Kallo Inc.
Form 10-K
November 14, 2017

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

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2016

Commission file number 000-53183

KALLO INC.
(Exact name of registrant as specified in its charter)

Nevada	98-0542529
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

225 Duncan Mills Road, Suite 504, Toronto, Ontario, Canada M3B 3H9
(Address of Principal Executive Offices) (Zip Code)

(416) 246-9997
(Issuer's telephone number including area code)

Securities registered pursuant to Section 12(b) of the Act:	Securities registered pursuant to section 12(g) of the Act:
None	Common Stock
(Title of Class)	(Title of Class)

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

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

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

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

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

Large Accelerated Filer	[ ]	Accelerated Filer	[ ]
Non-accelerated Filer	[ ]	Smaller Reporting Company	[X]
Emerging Growth Company *(Do not check if a smaller reporting company)*	[ ]		

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [X]

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of June 30, 2016: $525,898

The registrant had 9,907,548,954 shares of common stock outstanding as of October 11, 2017.

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PART I

ITEM 1. BUSINESS.

We were incorporated in the state of Nevada on December 12, 2006 as Printing Components Inc. and then changed our name to Diamond Technologies Inc. and then to our current name of Kallo Inc. On December 11, 2009, we merged with Kallo Technologies Inc. (formerly known as Rophe Medical Technologies Inc.), an Ontario corporation and its shareholders (collectively "Rophe") wherein we acquired all of the issued and outstanding shares of common stock of Rophe in exchange for 3,000,000 common shares and $1,200,000.

Upon acquiring Rophe, the focus of our business was to develop medical information technology software. It has since expanded to the delivery and support of an end to end healthcare solution for developing countries and rural communities with the focus on improving all aspects of health care delivery.

Business Overview

Our end to end health care solution is called the Kallo Integrated Delivery System (KIDS) and consists of the following 3 components:

1. Care Platforms
   a. These include the care facility platforms – MobileCare™ and RuralCare™ described in more detail in the MD&A section, Dialysis care and brick and mortar hospitals as well as the emergency medical services care both land and air transportation.
2. Digital Technology
   a. This component of the business includes the Electronic Medical Records (EMR), Picture Archiving and Communication System (PACS), eLearning system, eGovernance solutions as well as our Tele-health solution that supports the Global and Regional response centers for real time support of medical emergencies.
3. Education & Training
   a. This component includes the education and training for all aspects of healthcare management – clinical including clinical informatics, engineering including bio-medical, information and communications technology and health administration.

Each of these components are included in the full KIDS solution but can also be used as individual components to enhance an existing health care infrastructure.

Kallo's Copyrighted Technologies:

The following technologies are protected under Canadian and International copyrights and are authored by John Cecil and owned by Kallo Inc. Kallo Inc. has ownership rights of the products referred in this section, of which B, C, and D are under development

A. M.C. Telehealth – Mobile Clinic Telehealth System – Developed and launched in November 2011.

B. EMR Integration Engine – Electronic Medical Record Integration Engine - Under development.

C. C&ID-IMS – Communicable and Infectious Disease Information Management System - Under Development

D. CCG Technology – Clinical-Care Globalization technology – Under Development

The following is a summary of the information:

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Number	Date of Filing	Place of Filing	Duration
1072203	November 3, 2009	Canada	Life of the Author, the remainder of the calendar year in which the author dies, and a period of 50 years following the end of that calendar year
1072204	November 3, 2009	Canada	Life of the Author, the remainder of the calendar year in which the author dies, and a period of 50 years following the end of that calendar year
1072205	November 3, 2009	Canada	Life of the Author, the remainder of the calendar year in which the author dies, and a period of 50 years following the end of that calendar year
1072543	November 17, 2009	Canada	Life of the Author, the remainder of the calendar year in which the author dies, and a period of 50 years following the end of that calendar year

Our Products in Development

Kallo's product portfolio includes three earlier stage products listed below, all of which highlight the broad applicability of our proprietary technologies to a diverse range of potential future products. We plan to evaluate partnership opportunities for further development and commercialization of these products.

1. The company has proprietary Copyrighted Technology "EMR Integration Engine" that demonstrate the future direction for integrated solutions as well as current efforts that illustrate interoperability within the continuum of care. EMR Integration Engine is software, which connects all the other applications in or outside a hospital/clinic with the EMR system. This enables the doctor/nurse to seamlessly access information in other healthcare applications without moving from one computer to the next.

2. C&ID-IMS is an Internet-based solution for monitoring and managing Communicable and Infectious Disease information. Our target markets are Health Organizations and Ministries of Health, hospitals and Center for Disease Control (CDC) & the World Health Organization (WHO) members around the globe.

3. CCG is our clinical-care globalization technology. This product is an effective way to capitalize on the growing "medical tourism phenomenon" - patients going to low-cost countries for elective medical procedures –, a fast-growing worldwide, multibillion-dollar industry actively promoted by many countries. CCG can be used by both the destination and home country of a patient to maintain complete and accurate records of the treatment history, avoiding errors due to incomplete patient data and lessening the burden and expense of corrective action on the home country when medical tourists return home.

4. MC-Telehealth (Mobile Clinic with Telehealth system) is our mobile clinic long distance or Telehealth technology. Our product enables the remote transmission of standardized formats of data for laboratory information, diagnostic imaging, diagnosis and clinical notes.

5. KIDS (Kallo Integrated Delivery System), a Technology & process framework defines and describes the component parts of the various products and services that Kāllo is delivering to its clients, including the human resources component, and how these parts interact and relate to one another. The framework also recognizes the need for collaboration with local care facilities, services and providers to support continuity of care and facilitate patient transport between facilities.

6. KIDS (Kallo Integrated Delivery System) Global Tele-Health Ecosystems. The Tele-health Program encompasses the broad variety of Technologies and administrative processes needed to deliver virtual medical care, health promotion/prevention and other patient education to KIDS patients. The tele-health program facilitates synchronous

and asynchronous interactions where patients or care providers are in different locations and includes scheduling, information delivery and care management services.

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Target Market

Our primary target market for the Kallo Integrated Delivery System is global with the current focus in developing countries where health care services are limited. We have established several sales and marketing partnership agreements under "Business Associate" section either representing Kallo independently or as an organization. We are currently in various stages of our sales cycle with more than 10 countries.

Additionally, with the components of our KIDS solution, we are targeting markets where we can provide complimentary services to existing health care infrastructures. These markets include the following:

- Communicable & Infectious disease Information Management System – supporting World Health Organization (WHO) and Center for Disease Control (CDC); $200B market
- Electronic Medical Records integration engine for Health Information Access Layer – focused on clinics, hospitals, IDC & IHC; $100B market
- Clinical Care Globalization – focused on medical tourism; $40B market
- Mobile Medical Clinics – focused on disaster recovery management and rural community health services for wide range of services, HIV monitoring, chemotherapy, acute care, dialysis, etc; $30B market

Intellectual Property and Research and Development

We continue our efforts in research and development through collaborations with medical faculties in Canada and the United States on an ongoing basis where our company stands to benefit from the technology ownership of the treatment or diagnostic systems developed for commercial use.

During 2016, we decreased our expenses relating to research and development but plan to continue our research and development work on the Mobile Clinic and Telehealth system, which we believe will be in demand in the future.

Competition

We compete with many entities in various sectors; mobile clinic and temporary medical facility manufacturers, health care equipment resellers, EMR developers, health care education providers, EMS contracted services, etc. Our competitors tend to be focused on a component of our health care solution, but do have established histories in their particular area of expertise affording them a resource advantage. We are effectively in the start-up phase of operations and as a result, we have little or no impact upon our competition. Our differentiating factor however is our fully integrated solution. In the opportunities that we have been engaged in, we have not encountered a competitor that offers the full end to end solution that we are proposing to our customers.

Managements View of the Market Trend

Our management believes that we are well positioned to assist in the global focus on improving health care delivery through our solution platforms. Global spending on health care in 2013 totaled $7.2 trillion or 10.6% of global gross domestic product. Health spending is expected to rise an average of 5.2% a year in 2014 – 2018 to $9.3 trillion. A number of the driving factors of the increase, emerging market expansion, infrastructure improvements and treatment and technology advances, fall into our portfolio of products and services. Other factors include the health needs of an aging and growing population as well as the rising prevalence of chronic diseases. The most rapid growth is expected to be in the Middle East and Africa due, in part, to population growth and efforts to expand access to care. All figures quoted from "World Industry Outlook: Healthcare and Pharmaceuticals, The Economist Intelligence Unit, May 2104".

In addition, of the eight Millennium Development Goals detailed by the United Nations, three of the initiatives are related to improvements in healthcare delivery. They include Goal 4: Reduce Child Mortality, Goal 5: Improve Maternal Health, and Goal 6: Combat HIV/Aids, Malaria and Other Diseases. These remain focus areas for global improvement.

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The challenges that we have seen in the market are primarily due to the lengthy sales cycle involved in the healthcare sector. Kallo has a detailed sales process which allows us to fully understand the customer needs prior to quoting a solution. Once selected for the project, we work through the formal approval process of multiple government ministries. This process of coordination of approvals, financing complexities and the possibility of electoral and cabinet changes creates significant forecasting challenges.

Government Regulation and Compliance

The healthcare regulations and standards vary widely in the geographic areas that we are focused in, with the primary concerns around patient health, safety, and privacy. With rapid advances in clinical and technology changes, the increased scrutiny by governments, the media and consumers has created continual monitoring and increased regulation on drug and patient safety specifically.

Within the global market that we serve, North America has some of the most stringent regulations and standards for medical technology and pharmaceutical approvals. As such, we have partnered with a number of major biomedical suppliers to ensure the highest standards of equipment. We intend to utilize only the highest standards of product regardless of the market that we are serving.

Employees

As of October 9, 2017, we have four full time employees.

Warranties

We do not provide warranties in connection with our products or services. Our third party products are supplied with the manufacturer's warranty and we offer additional coverage with a service agreement.

Insurance

We currently do not have insurance but do intend to insure the business as soon as fiscally possible.

Executive Offices

Our administrative office is located at 225 Duncan Mills Road, Suite 504, Toronto, Ontario, Canada, M3B 3H9, our telephone number is (416) 246-9997. Our registered agent for services of process is the Corporation Trust Company of Nevada, located at 6100 Neil Road, Suite 500, Reno, Nevada 89511. Our fiscal year end is December 31st.

ITEM 1A. RISK FACTORS.

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information under this item.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

None.

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ITEM 2. PROPERTIES.

Our properties consist mainly of leased office facilities. The executive offices of Kallo Inc. are located at 225 Duncan Mills Road, Suite 504, Toronto, Ontario, Canada, M3B 3H9, our telephone number is (416) 246-9997.

ITEM 3. LEGAL PROCEEDINGS.

On April 21, 2017, an ex-employee of Kallo obtained a judgement ordering Kallo to pay Canadian $ 135,959 for unpaid wages and expenses relating to services performed in 2016. The full amount has been accrued for in the financial statements of Kallo.

On October 24, 2016, a consultant obtained a judgement ordering Kallo to pay Canadian $25,000 for unpaid fees. The full amount has been accrued for in the financial statements of Kallo.

ITEM 4. MINE SAFETY DISCLOSURES.

None.

PART II

ITEM 5. MARKET FOR OUR COMMON STOCK, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

Our shares are traded on OTC Markets under the symbol "KALO". A summary of trading by quarter for 2016 and 2015 is as follows:

Fiscal Year – 2016	High Bid	Low Bid
Fourth Quarter 10-1-16 to 12-31-16	$0.0002	$0.00005
Third Quarter 7-1-16 to 9-30-16	$0.0001	$0.0001
Second Quarter 4-1-16 to 6-30-16	$0.0001	$0.0001
First Quarter 1-1-16 to 3-31-16	$0.0002	$0.00001

Fiscal Year – 2015	High Bid	Low Bid
Fourth Quarter 10-1-15 to 12-31-15	$0.0011	$0.0001
Third Quarter 7-1-15 to 9-30-15	$0.035	$0.0008
Second Quarter 4-1-15 to 6-30-15	$0.15	$0.265
First Quarter 1-1-15 to 3-31-15	$0.11	$0.0462

Dividends

We have not declared any cash dividends, nor do we intend to declare cash dividends at this point. We are not subject to any legal restrictions respecting the payment of dividends, except that they may not be paid to render us insolvent. Dividend policy will be based on our cash resources and needs and it is anticipated that all available cash will be needed for our operations in the foreseeable future.

A stock dividend was declared on February 11, 2008, wherein two additional common shares were issued for each one common share issued and outstanding as at February 25, 2008. We have not declared any other dividends.

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Section 15(g) of the Securities Exchange Act of 1934

Our company's shares are covered by Section 15(g) of the Securities Exchange Act of 1934, as amended that imposes additional sales practice requirements on broker/dealers who sell such securities to persons other than established customers and accredited investors (generally institutions with assets in excess of $5,000,000 or individuals with net worth in excess of $1,000,000 or annual income exceeding $200,000 or $300,000 jointly with their spouses). For transactions covered by the Rule, the broker/dealer must make a special suitability determination for the purchase and have received the purchaser's written agreement to the transaction prior to the sale. Consequently, the Rule may affect the ability of broker/dealers to sell our securities and also may affect your ability to sell your shares in the secondary market.

Section 15(g) also imposes additional sales practice requirements on broker/dealers who sell penny securities. These rules require a one page summary of certain essential items. The items include the risk of investing in penny stocks in both public offerings and secondary marketing; terms important to in understanding of the function of the penny stock market, such as "bid" and "offer" quotes, a dealers "spread" and broker/dealer compensation; the broker/dealer compensation, the broker/dealers duties to its customers, including the disclosures required by any other penny stock disclosure rules; the customers rights and remedies in causes of fraud in penny stock transactions; and, the FINRA's toll free telephone number and the central number of the North American Administrators Association, for information on the disciplinary history of broker/dealers and their associated persons.

Securities authorized for issuance under equity compensation plans

We currently have two equity compensation plans: the 2012 Non-Qualified Incentive Stock Option Plan and the 2011 Non-Qualified Incentive Stock Option Plan.

The 2012 Non-Qualified Incentive Stock Option Plan provides for the issuance of shares of our Common Stock for services rendered to us. The board of directors is vested with the power to determine the terms and conditions of the options. The Plan includes 50,000,000 shares of common stock.

The 2011 Non-Qualified Incentive Stock Option Plan provides for the issuance of shares of our Common Stock for services rendered to us. The board of directors is vested with the power to determine the terms and conditions of the shares. The Plan included 10,000,000 shares of common stock. On September 7, 2012, 7,233,334 shares have been issued under this 2011 Non-Qualified Stock Option Plan; and, 2,766,666 shares of common stock remain available under this plan.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities in column (a)) (c)
Equity compensation plans approved by security holders	None	None	None
Equity compensation plans not approved by securities holders	0	$0.0	52,766,666
Total	0	$0.0	52,766,666

ITEM 6. SELECTED FINANCIAL DATA.

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information required under this item.

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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

This section of the report includes a number of forward-looking statements that reflect our current views with respect to future events and financial performance. Forward-looking statements are often identified by words like: believe, expect, estimate, anticipate, intend, project and similar expressions, or words which, by their nature, refer to future events. You should not place undue certainty on these forward-looking statements, which apply only as of the date of this report. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results or our predictions. All funds are reflected in United States dollars unless otherwise indicated.

There is substantial doubt that we can continue as an on-going business for the next twelve months unless we obtain additional capital to pay our bills. This is because we have generated no revenues from our operations during the last eight years. We have been able to remain in business as a result of investments, in debt or equity securities, by our officers and directors and by other unrelated parties. We expect to incur operating losses in the foreseeable future and our ability to continue as a going concern is dependent upon our ability to raise additional money through investments by others and achieve profitable operations. There is no assurance that we will be able to raise additional money or that additional money or that additional financing will be available to us on satisfactory terms or that we will be able to achieve profitable operations. The consolidated statements were prepared under the assumption that the Company will continue as a going concern, however, there can be no assurance that such financial support shall be ongoing or available on terms or conditions acceptable to the Company. This raises substantial doubt about the Company's ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

For the last six fiscal years, starting January 2010, our management and board of directors have raised funds through a personal and professional network of investors. This has enabled product and business development, continued operations, and generation of customer interest. In order to continue operations, management has contemplated several options to raise capital and sustain operations in the next 12 months. These options include, debt and equity offers to existing shareholders, debt and equity offers to independent investment professionals and through various other financing alternatives. Management's opinion is that the combination of the three options along with the forecasted closing of at least one project will enable continued operations for the next 12 months. There is no assurance that we will receive additional money from these options and our existing shareholders are under no legal duty to provide us with additional financing nor have our shareholders committed to provide us with additional financing.

On April 8, 2017, the Company entered into an agreement with FE Pharmacy Inc. whereby in consideration for the issuance of 475,000,000 post reverse stock split common stock of Kallo, FE Pharmacy Inc. will assume and pay all of the Company's outstanding indebtedness as at April 7, 2017. Management believes that with this agreement in place, it can concentrate on bringing the potential projects as detailed below to fruition and any additional funding can be met through one of the three options mentioned above.

On January 23, 2014, we announced the signing of a US$200,000,925 (Two Hundred million nine hundred and twenty-five US dollars) Supply Contract with the Ministry of Health and Public Hygiene of the Republic Of Guinea. On April 14, 2015, the Minister of Health and Public Hygiene, in a letter confirmed the selection of Kallo Inc., as supplier pursuant to the MobilCare™ Supply Contract, to design and build specialized hospitals in the regions of Conakry, Kindia, Labe, Kankan and Nzerekore, and asked Kallo to mobilize its technical teams for site visits to engage in preliminary studies for the construction of these hospitals. No equipment has been sold under the terms of this supply contract, nor is there any assurance any equipment will be sold thereunder.

In addition to the primary supply contract, on April 6, 2015, the Government of Guinea signed an addendum to the agreement expanding the project by $54,916,600.

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Under the Supply Contract, Kallo will implement an integrated healthcare delivery solution for the Republic of Guinea. The components of the solution include, MobileCare, RuralCare, Hospital Information Systems, Telehealth Systems, Pharmacy Information, disaster management, air and surface patient transportation systems and clinical training.

In anticipation of the start of the Supply Contract, Kallo has built a Clinical Command Centre and other infrastructure at its Head Office as well as hiring a team focused on building out the project and delivery plan for the Contract.

Plan of Operation

The following plan of operation contains forward-looking statements, which involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including those set forth elsewhere in this document. Because of the speculative nature of our operations and the nature of the African countries we are attempting to do business with, there is no assurance that any of the planned operations will occur.

We continue to develop components of Kallo Integrated Delivery System:

Kallo Integrated Delivery System (KIDS)

MobileCareTM – a mobile trailer that opens into a state of the art clinical setup in a vehicle equipped with the latest technology in healthcare. More than just a facility, MobileCare TM can instantly connect the onboard physician with specialists for on-demand consultation via satellite through its Telehealth system. This is truly a holistic approach to delivering healthcare to the remotely located. For many rural communities, the nearest hospital, doctor or nurse may be hundreds of kilometers away. In many cases, this gap can be bridged using Telehealth technology that allows patients, nurses and doctors to talk as if they were in the same room.

RuralCare™ – prefabricated modular healthcare units focused in rural areas where no roads infrastructure is available. They are equipped to provide primary healthcare including X-Ray, ultrasound, surgery, pharmacy and lab services. Ranging from 1,200 to 3,800 square feet, these clinics can be up and running in disaster zones or rural areas in as little as one week. Similar to the MobileCare ™ product, RuralCare ™ also utilizes satellite communications to access the Telehealth system.

Kallo's healthcare mission is to "reach the unreached". The end-to-end solution includes the following:

Global response center – located in the Kallo headquarters in Canada, this is the escalation point for the coordination of delivery of Telehealth and eHealth support. It consists of both the Clinical Command Center and the Administrative Command Center

Regional response centers, Clinical and Administrative Command centers – located in the urban area hospitals and connected with satellite communications, these centers coordinate all aspects of the healthcare delivery solution with the Mobile clinics and Rural clinics including clinical services, Telehealth services, pharmacy and medical consumable coordination as well as escalations to the Global response center

Kallo University – provides education, training and development of local resources for all aspects of the healthcare delivery which includes clinical, engineering and administration

Emergency Medical Services – provides ground and air ambulance vehicles for emergency patient transport

Our end to end delivery solution is equipped with necessary medical equipment as per regional healthcare requirements. We also install our copyrighted software and third party software as required along with a 5 year support agreement renewable after the 5 year initial term that includes the medical equipment, software licenses, installation implementation and training. This generates an ongoing revenue stream for service, maintenance, spare-parts, and consumables.

Sales Go-To-Market Strategy

Our Sales Go-To-Market Strategy is segmented based on the varying needs of our customers in the following three categories:

Full solution with Kallo Integrated Delivery System (KIDS) – typically longer sales cycle and includes the end to end solution of Mobile Clinics, Rural Poly Clinics, Global and Regional response centers, Clinical and Administrative command centers, telehealth support, Kallo University training, pharmacy and medical consumable support and Emergency services with ground and air ambulance vehicles. This solution is focused on the end to end healthcare needs of developing countries.

Component Solutions – typically mid-term sales cycle and includes any of the components of the KIDS implementation without the full support structure. This strategy is focused on augmenting healthcare support where needed, such as, disaster management, North American First Nations, medical equipment supply, installation and testing.

Technology Solutions – typically short-term sales cycle and includes elements of the KIDS program that can enhance existing healthcare solutions. These would include our Hospital Management System, Consulting services, Bio Medical support, Mobile or Fixed Clinic manufacturing, etc. This strategy is focused on enhancing existing healthcare environments globally

Need for additional capital

We cannot guarantee we will be successful in our business operations. Our business is subject to risks inherent in the establishment of a business enterprise, including limited capital resources and possible cost overruns due to price increases in services and products.

To become profitable and competitive, we have to sell our products and services.

We have no assurance that future financing will be available to us on acceptable terms. If financing is not available on satisfactory terms, we may be unable to continue, develop, or expand our operations. Equity financing could result in additional dilution to existing shareholders.

Results of operations

December 31, 2016 compared to December 31, 2015

Revenues

We did not generate any revenues during the year ended December 31, 2016 or 2015. We are pursuing numerous sales opportunities.

Expenses

During the year ended December 31, 2016 we incurred total expenses of $2,999,110, including $1,928,905 in salaries and compensation, $31,533 in depreciation, $96,661 in professional fees, $25,553 in selling and marketing, $323,944 in interest and financing costs, $147,970 loss in change in fair value on derivative liabilities, $104,018 in fixed asset impairment and $371,318 as other expenses, net of $30,792 foreign exchange gain. Our professional fees consist of legal, consulting, accounting and auditing fees.

During the year ended December 31, 2015 we incurred total expenses of $8,964,960.

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The decrease in our expenses for the year ended December 31, 2016 was primarily due to a decrease in salaries and compensation of $2,875,926, a decrease in professional fees of $1,387,248, a decrease in interest and financing costs of $624,663, a decrease in other expenses of $621,911, a decrease in selling and marketing expenses of $204,612 and a decrease in the impairment charge of $251,490. The decreases are due to significant curtailing of operations mid-year because the new contracts that the Company was anticipating did not materialize and Kallo had to significantly reduce its operations.

Net Loss

During the year ended December 31, 2016 we incurred a net loss of $2,999,110 compared to a net loss of $8,964,960 in 2015.

Liquidity and capital resources

As at December 31, 2016, we had current assets of $57,011, current liabilities of $4,151,405 and a working capital deficiency of $4,094,394. As of December 31, 2016, our total assets were $57,011 in prepaid expenses and our total liabilities were $4,151,405 comprised of $2,731,879 in accounts payable and accrued liabilities, loans payable of $16,215, derivative liabilities of $270,581, deferred lease inducement of $1,260, convertible loans payable of $806,673, bank overdraft of $211 and convertible promissory notes of $324,586.

Cash used in operating activities amounted to $328,848 during fiscal 2016, primarily as a result of the net loss adjusted for non-cash items and various changes in operating assets and liabilities.

There was no cash used in investing activities.

Cash provided by financing activities during the year amounted to $323,878 and represented mainly proceeds from convertible loans payable.

Summary of critical accounting policies

Basis of Presentation

The accompanying consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles ("GAAP") and in accordance with the instructions to Form 10-K related to smaller reporting companies as promulgated by the Securities and Exchange Commission.

Impairment of Long-lived Assets

Long-lived assets comprise of equipment. The Company accounts for impairment of long-lived assets in accordance with the guidance established in ASC 360, Accounting for the Impairment or Disposal of Long-Lived Assets, which requires the Company to evaluate a long-lived asset for recoverability when there is an event or circumstance that indicates the carrying value of the asset may not be recoverable. The Company follows the guidance of ASU 2012-02 and first assesses qualitative factors to determine whether it is more likely than not that an indefinite-lived intangible asset is impaired as a basis for determining whether it is necessary to perform the quantitative impairment test. An impairment loss is recognized when the carrying amount of a long-lived asset or asset group is not recoverable (when carrying amount exceeds the gross, undiscounted cash flows from use and disposition) and is measured as the excess of the carrying amount over the asset's (or asset group's) fair value. Management evaluated whether there are any adverse qualitative factors in respect to equipment indicating that they might be impaired. Since there were indicators of impairment, Management reviewed its long-lived intangible assets and has determined that the Clinical Command Center and Infrastructure fixed assets were impaired on December 31, 2015 and all other equipment on December 31, 2016.

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Stock-Based Compensation

The Company accounts for share-based compensation in accordance with ASC 718, Stock Compensation. Under the provisions of ASC 718, share-based compensation cost is measured at the grant date, based on the calculated fair value of the award, and is recognized as an expense for services rendered and over the employee's requisite service period (generally the vesting period of the equity grant).

Stock Issued in Exchange for Services

The valuation of the Company's common stock issued to non-employees in exchange for services is valued at an estimated fair market value as determined by Management of the Company based upon trading prices of the Company's common stock on the dates of the stock transactions. The corresponding expense of the services rendered is recognized over the contractor's requisite service period (generally the vesting period of the equity grant).

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information required under this item.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders of
Kallo Inc.
Markham, Ontario, Canada

We have audited the accompanying consolidated balance sheets of Kallo Inc. and its subsidiary (collectively the "Company") as of December 31, 2016 and 2015 and the related consolidated statements of operations, changes in stockholders' deficiency, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Kallo Inc. and its subsidiary as of December 31, 2016 and 2015 and the results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has suffered recurring losses since inception and had an accumulated deficit and a working capital deficit at December 31, 2016 which raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ MaloneBailey, LLP
Houston, Texas
November 14, 2017

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KALLO INC.
Consolidated Balance Sheets
As at December 31, 2016 and 2015
(Amounts expressed in US dollars)

	2016	2015
ASSETS		
Current Assets:		
Cash	$-	$4,998
Prepaid expenses	57,011	132,259
Total Current Assets	57,011	137,257
Deposit – long term	-	20,627
Equipment, net	-	135,551
TOTAL ASSETS	$57,011	$293,435
LIABILITIES AND STOCKHOLDERS' DEFICIENCY		
Current Liabilities:		
Bank overdraft	$211	$-
Accounts payable and accrued liabilities	2,731,879	1,204,942
Derivative liabilities	270,581	210,834
Convertible promissory notes, net of discount of $8,872 and $69,568 respectively	324,586	204,826
Convertible loans payable – third parties	191,510	105,395
Short term loans payable	16,215	15,730
Convertible loans payable – related parties	615,163	272,712
Deferred lease inducement	1,260	15,380
Total Current Liabilities	4,151,405	2,029,819
Convertible promissory notes, net of discount of $Nil and $59,939 respectively	-	24,551
TOTAL LIABILITIES	4,151,405	2,054,370
Commitments and Contingencies		
Stockholders' Deficiency:		
Preferred stock, $0.00001 par value, 100,000,000 shares authorized, 95,000,000 Series A preferred shares issued and outstanding	950	950
Common stock, $0.00001 par value, 15,000,000,000 shares authorized, 8,098,742,772 and 5,648,390,746 shares issued and outstanding respectively.	80,988	56,485
Additional paid-in capital	30,965,822	30,324,674
Accumulated deficit	(35,142,154)	(32,143,044)
Total Stockholders' Deficiency	(4,094,394)	(1,760,935)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIENCY	$57,011	$293,435

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

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KALLO INC.
Consolidated Statements of Operations
(Amounts expressed in US dollars)

	For the Year Ended December 31, 2016	For the Year Ended December 31, 2015
Operating Expenses		
General and administration	2,396,884	7,434,862
Selling and marketing	25,553	230,165
Impairment of assets	104,018	355,508
Depreciation	31,533	76,457
Operating loss	(2,557,988)	(8,096,992)
Interest and financing costs	(323,944)	(948,607)
Change in fair value of derivative liabilities	(147,970)	97,890
Foreign exchange gain	30,792	66,093
Loss on extinguishment of convertible promissory note and short term loan payable	-	(83,344)
Net loss	$(2,999,110)	$(8,964,960)
Net loss per share - Basic and diluted	$(0.00)	$(0.01)
Weighted average number of shares outstanding - Basic and diluted	7,366,923,856	966,447,335

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

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KALLO INC.
Consolidated Statements of Changes in Stockholders' Deficiency
(Amounts expressed in US dollars)

	Preferred Stock $.00001 par value		Common Stock $.00001 par value		Additional Paid-In	Deficit Accumulated During the Development	Total Stockholders' Equity
	Shares	Amount	Shares	Amount	Capital	Stage	(Deficit)
Balance December 31, 2014	95,000,000	$ 950	382,156,160	$3,822	$22,297,758	$(23,178,084)	$(875,554)
Issuance of common shares – Kodiak put	-	-	6,250,000	63	172,120	-	172,183
Shares issued to directors and employees	-	-	2,989,800,000	29,898	3,671,702	-	3,701,600
Shares issued for debt conversion	-	-	2,196,251,125	21,963	1,290,955	-	1,312,918
Issuance of common shares for cash	-	-	68,867,121	689	2,490,400	-	2,491,089
Shares issued for consulting services	-	-	3,508,500	35	230,392	-	230,427
Stock issued for settlement of payables	-	-	1,557,840	15	171,347	-	171,362
Net Loss	-	-	-	-	-	(8,964,960)	(8,964,960)
Balance December 31, 2015	95,000,000	950	5,648,390,746	56,485	30,324,674	(32,143,044)	(1,760,935)
Shares issued to directors and employees	-	-	4,485,000,000	44,850	403,650	-	448,500
Shares issued for debt conversion	-	-	2,450,352,026	24,503	192,648	-	217,151
Cancellation of shares issued to directors and employees	-	-	(4,485,000,000)	(44,850)	44,850	-	-
Net Loss	-	-	-	-	-	(2,999,110)	(2,999,110)
Balance December 31, 2016	95,000,000	$ 950	8,098,742,772	$80,988	$30,965,822	$(35,142,154)	$(4,094,394)

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

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KALLO INC.
Consolidated Statements of Cash Flows
(Amounts expressed in US dollars)

	For the Year Ended December 31, 2016	For the Year Ended December 31, 2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$(2,999,110)	$(8,964,960)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation	31,533	76,457
Stock-based compensation	448,500	3,701,600
Impairment of assets	104,018	355,508
Loss on extinguishment of accounts payable	-	83,344
Amortization of debt discount	120,635	780,364
Deferred lease inducement	(14,120)	(19,801)
Change in fair value of derivative liabilities	147,970	(97,890)
Interest and penalties on promissory notes	201,642	128,397
Unrealized foreign exchange gains	7,244	(60,981)
Non-cash consulting fees	-	230,427
Changes in operating assets and liabilities:		
Decrease (Increase) in other receivables	-	11.531
Decrease (Increase) in deferred project cost	-	24,990
Decrease (Increase) in prepaid expenses and deposits	95,875	18,357
(Decrease) in deferred revenue	-	(24,990)
Increase (Decrease) in accounts payable and accrued liabilities	1,526,965	204,885
NET CASH USED IN OPERATING ACTIVITIES	(328,848)	(3,552,762)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equipment	-	(225,033)
NET CASH USED IN INVESTING ACTIVITIES	-	(225,033)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of common stock	-	2,663,272
Proceeds from convertible promissory notes	-	580,075
Proceeds from other convertible notes ($268,311 from related parties; 2015 - $272,712)	323,667	341,423
Increase in bank indebtedness	211	-
Repayment of loans payable	-	(53,540)
NET CASH PROVIDED BY FINANCING ACTIVITIES	323,878	3,531,230
Effect of exchange rate changes on cash	(28)	1,224
NET DECREASE IN CASH	(4,998)	(245,341)
CASH		
Beginning of year	4,998	250,339

End of year	$-	$4,998
SUPPLEMENTAL CASH FLOW INFORMATION:		
Income tax paid	$-	$-
Interest paid	$-	$-
SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES		
Note issued for settlement of accounts payable	$-	$18,610
Short term loan transferred to convertible note	$-	$22,977
Accounts payable for equipment	$-	$244,243
Initial debt discount on convertible promissory notes	$-	$607,510
Stock issued for settlement of accounts payable	$-	$171,362
Conversion of promissory notes into common shares	$217,151	$1,312,918
Convertible loan payable for expenses paid directly by lender	$5,434	$-

The accompanying notes are an integral part of these consolidated financial statements
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KALLO INC.
Notes to Consolidated Financial Statements
December 31, 2016 and 2015
(Amounts expressed in US dollars)

NOTE 1 - BUSINESS AND GOING CONCERN

Organization

Kallo Inc. ("Kallo" or the "Company") develops customized health care solutions designed to improve or enhance the delivery of care in the countries and regions we serve.

Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The amounts of assets and liabilities in the consolidated financial statements do not purport to represent realizable or settlement values. The Company has incurred operating losses since inception and has an accumulated deficit and a working capital deficit at December 31, 2016. The Company is expected to incur additional losses as it executes its go to market strategy. This raises substantial doubt about the Company's ability to continue as a going concern.

The Company has met its historical working capital requirements from the sale of common shares and related party loans. In order to not burden the Company, certain officers/stockholders have agreed to provide funding to the Company to pay its annual audit fees, filing costs and legal fees as long as the board of directors deems it necessary. However, there can be no assurance that such financial support shall be ongoing or available on terms or conditions acceptable to the Company. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTE 2 - ACCOUNTING POLICIES AND OPERATIONS

Basis of Presentation

The accompanying consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles ("GAAP") and in accordance with the instructions to Form 10-K related to smaller reporting companies as promulgated by the Securities and Exchange Commission.

Basis of Consolidation

The consolidated financial statements include the accounts of Kallo and its wholly-owned subsidiary, Rophe Medical Technologies Inc. Significant inter-company transactions and balances have been eliminated on consolidation.

Cash

Cash includes cash on hand and highly liquid investments with a maturity of three months or less at acquisition.

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KALLO INC.
Notes to Consolidated Financial Statements
December 31, 2016 and 2015
(Amounts expressed in US dollars)

NOTE 2 - ACCOUNTING POLICIES AND OPERATIONS (continued)

Earnings Per Share

The Company computes basic net loss per share in accordance with ASC 260, Earnings Per Share, by dividing the net loss for the period by the weighted average number of common shares outstanding during the year. Diluted loss per share reflects the potential dilution of securities that could share in earnings of an entity. In a loss year, dilutive common equivalent shares are excluded from the loss per share calculation as the effect would be anti-dilutive. For the years ended December 31, 2016 and 2015, basic and diluted losses per share are the same for both years.

Use of Estimates

The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Key estimates include the fair value of common stock issued for services received by the Company, valuation of financial instruments, useful life of equipment, impairment of long lived assets, measurement of non-monetary transactions and provision for penalties and interest on estimated payroll tax liabilities.

Equipment

Equipment comprise computer equipment, software, office furniture and equipment and leasehold improvement and are stated at cost less accumulated depreciation. The cost of the equipment is depreciated using the straight-line method over the estimated useful life of the related assets of between 1 - 5 years.

Software Development Costs

Software development costs are accounted for in accordance with ASC 985-20, Costs of Software to be Sold, Leased or Marketed. Software development costs incurred internally in creating computer software products are expensed until technological feasibility has been established upon completion of a detailed program design. Based on the Company's product development process, technological feasibility is established upon completion of a working model. The determination of technological feasibility and the ongoing assessment of the recoverability of these costs require considerable judgment by management with respect to certain external factors including anticipated future gross product revenues, estimated economic life and changes in hardware and software technology.

Thereafter, all software development costs incurred through the software's general release date are capitalized and subsequently reported at the lower of amortized cost or net realizable value. Capitalized costs are amortized based on current and expected future revenue for each software solution with minimum annual amortization equal to the straight-line amortization over the estimated economic life of the solution. No costs have been capitalized to date as the Company has not completed a working model as of yet.

Deposit – long term

Deposit – long term represents prepayments of rent due at the end of our new office lease.

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KALLO INC.
Notes to Consolidated Financial Statements
December 31, 2016 and 2015
(Amounts expressed in US dollars)

NOTE 2 – ACCOUNTING POLICIES AND OPERATIONS (continued)

Related party transactions

FASB ASC 850, "Related Party Disclosures" requires companies to include in their financial statements disclosures of material related party transactions. The Company discloses all material related party transactions. Related parties are defined to include any principal owner, director or executive officer of the Company and any immediate family members of a principal owner, director or executive officer.

Impairment of Long-lived Assets

Long-lived assets comprise of equipment. The Company accounts for impairment of long-lived assets in accordance with the guidance established in ASC 360, Accounting for the Impairment or Disposal of Long-Lived Assets, which requires the Company to evaluate a long-lived asset for recoverability when there is an event or circumstance that indicates the carrying value of the asset may not be recoverable. The Company follows the guidance of ASU 2012-02 and first assesses qualitative factors to determine whether it is more likely than not that an indefinite-lived intangible asset is impaired as a basis for determining whether it is necessary to perform the quantitative impairment test. An impairment loss is recognized when the carrying amount of a long-lived asset or asset group is not recoverable (when carrying amount exceeds the gross, undiscounted cash flows from use and disposition) and is measured as the excess of the carrying amount over the asset's (or asset group's) fair value. Management evaluated whether there are any adverse qualitative factors in respect to equipment indicating that they might be impaired. Since there were indicators of impairment, Management reviewed its long-lived intangible assets and has determined that the Clinical Command Center and Infrastructure fixed assets were impaired on December 31, 2015 and all other equipment on December 31, 2016.

Research and Development

The Company accounts for research and development costs in accordance with ASC 730-10, Research and Development. Accordingly, all research and development costs are charged to expense as incurred as software development costs.

Foreign Currency Translation

The Company's functional and reporting currency is the United States dollar. Transaction may occur in Canadian dollars which are accounted for under ASC 830, Foreign Currency Matters. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate prevailing at the balance sheet date. Non-monetary assets and liabilities denominated in foreign currencies are translated at rates of exchange in effect at the date of the transaction. Average monthly rates are used to translate revenues and expenses. Gains and losses arising on translation or settlement of foreign currency denominated transactions or balances are included in the Statements of Operations. The Company has not, to the date of these consolidated financial statements, entered into derivative instruments to offset the impact of foreign currency fluctuations.

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KALLO INC.
Notes to Consolidated Financial Statements
December 31, 2016 and 2015
(Amounts expressed in US dollars)

NOTE 2 – ACCOUNTING POLICIES AND OPERATIONS (continued)

Income Taxes

The Company accounts for income taxes under FASB ASC 740, Income Taxes. Deferred income tax assets and liabilities are determined based upon differences between the financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statements of operations in the period that includes the enactment date. Deferred tax assets are reduced by a valuation allowance to the extent management concludes it is more likely than not that the assets will not be realized.

The Company recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which a change in judgement occurs, as a result of information that arises or when a tax position is effectively settled. Interest and penalties related to income tax matters are recognized in general and administrative expense.

In accordance with the statute of limitations for federal tax returns, the Company's federal tax returns for the years 2011 through 2015 are subject to examination. The Company had no material adjustments to its liabilities for unrecognized income tax benefits according to the provisions of FASB ASC 740.

Fair Value of Financial Instruments

The Company used a three-level hierarchy that prioritizes the inputs used in valuation techniques for determining fair value of investments and liabilities. The Company defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Financial assets and liabilities recorded in the accompanying consolidated balance sheets are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that the company has the ability to access at the measurement date (examples include active exchange-traded equity securities, listed derivatives and most United States Government and agency securities).

Level 2 – Financial assets and liabilities whose values are based on quoted prices in markets where trading occurs infrequently or whose values are based on quoted prices of instruments with similar attributes in active markets. Level 2 inputs include the following:

- Quoted prices for identical or similar assets or liabilities in non-active markets (examples include corporate and municipal bonds which trade infrequently);
-

Inputs other than quoted prices that are observable for substantially the full term of the asset or liability (examples include interest rate and currency swaps); and

- Inputs that are derived principally from or corroborated by observable market data for substantially the full term of the asset or liability (examples include certain securities and derivatives).

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KALLO INC.
Notes to Consolidated Financial Statements
December 31, 2016 and 2015
(Amounts expressed in US dollars)

NOTE 2 – ACCOUNTING POLICIES AND OPERATIONS (continued)

Fair Value of Financial Instruments (continued)

Level 3 – Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset or liability.

An asset or liability's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Availability of observable inputs can vary and is affected by a variety of factors. The Company uses judgment in determining fair value of assets and liabilities and Level 3 assets and liabilities involve greater judgment than Level 1 and Level 2 assets or liabilities.

The following is a summary of our financial instruments that are accounted for at fair value by level within the fair value hierarchy at December 31, 2015 and 2014:

December 31, 2016	Level 1	Level 2	Level 3	Total
Liabilities:				
Derivative liability	$ -	$ -	$270,581	$270,581

December 31, 2015	Level 1	Level 2	Level 3	Total
Liabilities:				
Derivative liabilities	$ -	$ -	$210,834	$210,834

Stock-Based Compensation

The Company accounts for share-based compensation in accordance with ASC 718, Stock Compensation. Under the provisions of ASC 718, share-based compensation cost is measured at the grant date, based on the calculated fair value of the award, and is recognized as an expense for services rendered and over the employee's requisite service period (generally the vesting period of the equity grant).

Contingencies

The Company accrues estimates for resolution of any legal and other contingencies when losses are probable and estimable, in accordance with ASC 450, Contingencies. Legal defense costs are accrued as incurred.

Stock Issued in Exchange for Services

In accordance with ASC 505, the valuation of the Company's common stock issued to non-employees in exchange for services is valued at an estimated fair market value as determined by Management of the Company based upon trading prices of the Company's common stock on the dates of the stock transactions. The corresponding expense of the services rendered is recognized over the contractor's requisite service period (generally the vesting period of the equity grant).

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KALLO INC.
Notes to Consolidated Financial Statements
December 31, 2016 and 2015
(Amounts expressed in US dollars)

NOTE 2 - ACCOUNTING POLICIES AND OPERATIONS (continued)

Convertible promissory note

The Company accounts for conversion options embedded in convertible notes in accordance with ASC 815. ASC 815 generally requires companies to bifurcate conversion options embedded in convertible notes from their host instruments and to account for them as free standing derivative financial instruments if they do not meet the criteria for classification in stockholders' equity.

The Company has evaluated the terms and conditions of its convertible notes under the guidance of ASC 815. The conversion feature did not meet the definition of "indexed to a company's own stock" provided for in ASC 815. Therefore, the conversion features require bifurcation and liability classification. The Company recorded the conversion feature as a derivative liability and debt discount and is amortized over the life of the convertible note. The debt discount is recorded against the related convertible note outstanding. The amortization is recorded as interest expense. The derivative liabilities are re-valued at the end of each reporting period using the lattice Model, with changes in the fair value of the derivative liability recorded as charges or credits to income, in the period in which the changes occur.

Revenue recognition

Revenue is recognized when all of the following criteria are met: persuasive evidence of an arrangement exists; delivery or performance has occurred; the sales price is fixed or determinable; and collection is reasonably assured.

Professional service revenue primarily consists of the fees the Company earns related to installation and consulting services. The Company recognizes revenue from professional services upon delivery or completion of performance.

Training services are recognized upon delivery of the training.

There were no revenues during 2016 and 2015.

Deferred revenue

Deferred revenue represents amounts invoiced to customers for which the related revenue has not been recognized because one or more of the revenue recognition criteria have not been met. The current portion of the deferred revenue represents the amount that is expected to be recognized as revenue within one year of the consolidated balance sheet date.

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KALLO INC.
Notes to Consolidated Financial Statements
December 31, 2016 and 2015
(Amounts expressed in US dollars)

NOTE 2 - ACCOUNTING POLICIES AND OPERATIONS (continued)

Lease accounting

The Company evaluates each lease for classification as either a capital lease or an operating lease. If substantially all of the benefits and risks of ownership have been transferred to the Company as lessee, the Company records the lease as a capital lease at its inception. The Company performs this evaluation at the inception of the lease and when a modification is made to a lease. If the lease agreement calls for a scheduled rent increase during the lease term, the Company recognizes the lease expense on a straight-line basis over the lease term.

The Company determines the straight-line rent expense impact of an operating lease upon inception of the lease.

Advertising costs

The Company expenses advertising costs as incurred. The total costs the Company recognized related to advertising were approximately $Nil and $56,014, during the years ended December 31, 2016 and 2015, respectively.

Recently Adopted Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), which supersedes the revenue recognition requirements in ASC 605, Revenue Recognition. This ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. The effective date will be the first quarter of fiscal year 2019 using one of two retrospective application methods or a cumulative effect approach. The Company is evaluating the potential effects on the consolidated financial statements.

In February 2016, the FASB issued an ASU related to the accounting for leases. The new standard establishes a right-of-use ("ROU") model that requires a lessee to record a ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. This pronouncement is effective for annual and interim periods beginning after December 15, 2018, with early adoption permitted. The Company is evaluating the impact that the new standard will have on its consolidated financial statements.

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KALLO INC.
Notes to Consolidated Financial Statements
December 31, 2016 and 2015
(Amounts expressed in US dollars)

NOTE 3 – CAPITAL STOCK

Common Stock

On September 26, 2012, the Company entered into an investment agreement with Kodiak Capital Group, LLC ("Kodiak") whereby the company could issue shares in exchange for an option to sell up to $2,000,000 worth of shares of the Company at a price equal to eighty percent (80%) of the lowest daily preceding five days Volume Weighted Average Price at the time of exercise and expires six months from inception. In connection therewith, the Company filed a Form S-1 registration statement with the Securities and Exchange Commission registering for sale up to 50,000,000 common shares. The previous arrangement with Kodiak expired in April 2014, but on July 15, 2014, the Company and Kodiak amended the investment agreement to extend the agreement through December 31, 2015. During the year ended December 31, 2015, the Company put $172,183 and 6,250,000 shares were issued pursuant to the above Agreement. The agreement expired on December 31, 2015 with no additional extension.

On June 27, 2011, Kallo registered 10,000,000 shares under a 2011 Non-Qualified Stock Option Plan to be offered and sold to accounts of eligible persons of the Company under the Plan at a proposed maximum offering price per share of $0.15. This 2011 Plan is for persons employed or associated with the Company, including without limitation any employee, director, general partner, officer, attorney, accountant, consultant or advisor, is intended to advance the best interests of the Company by providing additional incentive to those persons who have a substantial responsibility for its management, affairs, and growth by increasing their proprietary interest in the success of the Company, thereby encouraging them to maintain their relationships with the Company. As at December 31, 2016, 7,233,334 shares have been issued under this 2011 Non-Qualified Stock Option Plan with no additional shares issued in 2016 under this plan.

On September 6, 2012, Kallo registered 50,000,000 shares under a 2012 Non-Qualified Stock Option Plan to be offered and sold to accounts of eligible persons of the Company under the Plan at a proposed maximum offering price per share of $0.04. This 2012 Plan is for persons employed or associated with the Company, including without limitation any employee, director, general partner, officer, attorney, accountant, consultant or advisor, is intended to advance the best interests of the Company by providing additional incentive to those persons who have a substantial responsibility for its management, affairs, and growth by increasing their proprietary interest in the success of the Company, thereby encouraging them to maintain their relationships with the Company. As at December 31, 2016, no shares have been issued under this 2012 Non-Qualified Stock Option Plan.

During 2015, the holders of promissory notes converted the principal and the related interest outstanding of $677,742 into 2,196,251,125 shares. The fair value of the derivative liability associated with the notes that were converted, $635,176 was reclassified to equity upon conversion. Therefore the Company recorded $1,312,918 in conjunction with the conversions. The Company also issued 2,989,800,000 shares valued at $3,701,600 to various employees and directors as compensation for services rendered. During the year ended December 31, 2015, the Company issued 68,867,121 shares for cash of $2,491,089.

During 2015, the Company issued 3,508,500 shares in consideration of $230,392 of consulting services related to fund raising activities. Also, the Company issued 1,557,840 shares in consideration of $171,347 as repayment for open Accounts Payables related to design development of mobile trailers and recorded a loss on extinguishment as the value of the stock exceeded the balance due on invoice at the time of issuance.

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KALLO INC.
Notes to Consolidated Financial Statements
December 31, 2016 and 2015
(Amounts expressed in US dollars)

NOTE 3 – CAPITAL STOCK (continued)

During 2016, the holders of promissory notes converted the principal and the related interest outstanding of $128,928 into 2,450,352,026 shares. The fair value of the derivative liability associated with the notes that were converted, $88,223 was reclassified to equity upon conversion. Therefore the Company recorded $217,151 in conjunction with the conversions. During the quarter ended June 30, 2016, the Board of Directors approved the issuance of 4,485,000,000 common shares valued at $448,500 to various directors and employees as compensation for services rendered. On September 12, 2016, the Company rescinded its decision to issue the 4,485,000,000 common shares to various directors and employees.

Preferred Stock

The Company has designated 95,000,000 of its preferred stock as Series A Preferred Stock, each of which has 100 votes. The Company, will not, without the affirmative vote or written consent of the holders of at least a majority of the outstanding Series A Preferred Stock (i) authorize or create any additional series of stock ranking prior to or on a parity with the Series A Preferred Stock as to dividends, voting rights, or the distribution of assets upon liquidation; or (ii) change any of the rights, privileges or preferences of the Series A Preferred Stock.

The Company issued 95,000,000 Series A Preferred shares to several directors as compensation for services rendered during 2014. The shares of Series A Preferred stock are not convertible, carry voting rights of 100 votes per Preferred share and the fair value of the Preferred shares were deemed to be $288,780 based on the voting rights of the Preferred shares relative to the fair value of the Company at the date of the issuance.

During 2016 and 2015, the Company did not issue any Preferred Class shares.

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KALLO INC.
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NOTE 4 – RELATED PARTY TRANSACTIONS

During 2016, 3,775,000,000 shares (2015 – 2,662,500,000) were issued to directors of the Company as stock-based compensation and were valued, using the market closing price on the date of the grant, at $377,500 (2015 - $3,630,000). The 3,775,000,000 shares to be issued to the directors during 2016 were subsequently rescinded and not issued. In addition, during 2015, 6,470,914 shares were issued to a director of the Company for cash of $323,546 and 55,104,172 shares were issued to an affiliate for cash of $1,938,282.

During 2016, $268,311 (2015 - $272,712) was received from a director and an affiliate of the Company and is included in the convertible loans payable to related parties. At December 31, 2016, $615,173 (2015 - $272,712), including accrued interest, was owing to the two related parties.

Included in accounts payable and accrued liabilities is an amount of $306,664 (2015 - $7,873) due to directors and officers of the Company as at December 31, 2016.

NOTE 5 – EQUIPMENT

	2016	2015
Computer equipment under capital lease	$223,683	$223,683
Nexus computer equipment under capital lease	42,023	42,023
Computer equipment	50,724	50,724
Computer software	37,210	37,210
Hardware & Installation	10,128	10,128
Office furniture and equipment	27,739	27,739
Leasehold improvement	55,072	55,072
Medical Equipment	13,274	13,274
Clinical Command Center	15,790	15,790
Infrastructure	7,911	7,911
Total Equipment	483,554	483,554
Less accumulated depreciation	(379,536)	(348,003)
Less impairment	(104,018)	-
Equipment – net	$-	$135,551

Depreciation expense during 2016 and 2015 were $31,533 and $76,457 respectively.

Impairment on fixed assets during 2016 and 2015 were $104,018 and $355,508 respectively as described in detail under Impairment of Long-lived Assets in Note 2.

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NOTE 6 – CONVERTIBLE PROMISSORY NOTES AND DERIVATIVE LIABILITIES

The convertible promissory notes are unsecured and bear interest at between 8% and 12% per annum with all principal and accrued interest due and payable between one and two years from the dates of execution of the Notes. The Notes are due and were issued as disclosed in the following table. The Holders of the Notes can, in lieu of payment of the principal and interest, elect to convert such amount into common shares of the Company at the conversion price per share disclosed. The following table represents the remaining notes outstanding as of December 31, 2016.

Original face amount	Interest rate	Due date	Conversion price per share
Promissory note of $100,000	10%	December 21, 2015	65% of lowest trading day over the last 15 trading days
Promissory note of $50,000	8%	October 5, 2015	60% of the lowest trading price over the last 15 trading days
Promissory note of $87,500	8%	January 15, 2016	70% of average of two lowest closing bid price over the last 15 trading days
Promissory note of $55,000	8%	February 11, 2016	60% of the lowest trading price over the last 15 trading days
Promissory note of $50,000	12%	February 3, 2017	65% of the lowest trading price over the last 25 trading days
Promissory note of $50,000	8%	June 8, 2017	65% of the lowest trading price over the last 20 trading days

A summary of the promissory notes is as follows:

	2016	2015
Balance as at Beginning of Period	$229,377	$16,175
New convertible promissory notes	-	633,611
Original issue discount	-	(53,536)
Interest and penalties	103,502	114,914
Derivative liabilities	-	(607,510)
Converted into shares	(128,928)	(654,641)
Amortization of debt discount	120,635	780,364
Balance as at end of period	$324,586	$229,377
Convertible notes – short term	(324,586)	(204,826)
Convertible notes – long term	$-	$24,551

The company analyzed the conversion option for derivative accounting consideration under ASC Topic 815-40, Derivatives and Hedging – Contract in Entity's Own Stock and concluded that the conversion option does not meet the criteria for classification in stockholders' equity. Therefore, derivative accounting is applicable for the conversion option. Under the terms of conversion of the convertible promissory notes, a potentially infinite number of shares could be required to be issued since the contract does not have a fixed or determinable maximum number of shares that may be required to be issued.

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NOTE 6 – CONVERTIBLE PROMISSORY NOTES AND DERIVATIVE LIABILITIES (continued)

During the year ended December 31, 2015, at the commitment dates, the initial fair values of the embedded conversion feature for the new convertible promissory notes were estimated at $1,034,346 and recorded as derivative liabilities, resulting in a Day 1 loss of $426,836. During the year, there were conversions and mark to market adjustments as summarized in the table below. The original issue discount for the new convertible promissory notes was $53,536 and $607,510 was allocated to the embedded derivative liabilities. The debt discounts are amortized over the terms of the respective Notes. The fair value of the embedded conversion feature is estimated at the end of each quarterly reporting period using the Multinomial lattice model, which uses a probability weighted discounted cash flow model. The Model requires assumptions related to the interest rate, stock price and conversion price that would be in effect in different scenarios, for which cash flow projections and probabilities are made. A discounted weighted average cash flow over the various scenarios was completed, and compared to the discounted cash flow of the note without the embedded features, to arrive at the derivative liability.

During the year 2016, there were no new promissory notes but there were additions due to accrued interest and penalties. On December 31, 2016, all the derivative liabilities were valued at $270,581 which resulted in a loss in fair value of $147,970 for the year ended December 31, 2016. The debt discounts are amortized over the terms of the respective Notes and were $120,635 at December 31, 2016 and, together with interest and penalties of $103,502 on the promissory notes, are included in net finance charge of $323,944 for the year ended December 31, 2016 included in the consolidated statement of operations. The fair value of the embedded conversion feature is estimated at the end of each quarterly reporting period using the Multinomial lattice model.

The key assumptions for the valuation of the derivative liability are as follows:

- The notes convert with an initial conversion price of 55%-75% of the average or low of the close or bid prices over the 15-15 previous days.

- The projected annual volatility curve for each valuation period was based on the historical annual volatility of the company in the range 117% - 264%.

- The holder would automatically convert the note at the maximum of 2 times the conversion price.

- Full Reset events are projected to occur quarterly generating a projected conversion prices at 125% of market.

The following table illustrates the fair value adjustments that were recorded related to the level 3 derivative liabilities, associated with the convertible promissory notes:

	2015	2016
Fair value as at Beginning of Year	$210,834	$336,390
New promissory notes	-	607,510
Elimination associated with conversion of promissory notes	(88,223)	(635,176)
Change in fair value loss (gain)	147,970	(97,890)

Fair value as at End of Year	$270,581	$210,834

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NOTE 7 – CONVERTIBLE LOANS PAYABLE

	2016	2015
Convertible promissory note bearing interest at 15% per annum – third party	$191,510	$105,395
Convertible promissory note bearing interest at 15% per annum – related party	615,163	272,712
	$806,673	$378,107

During the year ended December 31, 2016, $323,667 (2015 - $341,423) was received in cash for Convertible loans payable which bear 15% interest per annum and are convertible at a fixed price at any time during the 1 year term. The company has the option to pay the note at any time. The company analyzed the conversion option for derivative accounting consideration under ASC Topic 815-40, Derivatives and Hedging – Contract in Entity's Own Stock and concluded that the embedded conversion was a derivative but the fair value of the feature was zero. The total outstanding notes from the debt offering is $806,673, including accrued interest, of which $615,163 is to from related parties. Interest of $98,140 on the convertible loans payable are included in net finance charge of $323,944 for the period ended June 30, 2016 included in the consolidated statement of operations.

On December 18, 2015, the Company issued a promissory note for $18,610 for settlement of a vendor accounts payable.

NOTE 8 – SHORT TERM LOANS PAYABLE

	2016	2015
Non-interest bearing short term funding from third parties	16,215	15,730
	$16,215	$15,730

As at December 31, 2016, the balance of $16,215 (2015 - $15,730) represented short term funding provided by third parties which are non-interest bearing, unsecured and have no fixed repayment date. The amount in Canadian dollars is $21,772 which is subject to revaluation at the end of each period end.

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NOTE 9 – INCOME TAXES

The Company had no income taxes payable at December 31, 2016 and 2015.

The reconciliation of income tax provision computed at statutory rates to the reported income tax provision is as follows:

	2016	2015
Net loss for the year	$(2,999,110)	$(8,964,960)
Effective statutory rate	34 %	34 %
Expected tax recovery	$(1,019,697)	$(3,048,086)
Net effects of non deductible and allowable items	254,917	1,742,542
Change in valuation allowance	764,780	1,305,544
	$-	$-

Deferred income taxes reflect the net income tax effect of temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and amounts used for income taxes. The Company's deferred income tax assets and liabilities consist of the following:

	2016	2015
Net operating loss carry forward	$5,525,126	$4,779,729
Equipment	138,154	118,771
Valuation allowance	(5,663,280)	(4,898,500)
Deferred tax assets, net of valuation allowance	$-	$-

Net operating loss carry forwards totaled approximately $16,250,000 at December 31, 2016. The net operating loss carry forwards will begin to expire in the year 2021 if not utilized. After consideration of all the evidence, management has recorded a valuation allowance at December 31, 2016 due to uncertainty of realizing the deferred tax assets. Utilization of the Company's net operating loss carry forwards may be limited based on changes in ownership as defined in Internal Revenue Code Section 382. Tax years 2011 through 2016 remain open to examination by tax authorities.

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NOTE 10 – COMMITMENTS AND CONTINGENCIES

Commitments

Operating lease

The Company has a sublease agreement to lease office facilities under an operating lease for a term of two and a half years. The Company's future base and additional rental payment obligations under the lease commitments are as follows:

2017	$18,620
	$18,620

Total rent expense for the above lease was as follows:

2015	$209,965
2016	245,720
	$455,685

Sales commission agreement

On November 20, 2012, Kallo signed a memorandum of understanding with the Ministry of Health of the Republic of Ghana for the supply and implementation of a National Mobile Care program with Mobile Clinics and Clinical Command Centers integrated with the existing healthcare system and improve the healthcare delivery services to the rural and remote population of Ghana at large for a total project cost for National implementation and Maintenance support for five years of US$158,500,000 (the "Ghana Project"). The Ministry of Health of the Republic of Ghana and Kallo Inc. have agreed that a contract for the implementation of the Mobile Care projects will be signed when a number of financing and other conditions have been satisfied.

In respect of the Ghana Project, the Company had agreed with two third parties to pay sales commissions equal to $8,717,625 and 4.5% (subject to a maximum of $7,162,375) of the contract price respectively for facilitating and securing the Contract with the Ministry of Health of the Republic of Ghana. As of June 19, 2015, both contracts have been cancelled.

On January 23, 2014, Kallo Inc. announced the signing of a US$200,000,925 Supply Contract with the Ministry of Health and Public Hygiene of the Republic Of Guinea (the "Guinea Project").

Under the Supply Contract, Kallo will implement customized healthcare delivery solutions for the Republic of Guinea. The components of the solutions include, MobileCare, RuralCare, Hospital Information Systems, Telehealth Systems, Pharmacy Information, disaster management, air and surface patient transportation systems and clinical training.

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NOTE 10 – COMMITMENTS AND CONTINGENCIES (continued)

Sales commission agreement (continued)

In respect of the Guinea Project mentioned above, the Company has agreed with two third parties in Guinea to pay sales commissions for facilitating and securing the Contract with the Ministry of Health of the Republic of Guinea as follows:

- equal to $20,000,000, payable as to an advance of $300,000 immediately after the loan agreement for the Kallo MobileCare and RuralCare program is signed by the Minister of Finance of the Republic of Guinea and the remainder within 7 to 14 business days of receipt of payment for the Project by Kallo in proportion to the payments received by Kallo.

- equal to $4,000,000, payable within 7 to 14 business days of receipt of payment for the Project by Kallo in proportion to the payments received by Kallo. In addition, a performance incentive payment of $1,000,000 will be payable to three persons related to the third party in accordance to the same terms of payment described herein.

On October 13, 2017, Kallo sent notices of termination of the agreements with the above two third parties to be effective 30 days later.
On March 8, 2014, the Company has agreed with a third party to pay sales commissions equal to $25,000,000 for facilitating and securing the Contract with the Government of the Republic of Sierra Leone, payable within 7 to 14 business days of receipt of payment for the Project by Kallo in proportion to the payments received by Kallo. This agreement was terminated by Kallo effective February 13, 2015.

Agreements with suppliers

The Company has entered into agreements with a number of service providers for licensing of software and other professional services to be rendered. The total remaining amount committed is $2,773,737.

Contingencies

On April 21, 2017, an ex-employee of Kallo obtained a judgement ordering Kallo to pay Canadian $ 135,959 for unpaid wages and expenses relating to services performed in 2016. The full amount has been accrued for in the financial statements of Kallo.

On October 24, 2016, a consultant obtained a judgement ordering Kallo to pay Canadian $25,000 for unpaid fees. The full amount has been accrued for in the financial statements of Kallo.

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NOTE 11 – SUBSEQUENT EVENTS

Convertible promissory notes

After December 31, 2016, promissory notes for a total of $39,644 were converted into 720,806,182 common shares and promissory notes for a total of $320,000 were settled in cash by FE Pharmacy Inc. under the agreement mentioned below.

Convertible loans payable

After December 31, 2016, a total of $27,151 was received as advances against loans which will have the same terms as described in note 7.

Reverse stock split

On April 18, 2017, the Board of Directors approved a reverse stock split of the authorized and outstanding shares of common stock on a 1 for 600 basis, after which, the authorized number of common stock will decrease from 15,000,000,000 to 25,000,000. After the completion of the reverse stock split, the Board of Directors approved the increase of the authorized number of common stock from 25,000,000 to 1,150,000,000. As FINRA has not yet approved the reverse stock split yet, it is not effective yet. Therefore, the common share and per common share data in these financial statements and related notes hereto have not been retroactively adjusted to account for the effect of the reverse stock split for all periods presented prior to April 18, 2017.

After the approval of the reverse stock split by FINRA, the 9,907,548,954 common shares outstanding as at October 11, 2017 will be adjusted to 16,512,582 post reverse stock split common shares. Also, 1,086,186,667 post reverse stock split common shares will be issued to make whole for the shares issued after April 18, 2017, as detailed below.

Agreement with FE Pharmacy Inc.

On April 8, 2017, the Company entered into an agreement with FE Pharmacy Inc., a company controlled by a shareholder of Kallo and a related party, whereby in consideration for the issuance of 475,000,000 post reverse stock split common stock of Kallo, FE Pharmacy Inc. assumed and will pay all of the Company's outstanding indebtedness as at April 7, 2017. Because FINRA has not approved the reverse stock split yet, the 475,000,000 shares issued during the quarter ended June 30, 2017 will be reduced to 791,667 when the reverse stock split becomes effective and 474,208,333 additional post reverse stock split shares will be issued to make them whole again.

Subsequently, FE Pharmacy, Inc. settled Kallo's convertible promissory notes for a total of $320,000 in cash and Kallo's accounts payable for a total of $57,325 in cash.

Issuance of shares

On May 25, 2017, the Company approved the issuance of 595,000,000 post reverse stock split common stock to various directors and employees as compensation for services rendered and 16,000,000 post reverse stock split common stock to a controlling shareholder of FE Pharmacy Inc. and a related party as compensation for services rendered and for nominal cash. Because FINRA has not approved the reverse stock split yet, the 611,000,000 shares issued during the quarter ended June 30, 2017 will be reduced to 1,018,333 when the reverse stock split becomes effective and 609,981,667 additional post reverse stock split shares will be issued to make them whole again.

On July 5, 2017, the Company approved the issuance of 2,000,000 post reverse stock split common stock to a consultant for assistance in helping settle the outstanding convertible promissory notes of Kallo. Because FINRA has not approved the reverse stock split yet, the 2,000,000 shares issued during the quarter ended June 30, 2017 will be reduced to 3,333 when the reverse stock split becomes effective and 1,996,667 additional post reverse stock split shares will be issued to make them whole again.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

ITEM 9A CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

We maintain "disclosure controls and procedures," as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act"), that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. We conducted an evaluation (the "Evaluation"), under the supervision and with the participation of our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), of the effectiveness of the design and operation of our disclosure controls and procedures ("Disclosure Controls") as of the end of the period covered by this report pursuant to Rule 13a-15 of the Exchange Act. Based on this Evaluation, our CEO and CFO concluded that our Disclosure Controls were not effective as of the end of the period covered by this report due to lack of segregation of duties in financial reporting and presence of adjusting journal entries during the audit.

Management's Report on Internal Control Over Financial Reporting.

Management is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined in Exchange Act Rule 13a -15(f). The Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Because of the inherent limitations due to, for example, the potential for human error or circumvention of controls, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.

Management conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control – Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Based on this evaluation, management concluded that the Company's internal control over financial reporting was not effective as of December 31, 2016. Material weakness identified included:

* Lack of segregation of duties
* Insufficient controls over the financial close process and preparation of the financial statements identified by the auditors during the audit of the company's financial statements for the year ended December 31, 2016.

We will begin to take steps to remedy the foregoing material weaknesses, including hiring a VP of Finance to oversee the accounting and financial reporting process, after the Company is up to date on all its filings.

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Changes in Internal Controls

There were no changes in our internal control over financial reporting during the quarter ended December 31, 2016 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION.

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE.

Officers and Directors

Each of our directors serves until his or her successor is elected and qualified. Each of our officers is elected by the board of directors to a term of one (1) year and serves until his or her successor is duly elected and qualified, or until he or she is removed from office. The board of directors has no nominating, auditing or compensation committees. It does have an audit committee comprised of the board of directors.

The names, addresses, ages and positions of our present officers and directors are set forth below:

Name and Address	Age	Position(s)
John Cecil 225 Duncan Mills Road, Suite 504 Toronto, Ontario Canada M3B 3H9	53	President, Chairman of the Board of Directors, Chief Executive Officer and Chief Financial Officer
Lloyd A. Chiotti 31 Sisman Avenue Aurora, ON, L4G 6R9	68	Chief Operating Officer and Director
Samuel R Baker 89 Shawnee Circle Toronto, ON, M2H 2X9	81	Secretary and a Director

Background of officers and directors

John Cecil – President, Chairman of the Board of Directors, Chief Executive Officer, Treasurer, Principal Financial Officer and Principal Accounting Officer

On October 20, 2010, John Cecil was appointed Chairman of the Board of Directors, Chief Executive Officer and a Director and on February 29, 2016, Mr Cecil was appointed President. And as of March 25, 2011, John Cecil was appointed the treasurer, principal financial officer and principal accounting officer of Kallo Inc. Since December 31, 2009, John Cecil was on our board of directors. Since December 2003 John Cecil has been the president of Rophe

Medical Technologies Inc., in Toronto, Canada. He is responsible for its research and development and the design and copyright of the company's technology. From May 2008 to April 2009 Mr. Cecil was the Senior Healthcare Solutions Architect at SUN Microsystems Canada Inc., in Toronto, Canada, a publicly traded company listed on the NASDAQ under the symbol JAVA. He was responsible for Innovative product positioning by workshops / white

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board sessions with stakeholders of the customer to increase business value and support sales in revenue growth and design innovative technology solutions. From April 2007 to May 2008, Mr. Cecil was the Healthcare Director at Satyam Computer Service Ltd., in Toronto, Canada, a publicly traded company listed on the NYSE under the symbol "SAY". He managed healthcare consulting practices and services. On February 29, 2016, Mr Cecil was appointed to the position of President of Kallo Inc.

Samuel Baker - Secretary and a Director

On November 17, 2010, Samuel Baker was appointed Secretary and a member of our Board of Directors. Since October 1997 Mr. Baker has been the Senior Lawyer at Baker Law Firm in Toronto, Canada. Since September 2008, Mr. Baker has been the director of Arehada Mining Limited. Arehada Mining Limited operates a lead/zinc mine in Inner Mongolia, China. It is a public company traded on the Toronto Stock Exchange, ticker symbol AHD.

Lloyd Chiotti – Chief Operating Officer and Director

On September 22, 2011, Lloyd Chiotti was appointed to our board of directors and on February 29, 2016, Mr Chiotti was appointed Chief Operating Officer. In February 2015, Mr. Chiotti began full time with Kallo Inc. as the Executive Vice President. He holds an Engineering degree and an MBA, both from the University of Toronto. He worked with Enbridge Gas Distribution (formerly The Consumers Gas Company) for over 34 years. Over the course of his career he held a number of senior management positions including Director of Information Services and a number of Regional General Manager roles within Operations. In 2006 he joined the Engineering department to lead the Asset Management initiative as Director, Asset Management Strategy. In this capacity, he led a team which implemented an Asset Management system for gas distribution consistent with the international standard called PAS 55 (now ISO 55001). In 2010 he was appointed to the position of Director, Distribution Asset Management. In this capacity, he was responsible for all distribution system planning and records management and led the development of a comprehensive methodology to develop risk based, long range asset management plans. He was actively involved in the natural gas industry. He served as Chair of the Asset Management Task Force of the Canadian Gas Association from 2006 to 2013 and served as a member of the Distribution Working Committee of the International Gas Union from 2007 to 2012. Throughout his career he has also served on the Boards of a number of not-for-profit organizations including: President, Alternative Computer Training for the Disabled; Chair, United Way of Peel Campaign 1992; Chair of the Board, West Park Healthcare Centre Foundation; Vice-Chair of the Board, Junior Achievement of Toronto and Chair of the Board, Toronto Mendelssohn Choir. He retired from Enbridge on October 1, 2013.

Conflicts of Interest

There is no conflict that we foresee as our officers and directors devote full time to the business and the operations of the company except for Samuel R. Baker who is not full time in the organization.

Involvement in Certain Legal Proceedings

During the past ten years, Messrs. Cecil, Baker, and Chiotti have not been the subject of the following events:

1. A petition under the Federal bankruptcy laws or any state insolvency law was filed by or against, or a receiver, fiscal agent or similar officer was appointed by a court for the business or property of such person, or any partnership in which he was a general partner at or within two years before the time of such filing, or any corporation or business association of which he was an executive officer at or within two years before the time of such filing;

2. Convicted in a criminal proceeding or is a named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses);

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3. The subject of any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining him from, or otherwise limiting, the following activities;

i) Acting as a futures commission merchant, introducing broker, commodity trading advisor, commodity pool operator, floor broker, leverage transaction merchant, any other person regulated by the Commodity Futures Trading Commission, or an associated person of any of the foregoing, or as an investment adviser, underwriter, broker or dealer in securities, or as an affiliated person, director or employee of any investment company, bank, savings and loan association or insurance company, or engaging in or continuing any conduct or practice in connection with such activity;
ii) Engaging in any type of business practice; or
iii) Engaging in any activity in connection with the purchase or sale of any security or commodity or in connection with any violation of Federal or State securities laws or Federal commodities laws;

4. The subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any Federal or State authority barring, suspending or otherwise limiting for more than 60 days the right of such person to engage in any activity described in paragraph 3.i in the preceding paragraph or to be associated with persons engaged in any such activity;

5. Was found by a court of competent jurisdiction in a civil action or by the Commission to have violated any Federal or State securities law, and the judgment in such civil action or finding by the Commission has not been subsequently reversed, suspended, or vacated;

6. Was found by a court of competent jurisdiction in a civil action or by the Commodity Futures Trading Commission to have violated any Federal commodities law, and the judgment in such civil action or finding by the Commodity Futures Trading Commission has not been subsequently reversed, suspended or vacated;

7. Was the subject of, or a party to, any Federal or State judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated, relating to an alleged violation of:

i) Any Federal or State securities or commodities law or regulation; or
ii) Any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order, or
iii) Any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or

8. Was the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Exchange Act (15 U.S.C. 78c(a)(26)), any registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act (7 U.S.C. 1(a)(29)), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

Audit Committee and Charter

We have a separately designated audit committee of the board. Our board of directors performs the audit committee functions. None of our directors are deemed independent. Two of our directors also hold positions as our officers. Our audit committee is responsible for: (1) selection and oversight of our independent accountant; (2) establishing procedures for the receipt, retention and treatment of complaints regarding accounting, internal controls and auditing matters; (3) establishing procedures for the confidential, anonymous submission by our employees of concerns regarding accounting and auditing matters; (4) engaging outside advisors; and, (5) funding for the outside auditory and any outside advisors engagement by the audit committee. A copy of our audit committee charter is filed as an exhibit to our 2007 Form 10-K.

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Audit Committee Financial Expert

We do not have an audit committee financial expert.

Code of Ethics

We have adopted a corporate code of ethics. We believe our code of ethics is reasonably designed to deter wrongdoing and promote honest and ethical conduct; provide full, fair, accurate, timely and understandable disclosure in public reports; comply with applicable laws; ensure prompt internal reporting of code violations; and provide accountability for adherence to the code. A copy of the code of ethics is filed as Exhibit 14.1 to our S-1 filed with the Securities and Exchange Commission on August 25, 2014.

Disclosure Committee and Committee Charter

We have a disclosure committee and disclosure committee charter. Our disclosure committee is comprised of all of our officers and directors. The purpose of the committee is to provide assistance to the Chief Executive Officer and the Chief Financial Officer in fulfilling their responsibilities regarding the identification and disclosure of material information about us, and the accuracy, completeness and timeliness of our financial reports. A copy of the disclosure committee charter is filed as Exhibit 99.2 to our 2007 Form 10-K.

Section 16(a) of the Securities Exchange Act of 1934

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our directors, officers and persons who beneficially owned more than ten percent of our common stock to file reports of ownership and changes in ownership of common stock. Based solely upon a review of Forms 3, 4 and 5 furnished to us during the fiscal year 2015, all officers, directors, and persons who beneficially own more than ten percent of our common stock filed all reports required by Section 16(a) of the Securities Exchange Act of 1934, as amended.

ITEM 11. EXECUTIVE COMPENSATION.

The following table sets forth the compensation paid by us during the last two fiscal years for our officers. This information includes the dollar value of base salaries, bonus awards and number of stock options granted, and certain other compensation, if any. The compensation discussed addresses all compensation awarded to, earned by, or paid to our named executive officers.

Summary Compensation Table

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Name and Principal Position [1]	Year	Salary ($)	Bonus ($)	Stock Awards ($)[1]	Option Awards ($)	Non-Equity Incentive Plan Compensation (S)	Change in Pension Value & Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Totals ($)
John Cecil	2016	161,907	0	225,000	0	0	0	0	386,907
Chairman & CEO	2015	132,902	0	1,950,000	0	0	0	0	2,082,902

Vince Leitao	2016	0	0	0	0	0	0	0	0
Former President (resigned 02/29/2016)	2015	29,644	0	0	0	0	0	0	29,644
Samuel Baker	2016	0	0	42,500	0	0	0	0	42,500
Secretary	2015	0	0	480,000	0	0	0	0	480,000
Lloyd Chiotti	2016	130,334	0	110,000	0	0	0	0	240,334
Director & EVP	2015	0	0	1,200,000	0	0	0	0	1,200,000

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[1] During the year ended December 31, 2016, 3,775,000,000 common shares were initially approved for issuance to directors and officers for a total amount of $377,500 of which $NIL was contributed as cash by them and $377,500 was to be granted to them as stock-based compensation.

The number of shares approved for issuance as compensation to each named executive officer for the year ended December 31, 2016 was as follows:

- John Cecil –2,250,000,000 common shares issuable as compensation valued at $225,000
- Samuel Baker – 1,100,000,000 common shares issuable as compensation valued at $110,000
- Lloyd Chiotti – 425,000,000 common shares issuable as compensation valued at $42,500

The values reported represent the issue date fair value of the shares multiplied by the number of shares issuable.

However, subsequently, the Company rescinded the approval for issuance of the shares and they were not issued to the above named executive officer.

All compensation received by our officers and directors has been disclosed.

Option/SAR Grants

There are no stock option, retirement, pension, or profit sharing plans for the benefit of our officers and directors other than our 2012 and 2012 Non-Qualified Incentive Stock Option Plans. No options have been granted to our officers and directors thereunder.

Long-Term Incentive Plan Awards

We do not have any long-term incentive plans that provide compensation intended to serve as incentive for performance.

Compensation of Directors

The members of our board of directors are not compensated for their services as directors. We no longer have employment contracts with our officers or directors.

Indemnification

Under our Bylaws, we may indemnify an officer or director who is made a party to any proceeding, including a lawsuit, because of his position, if he/she acted in good faith and in a manner he/she reasonably believed to be in our best interest. We may advance expenses incurred in defending a proceeding. To the extent that the officer or director is successful on the merits in a proceeding as to which he/she is to be indemnified, we must indemnify him/her against all expenses incurred, including attorney's fees. With respect to a derivative action, indemnity may be made only for expenses actually and reasonably incurred in defending the proceeding, and if the officer or director is judged liable, only by a court order. The indemnification is intended to be to the fullest extent permitted by the laws of the State of Nevada.

Regarding indemnification for liabilities arising under the Securities Act of 1933, which may be permitted to directors or officers under Nevada law, we are informed that, in the opinion of the Securities and Exchange Commission, indemnification is against public policy, as expressed in the Act and is, therefore, unenforceable.

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ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

The following table sets forth, as of the date of this report, the total number of shares owned beneficially by each of our directors, officers and key employees, individually and as a group, and the present owners of 5% or more of our total outstanding shares. The stockholder listed below has direct ownership of his/her shares and possesses sole voting and dispositive power with respect to the shares.

Name and Address Beneficial Owner [1]	Number of Common Shares Owned	Percentage of Ownership	Number of Preferred Shares Owned	Percentage of Ownership
John Cecil [2] 225 Duncan Mills Road, Suite 504 Toronto, ON M3B 3H9	1,653,612,857	20.52%	70,000,000	73.69%
Lloyd Chiotti 31 Sisman Avenue Aurora, ON, L4G 6R9	823,242,258	10.22%	5,000,000	5.26%
Samuel Baker [3] 255 Duncan Mill Road, Unit 504 Toronto, ON, M3B 3H9	327,903,850	4.07%	0	0.00%
All Officers and Directors as a Group (3 persons)	2,804,758,965	34.81%	75,000,000	78.95%

[1] The persons named above may be deemed to be a "parent" and "promoter" of our company, within the meaning of such terms under the Securities Act of 1933, as amended, by virtue of his/its direct and indirect stock holdings.
[2] Includes 19,600,000 shares of common stock owned by family members of John Cecil.
[3] Includes 400,000 shares of common stock owned by family members of Samuel Baker.
[4] Each preferred share is entitled to 100 votes.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

During the year ended December 31, 2015, 1,560,000,000 commons shares, 787,500,000 common shares and 315,000,000 common shares were issued respectively to John Cecil, Lloyd Chiotti and Samuel Baker, as stock based compensation and were valued at $1,950,000, $1,200,000 and $480,000 respectively. An additional 6,470,914 common shares were issued to Mr. Chiotti for cash of $323,546 and an incremental $138,069 was provided as a short term loan.

As at December 31, 2015, we owe our officers and directors $7,873 in accounts payable and accrued liabilities.

As at December 31, 2016, we owe our officers and directors $306,664 in accounts payable and accrued liabilities.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES.

(1) Audit Fees

The aggregate fees billed for each of the last two fiscal years for professional services rendered by the principal accountant for our audit of annual financial statements and review of financial statements included in our Form 10-Qs or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for those fiscal years was:

2016	$49,530	MaloneBailey LLP
2015	$149,446	MaloneBailey LLP

(2) Audit-Related Fees

The aggregate fees billed in each of the last two fiscal years for assurance and related services by the principal accountants that are reasonably related to the performance of the audit or review of our financial statements and are not reported in the preceding paragraph:

2016	$ 0	MaloneBailey, LLP
2015	$ 0	MaloneBailey LLP

(3) Tax Fees

The aggregate fees billed in each of the last two fiscal years for professional services rendered by the principal accountant for tax compliance, tax advice, and tax planning was:

2016	$0	MaloneBailey, LLP
2015	$0	MaloneBailey LLP

(4) All Other Fees

The aggregate fees billed in each of the last two fiscal years for the products and services provided by the principal accountant, other than the services reported in paragraphs (1), (2), and (3) was:

2016	$0	MaloneBailey LLP
2015	$ 0	MaloneBailey LLP

(5) Our audit committee's pre-approval policies and procedures described in paragraph (c)(7)(i) of Rule 2-01 of Regulation S-X were that the audit committee pre-approve all accounting related activities prior to the performance of any services by any accountant or auditor.

(6) The percentage of hours expended on the principal accountant's engagement to audit our financial statements for the most recent fiscal year that were attributed to work performed by persons other than the principal accountant's full time, permanent employees was 0%.

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PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

Exhibit	Document Description	Incorporated by reference Form	Date	Number	Filed herewith
2.1	Articles of Merger	8-K	1/21/11	2.1	
3.1	Articles of Incorporation	SB-2	3/05/07	3.1	
3.2	Bylaws	SB-2	3/05/07	3.2	
3.3	Amended Articles of Incorporation (11/23/2015)	8-K	12/02/15	3.1	
4.1	Specimen Stock Certificate	SB-2	3/05/07	4.1	
10.1	Agreement with Rophe Medical Technologies Inc. dated December 11, 2009	10-K	3/31/10	10.2	
10.2	Amended Agreement with Rophe Medical Technologies Inc. dated December 18, 2009	10-K	3/31/10	10.3	
10.3	Amended Agreement with Rophe Medical Technologies Inc. dated March 16, 2010	10-K	3/31/10	10.4	
10.4	Investment Agreement with Kodiak Capital Group, LLC dated October 20, 2014	S-1	10/30/14	10.6	
10.5	Amended Agreement with Jarr Capital Corp.	8-K	2/22/11	10.1	
10.6	Termination of Employment Agreement with John Cecil	8-K	2/22/11	10.2	
10.7	Termination of Employment Agreement with Vince Leitao	8-K	2/22/11	10.3	
10.8	Termination of Employment Agreement with Samuel Baker	8-K	2/22/11	10.4	
10.9	Services Agreement with Buchanan Associates Computer Consulting Ltd.	10-K	5/18/11	10.1	
10.10	Equipment Lease Agreement with Buchanan Associates Computer Consulting Ltd.	10-K	5/18/11	10.2	
10.11	Agreement with Mansfield Communications Inc.	10-K	5/18/11	10.3	
10.12	Agreement with Watt International Inc.	10-K	5/18/11	10.4	
10.13	Pilot EMR Agreement with Nexus Health Management Inc.	10-K	5/18/11	10.5	
10.14	2011 Non-Qualified Stock Option Plan	S-8	6/27/11	10.1	

10.15	Multimedia Contractual Agreement with David Miller	8-K	10/28/11	10.1
10.16	Strategic Alliance Agreement with Petro Data Management Services Limited and Gateway Global Fabrication Ltd.	8-K	11/02/11	10.1

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10.17	Independent Contractor Agreement with Savers Drug Mart	8-K	1/26/12	10.1	
10.18	2012 Non-Qualified Stock Option Plan	S-8	9/06/12	10.1	
10.19	Memorandum of Offering with Ministry of Health of Republic of Ghana	S-1/A-3	6/26/13	10.32	
10.20	Addendum to Investment Agreement with Kodiak	S-1/A-4	7/31/13	10.33	
10.21	Second Addendum to Investment Agreement with Kodiak	S-1	8/25/14	10.34	
10.22	Email from Kodiak	S-1/A-1	9/24/14	10.35	
10.23	Email from Kodiak	S-1/A-1	9/24/14	10.36	
14.1	Code of Ethics	S-1	8/25/14	14.2	
16.1	Letter from Collins Barrow Toronto LLP	8-K/A-1	2/15/12	16.3	
16.2	Letter from Schwartz Levitsky Feldman LLP	8-K/A-3	8/13/14	16.1	
21.1	List of Subsidiary Companies	10-K	3/31/10	21.1	
31.1	Certification of Principal Executive Officer and Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				X
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				X
99.1	Audit Committee Charter	10-K	4/15/08	99.1	
99.2	Disclosure Committee Charter	10-K	4/15/08	99.2	
99.3	FCPA Code	S-1	8/25/14	99.3	
99.4	Letter from Ministry of Health	8-K	6/08/15	99.2	
99.5	Letter from Minister of Health and Public Hygiene	8-K	6/24/15	99.2	
101.INS	XBRL Instance Document				X
101.SCH	XBRL Taxonomy Extension – Schema				X
101.CAL	XBRL Taxonomy Extension – Calculations				X
101.DEF	XBRL Taxonomy Extension – Definitions				X
101.LAB	XBRL Taxonomy Extension – Labels				X

101.PRE XBRL Taxonomy Extension – Presentation	X

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on this 14th day of November, 2017.

KALLO INC.

BY: JOHN CECIL
John Cecil
President, Principal Executive Officer, Principal Financial Officer, Principal Accounting Officer and Chairman of Board of Directors

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

Signature	Title	Date
JOHN CECIL John Cecil	President, Principal Executive Officer, Principal Financial Officer, Principal Accounting Officer and the Chairman of Board of Directors	November 14, 2017
SAMUEL BAKER Samuel Baker	Corporate Secretary and member of the Board of Directors	November 14, 2017
LLOYD A. CHIOTTI Lloyd A. Chiotti	Chief Operating Officer and member of the Board of Directors	November 14, 2017

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