

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

Vivakor, Inc.

A Nevada Corporation

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SIC codes 8731, 1000 and 2833

Quarterly Report

For the Period Ending: March 31, 2020
(the "Reporting Period")

As of March 31, 2020, the number of shares outstanding of our Common Stock was:

311,223,975

As of December 31, 2019, the number of shares outstanding of our Common Stock was:

285,343,964*

As of December 31, 2019, the number of shares outstanding of our Common Stock was:

285,343,964*

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes: ☐ No: ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

Indicate by check mark whether a Change in Control¹ of the company has occurred over this reporting period:

Yes: ☐ No: ☒

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

* Reconciliation due to accounting matter. See Item 4 for audit status and disclosure on occurring reconciliations.

¹ "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

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

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

1) Name of the issuer and its predecessors (if any)

In answering this item, please also provide any names used by predecessor entities and the dates of the name changes.

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

Date and state (or jurisdiction) of incorporation (also describe any changes to incorporation since inception, if applicable) Please also include the issuer’s current standing in its state of incorporation (e.g. active, default, inactive):

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

Has the issuer or any of its predecessors ever been in bankruptcy, receivership, or any similar proceeding in the past five years?

Yes: ☐ No: ☒

2) Security Information

Trading symbol:	<u>VIVK</u>
Exact title and class of securities outstanding:	Common Stock Preferred Stock Series A Preferred Stock Series B Preferred Stock Series B-1 Preferred Stock Series C-1

CUSIP:	92852R304
Par or stated value:	Common Stock: \$.001 par value per share Preferred Stock (Series A): \$.001 par value per share Preferred Stock (Series B): \$.001 par value per share

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

Common Stock:

Total shares authorized:	1,250,000,000	as of date: March 31, 2020
Total shares outstanding:	311,223,975	as of date: March 31, 2020
Number of shares in the Public Float ² :	52,342,194	as of date: March 31, 2020
Total number of shareholders of record:	397	as of date: March 31, 2020

Preferred Stock:

Total shares authorized:	450,000,000	as of date: March 31, 2020
Total shares outstanding:	59,504,523	as of date: March 31, 2020

Transfer Agent

Name: Empire Stock Transfer
Phone: 702-818-5898
Email: info@empirestock.com

Is the Transfer Agent registered under the Exchange Act?³ Yes: ☒ No: ☐

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors:

None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any direct changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period**.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares or any other securities or options to acquire such securities issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods: ☐

Please note that the information in the following table is unaudited. Management has retained an independent, and registered public accounting firm to audit the financial statements of the Company for the fiscal years ended December 31, 2019, 2018, and 2017, and the interim and annual periods thereafter. Accordingly, users of the table below and the consolidated financial statements referenced herein should take into account the risks associated with the foregoing in connection when reviewing our financial statements or disclosure statements with the understanding that audited statements prepared in

² "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

³ To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

accordance with GAAP could result in material changes and may include accounting adjustments or reclassifications. Refer to Item 4 for further disclosure on the audit status.

Number of Shares outstanding as of December 31, 2017 (Unaudited)	<u>Opening Balance (Unaudited):</u> Common: <u>221,279,998*</u> Preferred: <u>108,845,826*</u>		*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/ No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) OR Nature of Services Provided (if applicable)	Restricted or Unrestricted as of this filing?	Exemption or Registration Type?
For the fiscal year ended December 31 2018	Class base transaction	3,005,630	Common Stock	\$751,408	Yes	See Supplemental Schedule	Class base transaction	Restricted	Exempt
For the fiscal year ended December 31 2018	New issuance	99,000	Preferred Stock	\$29,700	N/A	See Supplemental Schedule	Preferred stock issued for cash or services	Restricted	Exempt
For the fiscal year ended December 31 2018	Class base transaction	(5,840,561)	Preferred Stock	\$(1,239,382)	N/A	See Supplemental Schedule	Class base transaction	Restricted	Exempt
For the fiscal year ended December 31 2018	Class base transaction	5,840,560	Common Stock	\$1,239,382	Yes	See Supplemental Schedule	Class base transaction	Restricted	Exempt
For the fiscal year ended December 31 2018	Class base transaction	6,535,285	Preferred Stock	\$1,749,203	N/A	See Supplemental Schedule	Class base transaction	Restricted	Exempt
For the fiscal year ended December 31 2018	New issuance	130,000	Common Stock	\$51,998	Yes	See Supplemental Schedule	Exercise of stock warrants	Restricted	Exempt
For the year ended December 31, 2019	Class base transaction	(53,492,581)	Preferred Stock	\$(11,072,019)	N/A	See Supplemental Schedule	Class base transaction	Restricted	Exempt

For the year ended December 31, 2019	Class base transaction	53,492,583	Common Stock	\$11,072,019	Yes	See Supplemental Schedule	Class base transaction	Restricted	Exempt
For the year ended December 31, 2019	New issuance	1,267,608	Preferred Stock	\$507,044	N/A	See Supplemental Schedule	Stock issued for equipment and services	Restricted	Exempt
For the year ended December 31, 2019	New issuance	1,155,779	Common Stock	\$219,597	N/A	See Supplemental Schedule	Stock issued for services	Restricted	Exempt
For the year ended December 31, 2019	New issuance	230,000	Common Stock	\$91,982	Yes	See Supplemental Schedule	Exercise of stock warrants	Restricted	Exempt
For the year ended December 31, 2019	New issuance	209,414	Common Stock	\$53,500	Yes	See Supplemental Schedule	Stock issued for reduction of liabilities	Restricted	Exempt
For the year ended December 31, 2019	Class base transaction	1,980,126	Preferred Stock	\$495,054	N/A	See Supplemental Schedule	Class base transaction	Restricted	Exempt
For the quarter ended March 31, 2020	New issuance	20,000,000	Common Stock	\$11,800,000	No	Sustainable Fuels, Inc., Debbie Shelton	Reduction of liability from past acquisition	Restricted	Exempt
For the quarter ended March 31, 2020	Class base transaction	168,000	Common Stock	\$21,840	N/A	See Supplemental Schedule	Class base transaction	Restricted	Exempt
For the quarter ended March 31, 2020	Class base transaction	(4,593,211)	Preferred Stock	\$(938,669)	N/A	See Supplemental Schedule	Class base transaction	Restricted	Exempt
For the quarter ended March 31, 2020	Class base transaction	5,712,011	Common Stock	\$938,669	N/A	See Supplemental Schedule	Class base transaction	Restricted	Exempt
Shares Outstanding on March 31, 2020 (Unaudited):	<u>Ending Balance (unaudited):</u> Common: <u>311,223,975</u> Preferred: <u>54,801,492</u>								

* Reconciliation due to accounting matter. See Item 4 for audit status and disclosure on occurring reconciliations.

Use the space below to provide any additional details, including footnotes to the table above:

See accompanying notes to the consolidated financial statements.

B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe all outstanding promissory notes, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities.

Check this box if there are no outstanding promissory, convertible notes or debt arrangements: ☐

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder	Reason for Issuance (e.g. Loan, Services, etc.)
For the quarter ended March 31, 2020	<u>\$11,200</u>	<u>\$10,000</u>	<u>\$1,200</u>	<u>8/4/2013*</u>	Convertible to common stock after one year of issuance at \$0.10	<u>David Rodewald</u>	<u>Working capital</u>
For the quarter ended March 31, 2020	<u>\$3,360</u>	<u>\$3,000</u>	<u>\$360</u>	<u>9/10/2013*</u>	Convertible to common stock after one year of issuance at \$0.10	<u>Paul Damico</u>	<u>Working capital</u>
For the quarter ended March 31, 2020	<u>\$22,400</u>	<u>\$20,000</u>	<u>\$2,400</u>	<u>11/12/2013*</u>	Convertible to common stock after one year of issuance at \$0.125	<u>Adam Bertagnole</u>	<u>Working capital</u>
For the quarter ended March 31, 2020	<u>\$14,000</u>	<u>\$12,500</u>	<u>\$1,500</u>	<u>12/30/2013*</u>	Convertible to common stock after one year of issuance at \$0.125	<u>David Rodewald</u>	<u>Working capital</u>
For the quarter ended March 31, 2020	<u>\$29,252</u>	<u>\$28,263</u>	<u>\$1,484</u>	<u>12/27/19</u>	Convertible to common stock after one year of issuance at \$0.25	<u>Alakai Academy (control person: Pablo Peneloza)</u>	<u>Working capital</u>

* In attempts to process payment or conversion of this note, the Company has made considerable efforts over the years to contact this noteholder without avail.

Use the space below to provide any additional details, including footnotes to the table above:

4) Financial Statements

A. The following financial statements were prepared in accordance with:

- ☒ U.S. GAAP
☐ IFRS

B. The financial statements for this reporting period were prepared by (name of individual)⁴:

Name: Tyler Nelson
Title: Chief Financial Officer

⁴ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

Provide the financial statements described below for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- C. Balance sheet;
- D. Statement of income;
- E. Statement of cash flows;
- F. Financial notes; and
- G. Audit letter, if audited

You may either (i) attach/append the financial statements to this disclosure statement or (ii) file the financial statements through OTCIQ as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

If you choose to publish the financial statements in a separate report as described above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to OTCIQ in the field below:

The consolidated financial statements of the Company for the quarter ended March 31, 2020, and the years ended December 31, 2019 and 2018 have been published as the Quarterly and Annual Reports through the OTC Disclosure and News Service and are incorporated by reference herein. The consolidated financial statements referenced herein have been prepared from corporation records and are unaudited. The statements have been prepared on an accrual basis and may not have been prepared in accordance with GAAP in some or more material respects. Some or certain information and note disclosures normally contained in quarterly or annual financial statements prepared in accordance with GAAP may have been omitted although the Company believes that the disclosures made are consistent with the records of the Company. Management has retained an independent, registered public accounting firm to audit the financial statements of the Company for the fiscal years ended December 31, 2019, 2018, and 2017 and review and audit the interim and annual periods, respectively, thereafter. However, as of the date of filing this Quarterly Report, the registered accounting firm has not completed their audit or review of our financial statements for the quarter ended March 31, 2020 or the fiscal years ending December 31, 2019, 2018, and 2017. Accordingly, users of the consolidated financial statements referenced herein should take into account the risks associated with the foregoing when reviewing our financial statements with the understanding that audited statements prepared in accordance with GAAP could result in material changes in treatment of consolidation of entities and our accounts, including, but not limited to intangible assets, precious metals, other assets and liabilities as well as in revenue and loss recognition, and in any other accounts and disclosures throughout the financial statements and reports. After the audit is complete the auditors may amend and restate the financial statements for these previous years, including any material changes as described above. Below is a list describing the financial statements that are incorporated by reference herein:

Consolidated Balance Sheet for the Quarter Ended March 31, 2020
Consolidated Statement of Operations for the Quarters Ended March 31, 2020 and 2019
Consolidated Statements of Stockholders' Equity for the Quarter Ended March 31, 2020
Consolidated Statements of Cash Flows for the Quarters Ended March 31, 2020 and 2019
Notes to Consolidated Financial Statements

Consolidated Balance Sheet for the Year Ended December 31, 2019 and 2018
Consolidated Statement of Operations for the Year Ended December 31, 2019 and 2018
Consolidated Statements of Stockholders' Equity for the Year Ended December 31, 2019 and 2018
Consolidated Statements of Cash Flows for the Year Ended December 31, 2019 and 2018
Notes to Consolidated Financial Statements

Financial statement information is considered current until the due date for the subsequent report (as set forth in the qualifications section above). To remain qualified for Current Information, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of each fiscal quarter-end date.

5) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

- A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

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

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

- B. Describe any subsidiaries, parents, or affiliated companies, if applicable, and a description of their business contact information for the business, officers, directors, managers or control persons. Subsidiary information may be included by reference

The Company has the following wholly-owned subsidiaries and other subsidiaries:

Wholly-owned subsidiaries: VivaSight, Inc., a Nevada corporation; VivaOptics, Inc. a Nevada corporation, VivaThermic, Inc., a Nevada corporation; VivaVentures, Inc., a Nevada corporation, VivaSphere, Inc., a Nevada corporation, VivaVentures Oil Sands, Inc. a Utah corporation, and RPC Design and Manufacturing LLC, a Utah company. Majority-owned subsidiaries: approximately 99.95% of VivaVentures Energy Group, Inc., a Nevada Corporation, approximately 62% of the outstanding shares of HealthAmerica, Inc., a Nevada corporation, joint ventures: approximately 39% of VivaVentures Precious Metals, LLC, a Nevada limited liability company. The following subsidiaries are either inactive or do not have material operations: VivaSight, Inc., VivaOptics, Inc., VivaThermic, Inc., HealthAmerica, Inc.

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

properties in the future that have unknown environmental issues caused by previous owners or operators, or that may have occurred naturally.

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

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

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

Risk Factors.

Risks Relating to our Business

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

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

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

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

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

We had an accumulated deficit of \$25,797,393 as of March 31, 2020, and we expect to continue to incur significant development expenses in the foreseeable future related to the completion of development and commercialization of our products. As a result, we are incurring substantial operating and net losses,

and it is possible that we never will be able to sustain or develop the revenue levels necessary to attain profitability. If we fail to generate sufficient revenues to operate profitably, or if we are unable to fund our continuing losses, you could lose all or part of your investment.

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

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

We expect to raise additional capital during 2020, 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 the 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.

Our equipment is unproven and may not function as intended..

Our equipment is unproven and there can be no assurance that the equipment will function as intended or that the use of equipment will be economically viable.

A major portion of our business is dependent on the oil industry, which is subject to numerous worldwide variables.

The equipment and the Company's prospective customers are concentrated in the oil industry. As a result, the Company will be subject to the success of the oil industry, which is subject to substantial volatility based on numerous worldwide factors. A decline in the oil industry may have a material adverse effect on the Company's business, financial condition, results of operations and cash flows. The oil and gas industry is competitive in all its phases. Competition in the oil and gas industry is intense. The Company will compete with other participants in the search for oil sand properties and in the marketing of oil and other hydrocarbon products. The Company's customers could include competitors such as oil and gas companies that have substantially greater financial resources, staff and facilities than those of the Company's customers and lessees. The Company's customers' ability to extract oil using the Company's equipment and other hydrocarbon products in the future will depend not only on its customers' ability to explore and develop its present properties but also on its ability to select and acquire suitable producing properties or prospects for extraction and remediation processing. Competitive factors in the distribution and marketing of oil and other hydrocarbon products include price and methods and reliability of delivery.

Based on our business model, low oil prices will substantially impact our ability to generate revenues.

Low oil prices may have adverse effects on the Company's ability to operate. The demand for the Company's business depends, in part, on the price of oil and the margins oil producers receive on the sale of oil. Prices for oil are volatile and can fluctuate widely based upon a number of factors beyond the Company's control. Any decline in the prices of and demand for oil could have a material adverse effect on the Company's and the Company's business, financial condition, results of operations and cash flows and the return to the Members.

We require a variety of permits to operate our business. If we are not successful in obtaining and/or maintaining those permits it will adversely impact our operations.

The business of the Company requires permits to operate. The inability of the Company to obtain permits in a timely manner could result in substantial delays for the business. In addition, the Company's customers may not receive permitting for the equipment's specific use and the Company may be unable to adjust the equipment to meet its customer's permitting needs. The issuance of permits is dependent on the applicable government agencies and is not in the control of the Company or its customers. There can be no assurance that the necessary permits will be obtained. The inability to obtain a necessary permit could result in the failure of the Company to operate the business. The delay or inability of the Company to operate the business could substantially and adversely affect the financial condition of the Company and the Company and the return to the Members.

We must pay permit and approval fees to operate in certain business segments and locations. If we are not able to pay those fees it would adversely impact our business.

The Company may be required to pay various types of permit and approval fees to the applicable governmental and quasi-governmental agencies to operate our business. The exact amount of the permit and approval fees is not known at this time, and is subject to change at the discretion of the various agencies. The amount of permit and approval fees could substantially and adversely affect the performance of the Company.

We are subject to numerous governmental regulations, both domestically and internationally. In order to operate successfully we must be able comply with these regulations.

Current and future government laws, regulations and other legal requirements may increase the costs of doing business or restrict business operations. Laws, regulations and other legal requirements, such as those relating to the protection of the environment and natural resources, health, business and tax have an effect on the Company's cost of operation, as well as the cost of operation of the Company's customers. Such governmental regulation may result in delays, cause the Company to incur substantial compliance and other costs and prohibit or severely restrict the business, which could have an adverse effect on the Company's and the Company's business and results of operations.

We do not have a sales history and the demand for our products and services is unknown.

The Company does not have sales history and are unable to determine with any degree of certainty the amount of prospective customers. In addition, the equipment can be significantly tied to the demand for oil and remediation services. If the market does not find a need, use or desire for the equipment, the Company's business, cash flows and results of operations will be materially and adversely affected.

Based on the nature of our business we will likely be dependent upon a few customers.

The Company will likely depend on a limited number of customers for a significant portion of the Company's revenues. The failure to obtain additional customers or the loss of all or a portion of the revenues attributable to any customer as a result of competition, creditworthiness, inability to negotiate extensions or replacement of contracts or otherwise could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Our oil remediation business will likely be subject to a few customers and will be impacted by the oil industry.

One of our target markets is the oil and remediation industry. Therefore, demand for the equipment will be limited to a specific customer base and highly correlated to the oil industry. The oil industry's demand for equipment is affected by a number of factors including the volatile nature of the oil industry's business, increased use of alternative types of energy and technological developments in the oil extraction process. A significant reduction in the target market's demand for oil would reduce the demand for the equipment, which would have a material adverse effect upon the Company's business, cash flows and results of operations.

Due to the nature of our business, many of our customers will be subject to extensive government regulations. If they are not able to comply with these regulations it will negatively impact our business.

The Company's prospective customers are subject to extensive governmental laws, regulations and other legal requirements, including those related to protection of health and the environment. Any future governmental laws, regulations and other legal requirements may have a material adverse effect on the Company's customer base and impair the Company's ability to operate, which could have a material adverse effect on the Company's business, cash flows and results of operations.

Due to the nature of our business, if we are successful, we will likely only have a few customers under contact at one time. If one or more of those customers default on their obligations under the agreement it would materially impact our business.

If the Company's customers do not enter into, extend or honor contracts with the Company, the Company's profitability could be adversely affected. The Company's ability to receive payment for production depends on the continued solvency and creditworthiness of prospective customers. If any of the customer's creditworthiness suffers, the Company may bear an increased risk with respect to payment defaults. If customers refuse to accept the equipment or make payments for which they have a contractual obligation, the Company's revenues could be adversely affected. In addition, if a substantial portion of the Company's contracts are modified or terminated and the Company is unable to replace the contracts (or if new contracts are priced at lower levels), the Company's results of operations will be adversely affected.

The terms of our future agreements are unknown and may not be as friendly to the Company as we would like.

The Company intends to enter into agreements for extraction services and production in the future. The terms of such agreements are unknown. If the Company is unable to enter into such contracts on desirable terms, it may adversely affect the Company's business, cash flows and results of operations.

Our primary business segments are in industries that are subject to uncertain economic conditions.

The United States economy is subject to fluctuation and it is unclear how stable the oil industry and the manufacturing industry will be in the future. As a result, there can be no assurance that the business will achieve anticipated cash flow levels. Further, recent world events evolving out of trade disputes, increased terrorist activities and political and military action, among other events, have created an air of uncertainty concerning the stability of the United States economy. Historically, such events have resulted in disturbances in financial markets, and it is impossible to determine the likelihood of future events. Any

negative change in the general economic conditions in the United States could adversely affect the financial condition and operating results of the business.

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.

The Company will be subject to competition in many of its business segments, especially in the oil remediation industry.

The Company's oil remediation equipment utilizes specific technology to extract oil from sand. Oil producers are continually investigating alternative oil production technologies with a view to reduce production costs. In addition, industries that compete with the oil industry, such as the electric power industry, also continue to innovate and create products that compete with the oil industry. There can be no assurance that superior alternative technologies will emerge, which could reduce the demand for and price of Company product and services.

We intend to carry certain insurance coverage against liabilities for personal injury, death and property damage, but there is no guarantee this coverage will be sufficient to cover us against all claims

The Company intends to obtain certain insurance coverage against liability for personal injury, death and property damage. There can be no assurance that insurance obtained by the Company will be sufficient to cover any such liabilities. The Company may not be insured or fully insured against the losses or liabilities that could arise from a casualty in the business operations. In addition, there can be no assurance that particular risks that are currently insurable will continue to be insurable on an economical basis or that the current levels of coverage will continue to be available. If a loss occurs that is partially or completely uninsured, the Company may incur a significant liability.

We may be unable to adequately protect our proprietary rights.

Our ability to compete partly depends on the superiority, uniqueness and value of our intellectual property. To protect our proprietary rights, we will rely on a combination of patent, copyright and trade secret laws, confidentiality agreements with our employees and third parties, and protective contractual provisions. Despite these efforts, any of the following occurrences may reduce the value of our intellectual property:

- Our applications for patents relating to our business may not be granted and, if granted, may be challenged or invalidated;
- Issued patents may not provide us with any competitive advantages;
- Our efforts to protect our intellectual property rights may not be effective in preventing misappropriation of our technology;
- Our efforts may not prevent the development and design by others of products or technologies similar to or competitive with, or superior to those we develop; or
- Another party may obtain a blocking patent and we would need to either obtain a license or design around the patent in order to continue to offer the contested feature or service in our products.

We may become involved in lawsuits to protect or enforce our patents that would be expensive and time consuming.

In order to protect or enforce our patent rights, we may initiate patent litigation against third parties. In addition, we may become subject to interference or opposition proceedings conducted in patent and trademark offices to determine the priority and patentability of inventions. The defense of intellectual property rights, including patent rights through lawsuits, interference or opposition proceedings, and other legal and administrative proceedings, would be costly and divert our technical and management personnel from their normal responsibilities. An adverse determination of any litigation or defense proceedings could put our pending patent applications at risk of not being issued.

Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. For example, during the course of this kind of litigation, confidential information may be inadvertently disclosed in the form of documents or testimony in connection with discovery requests, depositions or trial testimony. This disclosure could have a material adverse effect on our business and our financial results.

Because we face intense competition, we may not be able to operate profitably in our markets.

The market for our products and services is highly competitive and is becoming more so, which could hinder our ability to successfully market our products and services. We may not have the resources, expertise or other competitive factors to compete successfully in the future. We expect to face additional competition from existing competitors and new market entrants in the future. Many of our competitors have greater name recognition and more established relationships in the industry than we do. As a result, these competitors may be able to:

- develop and expand their product offerings more rapidly;
- adapt to new or emerging changes in customer requirements more quickly;
- take advantage of acquisition and other opportunities more readily; and
- devote greater resources to the marketing and sale of their products and adopt

more aggressive pricing policies than we can.

Our primary business segments rely on our ability to transport our equipment to different locations. Any impact on the cost, availability and reliability of transportation could adversely affect our business.

The availability and reliability of transportation and fluctuation in transportation costs could negatively impact the business. Transportation logistics play an important role in the sale of the Company's products and services and in the oil industry generally. Delays and interruptions of transportation services because of accidents, failure to complete construction of infrastructure, infrastructure damage, lack of capacity, weather-related problems, governmental regulation, terrorism, strikes, lock-outs, third-party actions or other events could impair the operations of the Company's customers and may also directly impair the ability of the Company to commence or complete production or services, which could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows of the Company.

The land on which we conduct our business operations must be properly zoned for our services. If they aren't then it could impact our business.

The land on which the business operates must comply with applicable zoning regulations. Any unknown or future violations could limit the operations of the business.

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 could be damaged by product liability claims.

Some of our products are intended to be used by consumers. If one of our products or services 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.

Data security breaches are increasing worldwide. If we are the victim of such a breach it will materially impact our business.

The Company will collect and retain certain personal information provided by their employees and investors. The Company will implement certain protocols designed to protect the confidentiality of this information and periodically review and improve their security measures, except when disclosure is required by law or regulation, is requested by a regulator or is required by a stock exchange listing securities of the Company or its Affiliate; however, these protocols may not prevent unauthorized access to this information. Technology and safeguards in this area are consistently changing and there is no assurance that the Company will be able to maintain sufficient protocols to protect confidential information. Any breach of the Company's data security measures and disbursement of this information may result in legal liability and costs (including damages and penalties), as well as damage to the Company's reputation, that could materially and adversely affect the Company, including their business and financial performance.

We may have funds at banks and other financial institutions in amounts greater than FDIC insurance covers, as a result, if the financial institution were to suffer a loss of those funds, we may be left without recourse to recover those funds.

The Company's cash will likely be held in bank depository accounts. While the FDIC insures deposits up to \$250,000 per depositor per insured institution in most cases, the Company may have deposits at financial institutions in excess of the FDIC limits. The failure of any financial institution in which the Company has funds on deposit in excess of the applicable FDIC limits may result in the Company's loss of such excess amounts, which would adversely impact the Company's performance.

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 subject to liability if our equipment does not perform as expected..

The Company is exposed to liability in the event that equipment does not perform as expected. The Company intends to enter into contracts with customers, which will grant certain rights with respect to the condition and use of our products. Certain contractual and legal claims could arise in the event the equipment does not perform as expected and in the event of personal injury, death or property damage as a result of the use of the equipment. There can be no assurance that particular risks are insured or, if insured, will continue to be insurable on an economical basis or that current levels of coverage will continue to be available. The Company may be liable for any defects in the equipment or its products and services and uninsured or underinsured personal injury, death or property damage claims.

Our business depends on our ability to manufacture various pieces of equipment, many of which are quite large. Any disruption in our manufacturing ability will adversely affect our business and operations.

Our business involves manufacturing and plant operation risks of delay that may be outside the control of the Company. Production or services may be delayed or prevented by factors such as adverse weather, strikes, energy shortages, shortages or increased costs of materials, inflation, environmental conditions, legal matters and other unknown contingencies. The business also requires certain manufacturing apparatus to manufacture the equipment. If the manufacturing apparatus of the business suffer major damage or are destroyed by fire, abnormal wear, flooding, incorrect operation or otherwise, the Company may be unable to replace or repair such apparatus in a timely manner or at a reasonable cost, which would impact the Company's ability to stay in production or service. Any significant downtime

of the equipment manufacturing could impair the Company's ability to produce for or serve customers and materially and adversely affect the Company's results of operations. In addition, changes in the equipment plans and specifications, delays due to compliance with governmental requirements or impositions of fees or other delays could increase production costs beyond those budgeted for the business. If any cost overruns exceed the funds budgeted for operations, the business would be negatively impacted.

Any accident at our manufacturing facilities could subject us to substantial liability.

The manufacturing and operation of the equipment involves hazards and risks which could disrupt operations, decrease production and increase costs. The occurrence of a significant accident or other event that is not fully insured could adversely affect the Company's business, results of operations, financial condition, cash flows.

If critical components become unavailable or our suppliers delay their production of our key components, our business will be negatively impacted.

Our ability to get components to build our equipment is crucial to our ability to manufacture our products. These components are supplied by certain third-party manufacturers, and we may be unable to acquire necessary amounts of key components at competitive prices.

If we are successful in our growth, outsourcing the production of certain parts and components would be one way to reduce manufacturing costs. We plan to select these particular manufacturers based on their ability to consistently produce these products according to our requirements in an effort to obtain the best quality product at the most cost effective price. However, the loss of all or one of these suppliers or delays in obtaining shipments would have an adverse effect on our operations until an alternative supplier could be found, if one may be located at all. If we get to that stage of growth, such loss of manufacturers could cause us to breach any contracts we have in place at that time and would likely cause us to lose sales.

Any shortage of skilled labor would have a detrimental impact on our ability to provide our products and services.

A shortage of labor, including skilled labor, in the oil machinery manufacturing industry could pose a risk to labor productivity and competitive costs. The manufacturing and operating of the equipment requires skilled laborers. In the event there is a shortage of labor, including skilled labor, it could have an adverse impact on the Company's productivity and costs and its ability to expand production in the event there is an increase in demand for the Company's product or services.

We rely on third party contractors for some of our operations. If we are unable to find quality contractors it would severely impact our business.

The Company outsources certain aspects of the business to third party contractors. The Company is subject to the risks associated with such contractors' ability to successfully provide the necessary services to meet the needs of the business. If the contractors are unable to adequately provide the contracted services, and the Company is unable to find alternative service providers in a timely manner, the Company's ability to operate the business may be disrupted, which may adversely affect the Company's business, financial condition, results of operations and cash flows.

Union activities could adversely impact our business.

While none of the Company's employees are currently members of unions, the Company may become adversely effected by union activities. The Company is not subject to any collective bargaining or union agreement; however, it is possible that future employees may join or seek recognition to form a labor union or may be required to become a labor agreement signatory. If some or all of the employees of the Company become unionized, it could adversely affect productivity, increase labor costs and increase the risk of work stoppages. If a work stoppage were to occur, it could interfere with the business operations and have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

We need additional financing to continue our business plan and operations.

The Company may need to obtain additional financing for the business in the future in the form of capital or debt. In the event the Company requires additional financing, the amount and terms of such

financing is uncertain. If the revenues of the business are insufficient to pay debt service and operating expenses, the Company may be required to seek additional working capital. There can be no assurance that such additional funds will be available. In the event additional funds are not available, the lender could foreclose on the Company and you could lose your investment in the Company. In addition, the degree to which the Company is leveraged could have an adverse impact on the Company, including (i) increased vulnerability to adverse general economic and market conditions, (ii) impaired ability to expand and to respond to increased competition, (iii) impaired ability to obtain additional financing for future working capital, capital expenditures, general corporate or other purposes and (iv) requiring that a significant portion of cash provided by operating activities be used for the payment of debt obligations, thereby reducing funds available for operations and future business opportunities.

Current economic conditions and capital markets are in a period of disruption and instability which could adversely affect our ability to access the capital markets, and thus adversely affect our business and liquidity.

The current economic conditions largely caused by the coronavirus pandemic have had, and likely will continue to have for the foreseeable future, a negative impact on our ability to access the capital markets, and thus have a negative impact on our business and liquidity. The recent, substantial losses in worldwide equity markets could lead to an extended worldwide recession. We may face significant challenges if conditions in the capital markets do not improve. Our ability to access the capital markets has been and continues to be severely restricted at a time when we need to access such markets, which could have a negative impact on our business plans. Even if we are able to raise capital, it may not be at a price or on terms that are favorable to us. We cannot predict the occurrence of future disruptions or how long the current conditions may continue.

The coronavirus pandemic is causing disruptions in the workplace, which will have negative repercussions on our business if they continue for an extended period time.

We are closely monitoring the coronavirus pandemic and the directives from federal and local authorities regarding not only our workforce, but how it impacts companies we work with for the development and use of our products and services. As more states and localities continue with social distancing and “work from home” regulations more and more companies will be forced to either shut down, slow down or alter their work routines. Since the development, testing and use of our equipment is a “hands on” process these alternative work arrangements could significantly slow down our anticipated schedules for the development, marketing, and use of our equipment, which could have a negative impact our business.

Certain of our subsidiaries intend to operate as Qualified Opportunity Funds in Opportunity Zones and on Qualified Properties.

The Company intends to manage entities in accordance with the requirements applicable to a Qualified Opportunity Fund. In general, a Qualified Opportunity Fund is an investment vehicle organized as a corporation or a partnership for the purpose of investing in Qualified Property that holds at least 90% of its assets in Qualified Property. The Company is generally required to test for compliance with these requirements twice a year. Qualified Property includes a “qualified opportunity zone partnership interest.” A “qualified opportunity zone partnership interest” is a partnership interest that (i) is acquired by the Qualified Opportunity Fund after December 31, 2017 from the partnership solely in exchange for cash, (ii) as of the time such interest was acquired, such partnership was a Qualified Business or, in the case of a new partnership, such partnership was being organized for purposes of being a Qualified Business and (iii) during substantially all of the Qualified Opportunity Fund’s holding period for such interest, such partnership qualified as a Qualified Business. The Qualified Opportunity Fund provisions were recently enacted as part of the TCJA. Limited IRS guidance has been provided. Accordingly, while the Company intends to form additional and manage a Qualified Opportunity Fund, the ability to be treated as a Qualified Opportunity Fund is subject to significant uncertainty. It is possible that the entities managed may fail to meet the requirements to be treated as a Qualified Opportunity Fund, and there can be no guarantee that any investor will realize any of the tax advantages of investing in a Qualified Opportunity Fund. There are additional requirements that must be met in order to qualify for the benefits of a Qualified Opportunity Fund including, among others, that (i) any capital gain invested in the Company by an investor must have been generated from a sale to an unrelated party within 180 days of the investment, (ii) the investor must timely elect to treat such investment as a Qualified Opportunity Fund investment under Code Section 1400Z-2 and (iii) the Units must be held by the investor for at least 10 years. If all of the requirements set forth above are not

met, the entities managed may fail to qualify as a Qualified Opportunity Fund or an investor may fail to meet its requirements. In either case, the anticipated tax benefits will not be available. In the event that the entities managed do not meet the requirements to be treated as a Qualified Opportunity Fund, the Company will be subject to certain penalties unless it can establish that the failure is due to a reasonable cause. In the event that the entities managed is subject to these penalties, the amount of the penalty would be attempted to be recouped by the Company and treated as a Company expense, which could adversely impact the business.

Our management has no experience managing Qualified Opportunity Funds or operations in Qualified Opportunity Zones.

The Qualified Opportunity Fund provisions are recently enacted, and the Company has no experience managing Qualified Opportunity Funds. As a result, our management may make errors in operating within these regulations, which could cause us business losses.

If we fail to comply with Qualified Opportunity Fund Provisions it may deprive our investors in those funds of certain tax benefits..

The Company may fail to qualify as a Qualified Partnership Interest in the entities it manages. If the Company fails to qualify as a Qualified Partnership Interest, the Company will not qualify as a Qualified Opportunity Fund and thus, the members will not receive the tax benefits of investing in a Qualified Opportunity Fund.

Tax Risks

The Tax Cuts and Jobs Act (TCJA) is new and contains many complicated provisions. Our inability to correctly interpret and operate within those provisions could adversely impact our company and investors.

The TCJA includes provisions that change the tax treatment of owning and operating a business. The TCJA was recently enacted and there are many open issues and little guidance on how the provisions summarized in in "Federal Income Tax Consequences" will apply to investors of Qualified Opportunity Zones. No assurance can be given regarding how the TCJA will be interpreted and administered by the IRS. Moreover, the enactment of the TCJA does not preclude the enactment of further amendments to the Code that could adversely affect the Qualified Opportunity Zone ownership.

Although we believe we are and have filed our federal and state taxes in compliance with the various tax provisions, we could be audited and some of the deductions, etc. in our tax filings could be challenged and disallowed.

The Company's federal information returns may be audited by the IRS. An audit may result in the challenge and disallowance of some of the deductions described in the returns. No assurance or warranty of any kind can be made with respect to the deductibility of any such items in the event of either an audit or any litigation resulting from an audit. In addition, any such audit may lead to an audit of an investor's individual tax return, which may lead to adjustments other than those relating to such investor's investment in the Company. The costs of such audit and adjustments would be borne by the affected investors.

We may not correctly interpret new federal tax provisions.

Congress has recently enacted several major tax bills that substantially affect the tax treatment of investments in a business including, but not limited to, the TCJA. These changes will have a substantial effect on the type of activities in which the Company intends to engage. In many instances, Congressional Committee reports have been relied upon for the interpretation and application of these new statutory provisions. While the Code authorizes the Treasury Department to issue extensive substantive regulations regarding recently adopted Code provisions, few have been issued to date. In addition, Congress could make substantial changes in the future to the income tax consequences with respect to an investment in the Company or a Company managed entity. Tax aspects for the Company and its managed entities, is based on law presently in effect and certain proposed Treasury Regulations. Nonetheless, investors should be aware that new administrative, legislative or judicial action could significantly change the tax aspects of the Company. Any such change may or may not be retroactive with respect to the transactions entered into or contemplated before the effective date of such change and could have a material adverse effect on an investment.

Risks Relating to our Stock

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

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

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

The trading volume in our shares of Common Stock may be very low. 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 NYSE or the NASDAQ Stock Market. These factors may result in higher price volatility and less market liquidity for our Common Stock.

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

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

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

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

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

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

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

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

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

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

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

We have adopted and may in the future adopt certain measures that may have the effect of delaying, deferring or preventing a takeover or other change in control of our company that a holder of our Common Stock might consider in its best interest. Specifically, as of March 31, 2020, our board of directors, without further action by our stockholders, had the authority to issue up to approximately 395,197,870 additional shares of Preferred Stock (not counting the 2,000,000 shares of Series A Preferred Stock or the approximate 17,028,450 shares of Series B Preferred Stock or the 22,399,200 shares of Series B-1 Preferred Stock, and 13,374,480 shares of Series C-1 Preferred Stock) and to fix the rights (including voting rights), preferences and privileges of these shares ("blank check" Preferred Stock). Such Preferred Stock may have rights, including economic rights, senior to our Common Stock. As a result, the issuance of the Preferred Stock could have a material adverse effect on the price of our Common Stock and could make it more difficult for a third party to acquire a majority of our outstanding Common Stock.

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

We have never 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.

C. Describe the issuers' principal products or services, and their markets

Commercialized Products and Services.

Our company intends to continue to identify new and promising technologies and acquire them or provide secured funding for their development and commercialization. Our existing secured lending and assistance in developing existing technologies and commercial products, is described below:

Extracting and/or Remediating Petroleum. Vivakor, Inc. and its majority-owned subsidiary, VivaVentures Energy Group, Inc. (VVEG), have acquired multiple proprietary technologies and processes to extract oil from different materials (i.e. oil-sands). We have formed RPC Design and Manufacturing LLC as an opportunity zone business for the manufacturing of our extraction and remediation units. We have developed a hydrocarbon extraction and remediation unit. We are in the process of deploying and completing quality control and test production checks on a scaled-up extraction and remediation unit for our operations. Our technology and process give our operations a low-cost, proprietary mobile processing capability to extract high-quality, premium oil from material and other sand-based ore bodies. Patent applications have been filed and are pending for the process. The first extraction and remediation unit was mobilized to Kuwait for remediation processing and has successfully remediated contaminated soils in its test production in Kuwait. We anticipate negotiating a scaled-up servicing contract with KOC or one of its subcontractors in 2020. We have acquired oil-sands in Utah, including approximately three hundred (300) million cubic yards of oil sand material to process for testing of the scaled-up extraction and remediation unit. During quality control and test production the Company will evaluate the market opportunities and economy for decision making on placing the scaled-up unit into oil production or remediation services.

There is a tremendous need for remediation services for the clean-up of oil spills across the globe. With our technology, we have the ability to assist companies and governments in this effort, in particular where there is an oil spill and sand is mixed with oil. This provides us with an enormous opportunity in this multi-billion-dollar global market for clean-up of these tainted environments. Our technology adds a component to remediation that is not readily available through traditional remediation processes. We provide the ability to clean soil and return it back to the environment, while reclaiming for further use, oil that has been spilled. The remediation project that the Company has acquired through a subcontractor of KOC is for the clean-up of oil spills during the Iraq invasion. The Company anticipates negotiating a scaled-up contract with KOC or one of its subcontractors in 2020. As of the date of this report, the project had been delayed due to KOC and international clearances on our remediation machine. The Company has successfully cleaned contaminated soils in its test production for this site. There can be no assurance that the Company will be able to negotiate a scaled-up contract directly with KOC or one of its subcontractors. In the event further contracts are negotiated as our current subcontractor's term nears its end, we would anticipate production commencing future tiered and milestone project opportunities for the cleanup of the spills from the Iraq invasion. We are the only company that we are aware of that is in the process of having its machinery cleared to work and have it successfully remediate this type of contaminated soil in Kuwait. The Company intends to finance the construction of additional extraction and remediation machines, which will increase the daily production, remediation, and extraction services. We believe that this proprietary extraction process, when fully implemented, would significantly impact the oil remediation industry.

The Company has agreed to loan or assist VivaVentures Energy Group, Inc. and RPC Design and Manufacturing LLC in raising sufficient funds to conduct its operations, including construction of additional extraction and remediation units. The Company will be required to raise additional capital to fulfill this commitment but has not received any corresponding commitments to invest. After verification of scaled-up production results, we expect to attract substantial investment for this venture.

Mining and Minerals. We have acquired a proprietary technology license of use, which technology extracts precious metals from sand-based ore materials. We have acquired a 39% interest in VivaVentures Precious Metal, LLC which operates the precious metal extraction unit design and manufacturing, as well as the mining and extraction operations. The proprietary extraction technology uses a thermal vapor extraction process to remove and process precious metals, including gold, silver, platinum, palladium and

rhodium. Since inception of this venture, our company has funded the establishment of two precious metal extraction units. This venture has produced approximately 8,100 ounces of precious metals in a concentrate flake form. The Company received its interest in these precious metals according to agreements for financing and use of the extraction technology, although, as of March 31, 2020, the Company reserved against the historical value of the precious metal concentrate asset based on estimates received by the Company from traditional processing refineries. It was estimated that a traditional processing refinery would only be able monetize 50% of the metals contained in the flake concentrated form. The Company intends to sell the precious metals in its current or a refined state. For the quarter ended March 31, 2020, the Company did not have precious metal production due to the units being offline for further design and development. The Company anticipates that production will commence again when sales commence for the current inventory or after necessary additions to refine the precious metal concentrate on our own has been designed, manufactured and successfully tested. No assurance can be given that the Company will be successful in developing the additions and place them into production.

The Company has agreed to loan to VivaVentures Precious Metals, LLC sufficient funds to conduct further development of the process and units, including designing and manufacturing of the additional processes and thereafter additional thermal vaporization units. The Company will be required to raise additional capital to fulfill this commitment but has not received any corresponding commitments to invest.

Natural and Formulary Products. The Company provided secured loan financing and assistance to the development and commercialization of two bioactive beverages and one weight loss beverage for Vivaceuticals, Inc., which ceased operations in the United States, and sold its assets to Scepter Holdings, Inc. During the purchase of the assets, the Company received 800,000,000 shares of preferred stock in Scepter Holdings, Inc. to extinguish the loan encumbering the assets. The Company has converted these shares into Common Stock of Scepter Holdings, Inc., which is traded on the OTC Markets (ticker: BRZL) and manages the sales and development of consumer-packaged goods.

Health and Wellness Products. We have acquired a minority interest in Odyssey Group International, Inc. (Odyssey). The Company has also provided secured loan financing and assistance to Odyssey to acquire a license to use and develop a new technology called CardioMap®, which is an advanced technology for early non-invasive testing for heart disease. Odyssey's assets are the collateral for our funding, and the Company receives a percentage of total gross sales until the loan has been repaid in full. Odyssey is a trans-disciplinary product development enterprise involved in the discovery, development and commercialization of a broad range of products applied to targeted industries. Odyssey is a reporting company under the Securities and Exchange Act.

Future Products; Research and Acquisition

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

We formed a Vivakor Precious Metals Division to conduct the operations connecting commodity brokers with customers for precious metal bullion sales for investment purposes.

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

We formed VivaSphere, Inc., a wholly owned subsidiary, to conduct the operations, manage joint ventures, companies or investments acquired in this process and hold the investments for developing the technology related to ammonia synthesis.

We formed RPC Design and Manufacturing LLC, which is managed by the Company to conduct the operations surrounding designing, developing, manufacturing, and maintaining the plants and equipment to be used by the Company in the petroleum and remediation industry.

6) Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

As of March 31, 2020, our company does not own real property. We currently lease executive office space in Las Vegas, Nevada, Salt Lake City, Utah, and Irvine, California. The Company also leases warehouses in Salt Lake City, UT and have paid to be on a land site in Vernal, UT. We believe these facilities are in good condition but that we may need to expand our leased space and warehouses as needs increase.

In 2015, the Company acquired the rights, title, and interest of a proprietary oil-sand extraction technology valued at \$11,800,000. The Company issued Common Stock to acquire the technology.

In 2015, the Company acquired all of the rights, title, and interest in the two precious metal extraction machines for a cancellation of and to extinguish our outstanding notes receivable in the amount of \$6,800,000. The Company realized an \$800,000 gain on the extinguishment of the outstanding note.

In 2017, the Company issued Series C-1 Preferred Stock and Common Stock warrants to acquire approximately \$5,520,000 in machinery and equipment, and rights, title, and interest in the technology relating to ammonia synthesis, FeNix coating, and other patents relating to nano-particle application.

In 2017, the Company issued Series C-1 Preferred Stock in the amount of approximately \$2,300,000 to acquire and exclusive license for the use and joint development rights to a Nano Sponge technology.

The Company completed the construction of an extraction and remediation processing unit and continues to make significant additions to the unit before it goes into production. The Company has also manufactured and mobilized a scaled-up extraction and remediation processing unit. The Company has also purchased core equipment to commence manufacturing of a third extraction and remediation processing unit. The Company has mainly funded operations and the construction of the extraction and remediation processing units through the private offerings, including bridge note offerings, and the sale of working interest agreements, which gives investors a 25% royalty participation right in the revenue of certain extraction and remediation processing units for 20 years.

7) Officers, Directors, and Control Persons

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Using the tabular format below, please provide information regarding any person or entity owning 5% or more of the issuer, as well as any officer, and any director of the company, regardless of the number of shares they own. **If any listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information of an individual representing the corporation or entity in the note section.**

Name of Officer/Director and Control Person	Affiliation with Company (e.g. Officer/Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
AKMN Irrevocable Trust ⁽¹⁾⁽²⁾⁽³⁾	<u>Trustee is an officer of the Company</u>	Las Vegas, NV 89123	<u>160,101,110</u>	<u>Common Stock</u>	<u>51.44%</u>	Trustee: Matthew Nicosia, Salt Lake City, UT
AKMN Irrevocable Trust ⁽¹⁾⁽²⁾⁽³⁾	<u>Trustee is an officer of the Company</u>	Las Vegas, NV 89123	<u>2,000,000</u>	<u>Preferred Stock (Series A)</u>	<u>100%</u>	Trustee: Matthew Nicosia, Salt Lake City, UT
Matthew Nicosia ⁽¹⁾⁽³⁾	<u>Director/Officer</u>	Salt Lake City, UT	<u>7,850</u>	<u>Common Stock</u>	<u>*</u>	-
Pablo Peneloza	<u>Director</u>	Honolulu, HI	-	-	-	-
Tyler Nelson	<u>Officer</u>	Irvine, CA	-	-	-	-

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

(2) Matt Nicosia is the trustee of the Trust, of which Johnathan Nicosia is the beneficiary.

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

* Less than 1%

8) Legal/Disciplinary History

A. Please identify whether any of the persons listed above have, in the past 10 years, been the subject of:

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

None

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

None

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

None

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

None

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None

9) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

Securities Counsel

Name: Craig V. Butler
Firm: Law Offices Craig V. Butler
Address 1: 300 Spectrum Center Drive, Suite 300
Address 2: Irvine, CA 92618
Phone: 949-484-5667
Email: cbutler@craigbutlerlaw.com

Accountant or Auditor

Name: Michael Christian
Firm: Hall & Company
Address 1: 111 Pacifica, Suite 300
Address 2: Irvine, CA 92618
Phone: 949-910-4255
Email: mc@hallcpas.com

Other Service Providers

Provide the name of any other service provider(s), including, counsel, advisor(s) or consultant(s) **that assisted, advised, prepared or provided information with respect to this disclosure statement**, or provided assistance or services to the issuer during the reporting period.

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities).

The certifications shall follow the format below:

I, Matthew Nicosia certify that:

1. I have reviewed this disclosure statement of Vivakor, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

July 1, 2020
/s/ Matthew Nicosia

Principal Financial Officer:
I, Tyler Nelson certify that:

1. I have reviewed this disclosure statement of Vivakor, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

July 1, 2020
/s/ Tyler Nelson