
Accounts receivable	154,027	261,810
Deferred tax asset	-	44,354
Deposits	39,234	39,234
Total current assets	4,225,768	3,882,260
Property and equipment, net	8,496,486	8,291,686
Intangible assets, net	222,222	-
Intellectual property, net	14,437,500	9,750,000
Notes receivable	3,994,127	2,864,996
Less: Impairment allowance	(791,383)	-
Other investments	874,456	165,234
Total assets	\$ 31,459,176	\$ 24,954,176
<b><u>LIABILITIES AND STOCKHOLDERS' EQUITY</u></b>		
Current liabilities:		
Accounts payable	\$ 2,600	\$ 104,811
Grant payable	166,789	166,789
Notes payable	267,484	526,503
Total current liabilities	436,873	798,103
Deferred revenue- oil production contracts	6,661,511	333,360
Total liabilities	7,098,384	1,131,463
Stockholders' equity:		
Preferred stock, \$.001 par value; 450,000,000 shares authorized; Series A- 2,000,000 issued and outstanding as of 2016 and 2015	2,000	2,000
Series B- 12.5%, cumulative, 76,182,060 and 79,820,284 issued and outstanding as of 2016 and 2015	76,182	79,820
Series B-1- 34,632,916 and none issued and outstanding as of 2016 and 2015	34,633	-
Common stock, \$.001 par value; 1,250,000,000 shares authorized; 230,383,377 and 206,893,350 were issued and outstanding as of 2016 and 2015	230,383	206,893
Treasury stock, at cost	(19,990)	-
Additional paid-in capital, preferred stock	24,969,935	17,453,328
Additional paid-in capital, common stock	16,782,259	6,210,074
Accumulated other comprehensive income	(6,052,387)	(925,269)
Accumulated deficit	(11,702,361)	(9,244,110)
Non-controlling interest	40,138	10,039,977
Total stockholders' equity	24,360,792	23,822,713
Total liabilities and stockholders' equity	\$ 31,459,176	\$ 24,954,176

See accompanying notes to the consolidated financial statements.

**VIVAKOR, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited)

	<b>Year Ended December 31,</b>	
	<b>2016</b>	<b>2015</b>
Revenues	\$ 2,672,013	\$ 1,134,804
Cost of revenues	810,068	133,665
Gross profit	1,861,945	1,001,139
Operating expenses:		
Sales and marketing	114,832	42,294
General and administrative	760,194	555,249
Impairment loss	791,383	-
Amortization and depreciation	582,110	250,620
Total operating expenses	2,248,519	848,163
Income (loss) from operations	(386,574)	152,976
Equity loss	(274,413)	-
Interest income	1,270	689
Interest expense	(24,300)	(38,325)
Earnings (loss) before income taxes	(684,017)	115,340
Provision for income taxes	(800)	(800)
Net income (loss)	(684,817)	114,540
Less: Subsidiary net income (loss) attributable to the noncontrolling interest	138	(23)
Net income (loss) attributable to Vivakor, Inc.	\$ (684,955)	\$ 114,563
Basic earnings per share	\$ (0.01)	\$ (0.01)
Diluted earnings per share	\$ (0.01)	\$ (0.00)
Weighted average shares - Basic	217,273,330	206,348,704
Weighted average shares - Diluted	348,088,306	308,461,104

See accompanying notes to the consolidated financial statements.

**VIVAKOR, INC.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(Unaudited)

	<b>Year Ended December 31,</b>	
	<b>2016</b>	<b>2015</b>
Net income (loss)	\$ (684,955)	\$ 114,563
Other comprehensive income:		
Unrealized loss on precious metal concentrate	(518,358)	(825,158)
Unrealized loss on oil production contracts	(5,524,129)	(293,360)
Unrealized gain on available-for-sale securities, net of tax	-	134,632
Total other comprehensive income	(6,042,487)	(983,886)
Comprehensive loss	\$ (6,727,442)	\$ (869,323)

See accompanying notes to the consolidated financial statements.

**VIVAKOR, INC.**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
(Unaudited)

	Preferred Stock			Common Stock				Accum. Other Comp. Income	Accum. (Deficit)	Non- controlling Interest	Equity
	Shares	Amount	Additional Paid-in Capital	Shares	Amount	Additional Paid-in Capital	Treasury Stock				
January 1, 2015	57,763,117	\$ 57,763	55,763,077	204,685,830	\$ 204,686	\$ 5,178,842	\$ -	\$ 168,501	\$ (7,856,738)	\$ -	\$ 10,349,711
Issuance of subs. shares to non-controlling interest	-	-	-	-	-	-	-	-	-	40,000	40,000
Issuance of subsidiary shares for acquisition of assets	-	-	-	-	-	-	-	-	-	10,000,000	10,000,000
Issuance of Preferred Stock for services	235,000	235	46,765	-	-	-	-	-	-	-	47,000
Issuance stock for a reduction in liabilities	30,000	30	7,470	107,520	107	13,332	-	-	-	-	20,939
Conversion of Preferred Stock to Common Stock	(100,000)	(100)	(19,900)	100,000	100	19,900	-	-	-	-	-
Conversion of Preferred Stock to production contracts	(875,000)	(875)	(174,125)	-	-	-	-	-	-	-	(175,000)
Issuance of Preferred Stock or acquisition of assets	-	-	-	2,000,000	2,000	998,000	-	-	-	-	1,000,000
Issuance of Preferred Stock for cash	17,043,960	17,044	3,391,748	-	-	-	-	-	-	-	3,408,792
Interest distribution- Series B Preferred	5,933,433	5,933	1,477,256	-	-	-	-	-	(1,483,189)	-	-
Equity restructure	1,789,774	1,790	127,457	-	-	-	-	-	(18,746)	-	110,501
Net income	-	-	-	-	-	-	-	-	114,563	(23)	114,540
Other comprehensive income	-	-	-	-	-	-	-	(1,093,770)	-	-	(1,093,770)
December 31, 2015	<u>81,820,284</u>	<u>81,820</u>	<u>17,453,328</u>	<u>206,893,350</u>	<u>206,893</u>	<u>6,210,074</u>	<u>-</u>	<u>(925,269)</u>	<u>(9,244,110)</u>	<u>10,039,977</u>	<u>23,822,713</u>
Conversion of subsidiary shares to Preferred Stock	-	-	-	20,000,000	20,000	9,980,000	-	-	-	(10,000,000)	-
Conversion of Preferred Stock to Common Stock	(2,873,301)	(2,873)	(577,802)	3,240,027	3,240	577,435	-	-	-	-	-
Conversion of Preferred Stock to production contracts	(1,500,000)	(1,500)	(298,500)	-	-	-	-	-	-	-	(300,000)
Issuance of stock for a reduction in liabilities	150,000	150	29850	250,000	250	14,750	-	-	-	-	45,000
Issuance of Preferred Stock for cash	8,126,900	8,126	1,616,878	-	-	-	-	-	-	-	1,625,094
Interest distributions- Preferred Stock	7,093,093	7,092	1,766,181	-	-	-	-	-	(1,773,273)	-	-
Issuance of Preferred Stock for intellectual property	20,000,000	20,000	4,980,000	-	-	-	-	-	-	-	5,000,000
Treasury Stock	-	-	-	-	-	-	(19,990)	-	-	-	(19,990)
Net income	-	-	-	-	-	-	-	-	(684,978)	161	(684,817)
Other comprehensive income	-	-	-	-	-	-	-	(5,127,118)	-	-	(5,127,118)
December 31, 2016	<u>112,816,976</u>	<u>\$ 112,815</u>	<u>24,969,935</u>	<u>230,383,377</u>	<u>\$ 230,383</u>	<u>\$ 16,782,259</u>	<u>\$ (19,990)</u>	<u>\$ (6,052,387)</u>	<u>\$ (11,702,361)</u>	<u>\$ 40,138</u>	<u>\$ 24,360,792</u>

See accompanying notes to the consolidated financial statements

**VIVAKOR, INC.**  
**CONSOLIDATED STATEMENT OF CASHFLOWS**  
(Unaudited)

	<b>Year Ended December 31,</b>	
	<b>2016</b>	<b>2015</b>
<b>OPERATING ACTIVITIES:</b>		
Net income (loss)	\$ (684,817)	\$ 114,540
Adjustments to reconcile net income (loss) to net cash provided (used) in operating activities:		
Equity loss	274,413	-
Depreciation and amortization	588,791	250,620
Impairment loss	791,383	-
Deferred tax asset	44,354	(44,354)
Deferred revenue	196,455	-
Changes in operating assets and liabilities:		
Accounts receivable	107,783	(225,068)
Precious metal concentrate	(607,293)	(779,960)
Deposits	-	(7,234)
Accounts payable	(102,211)	128,807
Accrued interest on notes receivable	(2,917)	-
Accrued interest on notes payable	24,300	38,325
Net cash provided (used in operating activities)	630,241	(524,324)
<b>INVESTING ACTIVITIES:</b>		
Purchase of equipment	(453,313)	(492,306)
Purchase of other investments and securities	(1,233,635)	-
Net cash used in investing activities	(1,686,948)	(492,306)
<b>FINANCING ACTIVITIES:</b>		
Issuance of notes receivable	(1,126,214)	(2,706,605)
Payment of notes payable	(98,362)	-
Payment on production contracts	(29,320)	-
Issuance of production contracts	621,138	-
Issuance of notes payable	37,500	-
Issuance of preferred stock	1,640,004	3,559,293
Purchase of treasury stock	(19,990)	-
Net cash provided by financing activities	1,024,756	852,688
Net decrease in cash and cash equivalents	31,951	163,942
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	1,041,635	1,205,577
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 1,009,684	\$ 1,041,635
<b>SUPPLEMENTAL CASHFLOW INFORMATION:</b>		
Cash paid for interest on notes payable	\$ 305	\$ -
<b>Noncash transactions:</b>		
Preferred Stock converted to Common Stock	\$ 580,675	\$ 20,000
Common Stock issued for a reduction of liabilities	\$ 30,000	\$ -
Series B Preferred shares issued for a reduction of liabilities	\$ 150,00	\$ 67,939
Series B Preferred shares converted to oil production contracts	\$ 300,000	\$ 175,000
Preferred Stock issued for intellectual property	\$ 5,000,000	\$ -
Machinery & equipment received for reduction in loan receivable	\$ -	\$ 6,800,000
Subsidiary's stock issued to non-controlling interest to acquire assets	\$ -	\$ 10,000,000
Stock interest distribution to Series B Preferred shareholders	\$ 1,773,273	\$ 1,483,189

See accompanying notes to the consolidated financial statements

**VIVAKOR, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)

**1. Organization and Basis of Presentation**

Vivakor, Inc. (collectively “we,” “us,” “our,” “Vivakor” or the “Company”) is a Nevada corporation with offices in Las Vegas, Nevada, Pleasant Hill, Iowa and Irvine, California and is an asset acquisition company that develops and acquires assets that generate revenue currently or in the near term. The Company acquires technologies and assets in the fields of precious minerals, petroleum, biotechnology, and alternative energy.

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States for financial information and pursuant to the rules and regulations of the United States Securities and Exchange Commission. In the opinion of management, all adjustments considered necessary for a fair presentation have been included.

**2. Summary of Significant Accounting Policies**

***Principles of Consolidation***

The consolidated financial statements include the accounts of Vivakor, Inc., its wholly-owned and majority owned active subsidiaries or joint ventures (collectively, the “Company”). Intercompany balances and transactions between consolidated entities are eliminated.

***Prior Period Reclassifications***

Certain prior period amounts have been reclassified to conform to the current period presentation.

***Accounts Receivable***

Accounts receivables are carried at original invoice amount less an estimated allowance for doubtful accounts, if deemed necessary by management, and based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts, if any, by identifying troubled accounts and by using historical experience applied to an aging of accounts. No allowance for doubtful accounts was considered necessary by management as of December 31, 2016.

***Precious Metal Concentrate***

Precious metal concentrate includes metal concentrates located either at the Company’s facilities or in transit to its customer’s port. Concentrates consist of gold, silver, platinum, palladium and rhodium. Interest in precious metals are received as payment in commodity for interest in production from operating and lending agreements on production and are acquired at the market price. Precious metal concentrate reserves are evaluated on a quarterly basis and valued at the lower of average acquisition cost or quoted market value prices. Adjustments typically do not vary materially from production estimates; however, mark-to-market price adjustments could vary materially based on the precious metals market.

***Property and Equipment, Net***

Property and equipment are stated at cost less accumulated depreciation. Property includes mineral rights that we own. Equipment includes precious metal extraction machines, other equipment, and construction-in-process of oil extraction production machines. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets. As of December 31, 2016 and 2015, \$248,513 and \$620 depreciation expense was recognized. The precious metals extraction machines were purchased in December 2015, and no depreciation expense was realized for the oil extraction machine as it is still under construction and has not been placed into production.

***Equity Method Investments***

Consolidated net income includes the Company’s proportionate net income or loss of equity investments. The carrying value of the Company’s equity method investments is increased and decreased by the Company’s proportionate share of the net income or loss and other comprehensive income (“OCI”) of the investee. The carrying value of our equity method investment is also decreased by dividends the Company receives from the investee. For the year ended December 31,



2016, the Company has consolidated the joint venture, VivaRRT, LLC and will account for the investment using the equity method. The Company realized a loss from equity of \$274,413 as of December 31, 2016

### ***Cost Method Investments***

Initial investments in equity securities are recorded at cost and subsequently adjusted to fair value if fair value is readily determinable; otherwise, the investment remains at cost. As of December 31, 2016, the Company has a non-controlling interest in the following entities: VivaCeuticals, Inc. (approximately 15%), a private company, VivaVentures Precious Metals, LLC (approximately 39%), a private company, and Odyssey Group International, Inc. (approximately 2%), which has registered with the SEC, but is not yet actively trading, nor valued on an active securities exchange. As of December 31, 2016, the Company is considered to hold a non-controlling interest in VivaVentures Precious Metals LLC due to the lack of voting rights that are carried with its 39% interest, and the investee's management is independent of the Company. The Company does not exercise significant influence over these investees, and the investments are accounted for using the cost method and included in "Other investments".

### ***Convertible Instruments***

The Company reviews the terms of convertible debt and preferred stock for indications requiring bifurcation, and separate accounting for the embedded conversion feature. Generally, embedded conversion features where the ability to physical or net-share settle the conversion option is not within the control of the Company or the number of shares is variable are bifurcated and accounted for as derivative financial instruments. (See [Derivative Financial Instruments](#) below). Bifurcation of the embedded derivative instrument requires allocation of the proceeds first to the fair value of the embedded derivative instrument with the residual allocated to the host instrument. The resulting discount to the debt instrument or to the redemption value of convertible preferred securities is accreted through periodic charges to interest expense over the term of the note or to dividends over the period to earliest conversion date using the effective interest rate method, respectively.

### ***Derivative Financial Instruments***

The Company does not use derivative financial instruments to hedge exposures to cash-flow or market risks. However, certain other financial instruments, such as warrants to purchase the Company's common stock and the embedded conversion features of debt and preferred instruments that are not considered indexed to the Company's common stock are classified as liabilities when either (a) the holder possesses rights to net-cash settlement, (b) physical or net share settlement is not within the control of the Company, or (c) based on its anti-dilutive provisions. In such instances, net-cash settlement is assumed for financial accounting and reporting. Such financial instruments are initially recorded at fair value and subsequently adjusted to fair value at the close of each reporting period. Fair value for option-based derivative financial instruments is determined using the Black-Scholes Option Pricing Model.

Other convertible instruments that are not derivative financial instruments are accounted for by recording the intrinsic value of the embedded conversion feature as a discount from the initial value of the instrument and accreting it back to face value over the period to the earliest conversion date using the effective interest rate method.

### ***Revenue Recognition***

The Company recognizes revenue when all four of the following criteria are met: (i) persuasive evidence that an arrangement exists; (ii) delivery of the products and/or services has occurred; (iii) the fees earned can be readily determined; and (iv) collectability of the fees is reasonably assured. The Company recognizes revenue from research contracts as services are performed under the agreements. The Company records grant revenues as the expenses related to the grant projects are incurred. Up front license fee revenues are deferred and recognized over the term of the license on a straight-line basis.

### ***Earnings Per Share***

Basic earnings per share is calculated by subtracting any preferred interest distributions from net income, all divided by the weighted-average number of common shares outstanding for the period, without consideration for common stock equivalents. Diluted earnings per common share is computed by dividing the net income by the weighted-average number of common share equivalents outstanding for the period determined using the treasury-stock method if their effect is dilutive.

### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

### **3. Marketable Securities**

For the year ended December 31, 2016 there were no marketable securities. For the year ended December 31, 2015, marketable securities consist of equity securities recorded at fair value. Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Valuations for marketable securities are based on quoted prices for identical assets in active markets.

### **4. Notes Receivable**

The Company has lending agreements for investments that state the Company is to receive an interest in production or sales (dependent upon the lending agreement) until the notes are paid in full. Notes receivable from these lending agreements were \$3,367,978 and \$2,864,996 as of December 31, 2016 and 2015.

### **5. Convertible Notes Payable**

As of December 31, 2016 and 2015, the Company carried notes payable that may convert to stock in the amount of \$206,626 and \$262,616. The notes convert at the holder's option after 1 year of issuance, and may be converted into shares of common stock. In 2014 the Company also entered into long term convertible notes in the amount of \$61,000. These notes bear interest at 12% per annum and mature 24 months from the date of investment. The balance of such notes was \$23,308 and \$70,638 as of December 31, 2016 and 2015. As of the date of this report, this note payable has been paid down and has a balance of zero. These notes convert at the holder's option at the end of the term, and may be converted into shares of common stock. The conversion price for all convertible notes is generally equal to 10% of the average of the lowest three closing bid price on the Over-the-Counter Bulletin Board in the ten-day trading period prior to the date of the notice of conversion, or specified per share conversion rate as noted in the debt agreements, whichever is less. The note may be prepaid without the holder's consent.

### **6. Stockholders' Equity**

#### ***Series A, Series B, and Series B-1 Preferred Stock***

The Company is authorized to issue 450,000,000 shares of preferred stock. The Company has issued 2,000,000 shares of Series A Preferred Stock. Shares of Series A Preferred Stock are restricted for 5 years from the date of issuance, and currently may only be converted to Common Stock upon liquidation of the Company (with a current conversion ratio of 10 shares of Common Stock for each outstanding share of Series A Preferred Stock), and such restrictions remain with these shares even if the stock were assigned to a third party. The conversion price is subject to adjustment under certain customary circumstances, including as a result of stock splits and combinations, dividends and distributions and certain issuances of common stock. Holders of shares of Series A Preferred Stock will have the right to 25 votes for each share of Common Stock into which such shares of Series A Preferred Stock can then be converted (with a current conversion ratio of 10 shares of Common Stock for each outstanding share of Series A Preferred Stock) and the right to a liquidation preference. Holders of shares of Series A Preferred Stock are not currently entitled to dividends. The Company has the right, but not the obligation, to redeem shares of Series A Preferred Stock.

The Company has issued 76,182,060 and 79,820,284 of Series B Preferred Stock as of December 31, 2016 and 2015. Shares of Series B Preferred Stock are convertible one year after issuance, at any time at the option of the holder, into shares of Common Stock (with a current conversion ratio of one share of Common Stock for each outstanding share of Series B Preferred Stock). In addition, automatic conversion of shares of Series B Preferred Stock into shares of Common Stock may occur due to public offerings entered into or by written consent of a majority of the holders of Series B Preferred Stock. The conversion price is subject to adjustment under certain customary circumstances, including as a result of stock splits and combinations, dividends and distributions and certain issuances of common stock. The Company has the right, but not the obligation, to redeem shares of Series B Preferred Stock one year after issuance. Holders of Series B Preferred Stock will have the right to one vote for each share. Dividends are 12.5% and cumulative and are payable only when, as and if declared by the Board of Directors.

The Company has issued 34,632,916 of Series B-1 Preferred Stock as of December 31, 2016. Shares of Series B-1 Preferred Stock are convertible one year after issuance, at any time at the option of the holder, into shares of Common Stock (with a current conversion ratio of one share of Common Stock for each outstanding share). In addition, automatic conversion of shares of Series B-1 Preferred Stock into shares of Common Stock may occur due to public offerings entered into or by written consent of a majority of the holders of Series B-1 Preferred Stock. The conversion price is subject to adjustment under certain customary circumstances, including as a result of stock splits and combinations, dividends and distributions and certain issuances of common stock. The Company has the right, but not the obligation, to redeem shares of Series B-1 Preferred Stock one year after issuance. Holders of Series B-1 Preferred Stock have no voting or dividend rights.

As of December 31, 2016, \$580,675 of Preferred Stock was converted into 1,527,527 shares of Common Stock.

For the year ended December 31, 2016, the Company issued 8,126,900 shares of Series B Preferred Stock for \$1,625,004 cash.

For the year ended December 31, 2016, the Company has issued 7,093,093 shares of Series B-1 Preferred Stock as a \$1,773,273 stock interest distribution to Series B Preferred Shareholders.

On September 28, 2016 the Company issued 20,000,000 shares of Series B-1 Preferred Stock for the joint rights to use, make, sell, and exploit an oil extraction and remediation technology and any patents or trade secrets related to the technology.

For the year ended December 31, 2015, the Company also issued 235,000 shares of Series B Preferred Stock for a \$47,000 reduction in accounts payable. The Company issued 17,043,960 of Series B Preferred Stock for \$3,048,792 cash.

For the year ended December 31, 2015, the Company has issued 5,933,433 shares of Series B Preferred Stock as a \$1,483,189 stock interest distribution to Series B Preferred Shareholders.

### ***Common Stock***

The Company is authorized to issue 1,250,000,000 shares of common stock. As of December 31, 2016 and 2015, there were 230,383,377 and 206,893,350 shares of our common stock issued and outstanding. Treasury stock is carried at cost.

As of December 31, 2016, \$580,675 of Preferred Stock was converted into 1,527,527 shares of Common Stock. As December 31, 2015, \$342,501 of Series B Preferred Stock was converted into 100,000 shares of Common Stock.

On January 22, 2016, our majority owned subsidiary's shareholder converted its minority interest (\$10,000,000) into 20,000,000 shares of Vivakor Common Stock.

For the year ended December 31, 2015, convertible debt holders converted \$13,439 of convertible debt and related interest expense into 107,520 shares of the Company's Common Stock. The Company also issued 2,000,000 shares of Common Stock to acquire mineral rights containing oil-sand deposits. All of these conversions carry liquidation restrictions limited to 10% of the 10-day average once every 90 days.

### **7. Income Taxes**

As of December 31, 2016 and 2015, the Company has a net deferred tax asset of \$2,145,922 and 1,906,469 consisting of net operating loss carryforwards net of an effective offsetting valuation allowance of 100%. Deferred tax assets represent future tax benefits to be received when certain expenses and losses previously recognized in the financial statements become deductible under applicable income tax laws. The realization of deferred tax assets is dependent on future taxable income against which these deductions can be applied. The Company has established the valuation allowance because it is more likely than not that all or a portion of the deferred tax assets will not be realized. Periodic adjustments will be made to the valuation allowance in future periods if there are changes in the evidence of realizability.

### **8. Related Party Transactions**

The Company has a common officer with VivaCeuticals, Inc. As of December 31, 2016 and 2015 the Company had notes receivable from VivaCeuticals, Inc., in the amount of \$3,182,750 and \$2,438,738 in a secured lending agreement. As of December 31, 2016 the Company realized an impairment allowance in the amount of \$791,383.

# VIVAKOR, INC.

## DISCLOSURE STATEMENT

AND ANNUAL UPDATE ENDED DECEMBER 31, 2016

### CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This Disclosure Statement and Annual Update for the year ended December 31, 2016 (collectively, this “**Disclosure Statement**”) of Vivakor, Inc. (the “**Company**” or “**we,**” “**our**” or “**us**”) contains certain forward-looking statements. These forward-looking statements, which may be identified by words such as “anticipates,” “believes,” “intends,” “estimates,” “expects,” “forecasts,” “plans,” “projects” and similar expressions, include but are not limited to statements regarding (i) future plans, objectives, strategies, expenditures, results and objectives of future operations and research; (ii) proposed new products, services, developments or industry rankings; (iii) future revenue, economic conditions or performance; (iv) potential collaborative arrangements; and (v) the need for and availability of additional financing.

The forward-looking statements included herein are based on current expectations that involve a number of risks and uncertainties. These forward-looking statements are based on assumptions regarding our business and technology, which involve judgments with respect to, among other things, future scientific, economic and competitive conditions, and future business decisions, all of which are difficult or impossible to predict accurately, and many of which are beyond our control. Accordingly, undue reliance should not be placed on forward-looking statements, as they only represent our views on the date the statements were made. Although we believe that the assumptions underlying the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements, and actual results may differ materially from those set forth in the forward-looking statements. In light of the significant uncertainties inherent in the forward-looking information included herein, the inclusion of such information should not be regarded as a representation by us or any other person that our objectives or plans will be achieved. We do not intend to and specifically decline any obligation to update any forward-looking statement or to publicly announce the results of any revision to any statement to reflect new information or future events or developments.

#### **Section One: Issuer’s Initial Disclosure Obligations**

##### **Part A**      **General Company Information**

##### **Item 1**      **The exact name of the issuer and its predecessor (if any).**

Vivakor, Inc., formerly known as Genecular Holdings, LLC from its inception until the name was changed to NGI Holdings, LLC as of November 3, 2006.

##### **Item 2**      **The address of the issuer’s principal executive offices.**

Address: 8565 S. Eastern Ave., Ste 150, Las Vegas, NV 8123

Telephone: (949) 281-2606

Fax: None

URL: [www.vivakor.com](http://www.vivakor.com)

Investor relations contact person: Matt Nicosia. Email: [info@vivakor.com](mailto:info@vivakor.com). All other contract information is the same as stated above.

**Item 3            The jurisdiction(s) and date of the issuer’s incorporation or organization.**

The Company was originally organized on October 24, 2006 as a limited liability company in the State of Nevada as Genecular Holdings, LLC, which was converted into as a corporation pursuant to Articles of Conversion filed with the Nevada Secretary of State on April 30, 2008.

Part B            Share Structure

**Item 4            The exact title and class of securities outstanding.**

Common Stock  
Preferred Stock Series A  
Preferred Stock Series B  
Preferred Stock Series B-1  
Trading Symbol: VIVK  
CUSIP: 92852R 304

**Item 5            Par or stated value and description of the security.**

A.    *Par or Stated Value.* Provide the par or stated value for each class of outstanding securities.

Common Stock: \$.001 par value per share  
Preferred Stock (Series A): \$.001 par value per share  
Preferred Stock (Series B): \$.001 par value per share  
Preferred Stock (Series B-1): \$.001 par value per share

B.    *Common or Preferred Stock.*

1. For common equity, describe any dividend, voting and preemption rights.

Common Stock: Customary dividend rights under Nevada law, when, as and if dividends are declared on the Common Stock by the Company’s Board of Directors; customary voting rights under Nevada law, on a one vote for one share basis; no preemption rights.

2. For preferred stock, describe the dividend, voting, conversion and liquidation rights as well as redemption or sinking fund provisions.

**Preferred Stock (Series A):**

Dividend rights: None.

Voting rights: On any matter presented to the Company's stockholders for their action or consideration at any meeting of the Company's stockholders or by written consent of the Company's stockholders in lieu of meeting, the holders of shares of Series A Preferred Stock have the right to twenty-five (25) votes for each share of Common Stock into which such shares of Series A Preferred Stock could then be converted, and, with respect to such votes, such holders (a) have full voting rights and powers equal to the voting rights and powers of the holders of Common Stock, (b) are entitled to notice of any stockholders' meeting in accordance with the Bylaws of the Company and (c) are entitled to vote, together with holders of Common Stock, with respect to any question upon which holders of Common Stock have the right to vote. Holders of shares of Series A Preferred Stock have no right to vote as a separate class or series of shares of capital stock of the Company.

Conversion rights: After the corresponding restrictions have passed, each share of Series A Preferred Stock is convertible, at the option of the holder thereof, at any time after the date of issuance of such share, at the office of the Company or any transfer agent for such stock, into the number of fully paid and nonassessable shares of Common Stock determined by dividing the Original Series A Issue Price by the Conversion Price applicable to such share of Series A Preferred Stock, determined as provided in the Company's Articles of Incorporation, in effect on the date the certificate is surrendered for conversion. As of the effective date of the filing of the Company's Amended and Restated Articles of Incorporation with the Nevada Secretary of State (*i.e.*, December 16, 2013) (pursuant to an adjustment for and by reason of the 2013 Forward Stock Split (as defined therein) as required by the Company's Articles of Incorporation), the Conversion Price per share for shares of Series A Preferred Stock is and shall be Two Cents (\$0.02); *provided, however*, that the Conversion Price for the Series A Preferred Stock shall be subject to further adjustment as set forth in the Company's Articles of Incorporation. Each share of Series A Preferred Stock shall automatically be converted into shares of Common Stock at the Conversion Price at the time in effect for such Series A Preferred Stock immediately upon the date specified by written consent or agreement of the holders of a majority of the then-outstanding shares of Series A Preferred Stock.

Liquidation Preference. Subject and subordinate to the provisions of Section 2 of Article III(D) hereof (with respect to the liquidation

preference of the Series B Preferred Stock), to the provisions of Section 2 of Article III(E) hereof (with respect to the liquidation preference of the Series B-1 Preferred Stock), to the provisions of Section 2 of Article III(F) hereof (with respect to the liquidation preference of the Series C Preferred Stock) and to the provisions of Section 2 of Article III(G) hereof (with respect to the liquidation preference of the Series C-1 Preferred Stock), in the event of any liquidation, dissolution or winding up of the Corporation, either voluntary or involuntary, subject to the rights of the Series B Preferred Stock, the Series B-1 Preferred Stock, the Series C Preferred Stock, the Series C-1 Preferred Stock and any other series of Preferred Stock that from time to time may come into existence, the holders of Series A Preferred Stock shall be entitled to receive, prior and in preference to any distribution of any of the assets of the Corporation to the holders of Common Stock or any other series of Preferred Stock by reason of their ownership thereof, an amount per share equal to \$0.20 for each outstanding share of Series A Preferred Stock (the "Original Series A Issue Price") (subject to adjustment of such fixed dollar amount for stock splits, stock dividends, combinations, recapitalizations or the like; *provided, however*, that such fixed dollar amount shall *not* be adjusted for or by reason of the 2013 Forward Stock Split). If, upon the occurrence of such event, the assets and funds thus distributed among the holders of the Series A Preferred Stock are insufficient to permit the payment to such holders of the full aforesaid preferential amounts, then, subject to the rights of any series of Preferred Stock that from time to time may come into existence, the entire assets and funds of the Corporation legally available for distribution shall be distributed ratably among the holders of the Series A Preferred Stock, in proportion to the amount of such stock owned by each such holder. Upon the completion of the distribution required by subsection 2(a) immediately above and any other distribution that may be required with respect to any series of Preferred Stock that from time to time may come into existence, all of the remaining assets of the Corporation available for distribution to stockholders shall be distributed among the holders of Common Stock *pro rata* based on the number of shares of Common Stock held by each. For purposes of this Section 2, a liquidation, dissolution or winding up of the Corporation shall be deemed to be occasioned by, or to include (unless the holders of at least a majority of the shares of Series A Preferred Stock then outstanding determine otherwise), (i) the acquisition of the Corporation by another entity by means of any transaction or series of related transactions (including, without limitation, any reorganization, merger or consolidation, but excluding any merger effected exclusively for the purpose of changing the domicile of the Corporation) or (ii) a sale of all or substantially all of the assets of the Corporation; unless, with respect to clause (i) or clause (ii) of this

subsection 2(c), the Corporation's stockholders of record as constituted immediately before such acquisition or sale will immediately after such acquisition or sale (by virtue of securities issued as consideration for the Corporation's acquisition or sale or otherwise) hold at least fifty percent (50%) of the voting power of the surviving or acquiring entity.

Redemption: The Company has the right, but not the obligation, to the extent that it may lawfully do so, at any time and from time to time to repurchase and redeem from the holder or holders thereof all or any portion of the then-outstanding shares of Series A Preferred Stock for a purchase/redemption price per share equal to \$0.20 per share (subject to adjustment of such fixed dollar amount for stock splits, stock dividends, combinations, recapitalizations or the like) in cash or its equivalent.

Sinking fund provisions: None.

**Preferred Stock (Series B):**

Dividend rights: The holders of shares of Series B Preferred Stock shall be entitled to receive dividends, out of any assets legally available therefor, prior and in preference to any declaration or payment of any dividend (payable other than in Common Stock or other securities and rights convertible into or entitling the holder thereof to receive, directly or indirectly, additional shares of Common Stock) on the Common Stock of the Company, at the rate of 12.5% of the original purchase price per share per annum for the Series B Preferred Stock (as adjusted for stock splits, stock dividends, recapitalizations or the like), payable only when, as and if declared by the Board of Directors. Such dividends shall be cumulative.

Voting rights: On any matter presented to the Company's stockholders for their action or consideration at any meeting of the Company's stockholders or by written consent of the Company's stockholders in lieu of meeting, the holders of shares of the holders of shares of Series B Preferred Stock have the right to one (1) vote for each share of Common Stock into which such shares of Series B Preferred Stock could then be converted, and, with respect to such vote, such holders (a) have full voting rights and powers equal to the voting rights and powers of the holders of Common Stock, (b) are entitled, notwithstanding any provision hereof, to notice of any stockholders' meeting in accordance with the Bylaws of the Company and (c) are entitled to vote, together with holders of Common Stock, with respect to any question upon which holders of Common Stock have the right to vote. Fractional votes shall not, however, be permitted, and fractional voting rights available on an as converted basis (after aggregating all shares into which shares of Series B Preferred Stock held by each holder could be converted) shall be rounded to the nearest whole number (with one half being rounded



upward). Except as otherwise expressly provided in the Company's Articles of Incorporation, and except to the extent otherwise provided by the Nevada Revised Statutes, the holders of shares of Series B Preferred Stock have no right to vote as a separate class or series of shares of capital stock of the Company. Without limiting the generality of the foregoing, the holders of shares of Series B Preferred Stock have no right to vote as a separate class or series of shares of capital stock of the Company with respect to any plan of merger, plan of conversion or plan of exchange under Section 92A.120 of the Nevada Revised Statutes.

Conversion rights: Each share of Series B Preferred Stock shall be convertible, at the option of the holder thereof, at any time on or after the date that is one (1) year after the date of issuance of such share, at the office of the Company, into the number of fully paid and nonassessable shares of Common Stock determined by dividing the Original Series B Issue Price by the Conversion Price applicable to such share of Series B Preferred Stock, determined as provided in the Company's Articles of Incorporation, in effect on the Conversion Date (as defined below herein). The initial Conversion Price per share for shares of Series B Preferred Stock shall be the lesser of (i) the Original Series B Issue Price and (ii) ninety percent (90%) of the Market Price on the Conversion Date; *provided, however*, that the Conversion Price for the Series B Preferred Stock shall be subject to adjustment as set forth in the Section of the Company's Articles of Incorporation titled "Conversion Price Adjustments of Series B Preferred Stock for Stock Splits and Combinations". For purposes of the foregoing, the following capitalized terms have the following meanings:

**"Conversion Date"** means the date on which the certificate or certificates for shares of Series B Preferred Stock to be converted and the Conversion Notice are received by the Company from the holder in accordance with the Section of the Company's Articles of Incorporation titled "Mechanics of Conversion"; *provided, however*, that, if the conversion is an automatic conversion pursuant to the Section of the Company's Articles of Incorporation titled "Automatic Conversion," then **"Conversion Date"** means and shall be the actual date of such conversion pursuant to that Section.

**"Conversion Notice"** has the meaning set forth in the Section of the Company's Articles of Incorporation titled "Mechanics of Conversion".

**"Market Price"** means the average closing sale price for one (1) share of Common Stock during the ten (10) Trading Day period ending one (1) Trading Day before the Conversion Date. If the Market Price for one (1) share of Common Stock cannot be calculated on the Conversion Date in the manner provided in the preceding sentence, then the **"Market Price"** for one (1) share of

Common Stock shall be the fair market value of one (1) share of Common Stock as reasonably determined by the Company's Board of Directors.

**“Trading Day”** means any day on which the Common Stock is traded for any period on Pink Sheets or on the principal exchange or other securities market on which the Common Stock is then being traded.

Each share of Series B Preferred Stock shall automatically be converted into shares of Common Stock at the Conversion Price at the time in effect for such Series B Preferred Stock immediately upon the earlier of (i) except as provided in the Section of the Company's Articles of Incorporation titled “Mechanics of Conversion,” the Company's sale of Common Stock in a firm commitment underwritten public offering pursuant to a registration statement under the Securities Act of 1933, as amended, the public offering price of which is not less than \$0.60 per share (as adjusted for stock splits, stock dividends, recapitalizations or the like), and the aggregate offering proceeds of which to the Company (net of underwriting commissions, discounts, fees and expenses) are not less than \$5,000,000 (a **“Qualified Public Offering”**), or (ii) the date specified by written consent or agreement of the holders of a majority of the then-outstanding shares of Series B Preferred Stock.

Liquidation rights: In the event of any liquidation, dissolution or winding up of the Corporation, either voluntary or involuntary, subject to the rights of any series of Preferred Stock that from time to time may come into existence, the holders of Series B Preferred Stock shall be entitled to receive, prior and in preference to any distribution of any of the assets of the Corporation to the holders of Common Stock, Series A Preferred Stock or any other series of Preferred Stock by reason of their ownership thereof, an amount per share equal to the sum of (i) \$0.20 for each outstanding share of Series B Preferred Stock (the “Original Series B Issue Price”) and (ii) an amount equal to declared but unpaid dividends on such share (if any) (subject to adjustment of such fixed dollar amounts for stock splits, stock dividends, combinations, recapitalizations or the like). If, upon the occurrence of such event, the assets and funds thus distributed among the holders of the Series B Preferred Stock are insufficient to permit the payment to such holders of the full aforesaid preferential amounts, then, subject to the rights of any series of Preferred Stock that from time to time may come into existence, the entire assets and funds of the Corporation legally available for distribution shall be distributed ratably among the holders of the Series B Preferred Stock, in proportion to the amount of such stock owned by each such holder. Upon the completion of the distribution required by subsection 2(a) immediately above, the distribution required by subsection 2(a) of Article III(E) hereof (with respect to the Series B-1 Preferred Stock),

the distribution required by subsection 2(a) of Article III(F) hereof (with respect to the Series C Preferred Stock), the distribution required by subsection 2(a) of Article III(G) hereof (with respect to the Series C-1 Preferred Stock), the distribution required by subsection 2(a) of Article III(C) hereof (with respect to the Series A Preferred Stock) and any other distribution that may be required with respect to any series of Preferred Stock that from time to time may come into existence, all of the remaining assets of the Corporation available for distribution to stockholders shall be distributed among the holders of Common Stock *pro rata* based on the number of shares of Common Stock held by each. For purposes of this Section 2, a liquidation, dissolution or winding up of the Corporation shall be deemed to be occasioned by, or to include (unless the holders of at least a majority of the shares of Series B Preferred Stock then outstanding determine otherwise), (i) the acquisition of the Corporation by another entity by means of any transaction or series of related transactions (including, without limitation, any reorganization, merger or consolidation, but excluding any merger effected exclusively for the purpose of changing the domicile of the Corporation) or (ii) a sale of all or substantially all of the assets of the Corporation; unless, with respect to clause (i) or clause (ii) of this subsection 2(c), the Corporation's stockholders of record as constituted immediately before such acquisition or sale will immediately after such acquisition or sale (by virtue of securities issued as consideration for the Corporation's acquisition or sale or otherwise) hold at least fifty percent (50%) of the voting power of the surviving or acquiring entity.

**Redemption:** At any time after the date immediately preceding the first anniversary of the Purchase Date (as defined in **subsection 3(d)(i)** of this **Article III(D)**), the Corporation shall have the right, but not the obligation, to the extent that it may lawfully do so, at any time and from time to time to repurchase and redeem from the holder or holders thereof all or any portion of the then-outstanding shares of Series B Preferred Stock for a purchase/redemption price per share equal to the sum of (i) \$0.20 per share and (ii) an amount equal to declared but unpaid dividends on such share (if any) (subject to adjustment of such fixed dollar amounts for stock splits, stock dividends, combinations, recapitalizations or the like) in cash or its equivalent (the "**Series B Redemption Price**"). In order to exercise this right of redemption, at least thirty (30) but no more than sixty (60) days before the applicable Series B Redemption Date (as defined below), the Corporation shall provide written notice that the Corporation is redeeming all or a portion of the then-outstanding shares of Series B Preferred Stock (the "**Series B Redemption Notice**") by mail, first class postage prepaid, to each holder of record (at the close of business on the business day next preceding the day on which such notice is given) of the then-outstanding shares of Series B Preferred Stock to be redeemed (at the

address last shown on the records of the Corporation for each such holder), notifying such holder of the redemption to be effected on the applicable Series B Redemption Date (as defined below), specifying the number of shares of Series B Preferred Stock to be redeemed from such holder on the applicable Series B Redemption Date (as defined below), the date as of which such redemption shall be (or be deemed to be) effective (any and each such date, the “**Series B Redemption Date**”), the place at which payment of the Series B Redemption Price for the shares of Series B Preferred Stock to be redeemed on the Series B Redemption Date may be obtained by such holder and calling upon such holder to surrender to the Corporation, in the manner and at the place designated, such holder’s certificate or certificates representing the shares of Series B Preferred Stock to be redeemed on the Series B Redemption Date. On or after the Series B Redemption Date, each such holder shall surrender to the Corporation the certificate or certificates representing such shares of Series B Preferred Stock to be redeemed on the Series B Redemption Date as specified in the Series B Redemption Notice, in the manner and at the place designated in the Series B Redemption Notice, and thereupon the Series B Redemption Price for such shares shall be payable to the order of the person whose name appears on such certificate or certificates as the owner thereof, and each surrendered certificate shall be cancelled. In the event that less than all of the shares of Series B Preferred Stock represented by any such surrendered certificate are redeemed, a new certificate shall be issued representing the unredeemed shares. From and after each Series B Redemption Date, all rights of the holder or holders of shares of Series B Preferred Stock designated for redemption on such Series B Redemption Date in the Series B Redemption Notice (except the right to receive the applicable Series B Redemption Price for such shares without interest upon surrender of such holder or holders’ certificate or certificates representing such shares) shall cease with respect to such shares, such shares shall not thereafter be transferred on the books of the Corporation or be deemed to be outstanding for any purpose whatsoever, and such shares shall be cancelled and shall not be issuable by the Corporation. The Articles of Incorporation of the Corporation shall be appropriately amended to effect the corresponding reduction in the Corporation’s authorized capital stock. Notwithstanding any of the foregoing provisions of this **Section 4**, each holder of shares of Series B Preferred Stock to be redeemed pursuant to a Series B Redemption Notice shall have the right to elect, in lieu of having such shares redeemed as specified in such Series B Redemption Notice, to convert all of such shares into shares of Common Stock pursuant to and in accordance with the provisions of **subsection 3(a)** and **subsection 3(c)** of this **Article III(D)** within fifteen (15) days after the date on which such holder receives such Series B Redemption Notice. In order to exercise this right to make

such election, such holder within such fifteen (15) days must surrender the certificate or certificates representing the shares of Series B Preferred Stock to be converted into shares of Common Stock, duly endorsed, at the office of the Corporation or of any transfer agent for the Series B Preferred Stock and give written notice to the Corporation at its principal corporate office of the election to convert the same, stating therein the name or names in which the certificate or certificates for shares of Common Stock are to be issued.

Sinking fund provisions: None.

**Preferred Stock (Series B-1):**

No Dividend Rights: None

No Voting Rights: None.

Conversion. The holders of Series B-1 Preferred Stock shall have conversion rights as follows (the “Conversion Rights”): Right to Convert. Each share of Series B-1 Preferred Stock shall be convertible, at the option of the holder thereof, at any time on or after the date that is one (1) year after the date of issuance of such share, at the office of the Corporation, into the number of fully paid and nonassessable shares of Common Stock determined by dividing the Original Series B-1 Issue Price by the Conversion Price applicable to such share of Series B-1 Preferred Stock, determined as hereinafter provided, in effect on the Conversion Date (as defined below herein). The initial Conversion Price per share for shares of Series B-1 Preferred Stock shall be the lesser of (i) the Original Series B-1 Issue Price and (ii) ninety percent (90%) of the Market Price on the Conversion Date; *provided, however*, that the Conversion Price for the Series B-1 Preferred Stock shall be subject to adjustment as set forth in subsection 3(d) (Conversion Price Adjustments of Series B-1 Preferred Stock for Stock Splits and Combinations) hereof. For purposes of this Section 3, the following capitalized terms shall have the following meanings:

“Conversion Date” means the date on which the certificate or certificates for shares of Series B-1 Preferred Stock to be converted and the Conversion Notice are received by the Corporation from the holder in accordance with subsection 3(c) (Mechanics of Conversion) hereof; *provided, however*, that, if the conversion is an automatic conversion pursuant to subsection 3(b) (Automatic Conversion) hereof, then “Conversion Date” means and shall be the actual date of such conversion pursuant to subsection 3(b) (Automatic Conversion) hereof.

“Conversion Notice” has the meaning set forth in subsection 3(c) (Mechanics of Conversion) hereof.

“Market Price” means the average closing sale price for one (1) share of Common Stock during the ten (10) Trading Day period ending one (1) Trading Day before the Conversion Date. If the Market Price for

one (1) share of Common Stock cannot be calculated on the Conversion Date in the manner provided in the preceding sentence, then the “Market Price” for one (1) share of Common Stock shall be the fair market value of one (1) share of Common Stock as reasonably determined by the Board of Directors.

“Trading Day” means any day on which the Common Stock is traded for any period on Pink Sheets or on the principal exchange or other securities market on which the Common Stock is then being traded.

Automatic Conversion. Each share of Series B-1 Preferred Stock shall automatically be converted into shares of Common Stock at the Conversion Price at the time in effect for such Series B-1 Preferred Stock immediately upon the earlier of (i) except as provided below in subsection 3(c) (Mechanics of Conversion) hereof, the Corporation’s sale of Common Stock in a firm commitment underwritten public offering pursuant to a registration statement under the Securities Act of 1933, as amended, the public offering price of which is not less than \$0.60 per share (as adjusted for stock splits, stock dividends, recapitalizations or the like), and the aggregate offering proceeds of which to the Corporation (net of underwriting commissions, discounts, fees and expenses) are not less than \$5,000,000 (a “Qualified Public Offering”), or (ii) the date specified by written consent or agreement of the holders of a majority of the then-outstanding shares of Series B-1 Preferred Stock.

Liquidation Preference. In the event of any liquidation, dissolution or winding up of the Corporation, either voluntary or involuntary, the holders of Series B-1 Preferred Stock shall be entitled to receive, *pari passu* with the holders of Series B Preferred Stock and prior and in preference to any distribution of any of the assets of the Corporation to the holders of Common Stock, Series C Preferred Stock, Series C-1 Preferred Stock, Series A Preferred Stock or any other series of Preferred Stock by reason of their ownership thereof, an amount per share equal to \$0.25 for each outstanding share of Series B-1 Preferred Stock (the “Original Series B-1 Issue Price”) (subject to adjustment of such fixed dollar amount for stock splits, stock dividends, combinations, recapitalizations or the like). If, upon the occurrence of such event, the assets and funds thus distributed among the holders of the Series B Preferred Stock and the Series B-1 Preferred Stock are insufficient to permit the payment to such holders of the full aforesaid preferential amounts, then the entire assets and funds of the Corporation legally available for distribution shall be distributed ratably among the holders of the Series B Preferred Stock and the Series B-1 Preferred Stock, in proportion to the amount of such stock owned by each such holder. Upon the completion of the distribution required by subsection 2(a)

immediately above, the distribution required by subsection 2(a) of Article III(F) hereof (with respect to the Series C Preferred Stock), the distribution required by subsection 2(a) of Article III(G) hereof (with respect to the Series C-1 Preferred Stock), the distribution required by subsection 2(a) of Article III(C) hereof (with respect to the Series A Preferred Stock) and any other distribution that may be required with respect to any series of Preferred Stock that from time to time may come into existence, all of the remaining assets of the Corporation available for distribution to stockholders shall be distributed among the holders of Common Stock *pro rata* based on the number of shares of Common Stock held by each. For purposes of this Section 2, a liquidation, dissolution or winding up of the Corporation shall be deemed to be occasioned by, or to include (unless the holders of at least a majority of the shares of Series B-1 Preferred Stock then outstanding determine otherwise), (i) the acquisition of the Corporation by another entity by means of any transaction or series of related transactions (including, without limitation, any reorganization, merger or consolidation, but excluding any merger effected exclusively for the purpose of changing the domicile of the Corporation) or (ii) a sale of all or substantially all of the assets of the Corporation; unless, with respect to clause (i) or clause (ii) of this subsection 2(c), the Corporation's stockholders of record as constituted immediately before such acquisition or sale will immediately after such acquisition or sale (by virtue of securities issued as consideration for the Corporation's acquisition or sale or otherwise) hold at least fifty percent (50%) of the voting power of the surviving or acquiring entity.

Redemption. At any time after the date immediately preceding the first anniversary of the Purchase Date (as defined in **subsection 3(d)(i)** of this **Article III(E)**), the Corporation shall have the right, but not the obligation, to the extent that it may lawfully do so, at any time and from time to time to repurchase and redeem from the holder or holders thereof all or any portion of the then-outstanding shares of Series B-1 Preferred Stock for a purchase/redemption price per share equal to \$0.25 per share (subject to adjustment of such fixed dollar amount for stock splits, stock dividends, combinations, recapitalizations or the like) in cash or its equivalent (the "**Series B-1 Redemption Price**"). In order to exercise this right of redemption, at least thirty (30) but no more than sixty (60) days before the applicable Series B-1 Redemption Date (as defined below), the Corporation shall provide written notice that the Corporation is redeeming all or a portion of the then-outstanding shares of Series B-1 Preferred Stock (the "**Series B-1 Redemption Notice**") by mail, first class postage prepaid, to each holder of record (at the close of business on the business day next preceding the day on which such notice is given) of the then-outstanding shares of Series B-1 Preferred Stock to be redeemed (at the address last shown on the records of the Corporation for each such

holder), notifying such holder of the redemption to be effected on the applicable Series B-1 Redemption Date (as defined below), specifying the number of shares of Series B-1 Preferred Stock to be redeemed from such holder on the applicable Series B-1 Redemption Date (as defined below), the date as of which such redemption shall be (or be deemed to be) effective (any and each such date, the “**Series B-1 Redemption Date**”), the place at which payment of the Series B-1 Redemption Price for the shares of Series B-1 Preferred Stock to be redeemed on the Series B-1 Redemption Date may be obtained by such holder and calling upon such holder to surrender to the Corporation, in the manner and at the place designated, such holder’s certificate or certificates representing the shares of Series B-1 Preferred Stock to be redeemed on the Series B-1 Redemption Date. On or after the Series B-1 Redemption Date, each such holder shall surrender to the Corporation the certificate or certificates representing such shares of Series B-1 Preferred Stock to be redeemed on the Series B-1 Redemption Date as specified in the Series B-1 Redemption Notice, in the manner and at the place designated in the Series B-1 Redemption Notice, and thereupon the Series B-1 Redemption Price for such shares shall be payable to the order of the person whose name appears on such certificate or certificates as the owner thereof, and each surrendered certificate shall be cancelled. In the event that less than all of the shares of Series B-1 Preferred Stock represented by any such surrendered certificate are redeemed, a new certificate shall be issued representing the unredeemed shares. From and after each Series B-1 Redemption Date, all rights of the holder or holders of shares of Series B-1 Preferred Stock designated for redemption on such Series B-1 Redemption Date in the Series B-1 Redemption Notice (except the right to receive the applicable Series B-1 Redemption Price for such shares without interest upon surrender of such holder or holders’ certificate or certificates representing such shares) shall cease with respect to such shares, such shares shall not thereafter be transferred on the books of the Corporation or be deemed to be outstanding for any purpose whatsoever, and such shares shall be cancelled and shall not be issuable by the Corporation. The Articles of Incorporation of the Corporation shall be appropriately amended to effect the corresponding reduction in the Corporation’s authorized capital stock. Notwithstanding any of the foregoing provisions of this **Section 4**, each holder of shares of Series B-1 Preferred Stock to be redeemed pursuant to a Series B-1 Redemption Notice shall have the right to elect, in lieu of having such shares redeemed as specified in such Series B-1 Redemption Notice, to convert all of such shares into shares of Common Stock pursuant to and in accordance with the provisions of **subsection 3(a)** and **subsection 3(c)** of this **Article III(E)** within fifteen (15) days after the date on which such holder receives such Series B-1 Redemption Notice. In order to exercise this right to make



such election, such holder within such fifteen (15) days must surrender the certificate or certificates representing the shares of Series B-1 Preferred Stock to be converted into shares of Common Stock, duly endorsed, at the office of the Corporation or of any transfer agent for the Series B-1 Preferred Stock and give written notice to the Corporation at its principal corporate office of the election to convert the same, stating therein the name or names in which the certificate or certificates for shares of Common Stock are to be issued.

Sinking fund provisions: None.

3. Describe any other material rights of common or preferred stockholders.

None.

4. Describe any provision in the issuer's charter or by-laws that would delay, defer or prevent a change in control of the issuer.

The Company's Articles of Incorporation gives the Company's Board of Directors blank check authority to issue the Company's Preferred Stock, which in certain circumstances could be used to delay, defer or prevent a change in control of the issuer. As of September 30, 2016, the Company is authorized to issue 450,000,000 shares of Preferred Stock, of which 2,000,000 shares are designated as Series A Preferred Stock, all of which are issued and outstanding, and 98,000,000 shares are designated as Series B Preferred Stock, of which 74,859,460 shares are issued and outstanding, and 50,000,000 shares are designated as Series B-1 Preferred Stock, of which 32,888,532 shares are issued and outstanding.

**Item 6      The number of shares or total amount of the securities outstanding for each class of securities authorized.**

In answering this item, provide the information below for each class of securities authorized. Please provide this information (i) as of the end of the issuer's most recent fiscal quarter and (ii) as of the end of the issuer's last two fiscal years.

- (i) Period end date;
- (ii) Number of securities authorized;
- (iii) Number of shares outstanding;
- (iv) Freely tradable shares (public float);
- (v) Total number of beneficial stockholders; and
- (vi) Total number of stockholders of record.

Common Stock:

The Company is authorized to issue 1,250,000,000 shares of common stock.

As of December 31, 2016 there were 230,383,377 shares of common stock outstanding, of which approximately 46,249,177 shares are freely tradeable (public float), and were held beneficially and of record by 118 stockholders.

As of December 31, 2015, there were 206,896,350 shares of common stock outstanding, of which approximately 42,729,150 shares are freely tradable (public float), and were held beneficially and of record by 95 stockholders.

As of December 31, 2014, there were 204,685,830 shares of common stock outstanding, of which approximately 42,521,650 shares are freely tradable (public float), and were held beneficially and of record by 92 stockholders.

#### Preferred Stock:

The Company is authorized to issue 450,000,000 shares of preferred stock. As of December 31, 2016 there were 34,632,916 of Preferred Series B-1 and 76,182,060 of Preferred Series B shares outstanding.

As of December 31, 2016, \$580,675 of Preferred Stock was converted into 1,527,527 shares of Common Stock.

For the year ended December 31, 2016, the Company issued 8,126,900 shares of Series B Preferred Stock for \$1,625,004 cash.

For the year ended December 31, 2016, the Company has issued 7,093,093 shares of Series B-1 Preferred Stock as a \$1,773,273 stock interest distribution to Series B Preferred Shareholders.

On September 28, 2016 the Company issued 20,000,000 shares of Series B-1 Preferred Stock for the joint rights to use, make, sell, and exploit an oil extraction and remediation technology and any patents or trade secrets related to the technology.

As of December 31, 2015, there were 100,000,000 shares of Preferred Stock authorized for issuance, 2,000,000 of which were issued as shares of Series A Preferred Stock, held of record and beneficially by AKMN Trust, and 79,820,284 of which were issued as shares of Series B Preferred Stock held beneficially and of record by approximately 266 shareholders. None of these shares are freely tradable.

As of December 31, 2014, there were 100,000,000 shares of Preferred Stock authorized for issuance, 2,000,000 of which were issued as shares of Series A Preferred Stock, held of record and beneficially by AKMN Trust, and 55,763,077 of which were issued as shares of Series B Preferred Stock held

beneficially and of record by approximately 229 shareholders. None of these shares are freely tradable.

**Item 7      The name and address of the transfer agent.**

The Company's transfer agent is Empire Stock Transfer. Its address is 1859 Whitney Mesa Drive, Henderson, Nevada 89014. Its telephone number is (702) 818-5898. Empire Stock Transfer is registered under the Exchange Act and is an SEC approved transfer agent.

**Part C      Business Information**

**Item 8      The nature of the issuer's business.**

A.      Business Development. Describe the development of the issuer and material events during the last three years so that a potential investor can clearly understand the history and development of the business. If the issuer has not been in business for three years, provide this information for any predecessor company. This business development description must also include:

1.      the form of organization of the issuer;

The Company is a corporation under Nevada law.

2.      the year that the issuer (or any predecessor) was organized;

The Company originally organized as a Nevada limited liability company in November 2006 and then converted to a Nevada corporation of Nevada on April 30, 2008.

3.      the issuer's fiscal year end date;

December 31.

4.      whether the issuer (or any predecessor) has been in bankruptcy, receivership or any similar proceeding;

The Company has never been in bankruptcy, receivership or any similar proceeding.

5.      any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets;

In January 2015 the Company acquired a proprietary oil-sand technology. A new entity, VivaVentures Energy Group, Inc. (Energy Group), was formed to hold the assets and conduct the operations of the oil business. In the acquisition the Company acquired 100% of the common stock of the VivaVentures Energy Group, Inc. (now consolidated as an approximate 99.95%

majority-owned subsidiary), contributed approximately \$40,000 in cash for seed capital and issued 20,000,000 shares of Common Stock at \$0.50 per share, and acquired the rights, title, and interest of a proprietary oil-sand extraction technology. The Company also acquired mineral rights in Vernal, UT containing oil-sand deposits for 2,000,000 shares of Common Stock at \$0.50 per shares. The Company also entered into a joint venture for technology collaboration and oil extraction operations, and created VivaRRT, LLC, in which venture the Company acquired further proprietary technology and additions to the Company's process. The Company has completed construction of an oil-sand extraction unit, yielding additions to fixed assets for \$919,017 and acquisition of a extraction technology for 20,000,000 shares of Series B-1 Preferred Stock at \$.25 per shares. In December 2015 the Company purchased two precious metal extraction machines for a cancellation of the seller's outstanding notes payable to the Company in the amount of \$6,800,000. The Company has contributed \$983,635 of capital to VivaRRT as of December 31, 2016 for start up capital and has purchased (\$650,000) the rights to use and operate a thermal technology for reclamation and remediation from Remediation & Reclamation Technologies, Inc, the joint venture partner. The Company purchased royalty rights (\$250,000) for a revenue stream in Bolivia where the thermal technology will be utilized.

For the year ended December 31, 2014 our equity investment of \$193,249 in QuatumSphere, Inc., a private company, was reclassified from "Other investments" to "Marketable securities" due to the investee's equity securities being publicly traded in an active market. The value of our investment was reclassified as noted above, adjusted, and accounted for at fair value based on the quoted price for identical assets in an active market. As of March 31, 2016 the Company transferred this asset for a reduction in payables.

In May 2016 the Company made improvements to a third parties oil extraction plant and provided further funding for approximately \$246,000 to the party in exchange for the acquisition of rights to oil-sand stockpiles, intended for the Company's oil extraction production.

In May 2016 the Company acquired royalty rights in enhanced oil recovery services in YPFB Andina in Bolivia for \$250,000.

6. any default of the terms of any note, loan, lease or other indebtedness or financing arrangement requiring the issuer to make payments;

The Company is not currently is in default on any note, loan, lease or other indebtedness.

7. any change of control;

In August 2011 the Company issued 1,000,000 shares of Series A Preferred Stock for a \$200,000 reduction in outstanding Company liabilities. On September 30, 2013 the Company issued 1,000,000 shares of Series A Preferred Stock for a \$1,000,000 reduction in outstanding Company liabilities. The Series A Preferred Stock provides for 25 votes for each share of Common Stock into which each share of Series A Preferred Stock can be converted after any stock restrictions pursuant to the Company's Articles of Incorporation, resulting in AKMN Trust currently having 500,000,000 votes, representing voting control of the Company.

8. any increase of 10% or more of the same class of outstanding equity securities;

On January 22, 2016, our majority owned subsidiary's shareholder converted its minority interest (\$10,000,000) into 20,000,000 shares of Vivakor Common Stock.

As of December 31, 2016, \$580,675 of Preferred Stock was converted into 1,527,527 shares of Common Stock.

For the year ended December 31, 2016, the Company issued 8,126,900 shares of Series B Preferred Stock for \$1,625,004 cash.

For the year ended December 31, 2016, the Company has issued 7,093,093 shares of Series B-1 Preferred Stock as a \$1,773,273 stock interest distribution to Series B Preferred Shareholders.

On September 28, 2016 the Company issued 20,000,000 shares of Series B-1 Preferred Stock for the joint rights to use, make, sell, and exploit an oil extraction and remediation technology and any patents or trade secrets related to the technology.

For the year ended December 31, 2015, convertible debt holders converted \$13,439 of convertible debt and related interest expense into 107,520 shares of the Company's Common Stock.

For the year ended December 31, 2015, debt holders of the Company converted \$7,500 of convertible debt and related interest expense into 30,000 shares of Series B Preferred Stock. The Company also issued 235,000 shares of Series B Preferred Stock for a \$47,000 reduction in accounts payable.

The Company also issued 2,000,000 shares of Common Stock to acquire mineral rights containing oil-sand deposits and 20,000,000 shares of a subsidiaries stock to acquire intellectual property.

For the year ended December 31, 2015, the Company has issued 5,933,433 shares of Series B Preferred Stock as a \$1,483,189 stock interest distribution to Series B Preferred Shareholders. Series B Preferred shareholders also converted \$20,000 of Series B Preferred Stock into 100,000 shares of Common Stock.

For the year ended December 31, 2014, convertible debt holders converted \$67,201 of convertible debt and related interest expense into 1,548,800 shares of the Company's Common Stock, which carry liquidation restrictions limited to 10% of the 10 day average once every 90 days.

For the year ended December 31, 2014, debt holders of the Company converted \$6,124,015 of convertible debt and related interest expense into 29,950,250 shares of Series B Preferred Stock. For the year ended December 31, 2014, the Company also issued 20,046,041 of Series B Preferred Stock for cash of \$4,102,458.

For the year ended December 31, 2014, the Company has issued 1,491,786 shares of Series B Preferred Stock and 1,170 shares of Common Stock as a \$373,494 interest distribution to Series B Preferred Shareholders.

9. any past, pending or anticipated stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization;

On December 16, 2013, the Company completed a 10-for-1 forward stock split with respect to its common stock. Par value was revalued at \$.001.

On April 29, 2011, the Company effectuates a 1-for-1,000 reverse stock split with respect to its common stock.

Except as described above, there are no past, pending or anticipated stock splits, stock dividends, recapitalizations, mergers, acquisitions, spin-offs or reorganizations.

10. any delisting of the issuer's securities by any securities exchange or deletion from the OTC Bulletin Board; and

On February 3, 2012, the Company filed Form 15 with the Securities and Exchange Commission terminating its reporting status under the Securities Exchange Act of 1934, as amended. As a result, the Company's Common Stock was delisted from the OTC Electronic Bulletin Board. Since February 2012, the Company's Common Stock has traded and currently trades in the OTC Pink Sheets under the trading symbol VIVK.

11. any current, past, pending or threatened legal proceedings or administrative actions whether by or against the issuer that could have a material effect on the issuer's business, financial condition, or operations and any current, past or pending trading suspensions by a securities regulator. State the names of the principal parties, the nature and current status of the matters, and the amounts involved.

There are no current, past, pending or threatened legal proceedings or administrative actions either by or against the Company. There are no current, past or pending trading suspensions by a securities regulator.

B. Business of Issuer. Describe the issuer's business so a potential investor can clearly understand it.

Vivakor, Inc. (the "Company") was organized in 2008. The Company identifies new and promising technologies and acquires them or provides secured funding for their development and commercialization. The Company may acquire the technology for the Company's sole development, commercialization and use, or the Company may enter into joint ventures or strategic alliances to provide secured funding to commence or expand operations and development in exchange for ownership of the developing technology or participation in revenue streams generated by the developed technology. The Company intends to concentrate future fund raising and development efforts in the following industries:

- Oil Sand Extraction – new processing method and proprietary technologies that extract the hydrocarbons from specific oil sand deposits. These methods and technologies have also proven to be successful with reclamation and remediation that may be used on a global scale.
- Mining and minerals – new processes and technologies for the extraction of precious metals from sand-based deposits.
- Alternative energy – specifically the use of nano and other new materials in the generation and storage of energy.

To the extent material to an understanding of the issuer, please also include the following:

1. the issuer’s primary and secondary SIC codes;

The Company’s primary SIC codes are: 8731, 1000 and 2833.

2. if the issuer has never conducted operations, is in the development stage, or is currently conducting operations;

The Company currently is conducting operations.

3. whether the issuer is or has at any time been a “shell company”;

The Company has never been a shell company.

4. the names of any parent, subsidiary, or affiliate of the issuer, and its business purpose, its method of operation, its ownership, and whether it is included in the financial statements attached to this disclosure statement;

The Company has no parent entity. The Company has the following wholly-owned or majority-owned subsidiaries: VivaSight, Inc., a Nevada corporation; VivaThermic, Inc., a Nevada corporation; VivaVentures, Inc., a Nevada corporation. The Company also owns approximately 15% of the outstanding shares of VivaCeuticals, Inc., a Nevada corporation, approximately 62% of the outstanding shares of HealthAmerica, Inc., a Nevada corporation, approximately 39% of VivaVentures Precious Metals, LLC, a Nevada limited liability company, approximately 99.95% of VivaVentures Energy Group, Inc., a Nevada Corporation. The Company has also entered into a joint venture and created VivaRRT, LLC. A description of the business purpose of each subsidiary is listed below. The financial statements incorporated by reference herein and attached to this Disclosure Statement include the accounts of the Company and its wholly-owned subsidiaries VivaSight, Inc., VivaThermic, Inc., VivaVentures, Inc., and its majority-owned subsidiaries Health America, Inc. and VivaVentures Energy Group, Inc.

## **Our Company's Active Investments and Subsidiaries**

Set forth below is a brief description of the business of each of the Company's active investments and subsidiaries.

### ***VivaVentures Energy Group, Inc., a green energy alternatives and petroleum asset subsidiary***

- Acquired the rights and ownership to multiple proprietary technologies and processes for a green energy oil extraction from oil sands.
- Entered into a joint venture agreement and formed VivaRRT, LLC for technology collaboration and mobile oil extraction and remediation operations on a global scale.
- Acquired the ownership of certain claims in Utah containing oil-sand deposits.
- Developed and are testing an oil sand extraction machine.
- Entered into an ore supply agreement for oil sand supply for oil production in Vernal, Utah.
- Acquired the right to royalties in enhanced oil recovery services in YPFB Andina in Bolivia
- Registered for business operations and opened offices in Doha, Qatar according to our international business model for reclamation and remediation.

### ***VivaVentures, Inc., a green energy alternatives and mineral asset subsidiary***

- Acquired the rights and ownership to the proprietary technology for a disruptive metallic vaporization science and process for precious metal extraction
- Acquired ownership of certain precious metal mining claims in Arizona and Colorado.
- Acquired a 39% ownership in VivaVentures Precious Metals, LLC. Two precious metal extraction units have been developed with the proprietary extraction technology. The units are currently operated at our Henderson, Nevada facility.
- Focuses on mineral and other such assets that may be extracted or leveraged. This subsidiary has signed letters of intent that are backed by at least a 10 to 1 in value.

### ***Investment in VivaCeuticals, Inc., a natural and formulary products company***

- We acquired a minority interest in VivaCeuticals, Inc. The Company also has provided secured loan financing and assistance to the development and commercialization of two bioactive beverages and one weight loss beverage, which



VivaCeuticals, Inc. markets as RegeneBlend, RegeneBoost, and RegeneSlim. The company as recently ceased operations in the United States, and is structuring for international business. Our loans are collateralized by these formulas and other marketing software assets. Additionally, the Company receives a percentage of total gross sales of VivaCeuticals, Inc. RegeneBlend is a highly concentrated extract of natural products rich in antioxidants and other phytochemicals. RegeneBoost is a nutraceutical, bioactive beverage enriched with phytochemicals and antioxidants.

***Investment in Odyssey Group International, Inc., a natural and formulary products company***

- We have acquired a minority interest in Odyssey Group International, Inc. (Odyssey). The Company has also provided secured loan financing and assistance to the development and commercialization of a natural athletic enhancement beverage, which Odyssey sells to distributors to market and sell. The Company's loans are collateralized by the formula, and the Company receives a percentage of total gross sales until the loan has been repaid in full. This beverage contains concentrated doses of antioxidants, polyphenols, vitamins, minerals, EGCG, as well as "Young Tissue Extract," and plant-sourced Marine Mineral Complex which contains Algae Cal. It is believed that the formula ingredients fortify the body against degeneration, increase the recovery rate after physical exercise and sports participation, and mediate oxidative stress, which may enhance metabolism, help balance glucose levels, increase fat oxidation and aid in weight management, and that the beverage may reverse bone loss, especially when incorporated with load-bearing sports. Odyssey is a reporting company under the Securities and Exchange Act of 1934 and expects its common stock to be listed on a quotation system or exchange in early 2017.

**Our Company's Inactive Subsidiaries**

Our company has the following wholly-owned or partially-owned subsidiaries which are either inactive or are not generating material revenue:

- VivaSight, Inc., a Nevada corporation (wholly owned);
  - VivaOptics, Inc., a Nevada corporation (wholly owned);
  - VivaThermic, Inc., a Nevada corporation (wholly owned); and
  - HealthAmerica, Inc., a Nevada corporation (approximately 62%, majority owned).
5. the effect of existing or probable governmental regulations on the business;

The Company's oil and mining activities are subject to federal, state and local laws, regulations and policies, including laws regulating the removal of natural resources from the ground and the

discharge of materials into the environment. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Exploration and exploitation activities are also subject to federal, state and local laws and regulations which seek to maintain health and safety standards by regulating the design and use of exploration methods and equipment. Environmental and other legal standards imposed by federal, state or local authorities are constantly evolving, and typically in a manner which will require stricter standards and enforcement, and increased fines and penalties for non-compliance. Such changes may prevent us from conducting planned activities or increase our costs of doing so, which would have material adverse effects on our business. Moreover, compliance with such laws may cause substantial delays or require capital outlays in excess of those anticipated, thus causing an adverse effect on us. Additionally, we may be subject to liability for pollution or other environmental damages that we may not be able to or elect not to insure against due to prohibitive premium costs and other reasons. Unknown environmental hazards may exist on our mining claims, or we may acquire properties in the future that have unknown environmental issues caused by previous owners or operators, or that may have occurred naturally.

Some aspects of our company's medical, biotechnology and nutraceutical supplements businesses and product candidates are subject to some degree of government regulation. As a provider of medical and biotechnology products, we are subject to extensive regulation by, among other governmental entities, the United States Food and Drug Administration (the "FDA"). In addition, before selling any of our product candidates, we will be required to comply with the rules and regulations of state, local and foreign regulatory bodies in jurisdictions where we desire to sell our products. These regulations govern the introduction of new products, the observance of certain standards with respect to the manufacture, safety, efficacy and labeling of such products, the maintenance of certain records, the tracking of such products and other matters.

For some of our product candidates, and in some countries, government regulation is significant, and generally there is a trend toward more stringent regulation. In recent years, the FDA and certain foreign regulatory bodies have pursued a more rigorous enforcement program to ensure that regulated businesses like our company's businesses comply with applicable laws and regulations. We devote significant time, effort and expense addressing the extensive governmental regulatory requirements applicable to our company's businesses. To date, we have received no notifications or warning letters from the FDA or any other regulatory body of alleged deficiencies in our company's compliance with the relevant requirements, and we have not recalled or issued safety alerts with respect to any of our company's products. There can be no assurance, however, that a warning letter, recall or safety alert, if it occurred, would not have a material adverse effect on our company.

Failure to comply with applicable federal, state, local or foreign laws or regulations could subject our company to enforcement action, including product seizures, recalls, withdrawal of marketing clearances and civil and criminal penalties, any one or more of which could have a material adverse effect on our company's businesses. We believe that our company is in substantial compliance with such governmental regulations. However, federal, state, local and foreign laws and regulations regarding the manufacture and sale of medical devices are subject to future

changes. There can be no assurance that such changes would not have a material adverse effect on our company.

6. an estimate of the amount spent during each of the last two fiscal years on research and development activities, and, if applicable, the extent to which the cost of such activities are borne directly by customers;

The Company had amortization expense of \$250,000 in 2015 of the oil extraction intellectual property. The Company is assisting in the development of an oil extraction machine using this intellectual property, for which the Company used \$592,872 to purchase equipment.

As of December 31, 2016, the Company had amortization expense of \$340,278 and purchased equipment \$453,000 in relation to the development noted above.

7. costs and effects of compliance with environmental laws (federal, state, and local); and

Some aspects of the Company's contemplated mining, mineral extraction and alternative energy businesses may be subject to certain environmental laws. The costs and effects of compliance with such environmental laws are yet to be determined by the Company. Any failure by the Company to comply with applicable federal, state or local environment laws could subject the Company to enforcement action, including civil and criminal penalties, any one or more of which could have a material adverse effect on the Company.

8. the number of total employees and number of full-time employees.

As of December 31, 2016, the Company had approximately 15 full-time or contracted employees, consisting of the Company's CEO, CFO, and additional administrative personnel.

## **Risk Factors.**

### **Risks Relating to our Business**

**We are at a very early operational stage, and our success is subject to the substantial risks inherent in the establishment of a new business venture.**

The implementation of our business strategy is in a very early stage. We are in the process of developing numerous product candidates but none has proven to be commercially successful. Our business and operations should be considered to be in a very early stage and subject to all of the risks inherent in the establishment of a new business venture. Accordingly, our intended business and operations may not prove to be successful in the near future, if at all. Any future success that we might enjoy will depend on many factors, several of which may be beyond our control, or which cannot be predicted at this time, and which could have a material adverse effect on our financial condition, business prospects and operations and the value of an investment in our company.

**We have a very limited operating history, and our business plan is unproven and may not be successful.**

Although we began operations in 2008, we have recently adopted a new business plan and investment strategy that has not been proven to be successful. We have not sold any substantial amount of products commercially and have not proven that our business model will allow us to identify and develop commercially feasible products.

**We have suffered operating losses since inception, and we may not be able to achieve profitability.**

We had an accumulated deficit of \$11,702,361 as of December 31, 2016, and we expect to continue to incur significant development expenses in the foreseeable future related to the completion of development and commercialization of our products. As a result, we are incurring substantial operating and net losses, and it is possible that we never will be able to sustain or develop the revenue levels necessary to attain profitability. If we fail to generate sufficient revenues to operate profitably, or if we are unable to fund our continuing losses, you could lose all or part of your investment.

**We may have difficulty raising additional capital, which could deprive us of necessary resources, and you may experience dilution or subordinate stockholder rights, preferences and privileges as a result of our financing efforts.**

We expect to continue to devote significant capital resources to fund the acquisition and development of new products and processes. In order to support the initiatives envisioned in our business plan, we will need to raise additional funds through the sale of assets, public or private debt or equity financing or other arrangements. Our ability to raise additional financing depends on many factors beyond our control, including the state of capital markets, the market price of our Common Stock and the development or prospects for development of competitive technologies by others. Because our Common Stock is not listed on a major stock exchange, many investors may not be willing or allowed to purchase it or may demand steep discounts. Sufficient additional financing may not be available to us or may be available only on terms that would result in further dilution to the current owners of our Common Stock.

We expect to raise additional capital during 2017, but we do not have any firm commitments for funding. If we are unsuccessful in raising additional capital or the terms of raising such capital are unacceptable, then we may have to modify our business plan and/or curtail our planned activities and other operations.

**Failure to effectively manage our growth could place strains on our managerial, operational and financial resources and could adversely affect our business and operating results.**

Our growth has placed, and is expected to continue to place, a strain on our managerial, operational and financial resources. Further, if our subsidiaries' businesses grow, then we will be

required to manage multiple relationships. Any further growth by us or our subsidiaries, or any increase in the number of our strategic relationships, will increase this strain on our managerial, operational and financial resources. This strain may inhibit our ability to achieve the rapid execution necessary to implement our business plan and could have a material adverse effect on our financial condition, business prospects and operations and the value of an investment in our company.

**There are substantial inherent risks in attempting to commercialize new technological applications, and, as a result, we may not be able to successfully develop products or technologies for commercial use.**

Our company intends to acquire or invest in products in numerous technological fields. We have limited scientific experience in some of these fields. Often development requires significant amounts of capital and takes an extremely long time to reach commercial viability, if at all. During the development process, we may experience technological barriers that we may be unable to overcome. Because of these uncertainties, it is possible that many of our product candidates may never be successfully developed. If we are unable to successfully develop products or technology for commercial use, then we will be unable to generate revenue or build a sustainable or profitable business.

**We will need to achieve commercial acceptance of our products to generate revenues and achieve profitability.**

Even if our efforts to acquire or develop products yields technologically feasible applications, we may not successfully develop commercial products, and even if we do, we may not do so on a timely basis. If our research efforts are successful on the technology side, it could take at least several years before this technology will be commercially viable. During this period, superior competitive technologies may be introduced or customer needs may change, which will diminish or extinguish the commercial uses for our applications. We cannot predict when significant commercial market acceptance for our products will develop, if at all, and we cannot reliably estimate the projected size of any such potential market. If markets fail to accept our products, then we may not be able to generate revenues from the commercial application of our technologies. Our revenue growth and achievement of profitability will depend substantially on our ability to introduce new products that are accepted by customers. If we are unable to cost-effectively achieve acceptance of our technology by customers, or if the associated products do not achieve wide market acceptance, then our business will be materially and adversely affected.

**We expect to rely on third parties for the worldwide marketing and distribution of our product candidates, who may not be successful in selling our products.**

We currently do not have adequate resources to market and distribute products worldwide and expect to engage third party marketing and distribution companies to perform these tasks. While we believe that distribution partners will be available, we cannot assure you that the distribution partners, if any, will succeed in marketing our products on a global basis. We may not be able to maintain satisfactory arrangements with our marketing and distribution partners, who may not devote adequate resources to selling our products. If this happens, we may not be

able to successfully market our products, which would decrease or eliminate our ability to generate revenues.

**We may lose out to larger and better-established competitors.**

The industries in which we compete are intensely competitive. Most of our competitors have significantly greater financial, technical, manufacturing, marketing and distribution resources as well as greater experience in industry than we have. Competition may result in price reductions, reduced gross margins and loss of market share.

**We could be damaged by product liability claims.**

Some of our products are intended to be used by consumers. If one of our products malfunctions or a consumer misuses it or has a reaction to it and injury results, then the injured party could assert a product liability claim against our company. We currently do not have product liability insurance and may not be able to obtain such insurance at a rate that is acceptable to us or at all. Furthermore, even if we can obtain insurance, insurance may not be sufficient to cover all of the liabilities resulting from a product liability claim, and we might not have sufficient funds available to pay any claim over the limits of our insurance. Because personal injury claims based on product liability may be very large, an underinsured or an uninsured claim could financially damage our company.

**We may indemnify our directors and officer against liability to us and holders of our securities, and such indemnification could increase our operating costs.**

Our Bylaws allow us to indemnify our directors and officers against claims associated with carrying out the duties of their offices. Our Bylaws also allow us to reimburse them for the costs of certain legal defenses. Insofar as indemnification for liabilities arising under the Securities Act of 1933 (the “Securities Act”) may be permitted to our directors, officers or control persons, we have been advised by the SEC that such indemnification is against public policy and is therefore unenforceable.

Since our officers and directors are aware that they may be indemnified for carrying out the duties of their offices, they may be less motivated to meet the standards required by law to properly carry out such duties, which could increase our operating costs. Further, if our officers and directors file a claim against us for indemnification, the associated expenses could also increase our operating costs.

**We are exposed to risks associated with the recent worldwide economic slowdown and related uncertainties.**

We plan to expand our level of operations. Slower economic activity, concerns about inflation or deflation, decreased consumer confidence, reduced corporate profits and capital spending, adverse business conditions and liquidity concerns in the general economy and recent international conflicts and terrorist and military activity have resulted in a downturn in worldwide economic conditions, especially in the United States. Recent political and social

turmoil related to international conflicts and terrorist acts can be expected to place further pressure on economic conditions in the United States and worldwide. These political, social and economic conditions make it extremely difficult for us to accurately forecast and plan future business activities. If such conditions continue or worsen, then our business, financial condition and results of operations could be materially and adversely affected.

### **Risks Relating to our Stock**

**We have issued shares of Series A Preferred Stock, which have super voting rights, permitting the holder of voting power over those shares to control the affairs of our company.**

AKMN Irrevocable Trust is the record holder of 2,000,000 shares of our Series A Preferred Stock. Matthew Nicosia, CEO, is the trustee of AKNM Irrevocable Trust, and Johnathan Nicosia (Matthew Nicosia's son) is the beneficiary. The Series A Preferred Stock provides for 25 votes for each share of Common Stock into which such shares of Series A Preferred Stock are restricted for 5 years from the date of issuance (restrictions remain with the stock if assigned to a third party) and currently may only be converted to Common Stock upon liquidation of the Company. With a current conversion ratio of 10 shares of Common Stock for each outstanding share of Series A Preferred Stock, this results in AKMN Irrevocable Trust (currently) having 500,000,000 votes, representing voting control of certain business aspects.

**The sale of shares of our Common Stock and securities convertible into shares or our Common Stock in private placements could cause the price of our Common Stock to decline.**

The trading volume in our shares of Common Stock is very small. A sale of shares at any given time could cause the trading price of our Common Stock to decline. The sale of a substantial number of shares of our Common Stock, or the anticipation of such sales, could make it more difficult for us to sell equity or equity-related securities in the future at a time and at a price at which we otherwise might desire to effect sales.

**Our Common Stock is traded in the Pink Sheets, which may deprive stockholders of the full value of their shares.**

Our Common Stock is approved for quotation on the Pink Sheets. Therefore, our Common Stock is expected to have fewer market makers, lower trading volumes and larger spreads between bid and asked prices than securities listed on an exchange such as the New York Stock Exchange or the NASDAQ Stock Market. These factors may result in higher price volatility and less market liquidity for our Common Stock.

**A low market price would severely limit the potential market for our Common Stock.**

Since trading commenced, our Common Stock has traded at a price substantially below \$5.00 per share, subjecting trading in the stock to certain SEC rules requiring additional disclosures by broker-dealers. These rules generally apply to any non-FINRA equity security that

has a market price share of less than \$5.00 per share, subject to certain exceptions (a “penny stock”). Such rules require the delivery, before any penny stock transaction, of a disclosure schedule explaining the penny stock market and the risks associated therewith, and impose various sales practice requirements on broker-dealers who sell penny stocks to persons other than established customers and institutional or wealthy investors. For these types of transactions, the broker-dealer must make a special suitability determination for the purchaser and have received the purchaser’s written consent to the transaction before the sale. The broker-dealer also must disclose the commissions payable to the broker-dealer and current bid and offer quotations for the penny stock, and, if the broker-dealer is the sole market maker, the broker-dealer must disclose that fact and the broker-dealer’s presumed control over the market. Such information must be provided to the customer orally or in writing before or with the written confirmation of trade sent to the customer. Monthly statements must be sent disclosing recent price information for the penny stock held in the account and information on the limited market in penny stocks. The additional burdens imposed on broker-dealers by such requirements could discourage broker-dealers from effecting transactions in our Common Stock.

**FINRA sales practice requirements also may limit a stockholder’s ability to buy and sell our Common Stock.**

In addition to the penny stock rules promulgated by the SEC, which are discussed in the immediately preceding risk factor, FINRA rules require that, in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Before recommending speculative low priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer’s financial status, tax status, investment objectives and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low priced securities will not be suitable for at least some customers. FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our Common Stock, which may limit the ability to buy and sell our Common Stock and have an adverse effect on the market value for our shares.

**A stockholder’s ability to trade our Common Stock may be limited by trading volume.**

A consistently active trading market for our Common Stock may not occur on the Pink Sheets. A limited trading volume may prevent our stockholders from selling shares at such times or in such amounts as they otherwise may desire.

**Our company has a concentration of stock ownership and control, which may have the effect of delaying, preventing or deterring a change of control.**

Our Common Stock ownership is highly concentrated. AKMN Irrevocable Trust, of which Matthew Nicosia, our CEO, is the trustee, is the record owner of all 2,000,000 shares of our Series A Preferred Stock, which has super voting rights to control certain business aspects. As a result of the concentrated ownership of our stock, Mr. Nicosia, as the trustee of this stockholder, will be able to control all matters requiring stockholder approval, including the election of directors and approval of mergers and other significant corporate transactions. This



concentration of ownership may have the effect of delaying, preventing or deterring a change in control of our company. It also could deprive our stockholders of an opportunity to receive a premium for their shares as part of a sale of our company, and it may affect the market price of our Common Stock.

**We have not voluntarily implemented various corporate governance measures, in the absence of which stockholders may have more limited protections against interested director transactions, conflicts of interest and similar matters.**

Recent federal legislation, including the Sarbanes-Oxley Act of 2002, has resulted in the adoption of various corporate governance measures designed to promote the integrity of corporate management and the securities markets. Some of these measures have been adopted in response to legal requirements. Others have been adopted by companies in response to the requirements of national securities exchanges, such as the NYSE or the NASDAQ Stock Market, on which their securities are listed. Among the corporate governance measures that are required under the rules of national securities exchanges and FINRA are those that address board of directors' independence, audit committee oversight and the adoption of a code of ethics. While our board of directors has adopted a Code of Ethics and Business Conduct, we have not yet adopted any of these corporate governance measures and, since our securities are not listed on a national securities exchange or NASDAQ, we are not required to do so. It is possible that, if we were to adopt some or all of these corporate governance measures, stockholders would benefit from somewhat greater assurances that internal corporate decisions were being made by disinterested directors and that policies had been implemented to define responsible conduct. For example, in the absence of audit, nominating and compensation committees comprised of at least a majority of independent directors, decisions concerning matters such as compensation packages to our senior officers and recommendations for director nominees may be made by a majority of directors who have an interest in the outcome of the matters being decided. Prospective investors should bear in mind our current lack of corporate governance measures in formulating their investment decisions.

**Our board of directors has the authority to issue shares of “blank check” Preferred Stock, which may make an acquisition of our company by another company more difficult.**

We have adopted and may in the future adopt certain measures that may have the effect of delaying, deferring or preventing a takeover or other change in control of our company that a holder of our Common Stock might consider in its best interest. Specifically, as of December 31, 2016, our board of directors, without further action by our stockholders, had the authority to issue up to approximately 337,185,024 additional shares of Preferred Stock (not counting the 2,000,000 shares of Series A Preferred Stock or the approximate 76,182,060 shares of Series B Preferred Stock or the 34,632,916 shares of Series B-1 Preferred Stock) and to fix the rights (including voting rights), preferences and privileges of these shares (“blank check” Preferred Stock). Such Preferred Stock may have rights, including economic rights, senior to our Common Stock. As a result, the issuance of the Preferred Stock could have a material adverse effect on the price of our Common Stock and could make it more difficult for a third party to acquire a majority of our outstanding Common Stock.

**Because we will not pay dividends on our Common Stock in the foreseeable future, stockholders will only benefit from owning Common Stock if it appreciates.**

We never have paid cash dividends on our Common Stock, and we do not intend to do so in the foreseeable future. We intend to retain any future earnings to finance our growth. Accordingly, any potential investor who anticipates the need for current dividends from his investment should not purchase our Common Stock.

**Item 9           The nature of products or services offered.**

In responding to this item, please describe the following so that a potential investor can clearly understand the products and services of the issuer:

- A.     principal products or service, and their markets;

*Commercialized Products and Services.*

Our company intends to continue secured lending and assistance in developing existing technologies and commercial products, which include the products described below:

*Petroleum.* VivaVentures Energy Group, Inc. has acquired multiple proprietary technologies and processes to extract oil from oil-sands. We are currently developing a production oil-sand extraction machine and we have entered into a joint venture agreement for technology collaboration and oil production operations and formed VivaRRT, LLC. The production oil-sand extraction machine has had significant upgrades and additions completed and has successfully completed test productions and is projected to be in scaled up production in 2017. We have acquired a Designated Oil Sands Lease from the State of Utah, as well as oil-sand claims in Utah. We currently have approximately three hundred (300) million cubic yards of oil sand material to process. Each cubic yard yields approximately 1 barrel of oil. There is a tremendous need for remediation for the clean-up of oil spills across the globe. With our technology, we have the ability to assist companies and governments in this effort, in particular where there is an oil spill and sand is mixed with oil. This provides us with an enormous opportunity in this multi-billion-dollar global market for clean-up of these tainted environments. Our technology adds a component to remediation that is not readily available through traditional remediation processes. We provide the ability to clean and reclaim the oil that has been spilled. This propels the Company into another market area that is not being served in the manner in which we deliver. After the first extraction unit is in scaled up production, the Company intends to finance the construction of additional oil-sand extraction machines, which will increase the daily oil production. We believe that this proprietary oil-sand extraction process, when fully implemented, will revolutionize the oil industry.

The Company has agreed to loan VivaVentures Energy Group, Inc. sufficient funds to conduct its operations, including construction of additional oil-sand extraction machines. The Company will be required to raise additional capital to fulfill this commitment but has not received any corresponding commitments to invest. After verification of the initial test results, we expect to attract substantial investment for this venture.

*Mining and Minerals.* We have acquired a proprietary technology which extracts precious

metals from sand-based ore materials and we have acquired the rights to certain mining claims located in Arizona and Colorado, which consist of approximately six acres of sand-based ore. We have also acquired a 39% interest in VivaVentures Precious Metal, LLC which operates the precious metal mining and extraction. The proprietary extraction technology uses a thermal vapor extraction process to remove and process precious metals, including gold, silver, platinum, palladium and rhodium. Since inception of this venture in 2012, our company has funded the establishment of two precious metal extraction units. This venture has produced approximately \$5.1 million in precious metals in a concentrate flake form. The Company has received \$3 million of these precious metals according to agreements for financing and use of the extraction technology. For the year ended December 31, 2016, total precious metal production is approximately \$1 million, which the Company received over \$600,000. The 2016 production has mainly been produced from the initial thermal vaporization unit. After the second unit is fully operational, the Company intends to finance the construction of additional thermal vaporization machines, which will increase the daily production of the precious metals. We believe that this proprietary thermal vapor extraction process, when fully implemented, will be one of the most efficient methods of extracting precious metals in the world. The mining claims contain an estimated 32,000,000 tons of sand-based ore, which is estimated to include 150 million ounces of gold and 320 million ounces of silver, as well as platinum and valuable rare earth minerals.

The Company has agreed to loan to VivaVentures Precious Metals, LLC sufficient funds to conduct the mining operations, including construction of the additional thermal vaporization machines. The Company will be required to raise additional capital to fulfill this commitment but has not received any corresponding commitments to invest. After completion of the second vapor extraction unit is completed, we expect to attract substantial investment for this venture.

*Natural and Formulary Products.* We have acquired a minority interest in VivaCeuticals, Inc. The Company has also provided secured loan financing and assistance to the development and commercialization of two bioactive beverages and one weight loss beverage, which VivaCeuticals, Inc. markets as RegeneBlend, RegeneBoost, and RegeneSlim. The company has recently ceased operations in the United States, but is restructuring for international business. The Company's loans are secured by the formulas and other marketing software assets, and the Company will receive a percentage of total gross sales until the loan is repaid in full. RegeneBlend is a highly concentrated extract of natural products rich in antioxidants and other phytochemicals. RegeneBoost is a nutraceutical, bioactive beverage enriched with phytochemicals and antioxidants. We also assisted in developing commercial products for cryogenic preservation and storage technology, called VivaThermic Cryovials. The Cryovials are not actively marketed, but VivaCeuticals will occasionally sell cryovials as a result of customer solicitation.

We have acquired a minority interest in Odyssey Group International, Inc. (Odyssey). The Company has also provided secured loan financing and assistance to the development and commercialization of a natural athletic enhancement beverage, which Odyssey sells to distributors to market and sell. The Company's loans are secured by the formula, and the Company will receive a percentage of total gross sales until the loan has been repaid in full. This beverage contains concentrated doses of antioxidants, polyphenols, vitamins, minerals, EGCG, as well as "Young Tissue Extract," and plant-sourced Marine Mineral Complex which contains Algae Cal. It is believed that the formula ingredients fortify the body against degeneration, increase the recovery rate after physical exercise and sports participation, and mediate oxidative stress, which may

enhance metabolism, help balance glucose levels, increase fat oxidation and aid in weight management, and that the beverage may reverse bone loss, especially when incorporated with load-bearing sports. Odyssey is a reporting company under the Securities and Exchange Act of 1934 and expects its common stock to be listed on a quotation system or exchange in 2017.

### ***Future Products; Research and Acquisition***

The Company intends to identify, develop or acquire and bring to market various products. Generally, the Company selects products or processes that are at or near commercial viability and have a time to market of less than six months. The Company agrees to provide secured financing to complete development, testing and product launch in exchange for control of or a significant ownership interest in the products or companies.

The Company intends to assist VivaVentures Precious Metals, LLC and hold the investments in the products, companies or investments acquired in this process.

The Company intends to assist VivaVentures Energy Group, Inc., a majority-owned subsidiary, to conduct the operations and hold the investments in the petroleum industry, companies or investments acquired in this process.

- B. distribution methods of the products or services;

The Company distributes its products through a number of channels, depending upon the product. Certain retail and consumer products are distributed through direct marketing or multilevel marketing. All other products and services are marketed and sold by the company directly to the user.

- C. status of any publicly announced new product or service;

The Company is still in the process of developing or production testing its oil and metals extraction production units and is in the process of completing production scale up.

- D. competitive business conditions, the issuer's competitive position in the industry, and method of competition;

The Company competes in numerous industries, all of which are characterized as intensively competitive. The Company's competitors have substantially greater resources, financial capabilities, marketing and sales forces and name recognition,

- E. sources and availability of raw materials and the names of principal suppliers;

The Company believes that all of its raw materials are readily available from numerous sources, and does not depend on any one source.

- F. dependence on one or a few major customers;

The Company does not depend on one or a few customers.

- G. patents, trademarks, licenses, franchises, concessions, royalty agreements or labor contracts, including their duration; and

The Company has secured lending and interest agreements with Vivaceuticals, Inc. and receives two percent (2%) of total sales, subject to a minimum of \$18,000 quarterly, until the debt is repaid.

The Company has secured lending and interest agreements with Odyssey Group International, Inc. and receives two percent (2%) of total sales until the debt is repaid.

The Company has secured lending and interest agreements with VivaVentures Precious Metals LLC for mining operations and to produce extraction machines. The Company currently has a 59% interest in precious metal production. Payments are made quarterly.

The Company entered into a royalty agreement in enhanced oil recovery services with Remediation and Recycling Technologies, Inc. in YPFB Andina in Bolivia. The Company will receive a royalty per barrel of oil under the agreement and is entitled to the first right of refusal to all future EOR services with its servicing contact throughout the world.

The Company entered into a supply agreement to buy oil sand material from MCW for funding previously supplied for MCW plant improvements and other funding to this entity.

The Company entered into a joint venture agreement with Remediation and Recycling Technologies, Inc. (RTT), where the Company acquired the joint right to certain intellectual property and patents developed by RTT for 20,000,000 shares of Series B-1 Preferred Stock at \$.25 per share. The Company provided \$545,000 in seed capital to the joint venture and for 50% ownership in the joint venture, and shares in 50% of profits and losses.

- H. the need for any government approval of principal products or services and the status of any requested government approvals.

None.

**Item 10      The nature and extent of the issuer's facilities.**

We currently lease executive office space in Henderson, Nevada, Cottonwood Heights, Utah, and Irvine, California. The aggregate monthly base rent for these offices is approximately \$22,000. Additionally the Company has VivaThermic offices in Des Moines, Iowa and an executive office in Las Vegas, Nevada. We believe these facilities are in good condition but that we may need to expand our leased space as needs increase.

**Part D      Management Structure and Financial Information**

**Item 11      The name of the chief executive officer, members of the board of directors, as well as control persons.**

A. Officers and Directors.

1. Full name;

Matthew Nicosia, CEO and Chairman of the Board.  
Pablo Penaloza, President of Acquisitions and Director

2. Business address;

8565 S. Eastern Ave., Ste 150, Las Vegas, NV 8123

3. Employment history (which must list all previous employers for the past 5 years, positions held, responsibilities and employment dates);

Mr. Nicosia has served as a director of the Company since its inception. From 2000 to 2007, before joining the Company as Executive Chairman of the Board. In 2002, Mr. Nicosia co-founded QuantumSphere, Inc. and served as a director of that company until 2004.

Mr. Penaloza is a 15 year veteran of the banking industry and has managed international assets of 1 billion dollars. Mr. Penaloza has an MBA from Brigham Young University. As a native of Argentina, Mr. Penaloza speaks Spanish and Portuguese fluently and runs Vivakor's Latin American acquisition group.

4. Board memberships and other affiliations;

Mr. Nicosia currently is a director and the President, CEO, and Secretary of the Company.

5. Compensation by the issuer; and

Mr. Nicosia does not have a written employment agreement with the Company. Mr. Nicosia received approximately \$50,000 in total compensation for his services for the year ended December 31, 2016. As of December 31, 2015 and 2014, Mr. Nicosia received approximately \$4,167 per month as compensation for his services to the Company.

6. Number and class of the issuer's securities beneficially owned by each such person.

Mr. Nicosia beneficially owns 78,500 shares of Common Stock; Even though Mr. Nicosia is not the beneficial owner of 2,000,000 shares of Series A Preferred Stock issued to AKMN Trust, as the trustee, he currently has voting power over 2,00,000 shares of restricted Series A Preferred Stock entitling him to 500,000,000 votes.

B. Legal/Disciplinary History. Please identify whether any of the foregoing persons have, in the last five years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

None.

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

None.

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

None.

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of business or securities activities.

None.

C. Disclosure of Family Relationships.

None.

D. Disclosure of Related Party Transactions.

On September 30, 2013, the Company agreed to convert \$1,000,000 of payables owed to Matthew Nicosia into 1,000,000 shares of our Series A Preferred Stock. At Mr. Nicosia's request, the Company issued these shares of our Series A Preferred Stock directly to AKMN Irrevocable Trust. Pursuant to the laws and regulations of the SEC the stock restrictions are carried when assigned to a third party.

The Company has a common officer with VivaCeuticals, Inc. As of December 31, 2016 and 2015 the Company had notes receivable from VivaCeuticals, Inc., in the amount of \$3,182,750 and \$2,438,738 in a secured lending agreement. As of December 31, 2016 the Company realized an impairment allowance in the amount of \$791,383.

E. Disclosure of Conflicts of Interest.

None.

**Item 12 Financial information for the issuer's most recent fiscal period.**

The Consolidated Financial Statements of the Company for the year ended December 31, 2016 have been published as a Annual Report through the OTC Disclosure and News Service and are incorporated by reference herein. These financial statements of the Company are unaudited.

- (i) List describing the financial statements that are incorporated by reference herein:

Consolidated Balance Sheets as of December 31, 2016 and December 31, 2015

Consolidated Statements of Operations for the Years Ended  
December 31, 2016 and 2015

Consolidated Statements of Comprehensive Income for the Years Ended  
December 31, 2016 and 2015

Consolidated Statements of Stockholders' Equity for the Years Ended  
December 31, 2016 and 2015

Consolidated Statements of Cash Flows for the Years Ended  
December 31, 2016 and 2015

Notes to the Consolidated Financial Statements

- (ii) Where financial statements can be found:

The full Annual Report with the complete Consolidated Financial Statements of the Company for the year ended December 31, 2016 can be found at:

<http://www.otcmarkets.com/stock/VIVK/filings>

- (iii) Cross-references to the specific location where the information requested by this Item 12 can be found in the incorporated documents:

See Index to Consolidated Financial Statements at Page F-1 of the full Annual Report described above.

**Item 13 Similar financial information for such part of the two preceding fiscal years as the issuer or its predecessor has been in existence.**



The Consolidated Financial Statements of the Company for the fiscal years ended December 31, 2015 and 2014 have been published as an Annual Report through the OTC Disclosure and News Service and are incorporated by reference herein. These financial statements of the Company are unaudited.

- (i) List describing the financial statements that are incorporated by reference herein:

Consolidated Balance Sheets for the Years Ended December 31, 2015 and 2014

Consolidated Statements of Operations for the Years Ended December 31, 2015 and 2014

Consolidated Statements of Comprehensive Income for the Years Ended December 31, 2015 and 2014

Consolidated Statements of Stockholders' Equity for the Years Ended December 31, 2015 and 2014

Consolidated Statements of Cash Flows for the Years Ended December 31, 2015 and 2014

Notes to Consolidated Financial Statements

- (ii) Where financial statements can be found:

The full Annual Report with the complete Consolidated Financial Statements of the Company for the fiscal years ended December 31, 2015 and 2014 can be found at <http://www.otcmarkets.com/stock/VIVK/filings>

- (iii) Cross-references to the specific location where the information requested by this Item 13 can be found in the incorporated documents:

See Index to Consolidated Financial Statements at Page F-1 of the full Annual Report described above.

**Item 14 Beneficial Owners.**

Provide a list of the name, address and shareholdings of all persons beneficially owning more than five percent (5%) of any class of the issuer's equity securities.

To the extent not otherwise disclosed, if any of the above shareholders are corporate shareholders, provide the name and address of the person(s) owning or controlling such corporate shareholders and the resident agents of the corporate shareholders.

The following information is set out as of December 31, 2016:

<b>Name and Address<sup>(1)</sup></b>	<b>Shares of Common Stock Beneficially Owned</b>	<b>Percent of Common Stock Beneficially Owned</b>	<b>Shares of Series A Preferred Stock Beneficially Owned</b>	<b>Percent of Series A Preferred Stock Beneficially Owned</b>
AKMN Irrevocable Trust (2)(3)	160,101,110	69.49%	2,000,000	100%
Matt Nicosia (3)	75,800	< 1%		

(1) The address for these stockholders is: c/o Vivakor, Inc., 8565 S. Eastern Ave., Ste 150, Las Vegas, NV 89123.

(2) Matt Nicosia is the trustee of the Trust, of which Johnathan Nicosia is the beneficiary. Matt Nicosia disclaims beneficial ownership of these shares. The address for the stock holder is 8565 S. Eastern Ave., Ste 150, Las Vegas, NV 89123.

(3) Restricted stock. In accordance with laws and regulations set forth by the Securities Exchange Commission, restricted stock remains restricted even when assigned to a third party.

**Item 15 The name, address, telephone number, and email address of each of the following outside providers that advise the issuer on matters relating to operations, business development and disclosure.**

1. Investment Banker:

None.

2. Promoters:

None.

3. Counsel:

Christopher A. Wilson, Esq.  
Wilson & Oskam, LLP  
9110 Irvine Center Drive  
Irvine, CA 92618

4. Accountant or Auditor:

Tyler Nelson, CPA.

5. Public Relations Consultant(s):

None.

6. Investor Relations Consultant:

None.

7. Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement – the information shall include telephone number and email address of each advisor.

None.

## **Item 16 Management's Discussion and Analysis or Plan of Operation.**

### **A. Plan of Operation.**

The Company intends to continue secured lending services and investments to current technology development, while developing a business plan and strategy to acquire or invest in new technologies in the mining and mineral, petroleum, alternative energy and natural products industries. We intend to invest in the companies or persons who have designed or invented such products and technologies, and retain them to continue product development, marketing and sales.

### **B. Management's Discussion and Analysis of Financial Condition and Results of Operations.**

As of December 31, 2016, the Company had approximately \$1 million in cash, \$3 million in precious metals concentrate, \$154,000 in accounts receivable, and \$39,000 in deposits. As of December 31, 2016 current liabilities consisted of approximately \$2,600 in accounts payable, \$267,000 in notes payable, and a \$167,000 grant payable. The grant payable is required to be repaid upon the occurrence of certain events, including termination of office facilities in Iowa.

Cash reserves decreased by approximately \$32,000 with cash and cash equivalents from December 31, 2015 to December 31, 2016. The decrease in cash is attributed to net effect of the following material events:

Net cash provided by operating activities as of December 31, 2016 was approximately \$630,241, which is mainly due to the net effect of a net loss of (\$685,000), equity loss from our joint venture with VivaRRT, LLC (\$274,413), amortization and depreciation (\$589,000), an impairment loss (791,000) on the Vivaceuticals loan receivable due to the company ceasing domestic operations, and an decrease of accounts receivable (108,000), and accepting commodity of precious metals concentrate in lieu of cash payments on royalties owed to the Company (\$607,000).

Net cash used in investing activities as of December 31, 2016 was approximately \$1.6 million, and is mainly due to additions in equipment (\$453,000) and the purchase of Bolivia royalty rights (\$250,000) and contributions to the VivaRRT, LLC joint venture (\$984,000).

Net cash provided by financing activities as of December 31, 2016 was approximately \$1 million and is due to the net effect of the Company issuing Preferred Series B shares for cash (\$1,6 million), issuance of production contracts (\$621,000), payment of notes payable (\$98,000) and

further investment in ongoing technologies and investments in the mining and minerals, petroleum, alternative energy, and health and nutrition industries (\$1.1 million).

On December 16, 2013, the Company commenced a private offering of Series B Preferred Stock, from which the Company intends to raise approximately \$10,000,000 by issuing 98,000,000 shares of 12.5% Cumulative Redeemable Series B Preferred Stock at \$0.20 per share.

We do have sufficient cash on hand to fund our administrative and marketing functions, and investments in the health and wellness industry, but we do not have sufficient cash on hand to fund our proposed investments in precious metals technology expansion for the next twelve months. In order to meet our obligations as they come due and to fund the expansion of our asset acquisition strategy, we will require new funding to pay for these expenses. We may do so through loans from current stockholders, public or private equity or debt offerings, grants or strategic arrangements with third parties. There can be no assurance that additional capital will be available to the Company. We currently have no agreements, arrangements or understandings with any person to obtain additional funds through bank loans, lines of credit or any other sources.

We have no material commitments or contractual purchase obligations for the next twelve months other than the amounts that may be agreed to under our acquisition agreements relating to our mining operations.

As of December 31, 2016, the Company had a net loss of approximately \$685,000 compared to net income of \$115,000 as of December 31, 2015. Gross revenue for the year ended December 31, 2016 is mainly attributed to financing and service agreements using our precious metal extraction technology and consulting services rendered for oil royalty program. Gross revenues from the financing and service agreements for the precious metal mining operations was \$607,000 and \$780,000 for the years ended December 31, 2016 and 2015. The decline in royalty revenue from the mining operations is due to the mobilization of the unit to Arizona in the last quarter of 2016. Gross revenues from consulting services rendered were \$1.9 million and \$283,000 for the years ended December 31, 2016 and 2015, with deferred consulting revenue of \$496,000 that will be realized over the course of the operations of the consulting contracts as of December 31, 2016. The increase in consulting revenue is due to the increased consulting services rendered in regards to the oil production contracts and royalty agreements entered into for the period. Cost of revenues increased from \$134,000 to \$810,000 or 504% for the years ended December 31, 2015 and 2016. This is due to the cost of consulting services rendered in relation to our consulting revenue on the oil production contracts and royalty agreements for the year ended December 31, 2016. Operating expenses increased from approximately \$848,000 as December 31, 2015 to \$2.2 million as of December 31, 2016. The increase in operating expenses is attributed to the following events: an increase in amortization and depreciation expenses from \$250,000 as of December 31, 2015 to \$582,000 as of December 31, 2016, from assets acquired and the Company recognizing a full year of depreciation on acquired equipment or technologies in 2015. The Company also recognized an impairment loss on the loan receivable with Vivaceuticals, Inc. The company recently ceased domestic operations due to FDA regulations and is restructuring for international operations. Due to the company's decrease in sales and operations the Company recognized an impairment allowance of \$791,383 against the loan receivable as of December 31, 2016.

C. Off-Balance Sheet Arrangements.

None.

Part E Issuance History

**Item 17 List of securities offerings and shares issued for services in the past two years.**

\*\*See “Sales of Unregistered Securities” commencing on page 16 in the Company’s Annual Report for the year ended December 31, 2016 and Annual Report for the year ended December 31, 2015 and 2014, which was filed with the OTC Markets Group in conjunction with this disclosure. The full reports referenced above can be found at <http://www.otcmarkets.com/stock/VIVK/filings>\*\*

For the year ended December 31, 2015, convertible debt holders converted \$13,439 of convertible debt and related interest expense into 107,520 shares of the Company’s Common Stock.

For the year ended December 31, 2015, debt holders of the Company converted \$7,500 of convertible debt and related interest expense into 30,000 shares of Series B Preferred Stock. The Company also issued 235,000 shares of Series B Preferred Stock for a \$47,000 reduction in accounts payable.

The Company issued 17,043,960 of Series B Preferred Stock for \$3,048,792 cash. The Company also issued 2,000,000 shares of Common Stock to acquire mineral rights containing oil-sand deposits and 20,000,000 shares of a subsidiaries stock to acquire intellectual property.

For the year ended December 31, 2015, the Company has issued 5,933,433 shares of Series B Preferred Stock as a \$1,483,189 stock interest distribution to Series B Preferred Shareholders. Series B Preferred shareholders also converted \$20,000 of Series B Preferred Stock into 100,000 shares of Common Stock.

As of December 31, 2016, \$580,675 of Preferred Stock was converted into 1,527,527 shares of Common Stock.

For the year ended December 31, 2016, the Company issued 8,126,900 shares of Series B Preferred Stock for \$1,625,004 cash.

For the year ended December 31, 2016, the Company has issued 7,093,093 shares of Series B-1 Preferred Stock as a \$1,773,273 stock interest distribution to Series B Preferred Shareholders.

On September 28, 2016 the Company issued 20,000,000 shares of Series B-1 Preferred Stock for the joint rights to use, make, sell, and exploit an oil extraction and remediation technology and any patents or trade secrets related to the technology.

On January 22, 2016, our majority owned subsidiary's shareholder converted its minority interest (\$10,000,000) into 20,000,000 shares of Vivakor Common Stock.

Part F            Exhibits

**Item 18**            **Material Contracts.**

1. Secured Participating Note by and between Vivakor, Inc. and VivaCeuticals, Inc.
2. Secured Participating Note by and between Vivakor, Inc. and VivaVentures Precious Metals, LLC
3. Royalty Agreement by and between VivaVentures Energy Group, Inc. and VivaVentures UTS 1, LLC
4. Royalty Agreement by and between Vivakor, Inc. and Remediation & Recycling Technologies, Inc.
5. Binding Memorandum of Understanding by and between Vivakor, Inc. and MCW Oil Sand Recovery, LLC and TMC Capital LLC
6. Joint Venture Formation Agreement and by and between Vivakor, Inc. and Remediation and Recycling, Inc.

**Item 19**            **Articles of Incorporation and Bylaws.**

The following exhibits previously filed with the OTC:

Exhibit 19.1 Amended and Restated Articles effective as of March 8, 2016.

The exhibits may be found at <http://www.otcmarkets.com/stock/VIVK/filings>

**Item 20**            **Purchases of Equity Securities by the Issuer and Affiliated Purchasers.**

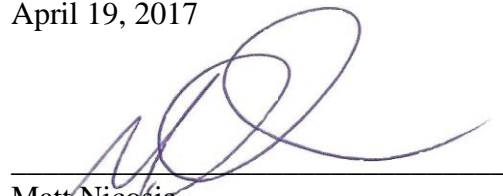
None.

**Item 21 Issuer’s Certifications.**

I, Matt Nicosia, Chief Executive Officer of Vivakor, Inc., certify that:

1. I have reviewed the foregoing Disclosure Statement and Annual Report for the year ended December 31, 2016 and the years ended December 31, 2015 and 2014 (collectively, this “**Disclosure Statement**”) of Vivakor, Inc.
2. Based on my knowledge, this Disclosure Statement 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 Disclosure Statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this Disclosure Statement, fairly present in all material respects the financial condition, results of operations and cash flows of Vivakor, Inc. as of, and for, the periods presented in this Disclosure Statement.

April 19, 2017

A handwritten signature in blue ink, appearing to read 'Matt Nicosia', is written over a horizontal line.

Matt Nicosia,  
Chief Executive Officer





# VIVAKOR

(949) 281-2606

[www.vivakor.com](http://www.vivakor.com)