VIVAKOR, INC.

ANNUAL REPORT

FOR THE YEAR

ENDED DECEMBER 31, 2013

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 (the “Exchange Act”) and we intend that such forward-looking statements be subject to the safe harbors created thereby. These forward-looking statements, which may be identified by words including “anticipates,” “believes,” “intends,” “estimates,” “expects,” “forecasts”, “plans,”, “ projects”, and similar expressions include, but are not limited to, statements regarding (i) future plans, objectives, strategies, expenditures, results and objectives of future operations and research, (ii) proposed new products, services, developments or industry rankings; (iii) future revenue, economic conditions or performance; (iv) potential collaborative arrangements and (v) the need for and availability of additional financing.

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

INCORPORATION BY REFERENCE

The Company hereby incorporates by reference all of the reports filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, including but not limited to:

(i) The Registration Statement on Form S-1 filed on August 12, 2009, as amended and the Prospectus filed under Rule 424(b) included therein;

(ii) The Annual Reports on Form 10K for the years ended December 31, 2008, 2009, 2010, and 2011, respectively;

(iii) All Quarterly Reports on Form 10-Q filed prior to the date hereof; and

(iv) All Current Reports on Form 8-K filed prior to the date hereof.

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BUSINESS

General

Vivakor, Inc. (the "Company") was organized in March 2008 to be a trans-disciplinary research company to develop products in the fields of molecular medicine, electro-optics, biological handling and natural and formulary compounds. Our initial business model was to be a research hub focused on the development and commercialization of technologies and cures for complex human conditions, illnesses and diseases. Although the Company successfully achieved commercialization of certain products described below, in 2010, it became clear to management of the Company that there was insufficient funding to complete research and development and commercialization of many of its technologies, particularly devices in the electro-optics field, due primarily to the decline in the U.S. economy and the general uncertainty in the health care industry. As a result, the Company ceased funding research and development activities and focused entirely on the products ready for commercial launch, as well as the development of a new business strategy.

The Company has continued to market and sell its commercialized products but also has adopted a new business and investment strategy. Due in part to its research into the application of nanotechnology to the health care and nutraceutical industries, the Company identified other strategic investment opportunities and applied this technology to other industries. While sales of existing commercial products will continue, the Company intends to concentrate future fund raising and development efforts in the following industries:

- Mining and minerals – new processes and materials for the extraction of precious metals from sand and clay-based deposits.

- Alternative energy – specifically the use of nano and other new materials in the generation and storage of energy.

The Company's strategy is to identify existing companies that have developed new and promising technologies or processes in these industries, acquire or enter into joint venture or strategic alliances with these companies, provide secured funding to commence or expand operations and own or participate in revenue generated from such technologies. Our intention is to select technologies that have gone beyond design and have achieved some proof of concept or commenced operation.

Our financial statements include the accounts of our company and its wholly-owned subsidiaries, VivaSight, Inc., VivaTherma, Inc. and VivaVentures, Inc., and its majority-owned subsidiary, HealthAmerica, Inc.

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

VivaVentures Precious Metals, LLC, mining and mineral assets

- Acquired 39% ownership interest in certain mining claims in Arizona and Colorado and a proprietary technology to extract precious metals from the claims.

- Small capacity (3 tons per day) unit built and operated at our Henderson, Nevada facility.

- Currently developing larger capacity plant.

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

- To date this subsidiary has acquired a minority interest in QuantumSphere, Inc. (www.qsinano.com) and continues to look for other ground-breaking technologies in green energy.

- This subsidiary also focuses on mineral and other such assets that may be extracted or leveraged to add value to our stockholders.

- This subsidiary has signed letters of intent with such assets that are backed by at least a 10 to one value.

VivaCeuticals, Inc., a natural and formulary products subsidiary

- To date, this subsidiary has developed two bioactive beverages in the nutraceutical/supplement space, VivaBlend and VivaBoost, which we market as RegeneBlend and RegeneBoost. RegeneBlend is a highly concentrated extract of natural products rich in antioxidants and other phytochemicals. RegeneBoost is a nutraceutical, bioactive beverage enriched with phytochemicals and antioxidants. In December 2009, Vivakor entered into an agreement to distribute VivaBoost in the direct-to-consumer market. In 2012, our company acquired the right to market and sell RegeneSlim and we generated over $1.2 million in gross sales in 2012. We expect to achieve an annual sales rate of approximately $3.0 million within 18 months.

Our Company's Inactive Subsidiaries

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

- VivaVentures, Inc., a Nevada corporation (wholly owned);

- VivaSight, Inc., a Nevada corporation (wholly owned);

- VivaOptics, Inc., a Nevada corporation (wholly owned);

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

Our Commercialized Products

Our company intends to continue marketing and selling its existing commercial products, which include the products described below.

Mining and Minerals.

VivaVentures Precious Metals, LLC. We acquired a 39% ownership interest in certain mining claims and technology for the extraction of precious metals from sand-based ore products. The mining claims are located in Arizona and Colorado and consist of approximately six acres of sand-based ore. The proprietary technology uses a thermal vapor extraction process to remove and process precious metals, including gold, silver, platinum, palladium and Rhodium. Our company and the owners of the mining claims and technology agreed to form VivaVentures Precious Metals, LLC to conduct the mining operations. In September 2012, our company funded the establishment of a small pilot plant and the initial processing of approximately three tons of ore, which resulted in approximately 30 ounces of precious metals with two ounces of gold and four ounces of platinum, representing approximately 20% of the precious metals contained therein. In June 2013, due to the success of the pilot plant, we assisted in the launch of a larger more efficient precious metals processing center. During 2013, this venture produced almost $900,000 of precious metals in a concentrate flake form, which will go through a final separation process. The 2013 production was completed from only the initial prototype thermal vaporization unit. The Company intends to finance the construction of additional thermal vaporization machines throughout 2014, which will increase the daily production of the precious metals. We believe that this proprietary thermal vapor extraction process, when fully implemented, would be one of the most efficient methods of extracting precious metals in the world. The mining claims contain an estimated 32,400,000 tons of sand-based ore, which is estimated to include 150 million ounces of gold and 320 million ounces of silver, as well as platinum and valuable rare earth minerals.

We have agreed to loan VivaVentures Precious Metals, LLC sufficient funds to conduct the mining operations, including construction of additional thermal vaporization machines. We anticipate that the total capital required to implement the business plan is approximately $10 million over a period of two years.

Kyrgyz Alumina, Inc. We have entered into agreements to acquire a 39% ownership interest in certain mining claims in Kyrgyzstan and technology for the extraction of alumina from clay-based ore found on the property. We believe that the technology, which has been validated by the Russian Academy of Sciences, along with the precious metals extraction technology, could result in an extraction process, which will yield one of the largest alumina deposits in the world on current claims owned in Kyrgyzstan. Kyrgyz Alumina estimates increasing processing of raw alumina clay to over 10,000 tons monthly, yielding almost 28% in alumina concentrate. Based on assays of mineral deposits covering about 1,000 square kilometers, the claims contain an estimated $100 million of alumina.

Alternative Energy. We have agreed to acquire a minority ownership position in QuantumSphere, Inc. (**"QSI"**), an industry leader in the design, development and manufacture of high-performance, low-cost, zinc-air power systems targeted at the $50 billion portable power market. QSI was founded in 2003 and is based in Santa Ana, California. QSI's ISO 9001:2008 certified advanced catalyst production processes deliver a line of safe, reliable MetAir™ power generation products with the highest energy density of any commercially available primary battery and at the lowest cost per kilowatt hour.

Natural and Formulary Products. Our company developed two bioactive beverages in the nutraceutical/supplement space, RegeneBlend and RegeneBoost. RegeneBlend is a highly concentrated extract of natural products rich in antioxidants and other phytochemicals. RegeneBoost is a nutraceutical, bioactive beverage enriched with phytochemicals and antioxidants. In December 2009, our company entered into an agreement with Regeneca International, Inc. (**"Regeneca"**) giving Regeneca the exclusive rights to distribute RegeneBoost in the direct-to-consumer market. In 2012, our company reacquired the rights to market and sell RegeneBoost and RegeneBlend.

In addition, our company has acquired from Matthew Nicosia, our CEO, the rights to market RegeneSlim weight loss and other supplement products. These products currently generate approximately $100,000 per month in gross sales through multilevel marketing sales channels. We anticipate that we could achieve an annual sales rate of approximately $3.0 million of the RegeneSlim products during fiscal year 2014.

We also have entered into acquisition commitments with Well-Med Global LLC (**"Well-Med"**), a natural skin care company that has current sales and distribution for its proprietary tissue growth factor topical products, which are designed to promote cell growth. Pursuant to the terms of the agreement with Well-Med, our company will invest in and assist with the growth of the distribution business. We have agreed to invest approximately $10 million in Well-Med over two years to assist in the marketing and distribution of Well-Med's products in exchange for a royalty on all product sales. Well-Med expects to achieve $2.5 million in sales during its pre-launch period and expects to achieve $5 million in sales during the 12 months immediately following its pre-launch period.

Cryovials. We have developed commercial products for cryogenic preservation and storage through our VivaThermic Cryovials (USPTO Utility Patent # 12423998). We have not actively marketed cryovials, but we occasionally sell cryovials as a result of customer solicitation.

Future Products; Research and Acquisition

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

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

We formed VivaCeuticals, Inc., our minority-owned subsidiary (approximately 15%), to continue seeing as acquisition candidates and potentially acquiring consumer products in the natural and formulary products industry.

Competition

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

Governmental Regulation

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

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

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

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

Environmental Regulation

Some aspects of our company's mining, mineral extraction and alternative energy businesses may be subject to certain environmental laws. We have not yet determined the costs and effects of compliance with such environmental laws. Any failure by our company to comply with applicable federal, state or local environment laws could subject our company to enforcement action, including civil and criminal penalties, any one or more of which could have a material adverse effect on our company.

Employees

As of December 31, 2013, we had 15 full-time employees, consisting of our CEO, who performs all financial, administrative and operational activities, our Director of Finance and additional administrative personnel.

Principal Executive Office

Our principal executive office is located at 18 Technology, Suite 205, Irvine, California 92618. Our telephone number is (949) 887-6890.

RISK FACTORS

Risks Relating to our Business

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

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

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

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

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

We had an accumulated deficit of $7,268,585 as of December 31, 2013, and we expect to continue to incur significant development expenses in the foreseeable future related to the completion of development and commercialization of our products. As a result, we are incurring substantial operating and net losses, and it is possible that we never will be able to sustain or develop the revenue levels necessary to attain profitability. If we fail to generate sufficient revenues to operate profitably, or if we are unable to fund our continuing losses, you could lose all or part of your investment.

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

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

We expect to raise additional capital during 2013 and 2014, but we do not have any firm commitments for funding. If we are unsuccessful in raising additional capital or the terms of raising such capital are unacceptable, then we may have to modify our business plan and/or curtail our planned activities and other operations.

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

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

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

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

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

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

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

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

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

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

We could be damaged by product liability claims.

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

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

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

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

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

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

Risks Relating to our Stock

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

In August 2011, our company agreed to convert $200,000 of accrued salary and wages owed to Matthew Nicosia, our CEO, into 1,000,000 shares of our Series A Preferred Stock. Effective as of November 2011, Matthew Nicosia transferred these 1,000,000 shares of our Series A Preferred Stock to AKMN Irrevocable Trust, of which Matthew Nicosia is the trustee, and Johnathan Nicosia (Matthew Nicosia's son) is the beneficiary. Effective as of September 30, 2013, our company agreed to convert $1,000,000 of payables owed to Matthew Nicosia into an additional 1,000,000 shares of our Series A Preferred Stock. At Mr. Nicosia's request, we issued these additional 1,000,000 shares of our Series A Preferred Stock directly to AKMN Irrevocable Trust. Accordingly, immediately following such issuance and continuing through the date hereof, AKMN Irrevocable Trust is the record holder of 2,000,000 shares of our Series A Preferred Stock. The Series A Preferred Stock provides for 25 votes for each share of Common Stock into which such shares of Series A Preferred Stock can then be converted (with a current conversion ratio of 10 shares of Common Stock for each outstanding share of Series A Preferred Stock), resulting in AKMN Irrevocable Trust (currently) having 500,000,000 votes, representing voting control of our company. Matthew Nicosia, our CEO, has voting power over these shares (*i.e.*, he has the power to vote or to direct the voting of these shares), which permits him to control the affairs of our company.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

We have adopted and may in the future adopt certain measures that may have the effect of delaying, deferring or preventing a takeover or other change in control of our company that a holder of our Common Stock might consider in its best interest. Specifically, our board of directors, without further action by our stockholders, currently has the authority to issue up to 48,000,000 additional shares of Preferred Stock (not counting the 2,000,000 shares of Series A Preferred Stock or the 50,000,000 shares of Series B Preferred Stock) and to fix the rights (including voting rights), preferences and privileges of these shares ("blank check" Preferred Stock). Such Preferred Stock may have rights, including economic rights, senior to our Common Stock. As a result, the issuance of the Preferred Stock could have a material adverse effect on the price of our Common Stock and could make it more difficult for a third party to acquire a majority of our outstanding Common Stock.

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

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

PROPERTIES

We currently lease executive office space in Henderson, Nevada and Irvine, California as our principal offices. The current lease is a month to month lease at a monthly base rent of approximately $6,500 throughout the term. Additionally the company has VivaThermic offices in Des Moines, Iowa and an executive office in Las Vegas, Nevada. Each office is on a month to month lease. We believe these facilities are in good condition, but that we may need to expand our leased space as needs increase.

LEGAL PROCEEDINGS

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

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

Market Information

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

	High	Low
Fiscal Year ended December 31, 2013		
Fourth Quarter	$ 0.45	$ 0.07
Third Quarter	0.45	0.07
Second Quarter	0.45	0.1
First Quarter	0.11	0.04

	High	Low
Fiscal Year ended December 31, 2012		
Fourth Quarter	$ 0.08	$ 0.002
Third Quarter	0.06	0.01
Second Quarter	0.05	0.01
First Quarter	0.01	0.004

Transfer Agent

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

Holders of Common Stock

Our stockholder list contains the names of approximately 150 registered stockholders of record of the Company's Common Stock on December 31, 2013. This number does not include beneficial owners of our common stock whose shares are held in the names of various dealers, clearing agencies, banks, brokers and other fiduciaries.

Dividends and Stock Repurchases

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

Purchases of Equity Securities

During the year ended December 31, 2013, we did not repurchase any of our securities.

Securities Authorized for Issuance Under Equity Compensation Plans

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

Sales of Unregistered Securities

In March 2011, the Company converted $59,757 in convertible note principal into 72,048 shares of common stock.

In April, 2011 the Company effectuated a 1-for-1000 reverse split of its common stock, the effects of which are reflected in this Annual Report.

In March 2011, the Company converted $200,000 in accrued liabilities into 1,000,000 shares of Series A Preferred Stock.

In August 2012, the Company issued 20,010,000 shares of commons stock to five shareholders in exchange for the conversion of debt in an aggregate amount of $361,000.

In September 2013, the Company converted $1,000,000 in payables owed into 1,000,000 shares of Series A Preferred Stock.

In December 2013, the Company converted $855,000 of convertible debt into 4,275 shares of Series B Preferred Stock.

In December 2013, the Company completed a 10-for-1 forward stock split of its common stock, the effects of which are reflected in this Annual Report.

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

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

Plan of Operation

The Company intends to continue sales of its existing commercial products, while developing a new business plan and strategy to acquire or invest in new technologies in the mining and mineral, alternative energy and natural products industries.

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

Liquidity and Capital Resources

At December 31, 2013, the Company had $1,834,829 in cash and cash equivalents and our current liabilities consisted of $8,857 in accounts payable, $4,963,298 in notes payable, and a $166,789 grant payable. The grant payable is required to be repaid upon the occurrence of certain events, including termination of office facilities in Iowa.

Cash and cash equivalents increased by $1,716,589 as of December 31, 2013 from $118,240 on December 31, 2012. The increase is mainly attributed to the Company completing its public offering and issuing notes payable.

Net cash provided by financing activities as of December 31, 2013 was $2,376,589, received mainly by the Company completing its public offering and issuing notes payable.

No significant cash was provided by or used in operating activities in 2013. In 2013 and 2012, respectively, net cash provided by investing activities was $0.

As of December 31, 2012, the Company commenced a private offering of convertible notes to raise $5,000,000, which was completed as of December 31, 2013. The notes bear interest at 12% per annum and mature in 12 months from investment. As of December 16, 2013, the Company commenced a private offering of Series B Preferred Stock, from which the Company intends to raise an additional $10,000,000 by issuing 50,000,000 shares of 12.5% Cumulative Redeemable Series B Preferred Stock at an offering price of $0.20 per share.

We do have sufficient cash on hand to fund our administrative and marketing functions, and investments in VivaCeuticals, Inc., but we do not have sufficient cash on hand to fund our proposed investments in precious metals technology expansion for the next twelve months. During 2012 we reacquired the rights to distribute VivaBlend and VivaBoost, and acquired the rights to the weight loss and similar products relating to RegeneSlim. These products constitute the primary source of revenue, which remains insufficient to support and sustain certain operations in all of our investments. In order to meet our obligations as they come due and to fund the expansion of our asset acquisition strategy, we will require new funding to pay for these expenses. We may do so through loans from current stockholders, public or private equity or debt offerings, grants or strategic arrangements with third parties. There can be no assurance that additional capital will be available to the Company. We currently have no agreements, arrangements or understandings with any person to obtain funds through bank loans, lines of credit or any other sources.

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

Critical Accounting Policies

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

We regularly evaluate the accounting policies and estimates that we use to prepare our consolidated financial statements. In general, management's estimates are based on historical experience, on information from third party professionals, and on various other assumptions that are believed to be reasonable under the facts and circumstances. Actual results could differ from those estimates made by management.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Vivakor, Inc., its wholly owned subsidiaries Vivasight, Inc., Vivathermic, Inc. and VivaVentures, Inc., all of which were formed on February 19, 2009, and its majority owned subsidiary, HealthAmerica, Inc. ("HealthAmerica"), a Nevada corporation. On October 20, 2008, the Company acquired approximately 84% of HealthAmerica's outstanding shares. On December 9, 2009, the Company distributed a number of its shares of HealthAmerica common stock to its stockholders of record on December 1, 2009, reducing its interest in HealthAmerica to approximately 62%. All intercompany transactions have been eliminated in consolidation. Vivakor is considered to hold a noncontrolling interest in HealthAmerica's net operating results calculated at approximately 38%. Vivasight and Vivathermic are all currently inactive.

For the year ended December 31, 2012, the Company acquired a 39% interest in VivaVentures Precious Metals, LLC ("Precious Metals"), and exercises significant influence over the investee, which will be accounted for using the equity method and is included in Equity and cost method investments. Consolidated net income includes the Company's proportionate net income or loss of this company. The carrying value of the Company's equity method investment is increased and decreased by the Company's proportionate share of the net income or loss and other comprehensive income ("OCI") of this company. The carry value of our equity method investment is also decreased by dividends the Company receives from the investee.

For the year ended December 31, 2012, the Company acquired a noncontrolling interest in and does not exercise significant influence over the investee, VivaCeuticals Inc. (dba Regeneca Worldwide, Inc.), a private company, which is accounted for using the cost method and is included in Equity and cost method investments .

For the year ended December 31, 2012, the Company acquired a noncontrolling interest in and does not exercise significant influence over the investee, QuantumSphere Inc., a private company, which is accounted for using the cost method and is included in Equity and cost method investments.

For the year ended December 31, 2013, the Company acquired a 39% interest in Kyrgyz Alumina, Inc. ("Kyrgyz Alumina"), and exercises significant influence over the investee, which will be accounted for using the equity method and is included in Equity and cost method investments. Consolidated net income includes the Company's proportionate net income or loss of this company. The carrying value of the Company's equity method investment is increased and decreased by the Company's proportionate share of the net income or loss and other comprehensive income ("OCI") of this company. The carry value of our equity method investment is also decreased by dividends the Company receives from the investee.

Impairment of Long-Lived Assets

Long-lived assets, which primarily consist of patents, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the assets to the future net cash flows expected to be generated by such assets. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. The Company did not recognize any impairment loss for long-lived assets for the years ended December 31, 2013 and 2012.

Revenue Recognition

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

The above listing is not intended to be a comprehensive list of all of our accounting policies. See our audited consolidated financial statements and notes thereto which begin on page F-1 of this Annual Report, which contain accounting policies and other disclosures required by accounting principles generally accepted in the U.S.

Recent Accounting Pronouncements

Information regarding recent accounting pronouncements is contained in Note 2 to consolidated financial statements attached to this Annual Report.

Results of Operations

Comparison of the Twelve Months ended December 31, 2013 and 2012

As of December 31, 2013, the Company had a net loss of $960,313 compared to a net loss of $744,020 as of December 31, 2012. The net loss as of December 31, 2013 is attributed to the amortization of patents and interest expense from notes payable. The net loss as of December 31, 2012 is mainly attributed to the amortization of patents. The increase in interest expense as of December 31, 2013 is due to the notes taken on through the 2012 $5M private offering.

In 2012, the Company entered into a royalty agreement with an affiliate to assist in marketing and distribution of its products. The Company has agreed to invest approximately $10.0 million over two years to assist in marketing and distribution of the distributor's products in exchange of a royalty on all products sales. As of December 31, 2013 and 2012, royalty revenue was $84,296 and $12,297. The royalty agreement was only in effect for less than a quarter for the year ended December 31, 2012.

The Company's research and development expense decreased from $745,172 in December 31, 2012 to $618,583 as of December 31, 2013. The decrease is mainly due to the expiration of the HealthAmerica patent in the fourth quarter of 2013. The patent was derecognized as of December 31, 2013. General and administrative expenses decreased from

$339,435 as of December 31, 2012 to $177,051 as of December 31, 2013. The decrease is mainly due to a decrease in consulting expenses from 2012. Such consulting expenses were in relation to the implementation of the Company's new business model.

Off-Balance Sheet Arrangements

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

FINANCIAL STATEMENTS

Attached are the unaudited consolidated financial statements of the Company for the years ended December 31, 2013 and 2012, and the unaudited consolidated financial statements of the Company for the year ended December, 2012 and 2011. See the Index to Financial Statements at page F-1.

DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Directors

We currently have only one member of the Board of Directors and have four vacancies on the Board. We anticipate filling such vacancies as qualified candidates are identified and agree to serve. We have not yet identified any candidates.

Matthew Nicosia has served as a director of our Company since November, 2008. From 2000 to 2007, prior to joining the Company as Executive Chairman of the Board, Mr. Nicosia was the founder and Chief Executive Officer and served as a director of Dermacia, Inc., a company that became insolvent and subject to foreclosure proceedings by its principal creditor in 2008. While founding Dermacia, Inc., in 2002, Mr. Nicosia co-founded Quantum Sphere, Inc. and served as a director until 2004. Mr. Nicosia also currently sits on the Board of Directors and is a principal of Regeneca, Inc., and is a director of several private companies. Mr. Nicosia received his Bachelor of Arts degree from Brigham Young University and an MBA degree from Pepperdine University. Mr. Nicosia had been an executive officer and director of Dermacia, Inc., a private medical cosmetic company.

Executive Officers

Name	Age	Position
Matthew Nicosia	39	Executive Chairman of the Board, Chief Executive Officer, Chief Financial Officer and Secretary

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

Code of Ethics

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

EXECUTIVE COMPENSATION

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

Name and Principal Position	Year	Salary	Bonus	(2) Option Awards	(1) All Other Compensation	Total Compensation
Matt Nicosia [1]	2013	$ 60,000	$ 0	$ 0	$ 0	$ 0
Exec. Chairman of the Board, CEO, CFO and Secretary	2012	$ 0	$ 0	$ 0	$ 0	$ 0

Our CEO does not have a written employment agreement.

Outstanding Equity Awards at Fiscal Year End

The Company has not issued any equity awards during 2013 and all prior equity awards have been either fully exercised, relinquished or extinguished by their terms.

Director Compensation

Our director does not receive any additional consideration

Audit, Compensation and Nominating Committees

As noted above, our common stock is listed on the Pink Sheets, which does not require companies to maintain audit, compensation or nominating committees. Considering the fact that we are an early stage company, we do not maintain standing audits, compensation or nominating committees. The functions typically associated with these committees are performed by the entire Board of Directors which currently consists of four members two of whom are considered independent.

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

Beneficial Ownership of Common Stock

The following table sets forth, to the knowledge of the Company, certain information regarding the beneficial ownership of the Company's Common Stock as of December 31, 2012 by (i) each person known by the Company to be the beneficial owner of more than 5% of the outstanding Common Stock, (ii) each of the Company's directors, (iii) each of the named executive officers in the Summary Compensation Table and (iv) all of the Company's executive officers and directors as a group. Except as indicated in the footnotes to this table, the Company believes that the persons named in this table have sole voting and investment power with respect to the shares of Common Stock indicated.

Directors, Officers and 5% Stockholders	Shares of Common Stock Beneficially Owned	Percent of Common Stock Beneficially Owned	Shares of Series A Preferred Stock Beneficially Owned	Percent of Series A Preferred Stock Beneficially Owned
AKMN Irrevocable Trust	160,101,110	78.8%	2,000,000	100.00%
Matt Nicosia	7,850	*		

* Less than 1%

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

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

Related Party Transactions

On September 30, 2013, the Company agreed to convert $1,000,000 of payables owed to Matthew Nicosia into 1,000,000 shares of our Series A Preferred Stock. At Mr. Nicosia's request, the Company issued these shares of our Series A Preferred Stock directly to AKMN Irrevocable Trust.

As of December 31, 2013 and 2012, the Company engaged consultants that are stockholders of the Company, to provide financial consulting, investor relations and legal services. Total fees incurred to these stockholders totaled $0 and $25,000 for the years ended December 31, 2013 and 2012.

As of December 31, 2013, loans and advances from related parties of $34,564 were offset with receivables due from these related parties.

As of December 31, 2012, the Company received an investment in an affiliate with a fair value of $41,234 to offset the accounts receivable due from the affiliate. The investment is accounted for using the cost method and is included in “Equity and cost method investments” as noted in the consolidated financial statements at F-1.

Director Independence

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

ISSUER CERTIFICATION

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

1. I have reviewed this Annual Report of Vivakor, Inc.

2. Based on my knowledge, this Annual Report does not contain any untrue statement of material fact or omit to state any fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by the Annual Report; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this Annual Report, fairly present in all material respects the financial condition, results of operations and cash flows of Vivakor, Inc. as of, and for, the periods presented in this Annual Report.

March 18, 2014

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Matt Nicosia, CEO

VIVAKOR, INC.

Index to Consolidated Financial Statements

Consolidated Financial Statements of Vivakor, Inc. for 2013 and 2012

Vivakor, Inc.
Condensed Consolidated Balance Sheets
For the Years Ended December 31, 2013 and 2012
(Unaudited)

	December 31, 2013	December 31, 2012
Assets		
Current assets		
Cash and cash equivalents	$ 1,834,829	$ 118,240
Accounts receivable	84,296	12,296
Total current assets	1,919,125	130,536
Equity and cost method investments	333,483	333,483
Notes receivable	2,988,531	-
Patents, net	-	618,282
Total Assets	$ 5,241,139	$ 1,082,301
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	$ 8,857	$ 634,715
Accrued wages	-	369,077
Loans and advances from related parties	-	34,564
Grant payable	166,789	166,789
Notes payable	4,963,298	453,249
Total current liabilities	5,138,944	1,658,394
Deferred income taxes	-	216,399
Total liabilities	5,138,944	1,874,793
Stockholders' equity:		
Preferred stock, $.001 par value; 100,000,000 shares authorized;		
Series A- 2,000,000 and 1,000,000 outstanding as of 2013 and 2012	2,000	1,000
Series B- 12.5%, cumulative, 4,275,000 and zero outstanding as of 2013 and 2012	4,275	-
Common stock, $.001 par value; 700,000,000 shares authorized; 203,135,860 and 20,246,506 were issued and outstanding as of 2013 and 2012	203,136	20,246
Additional paid-in capital, preferred stock	2,048,725	199,000
Additional paid-in capital, common stock	5,112,644	5,295,534
Accumulated deficit	(7,268,585)	(6,422,109)
Total Vivakor, Inc. stockholders' equity	102,195	(906,329)
Noncontrolling interest	-	113,837
Total stockholders' equity	102,195	(792,492)
	$ 5,241,139	$ 1,082,301

Vivakor, Inc.
Condensed Consolidated Statements of Operations
For the Years Ended December 31, 2013 and 2012
(Unaudited)

	December 31, 2013	December, 31 2012
Revenues	$ 84,330	$ 12,297
Cost of revenues	-	-
Gross profit	84,330	12,297
Operating expenses:		
Research and development	618,583	745,172
Sales and marketing	720	185
General and administrative	177,051	339,435
Total operating expenses	796,354	1,084,792
Loss from operations	(712,024)	(1,072,495)
Interest expense	(464,688)	-
Loss before income tax	(1,176,712)	(1,072,495)
Benefit for income taxes	216,399	259,678
Net loss	(960,313)	(812,817)
Less: Net loss attributable to the noncontrolling interest	(113,837)	(136,528)
Net loss attributable to Vivakor, Inc.	$ (846,476)	$ (676,289)
Net loss per share:		
Basic and diluted	$ (0.03)	$ (2.77)
Weighted average shares - Basic and diluted	28,241,136	244,163

Vivakor, Inc.
Consolidated Statements of Stockholders' Equity
For the Years Ended December 31, 2013 and 2012

	Preferred Stock					Common Stock					
	Series A		Series B		Additional Paid-In			Additional Paid-In	Accumulated	Noncontrolling	
	Shares	Amount	Shares	Amount	Capital	Shares	Amount	Capital	(Deficit)	Interest	Equity
Stockholders' equity balance December 31, 2011	1,000,000	$ 1,000	-	$ -	$ 199,000	236,506	$ 236	$ 4,928,510	(5,745,820)	$ 250,365	(366,709)
Issuance of common shares for reduction of debts	-	-	-	-	-	20,010,000	20,010	340,990	-	-	361,000
Stock-based compensation expense	-	-	-	-	-	-	-	26,034	-	-	26,034
Net loss	-	-	-	-	-	-	-	-	(676,289)	(136,528)	(812,817)
Stockholders' equity balance December 31, 2012	1,000,000	$ 1,000	-	$ -	$ 199,000	20,246,506	$ 20,246	$ 5,295,534	$ (6,422,109)	113,837	$ (792,492)
Issuance of preferred-Series A shares for reduction of liabilities	1,000,000	1,000	-	-	999,000	-	-	-	-	-	1,000,000
Issuance of preferred-Series B shares for reduction of notes payable	-	-	4,275,000	4,275	850,725	-	-	-	-	-	855,000
Common stock forward split 10-for-1 and par restructure	-	-	-	-	-	182,889,354	182,890	(182,890)	-	-	-
Net loss	-	-	-	-	-	-	-	-	(846,476)	(113,837)	(960,313)
Stockholders' equity balance September 30, 2013	2,000,000	$ 2,000	4,275,000	$ 4,275	$ 2,048,725	203,135,860	$ 203,136	$ 5,112,644	$ (7,268,585)	-	$ 102,195

Vivakor, Inc.
Condensed Consolidated Statements of Cash Flows
For the Years Ended December 31, 2013 and 2012
(Unaudited)

	December 31, 2013	December 31, 2012
Operating Activities		
Net loss	$ (960,313)	$ (812,817)
Depreciation and amortization	618,282	741,938
Stock option compensation expense	-	26,034
Deferred income taxes	(216,399)	(259,678)
Adjustments to reconcile net loss used in operating activities:		
Changes in operating assets and liabilities:		
Accounts receivable	(72,000)	(12,296)
Accounts payable	(59,499)	271,600
Accrued wages	30,000	-
Net cash used in operating activities	(659,929)	(45,219)
Financing activities		
Investments in affiliates	(2,988,531)	(99,000)
Proceeds from issuance of notes payable	5,365,049	260,000
Net cash provided by financing activities	2,376,518	161,000
Net change in cash and cash equivalents	1,716,589	115,781
Cash and cash equivalents- beginning of period	118,240	2,459
Cash and cash equivalents- end of period	$ 1,834,829	$ 118,240
Noncash transactions**:**		
Offset of loans payable for investments in affiliates	$ -	$ 193,249
Preferred stock- Series B shares issued for a reduction in notes payable	$ 855,000	$ -
Offset of accounts receivable with investments received in affiliates	$ -	$ 41,234
Preferred stock- Series A shares issued for a reduction in payables	$ 1,000,000	$ 361,000

Vivakor, Inc.
Notes to Condensed Consolidated Statements
For the Years Ended December 31, 2013 and 2012
(Unaudited)

1. Organization and Basis of Presentation

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

The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and pursuant to the rules and regulations of the Securities and Exchange Commission. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements. In the opinion of management, any adjustments considered necessary for a fair presentation have been included.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Vivakor, Inc., its wholly owned subsidiaries Vivasight, Inc., Vivathermic, Inc. and Vivaventures, Inc., all of which were formed on February 19, 2009, and its majority owned subsidiary, HealthAmerica, Inc. ("HealthAmerica"), a Nevada corporation. On October 20, 2008, the Company acquired approximately 84% of HealthAmerica's outstanding shares. On December 9, 2009, the Company distributed a number of its shares of HealthAmerica common stock to its stockholders of record on December 1, 2009, reducing its interest in HealthAmerica to approximately 62%. All intercompany transactions have been eliminated in consolidation. Vivakor is considered to hold a noncontrolling interest in HealthAmerica's net operating results calculated at approximately 38%. Vivasight and Vivathermic are all currently inactive.

For the year ended December 31, 2012, the Company acquired a 39% interest in Vivaventures Precious Metals, LLC("Precious Metals"), and exercises significant influence over the investee, which will be accounted for using the equity method and is included in "Equity and cost method investments". Consolidated net income includes the Company's proportionate net income or loss of this company. The carrying value of the Company's equity method investment is increased and decreased by the Company's proportionate share of the net income or loss and other comprehensive income ("OCI") of this company. The carry value of our equity method investment is also decreased by dividends the Company receives from the investee.

For the year ended December 31, 2012, the Company acquired a noncontrolling interest in and does not exercise significant influence over the investee, VivaCeuticals Inc. (dba Regeneca Worldwide, Inc.), a private company, which is accounted for using the cost method and is included in "Equity and cost method investments".

For the year ended December 31, 2012, the Company acquired a noncontrolling interest in and does not exercise significant influence over the investee, QuantumSphere Inc., a private company, which is accounted for using the cost method and is included in "Equity and cost method investments".

For the year ended December 31, 2013, the Company acquired a 39% interest in Kyrgyz Alumina, Inc. ("Kyrgyz Alumina"), and exercises significant influence over the investee, which will be accounted for using the equity method and is included in Equity and cost method investments. Consolidated net income includes the Company's proportionate net income or loss of this company. The carrying value of the Company's equity method investment is increased and decreased by the Company's proportionate share of the net income or loss and other comprehensive income ("OCI") of this company. The carry value of our equity method investment is also decreased by dividends the Company receives from the investee.

Accounts Receivable

Accounts receivables are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Accounts receivables are written off when deemed uncollectible. Recoveries of trade receivables previously written off are recorded when received. As of December 31, 2012, the Company received an investment in an affiliate with a fair value of $41,234 to offset the customer's balance. The allowance for doubtful accounts was zero at December 31, 2013 and 2012.

Equity Method Investments

Consolidated net income includes the Company's proportionate net income or loss of equity investments. The carrying value of the Company's equity method investments is increased and decreased by the Company's proportionate share of the net income or loss and other comprehensive income ("OCI") of the investee. The carrying value of our equity method investment is also decreased by dividends the Company receives from the investee. For the year ended December 31, 2013, the Company acquired a 39% interest in Kyrgyz Alumina and will account for the investment using the equity method. As of December 31, 2012, the Company acquired an investment with a 39% interest in VivaVentures Precious Metals and will account for the investment using the equity method.

Impairment of Long-Lived Assets

Long-lived assets, which primarily consists of patents, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the assets to the future net cash flows expected to be generated by such assets. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. The Company did not recognize any impairment loss for long-lived assets for the years ended December 31, 2013 and 2012.

Convertible Instruments

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

Derivative Financial Instruments

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

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

Revenue Recognition

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

Net Loss Per Share

Basic net loss per share is calculated by dividing the net loss by the weighted-average number of common shares outstanding for the period, without consideration for common stock equivalents. Diluted net loss per common share is computed by dividing the net loss by the weighted-average number of common share equivalents outstanding for the period determined using the treasury-stock method if their effect is dilutive.

Use of Estimates

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

3. Notes Receivable

For the year ended December 31, 2013, the Company entered into agreements for notes receivable in the amount of $2,985,046 from affiliates. The notes bear interest at 12% per annum, and mature 12 months from issuance.

4. Convertible Notes Payable

As of December 31, 2012, the Company commenced a private offering of convertible notes to raise $5,000,000, which was completed as of December 31, 2013. The notes bear interest at 12% per annum and mature in 12 months from investment. As of December 16, 2013, the Company commenced a private offering of Series B Preferred Stock, from which the Company intends to raise an additional $10,000,000 by issuing 50,000,000 shares of 12.5% Cumulative Redeemable Series B Preferred Stock at an offering price of $0.20 per share.

As of December 31, 2013 and 2012, the Company carried notes payable that convert to stock in the amount of $4,963,298 and $453,249. The notes bear interest at 12% per annum, mature in 12 months from issuance. The notes convert at the Company’s option, and may be converted into shares of common stock. The conversion price is generally equal to 10% of the average of the lowest three closing bid price on the Over-the-Counter Bulletin Board in the ten day trading period prior to the date of the notice of conversion, or $0.25 per share, which ever less. The note may be prepaid without the holder’s consent and is subject to a prepayment penalty.

5. Stockholders' Equity

Series A and Series B Preferred Stock

The Company is authorized to issue 100,000,000 shares of preferred stock. The Company has issued 2,000,000 shares of Series A Preferred Stock as of December 31, 2013. Shares of Series A Preferred Stock are convertible after issuance, at any time at the option of the holder, into shares of Common Stock (with a current conversion ratio of 10 shares of Common Stock for each outstanding share of Series A Preferred Stock). The conversion price is subject to adjustment under certain customary circumstances, including as a result of stock splits and combinations, dividends and distributions and certain issuances of common stock. Holders of shares of Series A

Preferred Stock will have the right to 25 votes for each share of Common Stock into which such shares of Series A Preferred Stock can then be converted (with a current conversion ratio of 10 shares of Common Stock for each outstanding share of Series A Preferred Stock) and the right to a liquidation preference. Holders of shares of Series A Preferred Stock are not currently entitled to dividends. The Company has the right, but not the obligation, to redeem shares of Series A Preferred Stock.

The Company has issued 4,275,000 of Series B Preferred Stock as of December 31, 2013. Shares of Series B Preferred Stock are convertible one year after issuance, at any time at the option of the holder, into shares of Common Stock (with a current conversion ratio of one share of Common Stock for each outstanding share of Series B Preferred Stock). In addition, automatic conversion of shares of Series B Preferred Stock into shares of Common Stock may occur due to public offerings entered into or by written consent of a majority of the holders of Series B Preferred Stock. The conversion price is subject to adjustment under certain customary circumstances, including as a result of stock splits and combinations, dividends and distributions and certain issuances of common stock. The Company has the right, but not the obligation, to redeem shares of Series B Preferred Stock one year after issuance.

Holders of Series B Preferred Stock will have the right to one vote for each share. Dividends are 12.5% and cumulative and are payable only when, as and if declared by the Board of Directors. As of December 31, 2013 there were no conversions of preferred stock.

On September 30, 2013, the Company issued 1,000,000 shares of Series A Preferred Stock for a $1,000,000 reduction in Company debt.

In December 2013, the Company issued 4,275,000 shares of Series B Preferred Stock for a $849,375 reduction in convertible debt to owed to investors and $5,625 in cash.

Common Stock

The Company is authorized to issue 700,000,000 shares of common stock. As of December 31, 2013 and 2012, there were 203,135,860 and 20,246,506 shares of our common stock issued and outstanding.

On August 24, 2012, the Company issued 20,010,000 shares of common stock for a $361,000 reduction in debts owed to investors.

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

6. Income Taxes

The income tax benefit for the years ended December 31, 2013 and 2012 was $216,399 and $259,678, respectively, and relates to the amortization of acquired HealthAmerica patents.

As of December 31, 2013 and 2012, net deferred tax assets were zero and $216,399 with a related valuation allowance in 2012 of $216,399. Deferred tax assets represent future tax benefits to be received when certain expenses and losses previously recognized in the financial statements become deductible under applicable income tax laws. The realization of deferred tax assets is dependent on future taxable income against which these deductions can be applied. The Company has established the valuation allowance because it is more likely than not that all or a portion of the deferred tax assets will not be realized. Periodic adjustments will be made to the valuation allowance in future periods if there are changes in the evidence of realizability.

As of December 31, 2013, there is no deferred tax liability due to the patents expiring and being derecognized. As of December 31, 2012, the deferred tax liability of $216,399 consists of the difference in book and tax carrying value of the acquired HealthAmerica patents.

7. Fair Value Measurements

The Company has categorized its financial assets and financial liabilities that are recorded at fair value into a hierarchy in accordance with ASC 820, *Fair Value Measurements and Disclosure*, ("ASC 820") based on whether the inputs to valuation techniques are observable or unobservable. The fair value hierarchy contains three levels of inputs that may be used to measure fair value as follows:

Level 1 – Inputs represent quoted prices in active markets for identical assets and liabilities as of the measurement date.

Level 2 – Inputs, other than those included in Level 1, represent observable measurements for similar instruments in active markets, or identical or similar instruments in markets that are not active, and observable measurements or market data for instruments with substantially the full term of the asset or liability.

Level 3 – Inputs represent unobservable measurements, supported by little, if any, market activity, and require considerable assumptions that are significant to the fair value of the asset or liability.

Market valuations must often be determined using discounted cash flow methodologies, pricing models or similar techniques based on the Company's assumptions and best judgment. The asset or liability's fair value within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Under ASC 820, fair value measurements are determined based on the assumptions that market participants would use in pricing the asset or liability in an orderly transaction at the measurement date. Valuation techniques used to maximize the use of observable inputs and minimize the use of unobservable inputs and consider assumptions such as inherent risk, transfer restrictions and risk of nonperformance.

Fair Value Measurements on a Recurring Basis

The following tables set forth information regarding the Company's financial instruments that are measured at fair value on a recurring basis in the accompanying consolidated balance sheets as of December 31, 2013 and 2012:

			Fair Value Measurement Using		
		Fair value	Quoted prices in active markets (Level 1)	Significant inputs observable (Level 2)	Significant inputs unobservable (Level 3)
December 31, 2013					
Equity and cost method investments	$	333,483	-	333,483	-
December 31, 2012					
Equity and cost method investments	$	333,483	-	333,483	-

The Company recognizes transfers in and out of every level at the end of each reporting period. There were no transfers between any levels during the years ended December 31, 2013 and 2012. Other assets in the consolidated balance sheets include marketable securities consisting of corporate equity securities and asset-backed securities that are classified as available for sale. Net unrealized gains and losses on available-for-sale securities that are deemed to be temporary in nature are recorded as a component of accumulated other comprehensive income in redeemable noncontrolling interests, shareholders' equity and noncontrolling interest.

The carrying values of cash and cash equivalents, receivables, accounts payable, accrued wages, grants payable, and the notes payable are reasonable estimates of their fair values because of the short-term nature of these financial instruments. Based on the interest rates for similar financial instruments, the carrying value of other notes receivable and notes payable is a reasonable estimate of fair value.

Fair Value Measurements on a Nonrecurring Basis

The Company measures the fair value of certain long-lived assets on a nonrecurring basis, through quarterly impairment testing or when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. The Company considers both quantitative and qualitative factors in its impairment analysis of long-lived assets. Due to the significant unobservable estimates and assumptions used in the valuation of long-lived assets, the Company has classified them under Level 3 in the fair value hierarchy.

The following tables set forth information regarding the Company's assets that are measured at fair value on a nonrecurring basis:

		Fair Value Measurement Using		
	Fair value	Quoted prices in active markets (Level 1)	Significant inputs observable (Level 2)	Significant inputs unobservable (Level 3)
December 31, 2012				
Patents, net	$ 618,282	-	-	618,282

8. Loans and Advances From Related Parties and Other Related Party Transactions

On September 30, 2013, the Company agreed to convert $1,000,000 of payables owed to Matthew Nicosia into 1,000,000 shares of our Series A Preferred Stock. At Mr. Nicosia's request, the Company issued these shares of our Series A Preferred Stock directly to AKMN Irrevocable Trust, for which Mr. Nicosia is the trustee.

As of December 31, 2013 and 2012, the Company engaged consultants that are stockholders of the Company, to provide financial consulting, investor relations and legal services. Total fees incurred to these stockholders totaled $0 and $25,000 for the years ended December 31, 2013 and 2012.

As of December 31, 2013, loans and advances from related parties of $34,564 were offset with receivables due from these related parties.

As of December 31, 2012, the Company received an investment in an affiliate with a fair value of $41,234 to offset the accounts receivable due from the affiliate. The investment is accounted for using the cost method and is included in "Equity and cost method investments".