Kallo Inc.
Form S-1/A
July 31, 2013

Registration No. 333-184572

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-1/A-4
REGISTRATION STATEMENT UNDERTHE SECURITIES ACT OF 1933

KALLO INC.
(Name of small business issuer in its charter)

Nevada	5045
(State or Other Jurisdiction of Organization)	(Primary Standard Industrial Classification Code)

15 Allstate Parkway Suite #600 Markham, Ontario, Canada, L3R 3B4 (416) 246 9997 (Address and telephone number of registrant's executive office)	Corporation Trust Company of Nevada 6100 Neil Road, Suite 500 Reno, Nevada 89511 (775) 688-3061 (Name, address and telephone number of agent for service)

Copies to:
The Law Office of Conrad C. Lysiak, P.S.
601 West First Avenue, Suite 903
Spokane, Washington 99201
(509) 624-1475

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC:
If any of the securities being registered on the Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box: [X]

If this Form is filed to register additional common stock for an offering under Rule 462(b) of the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed under Rule 462(c) of the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If this Form is a post-effective amendment filed under Rule 462(d) of the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same

offering. [ ]

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

Large Accelerated Filer	[ ]	Accelerated Filer	[ ]
Non-accelerated Filer	[ ]	Smaller Reporting Company	[X]

(Do not check if a smaller reporting company)

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CALCULATION OF REGISTRATION FEE

Securities to be Registered	Amount To Be Registered	Offering Price Per Share	Aggregate Offering Price	Registration Fee [1]
Common Stock:	50,000,000	$ 0.04	$ 2,000,000	$ 229.20

[1] Estimated solely for purposes of calculating the registration fee under Rule 457.

REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933, OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON DATES AS THE COMMISSION, ACTING UNDER SAID SECTION 8(a), MAY DETERMINE.

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Prospectus

KALLO INC.
Shares of Common Stock
50,000,000 Shares of Common Stock

This prospectus relates to the resale of up to 50,000,000 shares of the common stock, par value $0.00001 per share, of KALLO INC., a Nevada corporation (the “Common Stock”), by Kodiak Capital Group, LLC, a Delaware limited liability company (“Kodiak”) pursuant to which we have the right to “put” to Kodiak (the “Put Right”) up to $2 million in shares of our common stock (the “Investment Agreement” or “Equity Line of Credit”).

We will not receive any proceeds from the sale of the Common Stock by Kodiak, however, we will receive proceeds from the sale of securities pursuant to our exercise of the Put Right. We will bear all costs associated with this registration.

Kodiak is an “underwriter” within the meaning of the Securities Act of 1933, as amended (the “Securities Act”) in connection with the resale of our common stock under the Equity Line of Credit. Kodiak will pay us 80% of the lowest closing “best bid” price (the highest posted bid price) of the common stock during the five consecutive trading days immediately following the date of our notice to Kodiak of our election to put shares pursuant to the Investment Agreement.

Our common stock is quoted on the Over-the-Counter Bulletin Board (“OTCBB”) under the symbol “KALO”. The last reported sale price of our common stock on the OTCBB on July 24, 2013 was approximately $0.02 per share.

It is not possible to determine the price to the public in any sale of the shares of Common Stock by Kodiak and Kodiak reserves the right to accept or reject, in whole or in part, any proposed purchase of shares. Accordingly, Kodiak will determine the public offering price, the amount of any applicable underwriting discounts and commissions and the net proceeds at the time of any sale.

INVESTING IN OUR SECURITIES INVOLVES A HIGH DEGREE OF RISK. SEE RISK FACTORS IN THIS PROSPECTUS BEGINNING ON PAGE 10 FOR A DISCUSSION OF INFORMATION THAT SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN OUR SECURITIES.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with different information from that contained in this prospectus. Kodiak are offering to sell and seeking offers to buy shares of our common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of our common stock. This prospectus does not constitute an offer to sell, or a solicitation of an offer to buy the securities in any circumstances under which the offer or solicitation is unlawful. Neither the delivery of this prospectus nor any distribution of securities in accordance with this prospectus shall, under any circumstances, imply that there has been no change in our affairs since the date of this prospectus.

We will receive no proceeds from the sale of the shares of common stock sold by Kodiak. However, we will receive proceeds from the sale of securities pursuant to our exercise of the Put Right.

The date of this prospectus is _______________.

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ABOUT THIS OFFERING

This prospectus relates to the resale of up to 50,000,000 shares of common stock issuable to Kodiak Capital Group, LLC in 2012 for investment banking services pursuant to an Investment Agreement with us dated September 26th, 2012 (the "Investment Agreement" or "Equity Line of Credit").

Pursuant to the Investment Agreement, we have the right to "put" to Kodiak (the "Put Right") up to $2 million in shares of our common stock (i.e., we can compel Kodiak to purchase our common stock at a pre-determined formula). Accordingly, this prospectus relates, in part, to the resale of up to 50,000,000 shares of our common stock by Kodiak.

For the purpose of determining the number of shares of common stock to be offered by this prospectus, we have assumed that we will issue not more than 50,000,000 shares pursuant to the exercise of the Put Right, although the number of shares that we will actually issue pursuant to the Put Right may be more or less than 50,000,000, depending on the trading price of our common stock. We currently do not intend to exercise the put right in a manner which would result in our issuance of more than 50,000,000 shares, but if we were to exercise the Put Right in that manner, we would be required to file a subsequent registration statement with the Securities and Exchange Commission ("SEC") and that registration statement would have to be declared effective prior to the issuance of any additional shares.

The Investment Agreement provides, in part, that following notice to Kodiak, we may put to Kodiak up to $2,000,000 in shares of our common stock for a purchase price equal to 80% of the Volume Weighted Average Price which is defined as the lowest closing "best bid" price (the highest posted bid price) of the common stock during the five consecutive trading days immediately following the date of our notice to Kodiak of our election to put shares pursuant to the Investment Agreement. Kodiak has indicated that it will resell those shares in the open market, resell our shares to other investors through negotiated transactions, or hold our shares in its portfolio. This prospectus covers, in part, the resale of our stock by Kodiak either in the open market or to other investors through negotiated transactions. Kodiak's obligations under the Investment Agreement are not transferrable and this registration statement does not cover sales of our common stock by transferees of Kodiak.

All equity offerings are dilutive except that in this case Kallo controls the dilution. Kodiak Capital cannot own more than 4.9%, of the total outstanding shares. The increase in the number of shares for sale in connection with the equity line of credit will likely decrease the prevailing market price per share and also result in a reduction in the ownership percentage of our company for present shareholders. There are no limits on our ability to make draws under this agreement, except for the limitation on Kodiak not owning more than 4.9% and that the line of credit expires after six months or after $2,000,000 has been drawn.

Kodiak will only purchase shares when we meet the following conditions:

- a registration statement has been declared effective and remains effective for the resale of the common stock subject to the Equity Line of Credit;
- our common stock has not been suspended from trading for a period of five consecutive trading days and we have not been notified of any pending or threatened proceeding or other action to delist or suspend our common stock;

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- we have complied with our obligations under the Investment Agreement and the attendant Registration Rights Agreement;
- no injunction has been issued and remains in force, and no action has been commenced by a governmental authority which has not been stayed or abandoned, prohibiting the purchase or the issuance of our common stock; and we have not filed a petition in bankruptcy, either voluntarily or involuntarily, and there shall not have been commenced any proceedings under any bankruptcy or insolvency laws.

The Investment Agreement will terminate when any of the following events occur:

- Kodiak has purchased an aggregate of $2,000,000 of our common stock or six (6) months after the effective date;
- we file or otherwise enter an order for relief in bankruptcy; or
- our common stock ceases to be registered under the Securities Exchange Act of 1934 (the "Exchange Act").

As we draw down on the Equity Line of Credit, shares of our common stock will be sold into the market by Kodiak. The sale of these additional shares could cause our stock price to decline. In turn, if the stock price declines and we issue more puts, more shares will come into the market, which could cause a further drop in the stock price. You should be aware that there is an inverse relationship between the market price of our common stock and the number of shares to be issued under the Equity Line of Credit. If our stock price declines, we will be required to issue a greater number of shares under the Equity Line of Credit. We have no obligation to utilize the full amount available under the Equity Line of Credit.

Fees Paid to Kodiak Capital, LLC

There are no fees payable to Kodiak Capital Group, LLC in this transaction other than the commitment shares of 2,000,000 common shares issued and held in trust to mitigate any risk in the event of non-performance of Kodiak Capital Group. This was an oral understanding we have with Kodiak Capital Group, LLC and has not been produced in writing.

The Company agrees to issue to Kodiak Capital Group, LLC 2,000,000 shares of newly issued restricted Stock upon the execution of this term sheet. All shares will be held in escrow and are due upon either of the following conditions:

- Company fails to exercise a Put Notice within 30 business days of Effective Date.
- Company fails to have a registration statement of the Stock declared effective by the SEC by May 1, 2013.
- Kodiak Capital, LLC purchases all, or a portion of, the Facility Amount exercised by the Company.

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The Offering

Shares of common stock offered by Kodiak:	Up to 50,000,000 shares of common stock, which would represent approximately 14.65% of our outstanding common stock.
Common stock to be outstanding after the offering:	Up to 341,345,536 shares of common stock.
Use of proceeds:	We will not receive any proceeds from the sale of the shares by Kodiak. However, we will receive proceeds from the Equity Line of Credit. See "Use of Proceeds".
Risk factors:	You should carefully read and consider the information set forth under the caption "Risk Factors" beginning on page10 and all other information set forth in this prospectus before investing in our common stock.
OTC Bulletin Board Symbol:	KALO

Negative Impact and Limits on Equity Line of Credit

The resale of shares of Kodiak will have a dilutive effect upon existing shareholders and cause the control of the Company to change as a result of the number of shares being issued. Further, by causing up to 50,000,000 shares of common stock to be ingested into the current market, there could be increased difficulty in liquidating existing ownership positions in our shares of common stock. If Kodiak does not purchase any shares put to it, we will not receive any funds from this offering. Kodiak Capital Group must purchase all of the shares of common stock we put to it, provided, Kodiak Capital Group does not own more that 4.9% of our total outstanding shares of common stock. Further, we will not be entitled to deliver a put notice to Kodiak and Kodiak will not be obligated to purchase any shares unless the following conditions are satisfied:

(I) this registration statement shall have been declared effective and shall remain effective and available for the resale of all the 50,000,000 shares of common stock at all times until the Closing with respect to a put by us;

(II) at all times during the period beginning on the related put notice date and ending on and including the related closing date, the common stock shall be traded on the Over-the-Counter Bulletin Board and shall not have been suspended from trading thereon for a period of two (2) consecutive trading days;

(III) Kodiak shall not have been notified of any pending or threatened proceeding or other action to suspend the trading of the common stock;

(IV) We have complied with our obligations and is otherwise not in breach of or in default under the Investment Agreement, the Registration Rights Agreement or any other agreement executed in connection herewith which has not been cured prior to delivery of the first put notice;

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(V) no injunction shall have been issued and remain in force, or action commenced by a governmental authority which has not been stayed or abandoned, prohibiting the purchase or the issuance of the common stock to Kodiak; and,

(VI) the issuance of the shares of common stock to Kodiak will not violate any shareholder approval requirements of the Over-the-Counter Bulletin Board.

If any of the events described in clauses (I) through (VI) above occurs, then Kodiak will have no obligation to purchase the number of shares put to it.

Analysis of Number of Shares Issuable Under the Equity Line of Credit Agreement
Based on Stock Price Variance

52 week average price $0.11 (19 Dec 2011-18 Dec 2012)
Projection: Share price change v/s capital drawn from equity line of credit

Stock price drop	Share Price	Discounted Price to Kodiak	Shares Required	Capital drawn from equity line of credit
-25%	0.083	0.066	30,303,030	$2,000,000.00
-50%	0.055	0.044	45,454,545	$2,000,000.00
-75%	0.028	0.022	50,000,000	$1,100,000.00

Currently, the market price for our shares of common stock is $0.018 per share. Based on that price, we could put all 50,000,000 shares of common stock to Kodiak Capital Group and we could receive $0.014 per share or a total of $720,000.00. In order to receive the entire $2,000,000 based upon current prices we would have to register and additional 78,888,888 shares of common stock.

Past Transactions With Kodiak Capital Group

We have not done any transactions with Kodiak Capital Group or its affiliates. In May 2010 we had entered into a similar agreement with Kodiak Capital Group, which was cancelled and withdrawn by us in April 2011, and no transaction took place to cause any impact on the market price of our stock.

Capital Requirements

Analysis of our business acquisition and operations cost indicate a reasonable requirement of USD $2,000,000 or less. Based on market response to our products, services, and technologies, it is management's opinion that we will not require additional funding. Management discussed and decided on the 6 month termination provision, anticipating that the Company would draw the $2,000,000 line of credit in installments within 5 months. This is based upon our belief and the representations made to us by Kodiak that it would be continuously reselling our shares into the market, thereby consistently remaining below the 4.9% ownership limitation. If Kodiak is unable to resell the shares it acquires from us into the market place, the belief that we could draw the $2,000,000 in installments is flawed and accordingly we will be not able to draw upon the $2,000,000 within six months.

Our business

KALLO INC. was incorporated in the state of Nevada on December 12, 2006 to engage in the business of selling printing equipment, media, display stands and consumables such as inks (dye, uv, solvent) ink cartridges. We subsequently changed our name to Diamond Technologies Inc. and then to our current name of Kallo Inc.

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On December 11, 2009, an agreement was entered into by the Company to acquire 100% of the issued and outstanding shares of Rophe Medical Technologies Inc. (“Rophe”) for cash consideration of $1,200,000 and 3,000,000 of the Company’s common shares valued at $0.122 per share for total purchase price of $1,565,000 (the “Rophe Acquisition”). The $1,200,000 was initially payable as follows: $50,000 within 30 days of the date of the agreement; $200,000 on March 31, 2010; $250,000 on April 30, 2010; $233,333 on launch of Project 1; $233,333 on launch of Project 2; and, $233,334 on launch of Project 3. This transaction was closed on December 31, 2009.

Subsequently, the Rophe Acquisition payment terms were amended and 3,000,000 additional shares of restricted common stock were issued in 2009 as payment for $400,000 with the remaining cash consideration as follows: $35,000 by March 5, 2010, $65,000 by March 31, 2010, $233,333 on launch of Project 1; $233,333 on launch of Project 2; and, $233,334 on launch of Project 3. As at December 31, 2011, there is a payable in the amount of $56,502. The 3,000,000 shares were considered issued as at the closing date of the acquisition and the total of 6,000,000 shares issued for the Rophe acquisition are restricted.

The total recorded acquisition price of $865,000 was allocated to the copyrights obtained in the acquisition as they were the only significant assets of Rophe, which did not have any operations. The Company has not recorded the remaining contingent payment of $700,000 due to the uncertainty of the launch of Projects 1, 2 and 3.

On or about December 11, 2009, we changed our business focus from selling printing equipment to manufacturing and developing software designed to taking medical information from many sources and depositing it into a single source as an electronic medical record for each patient.

Our administrative office is located at 15 Allstate Parkway, Suite 600, Ontario, Canada L3R 5B6, our telephone number is (416) 246-9997. Our registered agent for service of process is the Corporation Trust Company of Nevada, located at 6100 Neil Road, Suite 500, Reno, Nevada 89511. Our fiscal year end is December 31st.

Selected financial data

The following financial information summarizes the more complete historical financial information at the end of this prospectus.

	As of Marc h 31, 2013 (Unaudited)		As of December 31, 2012 (Audited)		As of December 31, 2011 (Audited)	
Balance Sheet						
Total Assets	$	1,237,951	$	1,480,999	$	1,163,270
Total Liabilities	$	2,149,078	$	1,557,154	$	2,056,815
Stockholders’ Deficit	$	(911,127)	$	(76,155)	$	(893,545)

	For the Three Months Ended March 31, 2013 (Unaudited)		For the Year Ended December 31, 2012 (Audited)		For the Year Ended December 31, 2011 (Audited)	
Income Statement						
Revenue	$	0	$	0	$	0
Total Expenses	$	834,972	$	7,003,791	$	5,337,700
Net Loss	$	(834,972)	$	(7,003,791)	$	(5,337,700)

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RISK FACTORS

Please consider the following risk factors before deciding to invest in our common stock.

Risks associated with Kallo Inc.:

1. Our auditors have included a going concern emphasis of matter paragraph, which indicates that the consolidated financial statements were prepared under the assumption that the Company will continue as a going concern.

Our auditors have included a going concern emphasis of matter paragraph. This means that the amounts of assets and liabilities in the consolidated financial statements do not purport to represent realizable or settlement values.

2. Because we have changed business, we lack an operating history and have losses which we expect to continue into the future. There is no assurance our operations will result in profitable revenues. If we cannot generate sufficient revenues to operate profitably, we may suspend or cease operations.

We were incorporated on December 12, 2006 and we have not generated revenues during the past three years. We have no operating history upon which an evaluation of our future success or failure can be made. Our net loss since inception is $17,365,763. Our ability to achieve and maintain profitability and positive cash flow is dependent upon

* our ability to manufacture our products
* our ability to attract customers who will buy products
* our ability to generate revenues

Based upon current plans, we expect to incur operating losses in future periods because we will be incurring expenses and not generating revenues. We cannot guarantee that we will be successful in generating revenues in the future. Failure to generate revenues will cause us to go out of business.

3. We have only one customer and we cannot guarantee we will ever have a solid customer base. Even if we obtain clients or customers, there is no assurance that we will make a profit.

We have only one customer. While we have identified other customers, there is no assurance we will engage in business with any of them. Even if we obtain additional orders for our products or clients there is no guarantee that we will ever generate revenues or a profit if we are unable to attract additional customers and sell them our products, we will have to suspend or cease operations.

4. We need additional capital in order to stay in business for one year. If we can’t raise it, we could go out of business.

We have exhausted our capital and need additional funds to continue our operations. If we can’t raise it through this offering, we may have to cease operations. Analysis of our business acquisition and operations cost indicate a reasonable requirement of USD $500,000 or less. The equity line of credit for $2,000,000 would satisfy the need for capital established by the business analysis in our management’s opinion. We believe we could maintain our current operations upon receipt of $500,000.

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We do not need to raise US$2,000,000 in the six month window as we believe we could maintain our current operations upon receipt of $500,000. If we cannot raise a minimum draw of US$500,000 within the 6 month window, there is a risk that we could run out of funds to continue our operations. We will also negotiate with Kodiak for an extension of the funding window period.

5. Because we are small and do not have much capital, we must limit marketing our services to potential customers and suppliers. As a result, we may not be able to attract enough customers to operate profitably. If we do not make a profit, we may have to suspend or cease operations.

Because we are small and do not have much capital, we must limit marketing our website to potential customers and suppliers. Because we will be limiting our marketing activities, we may not be able to attract enough customers to buy or suppliers to sell products to operate profitably. If we cannot operate profitably, we may have to suspend or cease operations.

6. Because most of our assets and our officers and directors are located outside the United States of America, it may be difficult for an investor to enforce within the United States any judgments obtained against us or any of our officers and directors.

Our assets are located outside of the United States and most of our officers' and directors' assets are located outside the United States. As a result, it may be difficult for you to effect service of process or enforce within the United States, any judgments obtained against us or our officers or directors, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state thereof. In addition, it is unlikely that the courts of Canada and other jurisdictions would recognize or enforce judgments of United States courts obtained against us or our officers and directors predicated upon the civil liability provisions of the securities laws of the United States or any state thereof, or be competent to hear original actions brought in Canada or other jurisdictions against us or our officers and directors predicated upon the securities laws of the United States or any state thereof.

7. We operate in a highly competitive industry and we cannot guarantee you that we will ever achieve any level of success in competing for clients.

The computer industry is very competitive. We are at a competitive disadvantage in attracting clients due to our relatively small size. Most of our competitors are larger and more diversified than we are and have greater financial resources. We cannot predict the degree of success, if any, with which we will meet competition in the future.

Risks associated with this offering:

8. We are registering an aggregate of 50,000,000 shares of common stock, which are to be issued under the Equity Line of Credit. The sale of such shares could depress the market price of our common stock.

We are registering an aggregate of 50,000,000 shares of common stock which will be issued pursuant to the Equity Line of Credit. The sale of these shares into the public market could depress the market price of our common stock. As of January 31, 2013, there were 291,345,536 shares of our common stock issued and outstanding.

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9. Existing stockholders could experience substantial dilution upon the issuance of common stock pursuant to the Equity Line of Credit.

This registration contemplates our issuance of up to 50,000,000 shares of our common stock to Kodiak, subject to certain restrictions and obligations. If the terms and conditions of the Equity Line of Credit are satisfied, and we choose to exercise our Put Rights to sell 50,000,000 shares of our common stock to Kodiak, our existing stockholders' ownership will be diluted by such sales. Consequently, the value of your investment may decrease. Our Equity Line of Credit with Kodiak contemplates the potential future issuance and sale of up to $2,000,000 of our common stock to Kodiak subject to certain restrictions and obligations.

10. Kodiak will pay less than the then-prevailing market price for our common stock.

The common stock to be issued to Kodiak pursuant to the Investment Agreement will be purchased at a twenty percent (20%) discount to the lowest closing "best bid" price (the highest posted bid price) of the common stock during the five consecutive trading days immediately following the date of our notice to Kodiak of our election to put shares pursuant to the Investment Agreement. Kodiak has a financial incentive to sell our common stock immediately upon receiving the shares to realize the profit equal to the difference between the discounted price and the market price. If Kodiak sells the shares, the price of our common stock could decrease. If our stock price decreases, Kodiak may have a further incentive to sell the shares of our common stock that it holds. These sales may have a further impact on our stock price.

11. There may not be sufficient trading volume in our common stock to permit us to put shares to Kodiak.

In order to put the shares to Kodiak, there has to be sufficient trading volume to allow Kodiak to resell the shares put to it into the open market. Insufficient trading volume will prevent Kodiak from selling its shares into the market and prevent us from putting more shares to Kodiak since it is a condition to our contract with Kodiak that Kodiak can never own more than 4.99% of our total outstanding shares of common stock at any one time. If we cannot "put" shares to Kodiak, we cannot receive payment therefore.

12. Our common stock is thinly traded, so you may be unable to sell at or near ask prices or at all if you need to sell your shares to raise money or otherwise desire to liquidate your shares.

Our common stock has historically been sporadically or "thinly-traded" on the OTC Bulletin Board, meaning that the number of persons interested in purchasing our common stock at or near ask prices at any given time may be relatively small or nonexistent. This situation is attributable to a number of factors, including the fact that we are a small company which is relatively unknown to stock analysts, stock brokers, institutional investors and others in the investment community that generate or influence sales volume, and that even if we came to the attention of such persons, they tend to be risk-averse and would be reluctant to follow an unproven company such as ours or purchase or recommend the purchase of our shares until such time as we became more seasoned and viable.

As a consequence, there may be periods of several days or more when trading activity in our shares is minimal or non-existent, as compared to a mature issuer which has a large and steady volume of trading activity that will generally support continuous sales without an adverse effect on share price. It is possible that a broader or more active public trading market for our common stock will not develop or be sustained, or that current trading levels will continue.

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13. The limited public trading market may cause volatility in our stock price.

The quotation of our common stock on the OTCBB does not assure that a meaningful, consistent and liquid trading market currently exists, and in recent years such market has experienced extreme price and volume fluctuations that have particularly affected the market prices of many smaller companies like us. Our common stock is thus subject to this volatility. Sales of substantial amounts of our common stock, or the perception that such sales might occur, could adversely affect prevailing market prices of our common stock.

14. The application of the “penny stock” rules could adversely affect the market price of our common shares and increase your transaction costs to sell those shares.

The SEC has adopted rule 3a51-1 which establishes the definition of a “penny stock,” for the purposes relevant to us, as any equity security that has a market price of less than $5.00 per share or with an exercise price of less than $5.00 per share, subject to certain exceptions. For any transaction involving a penny stock, unless exempt, Rule 15g-9 requires:

- that a broker or dealer approve a person’s account for transactions in penny stocks; and
- the broker or dealer receive from the investor a written agreement to the transaction, setting forth the identity and quantity of the penny stock to be purchased

In order to approve a person’s account for transactions in penny stocks, the broker or dealer must:

- obtain financial information and investment experience objectives of the person; and
- make a reasonable determination that the transactions in penny stocks are suitable for that person and the person has sufficient knowledge and experience in financial matters to be capable of evaluating the risks of transactions in penny stocks.

The broker or dealer must also deliver, prior to any transaction in a penny stock, a disclosure schedule prescribed by the SEC relating to the penny stock market, which, in highlight form:

- sets forth the basis on which the broker or dealer made the suitability determination; and
- that the broker or dealer received a signed, written agreement from the investor prior to the transaction.

Generally, brokers may be less willing to execute transactions in securities subject to the “penny stock” rules. This may make it more difficult for investors to dispose of our common stock and cause a decline in the market value of our stock.

15. Rule 144 Related Risk.

The SEC adopted amendments to Rule 144, which became effective on February 15, 2008 that apply to securities acquired both before and after that date. Under these amendments, a person who has beneficially owned restricted shares of our common stock for at least six months would be entitled to sell their securities provided that (i) such person is not deemed to have been one of our affiliates at the time of, or at any time during the three months preceding a sale, (ii) we are subject to the Exchange Act periodic reporting requirements for at least 90 days before the sale and (iii) if the sale occurs prior to satisfaction of a one-year holding period, we provide current information at the time of sale.

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Persons who have beneficially owned restricted shares of our common stock for at least six months but who are our affiliates at the time of, or at any time during the three months preceding a sale, would be subject to additional restrictions, by which such person would be entitled to sell within any three-month period only a number of securities that does not exceed the greater of either of the following:

- 1% of the total number of securities of the same class then outstanding; or
- the average weekly trading volume of such securities during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale;

provided, in each case, that we are subject to the Exchange Act periodic reporting requirements for at least three months before the sale. Such sales by affiliates must also comply with the manner of sale, current public information and notice provisions of Rule 144.

16. Restrictions on the reliance of Rule 144 by Shell Companies or former Shell Companies.

Historically, the SEC staff has taken the position that Rule 144 is not available for the resale of securities initially issued by companies that are, or previously were, blank check companies, like us. The SEC has codified and expanded this position in the amendments discussed above by prohibiting the use of Rule 144 for resale of securities issued by any shell companies (other than business combination related shell companies) or any issuer that has been at any time previously a shell company. The SEC has provided an important exception to this prohibition, however, if the following conditions are met:

- The issuer of the securities that was formerly a shell company has ceased to be a shell company;
- The issuer of the securities is subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act;
- The issuer of the securities has filed all Exchange Act reports and material required to be filed, as applicable, during the preceding 12 months (or such shorter period that the issuer was required to file such reports and materials), other than Current Reports on Form 8-K; and
- At least one year has elapsed from the time that the issuer filed current comprehensive disclosure with the SEC reflecting its status as an entity that is not a shell company.

As a result, it is likely that pursuant to Rule 144, stockholders who receive our restricted securities in a business combination will not be able to sell our shares without registration until one year after we have completed our initial business combination. We are not a “shell company” and have not been so for a period in excess of twelve (12) months.

Forward-Looking Statements

Statements in this prospectus may be “forward-looking statements.” Forward-looking statements include, but are not limited to, statements that express our intentions, beliefs, expectations, strategies, predictions or any other statements relating to our future activities or other future events or conditions. These statements are based on current expectations, estimates and projections about our business based, in part, on assumptions made by management. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may, and are likely to, differ materially from what is expressed or forecasted in the forward-looking statements due to numerous factors, including those described above and those risks discussed from time to time in this prospectus, including the risks described under “Risk Factors,” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in this prospectus and in other documents

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which we file with the Securities and Exchange Commission. In addition, such statements could be affected by risks and uncertainties related to our ability to raise any financing which we may require for our operations, competition, government regulations and requirements, pricing and development difficulties, our ability to make acquisitions and successfully integrate those acquisitions with our business, as well as general industry and market conditions and growth rates, and general economic conditions. Any forward-looking statements speak only as of the date on which they are made, and we do not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date of this prospectus.

USE OF PROCEEDS

We will not receive any proceeds from the sale of common stock offered by Kodiak. However, we will receive proceeds from the sale of our common stock to Kodiak pursuant to the Investment Agreement. The proceeds from our exercise of the Put Right pursuant to the Investment Agreement will be used for working capital.

SELLING SECURITYHOLDER

The following table details the name of each selling stockholder, the number of shares owned by Kodiak Capital Group LLC, (“Kodiak”) the sole selling stockholder, and the number of shares that may be offered by Kodiak Capital Group LLC is not a broker-dealer. Kodiak is deemed an underwriter and therefore this offering is also considered an indirect primary offering. Kodiak may sell up to 50,000,000shares, which are issuable upon the exercise of our put right with Kodiak. Kodiak will not assign its obligations under the equity line of credit.

Name	Total number of shares owned prior to offering	Percentage of shares owned prior to offering	Number of shares being offered	Percentage of shares owned after the offering assuming all of the shares are sold in the offering
Kodiak Capital Group LLC (1)	0	0%	50,000,000	14.65%

(1) Pursuant to put right set forth in Investment Agreement. Ryan Hudson exercises dispositive and voting control for Kodiak Capital Group, LLC.

PLAN OF DISTRIBUTION

This prospectus includes 50,000,000 shares of common stock offered by Kodiak.

Kodiak and any of its pledgees, assignees and successors-in-interest may, from time to time, sell any or all of its shares of common stock on the OTC Bulletin Board or any other stock exchange, market or trading facility on which our shares are traded or in private transactions. These sales may be at fixed or negotiated prices. Kodiak may use any one or more of the following methods when selling shares:

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- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- privately negotiated transactions;
- settlement of short sales entered into after the effective date of the registration statement of which this prospectus is a part;
- broker-dealers may agree with Kodiak to sell a specified number of such shares at a stipulated price per share;
- through the writing or settlement of options or other hedging transactions, whether through an options exchange or otherwise;
- a combination of any such methods of sale; or
- any other method permitted pursuant to applicable law.

Kodiak or its pledgees, donees, transferees or other successors in interest, may also sell the shares directly to market makers acting as principals and/or broker-dealers acting as agents for themselves or their customers. Such broker-dealers may receive compensation in the form of discounts, concessions or commissions from the selling stockholder and/or the purchasers of shares for whom such broker-dealers may act as agents or to whom they sell as principal or both, which compensation as to a particular broker-dealer might be in excess of customary commissions. Market makers and block purchasers purchasing the shares will do so for their own account and at their own risk. It is possible that Kodiak will attempt to sell shares of common stock in block transactions to market makers or other purchasers at a price per share which may be below the then market price. Kodiak cannot assure that all or any of the shares offered in this prospectus will be issued to, or sold by, Kodiak. Kodiak and any brokers, dealers or agents, upon effecting the sale of any of the shares offered in this prospectus, will be deemed to be “underwriters” as that term is defined under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, or the rules and regulations under such acts. In such event, any commissions received by such broker-dealers or agents and any profit on the resale of the shares purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act.

Kodiak Capital Group LLC is not permitted to assign its obligations under the equity line.

We are paying all fees and expenses incident to the registration of the shares, including fees and disbursements of counsel to Kodiak, but excluding brokerage commissions or underwriter discounts. Kodiak, alternatively, may sell all or any part of the shares offered in this prospectus through an underwriter. Kodiak has not entered into any agreement with a prospective underwriter; however, there is no assurance that any such agreement will not be entered into.

Kodiak may pledge its shares to its brokers under the margin provisions of customer agreements. If Kodiak defaults on a margin loan, the broker may, from time to time, offer and sell the pledged shares. Kodiak and any other persons participating in the sale or distribution of the shares will be subject to applicable provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations under such act, including, without limitation, Regulation M. These provisions may restrict certain activities of, and limit the timing of purchases and sales of any of the shares by, Kodiak or any other such person. In the event that Kodiak is deemed affiliated with purchasers or distribution participants within the meaning of Regulation M, then Kodiak will not be permitted to engage in short sales of common stock. Furthermore,

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under Regulation M, persons engaged in a distribution of securities are prohibited from simultaneously engaging in market making and certain other activities with respect to such securities for a specified period of time prior to the commencement of such distributions, subject to specified exceptions or exemptions. In regards to short sells, Kodiak is contractually restricted from engaging in short sells. All of these limitations may affect the marketability of the shares.

We have agreed to indemnify certain of Kodiak, or their transferees or assignees, against certain liabilities, including liabilities under the Securities Act of 1933, as amended, or to contribute to payments the selling stockholder or their respective pledgees, donees, transferees or other successors in interest, may be required to make in respect of such liabilities. If the selling stockholder notifies us that it has a material arrangement with a broker-dealer for the resale of the common stock, then we would be required to amend the registration statement of which this prospectus is a part, and file a prospectus supplement to describe the agreements between the selling stockholder and the broker-dealer.

We agreed to use our best reasonable efforts to keep this prospectus effective until the earlier of (i) the date on which the shares may be resold by Kodiak without registration and without regard to any volume limitations by reason of Rule 144 under the Securities Act or any other rule of similar effect or (ii) all of the shares have been sold pursuant to this prospectus or Rule 144 under the Securities Act or any other rule of similar effect. Since Kodiak is deemed an underwriter, Rule 144 of the Securities Act of 1933, as amended, is unavailable for the resale of the shares by Kodiak.

MARKET FOR OUR COMMON STOCK

Our shares are traded on the Bulletin Board operated by the Financial Industry Regulatory Authority under the symbol “KALO”. A summary of trading by quarter for 2013, 2012 and 2011 is as follows:

Fiscal Year – 2013	High Bid	Low Bid
First Quarter 1-1-13 to 3-31-13	$0.04	$0.01
Fiscal Year – 2012	**High Bid**	**Low Bid**
Fourth Quarter 10-1-2012 to 12-31-12	$0.06	$0.01
Third Quarter 7-1-12 to 9-30-12	$0.20	$0.01
Second Quarter 4-1-12 to 6-30-12	$1.00	$0.25
First Quarter 1-1-12 to 3-31-12	$0.24	$0.05
Fiscal Year – 2011	**High Bid**	**Low Bid**
Fourth Quarter 10-1-11 to 12-31-11	$0.11	$0.02
Third Quarter 7-1-11 to 9-30-11	$0.10	$0.05
Second Quarter 4-1-11 to 6-30-11	$0.22	$0.10
First Quarter 1-1-11 to 3-31-11	$0.22	$0.05

The foregoing reflects a three-for-one stock dividend declared on February 11, 2008.

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Dividends

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

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

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

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

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

Securities authorized for issuance under equity compensation plans

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

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

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

Our auditors have included a going concern emphasis of matter paragraph as part of the audit of our year-end consolidated financial statements. We have not generated revenues from our operations during the last three years. Our only revenues generated were in 2007, when we were engaged in the business of selling printing equipment and related products. We have been able to remain in business as a result of investments, in debt or equity securities, by our officers and directors and by other unrelated parties. We expect to incur operating losses in the foreseeable future and our ability to continue as a going concern is dependent upon our ability to raise additional money through investments by others and achieve profitable operations. There is no assurance that we will be able to raise additional money or that additional money or that additional financing will be available to us on satisfactory terms or that we will be able to achieve profitable operations. The consolidated statements were prepared under the assumption that the Company will continue as a going concern, however, there can be no assurance that such financial support shall be ongoing or available on terms or conditions acceptable to the Company. This raises substantial doubt about the Company's ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

For the last four fiscal years, starting January 2010, Kallo management and board of directors have raised funds through a personal and professional network of angel investors. This has enabled product and business development, continued operations, and generation of customer interest. In order to continue operations, management has contemplated several options to raise capital and sustain operations in the next 12 months. One of these options is an

equity line of credit from Kodiak Capital Group LLC. Management's opinion is that this line of credit from Kodiak Capital Group LLC will enable continued operations for the next 12 months. There is no assurance that Kodiak Capital Group LLC will supply us with any money. In the event we do not receive any funds from Kodiak, we will continue to borrow money from or sell restricted shares of our common stock to our officers and directors in order to maintain operations. Our officers and directors are under no legal duty to provide us with additional financing nor have our officers and directors committed to provide us with additional financing.

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Analysis of our business acquisition and operations cost indicate a reasonable requirement of USD $2,000,000 or less. We have entered into an agreement with Kodiak Capital Group, LLC., a Delaware limited liability company ("Kodiak") whereby we have the right to "put" to Kodiak up to $2,000,000 in our shares of common stock. In connection therewith, we have filed a Form S-1 registration statement with the Securities and Exchange Commission registering for sale up to 50,000,000 shares of our common stock. Based upon the current price of our common stock, we believe that if Kodiak purchases all 50,000,000 shares of common stock, we will only receive $720,000. The reasonable funding requirement of US$2,000,000 is estimated to fund our operations and capital requirements over the next 12 months. Our management believes that we can be generating revenue in the next 6-12 months, and therefore will not require additional funding.

On November 20, 2012, we signed a memorandum of understanding with the Ministry of Health of the Republic of Ghana for the supply and implementation of a National Mobile Care program with Mobile Clinics and Clinical Command Centers integrated with the existing healthcare system and improve the healthcare delivery services to the rural and remote population of Ghana at large for a total project cost for National implementation and Maintenance support for five years of US$158,500,000.

1. The Ministry of Health of the Republic of Ghana and Kallo Inc. have agreed that a contract for the implementation of the Mobile Care projects will be signed when the following conditions have been satisfied:

a) Approval of the Credit Agreement by the Cabinet and Parliament of Republic of Ghana and the relevant KALLO INC. for the implementation of the projects;
b) Approval by the Ministry of Health of the detailed proposal for Mobile Care project submitted by Kallo Inc., dated 19 November 2012 which includes detailed technical specifications for the mobile clinics, training and maintenance support services.
c) The training program will include a certification process for Kallo Inc., affiliated Canadian and United States Of America Medical Teaching University and Applied Science Colleges.
d) Successful completion of "Value for Money" audit of the Contractor's proposal and negotiations;

e) Approval of the contract by the Public Procurement Authority of Ghana.

2. That the National rollout overview and supply and training schedules will be mutually agreed, upon the acceptance of the indicative terms and condition of the loan by the Ministry of Finance and Economic Planning of the Republic of Ghana;

3. That Party B's financial proposals attached herein to be used by the Ministry of Finance and Economic Planning for consideration and value for money assessment;

a) That Party B's technical proposals shall be considered by a team of experts for assessment and negotiation

4. Any disputes between the parties shall be resolved through negotiation and mediation by the appropriate authorities

5. That within 30 days after the signing of the MOU, Party A shall notify Party B by a written document his requirements and specifications which shall include and not be limited to the following information:

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a) Feasibility study report

b) National geographic locations and demographic deployment schedules for Mobile Clinics and Clinical Command Centers
c) Different functional requirements of Mobile clinics for both rural and urban locations

d) Number of Mobile Clinics and Clinical Command Centers in each region

e) Current standards for medical equipment in hospital in Ghana, for example: the standard of radiation control of X-ray machine
f) Standards for electric appliances used in mobile clinics and for environmental protection, for example: power outlet and interface of electric appliances, busing standards for the protection for X-ray machine
g) Standards for waste-water treatment, medical waste treatment, operating-room and supply room of the Mobile Clinic
h) Human resources deployment in district level hospital for mobile clinic

i) Standards for contagions diseases isolation and sterilization in Ghana

j) Principal of accessory and spare-parts supply

k) Principle of medical consumables and medical equipment consumables

As at March 13, 2013, the following items have been satisfied:

a) Approval by the Ministry of Health of the detailed proposal for Mobile Care project submitted by Kallo Inc., dated 19 November 2012 which includes detailed technical specifications for the mobile clinics, training and maintenance support services.
b) The training program will include a certification process for Kallo Inc., affiliated Canadian and United States Of America Medical Teaching University and Applied Science Colleges.
c) Feasibility study report

d) National geographic locations and demographic deployment schedules for Mobile Clinics and Clinical Command Centers
e) Different functional requirements of Mobile clinics for both rural and urban locations

f) Number of Mobile Clinics and Clinical Command Centers in each region
g) Current standards for medical equipment in hospital in Ghana, for example: the standard of radiation control of X-ray machine
h) Standards for electric appliances used in mobile clinics and for environmental protection, for example: power outlet and interface of electric appliances, busing standards for the protection for X -ray machine
i) Standards for waste-water treatment, medical waste treatment, operating-room and supply room of the Mobile Clinic
j) Human resources deployment in district level hospital for mobile clinic
k) Standards for contagions diseases isolation and sterilization in Ghana

l) Principal of accessory and spare-parts supply

m) Principle of medical consumables and medical equipment consumables

Plan of Operation at March 31, 2013

The following plan of operation contains forward-looking statements, which involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including those set forth elsewhere in this document.

Kallo mobile Care implementation plan for Ghana is based on the timelines of the Mobiles Clinic’s delivery and training provided by Kallo.

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Based on the Delivery plan of Kallo Inc. there is a lead-time of 5-6 months for production and delivery of the first 2 mobile clinics in Ghana from the time of confirmed purchase order along with payments through Bank.

In this period of 5-6 months from the date of purchase order confirmation to Kallo Inc. the following shall be completed for go live of the Mobile Clinics.

1. Establish geographical coverage for Mobile Clinics based on hospitals to population ratio in specific rural areas of Ghana
2. Establish the Specialists support from Teaching Hospitals
3. Establish Leadership for operational and administrative support
4. Establish Governance Councils for operations, Education and Training

Kallo Mobile Care program with Mobile Clinics, Clinical and Administrative Command Centers deployed in an integrated model with the current healthcare delivery services will produce demonstrable impact in the community in terms of improved healthcare delivery within 12 months of implementation that would contribute to the flagship achievement by the current government to its merit.

Our plan and focus during the next twelve months include implementing Kallo Mobile Care program in Ghana in a timely manner, selling our existing products as well as developing and possibly selling new products.

Costs Associated with the Plan of Operations

Currently under the Plan of Operations, we have expenses towards 7 full time resources, including engineers, applications specialist, and project and operations managers. We have completed the product development phase for Electronic Medical Records system, Mobile Clinics, and Clinical Command Centers. Our efforts are focused in commercializing these technologies and generating revenue. The current capital requirement caters only to the resources, infrastructure, and business development expenses for these technologies. Management analysis of our business acquisition and operations cost indicate a reasonable requirement of USD $2,000,000 or less for the next 12-18 months of operations. Kallo management anticipates that this infusion of capital will generate revenue from sales of the above-mentioned technologies. This will in turn sustain the company and enable further development of other Kallo owned copyrighted technologies.

Our Sales and Marketing Strategy for existing developed products

KALLO EMCURx (EMR)

As of the date of this report, we have achieved an EMR milestone for Specialists, by securing an accepted and signed installation order. Our specialist EMR product, EMCURx, is customized to satisfy the needs of specialists, regardless of their specialty. The software is being installed and advance payment of $24,990 has been received as of December 31, 2012. Revenue from this installation will be $30,000 with an anticipated gross profit of $20,000. Clinical user and administrative training will be completed in July 2013 to ensure seamless transition to a paperless digital medical clinic. Work on this order has commenced and installation will be completed in the third quarter 2013.

Our milestones during the next twelve months are:

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1 - Developing our sales organization and marketing the third party products along with our software that bring the data from these products into an EMR system in the major metropolitan areas of Canada. We expect the cost to be $300,000 and 12 months to complete this Milestone.

2 – Simultaneously with the build-up of our sales organization, we will build a product support team that will provide installation, training and customer support. We expect the cost to be $500,000 and 12 months to complete this Milestone.

3 – Expanding our market from the larger metropolitan areas to the smaller rural and more distant medical facilities. We expect the cost to be $250,000 and 12 months to complete this Milestone.

4 – Developing our Mobile Care business globally. We expect the cost to be $ 700,000 and 12 months to complete the Milestone.

Within Canada, we will focus on having a direct sales force to market and sell EMR to walk-in clinics/doctor's offices, Independent Diagnostic Centers /Independent Health Facilities and hospitals. The revenue generation from EMR consists of product sales, implementation, integration, training, on-going maintenance, and professional services.

Outside Canada, we may establish commercial partnerships for all of our product candidates in order to accelerate development and marketing in those countries and further broaden our products' commercial potential.

KALLO MOBILE CARE

We have successfully launched one of our copyrighted technologies "MOBILE CARE" - Mobile Clinics in November 2011, and have since then received several enquiries for this product from countries in Africa, Vietnam, North West Territories and Northern Ontario in Canada, USA and the Middle East. We have not been contacted Sudan, Syria, or Iran. If we were contacted by Sudan, Syria, or Iran, we would not do business with them or with any entity located within their geographical boundaries since they are designated by the U.S. Department of State as sponsors of terrorism and are subject to U.S. economic sanctions and export controls. Based on the levels of interest from the local Ministries of Health, we have selected companies with business and technical strengths as our local representatives for sales and support in the region. Mobile Care is a state of the art clinical setup in a vehicle equipped with the latest technology in healthcare. More than just a facility, Mobile Care can instantly connect the onboard physician with specialists for on-demand consultation via satellite through its Telehealth system. This is truly a holistic approach to delivering healthcare to the remotely located. For many rural communities, the nearest hospital, doctor or nurse may be hundreds of kilometers away. In many cases, this gap can be bridged using Telehealth technology that allows patients, nurses and doctors to talk as if they were in the same room. Mobile Care is not the same thing as EMR referred to herein.

We expect to see sales revenues from Kallo's Mobile Care business unit in the next twelve (12) months. Kallo's Mobile Clinic is equipped with necessary medical equipment as per regional healthcare requirements. We also install our copyrighted software and third party software as required. Revenue is generated by charging for medical equipment, software licenses, installation implementation and training. This generates an ongoing revenue stream for service, maintenance, spare-parts, and consumables.

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Our Development and Commercialization Strategy for new products

We intend to initiate sales of our products in our target commercial areas. Our target commercial areas are hospitals, clinics and doctors' offices. We expect to focus on marketing our current offering as well as completing product development for our product candidates in order to increase our possibilities for current and future revenue generation.

Our forward-looking plan envisions applying our copyrighted design and technology to develop three additional products, to bring to market integrated computer systems that address today's critical health management needs in epidemic control, medical information flow across borders and provision of heath care in rural and remote areas.

In addition to our EMR, which is ready for production, we have prioritized the following products for completion of development and are listing them in order of priority.

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

B. EMR Integration Engine - Electronic Medical Record Integration Engine - Under development.
C. C&ID-IMS – Communicable and Infectious Disease Information Management System - Under Development
D. CCG Technology - Clinical-Care Globalization technology – Under Development

We do not at this time have a definitive timetable as to when we will complete these intense development efforts.

We are considered to be in the development stage, as defined under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 915-205. We have been in the development stage since our inception. We have had no substantial recurring source of revenue; we have incurred operating losses since inception and at December 31, 2012 had a working capital deficiency of $1,018,696.

The development and marketing of new medical software technology is capital intensive. We have funded operations to date either through the sale of our common stock or through advances made by our key shareholders.

We have utilized funds obtained to date for organizational purposes and to commence certain financial transactions. We require additional funding to complete these transactions (including the acquisition of a service-based, valued-business enterprise and related expenses), expand our marketing and sales efforts and increase the Company's revenue base.

Limited operating history; need for additional capital

There is no historical financial information about us upon which to base an evaluation of our performance. We cannot guarantee we will be successful in our business operations. Our business is subject to risks inherent in the establishment of a new business enterprise, including limited capital resources and possible cost overruns due to price increases in services and products.

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

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

Results of operations - March 31, 2013

Revenues

We did not generate any revenues during the three months ended March 31, 2013 or 2012. From our inception on December 12, 2006 through March 31, 2013, we generated $15,887 in revenues. We generated the revenues in 2007 when we were engaged in the business of selling printing equipment and related products. Since then we have not generated any revenues. We are in the process of completing the user training for our first installation of EMR for Specialists and will start generating revenues in 2013.

Expenses

During the three months ended March 31, 2013 we incurred total expenses of $834,972, including $174,785 in salaries and compensation, $22,142 in depreciation, $210,281 in professional fees, $50,012 in selling and marketing expenses, $299,609 in derivative loss and change in fair value of convertible promissory note and $78,143 as other expenses whereas during the three months ended March 31, 2012 we incurred total expenses of $538,176, including $215,548 in salaries and compensation, $22,142 in depreciation, $153,626 in professional fees, $53,261 in selling and marketing expenses and $93,599 in other expenses. Our professional fees consist of legal, consulting, accounting and auditing fees. The increase in our total expenses for the three months ended March 31, 2013 from the comparative period is due mainly to the change in fair value on convertible promissory notes of $299,609.

Net Loss

During the three months ended March 31, 2013 we did not generate any revenues and incurred a net loss of $834,972 compared to a net loss of $538,176 during the same period in 2012. The main reason is because of the change in fair value on convertible promissory notes of $299,609.

From our inception on December 12, 2006 to March 31, 2013 we incurred a net loss of $18,200,735, $15,506,678 of which was general and administration, $824,292 of which was software development costs, $988,571 of which was selling and marketing, $218,022 of which was depreciation, $212,262 of which was interest and financing costs, $450,376 of which was change in fair value on convertible promissory notes and $534 of which was other expenses.

Liquidity and capital resources – March 31, 2013

As at March 31, 2013, the Company had current assets of $317,552 and current liabilities of $1,919,078, indicating working capital deficiency of $1,601,526. As of March 31, 2013, our total assets were $1,237,951 in cash, other receivables, prepaid expenses, copyrights, equipment and our total liabilities were $2,149,078 comprised of $1,109,595 in accrued liabilities, $25,000 in accrued officer salaries, Rophe Medical Technologies Inc. acquisition costs payable of $525, obligations under capital leases of $77,940, deposit for shares to be issued of $230,000, convertible promissory note of $500,376, short term loans of $85,122, deferred revenue of $24,990 and loan of $95,530.

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Cash used in operating activities amounted to $430,895 during the three months ended March 31, 2013, primarily as a result of the net loss adjusted for non-cash items and various changes in operating assets and liabilities.

There were no cash used in investing activities during the current three months period ended March 31, 2013.

Cash provided by financing activities during the three months ended March 31, 2013 amounted to $205,997 and represented proceeds from shares to be issued of $230,000, proceeds from loans payable of $6,325, net of payments of obligations under capital lease obligations of $30,328.

Results of operations – December 31, 2012

Revenues

a) We did not generate any revenues during the year ended December 31, 2012 or 2011. From our inception on December 12, 2006 through December 31, 2012 we generated $15,887 in revenues. We generated the revenues in 2007 when we were engaged in the business of selling printing equipment and related products. The revenues were generated in fiscal year 2007. Since then we have not generated any revenues. We are in the process of completing the user training for our first installation of EMR for Specialists and will start generating revenues in early 2013.

Expenses

During the year ended December 31, 2012 we incurred total expenses of $7,003,791, including $5,392,199 in salaries and compensation, $88,569 in depreciation, $615,747 in professional fees, $419,702 in selling and marketing expenses and $487,574 as other expenses. Our professional fees consist of legal, consulting, accounting and auditing fees.

During the year ended December 31, 2011 we incurred total expenses of $5,337,700.

The increase in our expenses for the year ended December 31, 2012 was primarily due to an increase in salaries and compensation of $2,403,849 offset by a decrease in research and development costs of $162,815 and a decrease in professional fees of $686,981.

Net Loss

During the year ended December 31, 2012 we did not generate any revenues and we incurred a net loss of $7,003,791 compared to a net loss of $5,337,700 in 2011.

From our inception on December 12, 2006 to December 31, 2012 we incurred a net loss of $17,365,763, $15,053,789 of which was general and administration, $824,292 of which was software development costs, $938,559 of which was selling and marketing and $549,123 of which was other expenses.

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Results of Operations

From Inception on December 12, 2006 to December 31, 2012

During the year 2007, we incorporated the company, hired the attorney and the auditor and began to negotiate contracts and sell printing related products.

During the year 2008 we continued sourcing products. We did not sell any products or services.

During the year 2009, we did not sell any products or services. We acquired all of the issued and outstanding shares of common stock of Rophe Medical Technologies, Inc.

During the year 2010, we relocated the Company's executive office to Markham, Ontario, changed the Company's name to Kallo Inc., cancelled various employment contracts with previous officers and obtained forgiveness of debt from several directors and officers for compensation and debt owing to them. Our loss since inception is $9,892,676.

Since inception, we sold 5,000,000 pre-dividend shares of common stock to our officers and directors for $50; issued 490,500 pre-dividend shares of common stock at $0.25 per share for a total of $122,625; and issued 83,334 pre-dividend shares of common stock at $0.60 per share for a total of $50,000. Those shares were subsequently increased to reflect a 3 for 1 stock dividend declared on February 11, 2008.

In 2009, we sold 150,000 shares of common stock to our President for $15,000. We issued 6,000,000 shares of common stock to Rophe Medical Technologies Inc. and incurred debt of $100,000 for 300 common shares of Rophe.

In the first quarter of 2010, we sold 1,133,664 shares of common stock at $0.15 per share for a total of $170,050.

Between July 1, 2010 and October 25, 2010, the Company sold 1,580,000 units of the Company's common stock and common share warrant at $0.25 per unit for gross proceeds of $395,000. Each unit comprised of one common share and one common share warrant. Each common share warrant is exercisable for a period of one year expiring on December 31, 2011 at a price of $0.50 per share.

On August 18, 2010, we issued 13,500,000 common stock of the Company valued at $3,375,000 for cash proceeds of $1,350 from the directors and officers of the Company and stock based compensation of $3,373,650.

In 2011, we sold 13,604,132 shares of common stock for a total of $718,694 and issued 883,334 shares of common stock to creditors in satisfaction of $49,434 in outstanding payables. We also issued 58,500,000 common stock of the Company valued at $3,125,000 for cash proceeds of $5,850 from the directors and officers of the Company and stock based compensation of $3,119,150.

On October 24, 2011, we issued 1,000,000 common stock of the Company valued at $70,000 to a consultant for the provision of services relating to the marketing of the Company's business and products to the public.

During the quarter ended March 31, 2012, the Company issued 5,000,000 shares of its common stock valued at $350,000 to consultants for the provision of various services to the Company.

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During the year ended December 31, 2012, the Company's issued 52,589,910 shares of its common stock in consideration of $2,629,497, of which $394,474 was received as at December 31, 2011.

On June 1, 2012, the Company issued 500,000 restricted shares of its common stock to a past officer as compensation of $60,000 for past services rendered.

On July 20, 2012, the Company issued 350,000 restricted shares of common stock to a creditor in consideration of satisfaction for services rendered for a fair value of $35,427.

During the year ended December 31, 2012, the Company sold 117,833,494 restricted shares of its common stock at $0.0001 to various officers, employees and parties related to them in consideration of satisfaction of $11,564 in outstanding payables and as compensation for future services in the amount of $4,734,814.

On September 26, 2012, the Company entered into a investment agreement with Kodiak Capital Group, LLC ("Kodiak") whereby the company issued 2,000,000 shares of its common stock in exchange for an option to sell up to $2,000,000 worth of shares of the Company at a price equal to eighty percent (80%) of the lowest daily preceding five days Volume Weighted Average Price at the time of exercise and expires six months from inception.

From Inception on December 12, 2006 to December 31, 2011

During the year 2007, we incorporated the company, hired the attorney and the auditor and began to negotiate contracts and sell printing related products.

During the year 2008, we continued sourcing products. We did not sell any products or services.

During the year 2009, we did not sell any products or services. We acquired all of the issued and outstanding shares of common stock of Rophe Medical Technologies, Inc.

During the year 2010, we relocated the Company's executive office to Markham, Ontario, changed the Company's name to Kallo Inc., cancelled various employment contracts with previous officers and obtained forgiveness of debt from several directors and officers for compensation and debt owing to them. Our loss since inception is $17,365,763.

Since inception, we sold 5,000,000 pre-dividend shares of common stock to our officers and directors for $50; issued 490,500 pre-dividend shares of common stock at $0.25 per share for a total of $122,625; and issued 83,334 pre-dividend shares of common stock at $0.60 per share for a total of $50,000. Those shares were subsequently increased to reflect a 3 for 1 stock dividend declared on February 11, 2008.

In 2009, we sold 150,000 shares of common stock to our President for $15,000. We issued 6,000,000 shares of common stock to Rophe Medical Technologies Inc. and incurred debt of $100,000 for 300 common shares of Rophe.

In the first quarter of 2010, we sold 1,133,664 shares of common stock at $0.15 per share for a total of $170,050.

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Between July 1, 2010 and October 25, 2010, the Company sold 1,580,000 units of the Company's common stock and common share warrant at $0.25 per unit for gross proceeds of $395,000. Each unit comprised of one common share and one common share warrant. Each common share warrant is exercisable for a period of one year expiring on December 31, 2011 at a price of $0.50 per share.

On August 18, 2010, we issued 13,500,000 common stock of the Company valued at $3,375,000 for cash proceeds of $1,350 from the directors and officers of the Company and stock based compensation of $3,373,650.

In 2011, we sold 13,604,132 shares of common stock for a total of $718,694 and issued 883,334 shares of common stock to creditors in satisfaction of $49,434 in outstanding payables. We also issued 58,500,000 common stock of the Company valued at $3,125,000 for cash proceeds of $5,850 from the directors and officers of the Company and stock based compensation of $3,119,150.

On October 24, 2011, we issued 1,000,000 common stock of the Company valued at $70,000 to a consultant for the provision of services relating to the marketing of the Company's business and products to the public.

December 31, 2011 compared to December 31, 2010

Revenues

We did not generate any revenues during the year ended December 31, 2011 or 2010.

Expenses

During the year ended December 31, 2011 we incurred total expenses of $5,337,700, including $2,988,350 in salaries and compensation, $162,815 in research and development costs, $85,296 in depreciation, $1,302,728 in professional fees, $426,017 in selling and marketing expenses and $372,494 as other expenses. Our professional fees consist of legal, consulting, accounting and auditing fees.

During the year ended December 31, 2010 we incurred total expenses of $3,662,252.

The increase in our expenses for the year ended December 31, 2011 was primarily due to an increase in salaries and compensation of $441,321, an increase in selling and marketing expenses of $367,533 and an increase in professional fees of $982,774, offset by a decrease in research and development costs of $498,662.

Net Loss

During the year ended December 31, 2011 we did not generate any revenues and we incurred a net loss of $5,337,700 compared to a net loss of $3,662,252 in 2010.

From our inception on December 12, 2006 to December 31, 2011 we incurred a net loss of $10,361,972, $8,788,243 of which was general and administration, $824,292 of which was software development costs, $518,857 of which was selling and marketing and $230,580 of which was other expenses.

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Liquidity and capital resources

As at December 31, 2012, we had current assets of $538,458, current liabilities of $1,557,154, and a working capital deficiency of $1,018,696. As of December 31, 2012, our total assets were $1,480,999 in cash, copyrights, equipment and our total liabilities were $1,557,154 comprised of $993,277 in accrued liabilities, $55,000 in accrued officer salaries, Rophe Medical Technologies Inc. acquisition costs payable of $525, loans payable of $174,327, convertible promissory notes of $200,767, deferred revenue of $24,990 and obligations under capital leases of $108,268.

Cash used in operating activities amounted to $1,925,257 during fiscal 2012, primarily as a result of the net loss adjusted for non-cash items and various changes in operating assets and liabilities.

There was no cash used in investing activities during the year.

Cash provided by financing activities during the year amounted to $2,227,881 and represented mainly proceeds from sales of common stock of $2,235,004, proceeds from convertible promissory notes of $50,000, proceeds from loans payable of $12,165, net of capital lease payments of $69,288.

In 2012, the Company's issued 52,589,910 shares of its common stock in consideration of $2,629,496, of which $394,474 was received as at December 31, 2011.

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BUSINESS

We were incorporated in the state of Nevada on December 12, 2006 as Printing Components Inc. to engage in the business of selling printing equipment and related products. We subsequently changed our name to Diamond Technologies Inc. and then to our current name of Kallo Inc. On December 11, 2009, we entered into an agreement with Kallo Technologies Inc. (formerly known as Rophe Medical Technologies Inc.), an Ontario corporation and its shareholders (collectively "Rophe") wherein we acquired all of the issued and outstanding shares of common stock of Rophe in exchange for 3,000,000 restricted shares of our common stock and $1,200,000. As a result of our acquisition of Rophe, we were no longer a "shell company" as that term is defined in Rule 405 of the Securities Act of 1933, as amended.

On December 18, 2009 we amended the foregoing agreement to provide that the "$50,000 that was due by January 12, 2010 be extended to the 30th day of January, 2010" and to provide "that in the event of any default in the performance of this Agreement by either party, except for the payment of $50,000 payable on or before the 30th day of January 2010, the Defaulting Party was allowed a period of thirty (30) days in which to remedy such default."

On March 16, 2010 we again amended the foregoing agreement to provide that in lieu of us paying John Cecil, Grace Cecil, Samuel Baker, Carol Baker, and Vince Leitao the sum of $50,000 on or before the 30th day of January 2010, we were obligated to pay to John Cecil $35,000 by March 5th 2010 and pay to John Cecil $15,000 by March 31st 2010 and In lieu of the payment to the Rophe of the sum of $200,000 on March 31, 2010 and $250,000 on April 30, 2010 we were obligated to issue to issue
John Cecil – 1,400,000 common shares
Grace Cecil – 1,400,000 common shares
Samuel Baker – 100,000 common shares
Carol Baker – 100,000 common shares
and pay to John Cecil on March 31, 2010 the sum of $50,000.

Upon acquiring Rophe, the focus of our business changed from selling printing equipment to manufacturing and developing medical information technology software.

Business Overview

We have two sets of products / Technologies.

1. A product group for Point-of-Care consisting of Electronic Medical Record System, Picture Archiving and Communication System and Medical Device Connectivity system.

Kallo Inc., does not own the products referred in this section with exception to certain components developed by Kallo Inc.,

A. Electronic Medical Record System (EMR) – Kallo has exclusive value added reseller rights for Mountain Medical Technologies EMR in Kallo's Brand name "EMCURX".
B. Picture Archiving and Communication System (PACS) – Kallo is the Value added reseller for Candelis in Canada and other healthcare projects globally for an integrated solution offering.
C. Medical Device Connectivity System (MDC) -– Kallo is in the process of negotiating an agreement with Capsule Technologies to be Value added reseller in Canada and other healthcare projects globally for an integrated solution offering.

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2. Kallo's Copyrighted Technologies:

The following technologies are protected under Canadian and International copyrights are authored by John Cecil and owned by Kallo Inc. as referenced in the acquisition agreement between Kallo Inc. (formally known as Diamond Medical Technologies Inc.) and Rophe Medical Technologies Inc. Kallo Inc., has ownership rights of the products referred in this section, of which B, C, and D are under development

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

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

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

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

The following is a summary of the information:

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

Our Products in Development

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

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

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

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

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

Target Market

Our primary target market for the point of care products is the Canadian health-care system including Walk-In Clinics/Physicians Offices, Independent Diagnostic Centers, Impendent Health Facilities, Laboratories, and Hospitals. Both the US and Canadian governments are moving towards requiring EMR records with the Canadian system at a more advanced stage of acceptance.

We are targeting other countries globally where Kallo is actively pursuing business opportunities to provide professional services for eHealth. Point of Care products are a fundamental requirement as a means to have information in the digital form for eHealth.

Out target market for Mobile Clinics and MC-Telehealth systems is global and we have established several sales and marketing partnerships under "Business Associate" Agreements either representing Kallo independently or as an organization. We are currently negotiating Mobile Clinic business in over 20 countries.

Intellectual Property and Research and Development

We continue our efforts in research and development through collaborations with Medical faculties in Canada and USA on an ongoing basis where Kallo stands to benefit from the Technology ownership of the treatment or diagnostic systems developed for commercial use.

During fiscal 2011, we did incur expenses towards cost of resources (both management and technical) relating to research and development with considerable efforts in continuing our research and development work on the Mobile Clinic and Telehealth system, which would be rolled out in the near term in different geographies based on the needs and funding availability.

Competition

We compete with many entities that are engaged in the business of manufacturing and developing software designed to take medical information from many sources and depositing it into a single source as an electronic medical record for each patient. Many of our competitors have greater resources than we do and have long established by histories of successful operations. We are small provider and effectively are in the start-up phase of operations. As a result of we have little or no impact upon our competition.

Managements View of the market trend impact:

Kallo Management believes that the market trend in Canada, USA and globally is continuing to reflect increased adoption of point of care technologies such as EMR and PACS. This is very evident from the market information given above in the section “Market Trend for EMR and PACS”.

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The current trend in the market is highly favorable to our products and the timing of launch meets with the need and demand for the product in the market.

Market trend and positive impact on our product

Kallo Management believes that our EMR will offer customers a far richer integrated medical and clinical content delivered to the doctor at point of care, than any other system in terms of high-priority functionality. EMR is consistently rated among the leaders in all systems of its kind, offering us a significant quality advantage when competing for contracts. In addition, EMR's Clinical Information System is flexible enough that it can be installed in smaller hospitals that are far less attractive to our major competitors, and tailored to the specific needs and policies of that institution. The EMR also provides a multi-lingual platform, which may give us a competitive advantage in the international markets.

Currently, the points of care technologies are tied to meaningful use and regulators require monitoring of the outcome of technology implementation. Our products have the meaningful use reporting systems built-in and all outcome measurements are done internally as a built-in feature, whereas most of our competitors depend on third-party software to fulfill this functionality.

Market trend and negative impact on our product

Due to the relatively lengthy sales cycle involved in the healthcare information technology industry, and the fact that we are significantly smaller and have less financial resources than our competitors, we face an initial disadvantage in the U.S. market. We will have to continue developing new, dynamic and flexible marketing strategies to remain competitive.

We are also actively developing strategic alliances with partners who offer specialized services within the healthcare industry, such as management consultants, systems integrators, major engineering firms and outsourcing companies.

Government Regulation and Legislation

EMR is required to obtain any governmental approvals to operate in the healthcare technology market. It is important that governments and healthcare authorities continue to recognize the importance of healthcare reform and the use of information systems, since there rests the impetus for change, hence a healthy, growing market.

In the Canadian context our products would require a preferred vendor status registration based on different provincial regulations which is generally seen as just a routine product and technology registration/endorsement

Employees

As of January 31, 2013, we have seven (7) full time employees and two (2) part-time employees.

Warranties

We do not issue warranties in connection with our services. All of our third-party products are offered with a warranty provided by the supplier of that product.

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Insurance

We do not maintain any insurance and do not intend to maintain insurance in the future. Because we do not have any insurance, if we are made a party of a products liability action, we may not have sufficient funds to defend the litigation. If that occurs a judgment could be rendered against us, it could cause us to cease operations.

Other

Currently we have very a strong EULA (End User License Agreements) signed with our customers both in the pilot phase as well as go-live phase with patients to protect the company and from all such product liabilities. Moreover our original equipment manufacturers do cover us in all such product liabilities.

Offices

Our administrative office is located at 15 Allstate Parkway, Suite 600, Markham, Ontario, Canada, L3R 5B4, our telephone number is (416) 246-9997. We lease this space from RCN Management Limited Partnership Company, pursuant to a written lease with a term of 18 months. Our monthly rent is approximately $6,000.

MANAGEMENT

Officers and Directors

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

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

Name and Address	Age	Position(s)
John Cecil 15 Allstate Parkway, Suite 600 Markham, ON L3R 5B4	49	Chairman of the Board of Directors, Chief Executive Officer and Chief Financial Officer
Vince Leitao 15 Allstate Parkway, Suite 600 Markham, ON L3R 5B4	50	President, Chief Operating Officer and a Director
Lloyd A. Chiotti 31 Sisman Avenue Aurora, ON, L4G 6R9	64	Director
Samuel R Baker 89 Shawnee Circle Toronto, ON, M2H 2X9	77	Corporate Secretary and a Director

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Background of officers and directors

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

On October 20, 2010, John Cecil was appointed Chairman of the Board of Directors, Chief Executive Officer and a Director. And as of March 25, 2011, John Cecil was appointed the treasurer, principal financial officer and principal accounting officer of Kallo Inc. Since December 31, 2009, John Cecil was on our board of directors. Since December 2003 John Cecil has been the president of Rophe Medical Technologies Inc., in Toronto, Canada. He is responsible for its research and development and the design and copyright of the company's technology. From May 2008 to April 2009 Mr. Cecil was the Senior Healthcare Solutions Architect at SUN Microsystems Canada Inc., in Toronto, Canada, a publicly traded company listed on the NASDAQ under the symbol JAVA. He was responsible for Innovative product positioning by workshops / white board sessions with stakeholders of the customer to increase business value and support sales in revenue growth and design innovative technology solutions. From April 2007 to May 2008, Mr. Cecil was the Healthcare Director at Satyam Computer Service Ltd., in Toronto, Canada, a publicly traded company listed on the NYSE under the symbol "SAY". He managed healthcare consulting practices and services.

Vince Leitao - President, Principal Executive Officer, Chief Operating Officer, and a Director

On October 27, 2009, Vince Leitao was appointed as President, Chief Operating Officer and a Director. Since October 27, 2009, Vince Leitao was President, principal executive officer and a director. Since September 2006, Mr. Leitao has been president of Goapharma Canada, Inc., located in Markham, Ontario, Canada, which he founded. Goapharma Canada Inc. is engaged in the business of producing and marketing specialty dermatology products for psoriasis and eczema. Prior to 2006, Mr. Leitao was vice president of sales for Genpharm/GenniumPharma divisions of E. Merck, Damsdart. From January 2001 to April 2004, Mr. Leitao was a director – sales for Genpharm and from April 1999 to December 2000, he served as a sales representative with Genpharm.

Samuel Baker - Secretary and a Director

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

Lloyd Chiotti - Director

On September 22, 2011, Lloyd Chiotti was appointed to our board of directors. Lloyd Chiotti has held several senior management positions including Director of Information Services and a number of Regional General Manager roles within Operations with Enbridge Gas Distribution (formerly The Consumers Gas Company) for over 30 years. In addition to these responsibilities, he played a leadership role in helping the organization prepare for a new regulatory framework (moving from "Cost of Service" regulation to "Incentive" regulation). Most recently he was appointed to the newly formed position of Director, Distribution Asset Management, responsible for overseeing the development of Enbridge Gas Distribution's Strategic Asset Plan. He is actively involved in the natural gas industry. He is currently the Chair of the Asset Management Task Force of the Canadian Gas Association and he is a member of the Distribution Working Committee of the International Gas Union.

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Conflicts of Interest

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

Involvement in Certain Legal Proceedings

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

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

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

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

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

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

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

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

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

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

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

Audit Committee and Charter

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

Audit Committee Financial Expert

We do have an external audit committee financial expert.

Code of Ethics

We have adopted a corporate code of ethics. We believe our code of ethics is reasonably designed to deter wrongdoing and promote honest and ethical conduct; provide full, fair, accurate, timely and understandable disclosure in public reports; comply with applicable laws; ensure prompt internal reporting of code violations; and provide accountability for adherence to the code. A copy of the code of ethics is filed as an exhibit to our 2007 Form 10-K.

Disclosure Committee and Committee Charter

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

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

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our directors, officers and persons who beneficially owned more than ten percent of our common stock to file reports of ownership and changes in ownership of common stock.

Based solely upon a review of Forms 3, 4 and 5 furnished to us during the fiscal year 2011, all officers, directors, and persons who beneficially own more than ten percent of our common stock filed all reports required by Section 16(a) of the Securities Exchange Act of 1934, as amended.

EXECUTIVE COMPENSATION

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

Summary Compensation Table

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Name and Principal Position [1]	Year	Salary ($)	Bonus ($)	Stock Awards ($)[1]	Option Awards ($)	Non-Equity Incentive Plan Compensation (S)	Change in Pension Value & Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Totals ($)
John Cecil Chairman &	2012	183,248	0	1,891,773	0	0	0	0	2,075,021
CEO	2011	147,414	0	1,772,210	0	0	0	0	1,919,624
Vince Leitao	2012	183,248	0	1,707,210	0	0	0	0	1,890,458
President	2011	147,414	0	548,900	0	0	0	0	696,314
Samuel Baker	2012	0	0	207,634	0	0	0	0	207,634
Secretary	2011	6,000	0	299,400	0	0	0	0	305,400
Leonard Steinmetz	2012	0	0	0	0	0	0	0	0
Treasurer Employed (1/1/10 - 03/25/11)	2011	0	0	0	0	0	0	0	0

[1]

During the year ended December 31, 2012, 107,076,003 shares were issued to directors and officers and their family for a total amount of $4,313,040, of which $150,000 was contributed as cash by them and $4,163,040 was granted to them as stock-based compensation. During the year ended December 31, 2011, 48,500,000 shares were issued to directors and officers of the Company for a total amount of $2,425,000, of which $4,850 was contributed as cash by the directors and officers and $2,420,150 was granted to them as stock-based compensation.

The number of shares issued as compensation to each named executive officer and their family is as follows:

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John Cecil - 47,411,857 shares issued as compensation valued at $1,891,773
Vince Leitao - 42,787,212 shares issued as compensation valued at $1,707,210
Samuel Baker - 5,203,850 shares issued as compensation valued at $207,634

The values reported represent the issue date fair value of the shares calculated as the difference between the quoted stock price per share of between $0.04 and $0.05 per share at the time of issue and the issuance price of $0.0001 per share multiplied by the number of shares issued.

The following table sets forth information with respect to compensation paid by us to our directors during the last completed fiscal year December 31, 2012.

Director Compensation Table

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
John Cecil	0	0	0	0	0	0	0

a U.S. person,

a controlled foreign corporation for U.S. federal income tax purposes,

a foreign person 50% or more of whose gross income is effectively connected with the conduct of a U.S. trade or business for a specified three-year period, or

a foreign partnership, if at any time during its tax year:

one or more of its partners are U.S. persons, as defined in Treasury regulations, who in the aggregate hold more than 50% of the income or capital interest in the partnership, or

such foreign partnership is engaged in the conduct of a U.S. trade or business.

Backup withholding will apply if the sale is subject to information reporting and the broker has actual knowledge that you are a U.S. person.

You generally may obtain a refund of any amounts withheld under the backup withholding rules that exceed your income tax liability by filing a refund claim with the IRS.

Foreign Accounts Tax Compliance Act Withholding

Sections 1471 through 1474 of the Code (which are commonly referred to as FATCA) generally impose a 30% withholding tax on certain payments, including pass-thru payments to certain persons if the payments are attributable to assets that give rise to U.S.-source income or gain. Pursuant to Treasury regulations, this withholding tax would not be imposed on payments made pursuant to obligations that are executed on or before the date that is six months after the date on which final Treasury regulations defining foreign passthru payments (a term not

yet defined) are published and are not materially modified thereafter. FATCA withholding generally is not expected to be required on the securities, and any FATCA withholding on foreign passthru payments would not apply prior to January 1, 2019. FATCA is complex and significant aspects of the application of FATCA are not currently clear. You should consult your own tax advisers about the application of FATCA, in particular if you may be classified as a financial institution under the FATCA rules.

CANADIAN TAXATION

In the opinion of Osler, Hoskin & Harcourt LLP, our Canadian federal income tax counsel, the following summary describes the principal Canadian federal income tax considerations generally applicable to a purchaser who acquires securities, including entitlement to all payments thereunder, as a beneficial owner pursuant to this prospectus and who, at all relevant times, for purposes of the application of the *Income Tax Act* (Canada) (the Tax Act), (i) is not, and is not deemed to be, resident in Canada; (ii) deals at arm s length with us and with any transferee resident or deemed to be resident in Canada to whom the purchaser disposes of debt securities, (iii) is not affiliated with us, (iv) does not receive any payment of interest on the debt securities in respect of a debt or other

obligation to pay an amount to a person with whom we do not deal at arm s length, (v) does not use or hold the securities in a business carried on in Canada, and (vi) where the relevant securities are debt securities, is not a specified shareholder of the Bank and is not a person who does not deal at arm s length with a specified shareholder of the Bank for purposes of subsection 18(5) of the Tax Act (a Holder). Special rules, which are not discussed in this summary, may apply to a non-Canadian holder that is an insurer that carries on an insurance business in Canada and elsewhere.

This summary is based on the current provisions of the Tax Act and the regulations thereunder and on counsel s understanding of the current administrative policies and assessing practices of the Canada Revenue Agency published in writing prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act and the regulations thereunder publicly announced by or on behalf of the Minister prior to the date hereof (the Proposed Amendments) and assumes that all Proposed Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Amendments will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or

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administrative policy or assessing practice whether by legislative, administrative or judicial action nor does it take into account tax legislation or considerations of any province, territory or foreign jurisdiction, which may differ from those discussed herein.

This summary is of a general nature only and is not, and is not intended to be, legal or tax advice in respect of any particular issuance of securities, the terms and conditions of which will be material to the Canadian federal income tax considerations with respect thereto. The Canadian federal income tax considerations applicable to securities may be described more particularly when such securities are offered (and only to the extent material) in a prospectus supplement or pricing supplement related thereto and, in that event, the following will be superseded thereby to the extent indicated in such supplement. If securities are otherwise issued without disclosure of Canadian federal income tax considerations, prospective purchasers of securities should consult their own tax advisors.

This summary is of a general nature only and is not, and is not intended to be, legal or tax advice to any particular holder. This summary is not exhaustive of all Canadian federal

income tax considerations. Accordingly, prospective purchasers of securities should consult their own tax advisors having regard to their own particular circumstances.

Currency Conversion

Generally, for purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of the securities not denominated in Canadian dollars must be converted into Canadian dollars based on the exchange rates as determined in accordance with the Tax Act. The amounts subject to withholding tax and any capital gains or capital losses realized by a Holder may be affected by fluctuations in the relevant exchange rate.

Shares

Dividends on the Shares

Dividends paid or credited on the shares or deemed to be paid or credited on the shares to a Holder will be subject to Canadian non-resident withholding tax at the rate of 25%, subject to any reduction in the rate of withholding to which the Holder is entitled under any applicable income tax convention between Canada and the country in which the Holder is resident. For example, under the Canada-U.S. Income Tax Convention (1980) (the Convention), where dividends on the shares are considered to be paid to or derived by a Holder that is the beneficial owner of the dividends and a

U.S. resident for the purposes of, and is entitled to benefits in accordance with, the provisions of the Convention, the applicable rate of Canadian non-resident withholding tax is generally reduced to 15%.

Disposition of the Shares

A Holder will not be subject to tax under the Tax Act on any gain realized on a disposition or deemed disposition of shares, unless the shares are taxable Canadian property to the Holder for purposes of the Tax Act and the Holder is not entitled to relief under an applicable income tax convention between Canada and the country in which the Holder is resident.

Generally, the shares will not constitute taxable Canadian property to a Holder at a particular time provided that the shares are listed at that time on a designated stock exchange (which includes the Toronto Stock Exchange), unless at any particular time during the 60-month period that ends at that time (i) the Holder, persons with whom the Holder does not deal with at arm s length, or the Holder together with all such persons, has owned 25% or more of the issued shares of any class or series of our capital stock and (ii) more than 50% of the fair market value of the shares was derived directly or indirectly from one or any combination of: (a) real or immovable properties situated in Canada, (b) Canadian

resource properties (as defined in the Tax Act), (c) timber resource properties (as defined in the Tax Act), and (d) options in respect of, or interests in, or for civil law rights in, property in any of the foregoing whether or not the property exists. Notwithstanding the foregoing, in certain circumstances set out in the Tax Act, shares could be deemed to be taxable Canadian property. Holders whose shares may constitute taxable Canadian property should consult their own tax advisors.

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Debt Securities

Interest paid or credited or deemed for purposes of the Act to be paid or credited on a debt security (including any amount paid at maturity in excess of the principal amount and interest deemed to be paid on the debt security in certain cases involving the assignment, deemed assignment or other transfer of a debt security to the Bank or any other resident or deemed resident of Canada) to a Holder will not be subject to Canadian non-resident withholding tax unless any portion of such interest (other than on a prescribed obligation described below) is contingent or dependent on the use of or production from property in Canada or is computed by reference to revenue, profit, cash flow commodity price or any other similar criterion or by reference to dividends paid or payable to shareholders of any class of shares of the capital stock of a corporation (Participating Debt Interest). A prescribed obligation is a debt obligation the terms or conditions of which provide for an adjustment to any amount payable in respect of the obligation for a period during which the obligation was outstanding which adjustment is determined by reference to a change in the purchasing power of money where no amount payable in respect of such obligation, other than an amount

determined by reference to a change in the purchasing power of money, is contingent or dependent upon any of the criteria described in the definition of Participating Debt Interest. If any interest paid or credited or deemed to be paid or credited on a debt security is to be Participating Debt Interest, the Canadian non-resident withholding tax implications of the issuance of such debt securities will be described particularly in the relevant prospectus supplement or pricing supplement for such debt securities.

No other Canadian federal taxes on income or gains will be payable by a Holder on interest or principal, or on proceeds received by a Holder on the disposition of a debt security, including on a redemption, payment on maturity, repurchase or purchase of cancellation.

EMPLOYEE RETIREMENT INCOME SECURITY ACT

A fiduciary of a pension, profit-sharing or other employee benefit plan subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended (ERISA) or a plan or account subject to Section 4975 of the Code (such as individual retirement accounts and Keogh plans) (collectively, plans) should consider the fiduciary standards of ERISA and the prohibited transaction provisions of ERISA or the

Code, as applicable, in the context of the plan s particular circumstances before authorizing an investment in the securities. Accordingly, among other factors, the fiduciary of a plan subject to ERISA should consider whether the investment would satisfy the prudence and diversification requirements of ERISA and would be consistent with the documents and instruments governing the plan.

Section 406 of ERISA and Section 4975 of the Code prohibit plans from engaging in certain transactions involving plan assets with persons who are parties in interest under ERISA or disqualified persons under the Code (parties in interest) with respect to the plan or account. A party in interest who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code, unless exemptive relief is available under an applicable statutory, regulatory or administrative exemption. Certain employee benefit plans and arrangements including those that are governmental plans (as defined in section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and foreign plans (as described in Section 4(b)(4) of ERISA) (non-ERISA arrangements) are not subject to the requirements of ERISA or Section 4975 of the Code but may be subject to similar provisions under applicable federal, state, local, foreign or

other regulations, rules or laws (similar laws).

The acquisition of the securities by a plan with respect to which the Bank or certain of our affiliates is or becomes a party in interest may constitute or result in a prohibited transaction under ERISA or Section 4975 of the Code, unless those securities are acquired pursuant to and in accordance with an applicable exemption. Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code (the service provider exemption) may provide an exemption for the purchase, holding and sale of the securities offered hereby. Moreover, the United States Department of Labor has issued five prohibited transaction class exemptions, or PTCEs, that may provide exemptive relief from prohibited transactions that may arise from the purchase or holding of the securities. These exemptions are:

PTCE 84 14, an exemption for certain transactions determined or effected by independent qualified professional asset managers;

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- PTCE 90 1, an exemption for certain transactions involving insurance company pooled separate accounts;

- PTCE 91 38, an exemption for transactions involving bank collective investment funds;

- PTCE 95 60, an exemption for transactions involving certain insurance company general accounts; and

- PTCE 96 23, an exemption for plan asset transactions managed by in-house asset managers.

However, the applicability of each exemption depends on satisfaction of certain conditions, which may include the identity of the plan fiduciary making the decision to acquire or hold the securities on behalf of a plan, and there can be no assurance that any of these exemptions or any other exemption will be available with respect to any particular transaction involving the securities.

The securities may not be purchased or held by (i) any plan, (ii) any entity whose underlying assets include plan assets by reason of any plan s investment in the entity (a plan asset entity) or (iii) any person investing plan assets of any plan, unless in each case the purchaser or holder is

eligible for the exemptive relief under one or more of the PTCEs listed above, the service provider exemption or another applicable similar exemption. Any purchaser or holder of the securities or any interest in the securities will be deemed to have represented by its acquisition and holding of the securities that it either (i) is not a plan or a plan asset entity and is not purchasing those securities on behalf of or with plan assets of any plan or plan asset entity or (ii) the acquisition, holding or disposition of the securities does not constitute a non-exempt prohibited transaction under ERISA or Section 4975 of the Code. In addition, any purchaser or holder of the securities or any interest in the securities which is a non-ERISA arrangement will be deemed to have represented by its acquisition and holding of the securities that its acquisition, holding and disposition will not violate the provisions of any similar law.

In addition, any purchaser, that is a plan or that is acquiring the securities on behalf of a plan or a plan asset vehicle, including any fiduciary purchasing on behalf of a plan or plan asset vehicle, will be deemed to have represented, in its corporate and its fiduciary capacity, by its purchase and holding of the securities that (a) none of the Bank, the trustees, or any of their respective affiliates (the Affiliated Parties) is a fiduciary (under Section 3(21) of ERISA, or under any final

or proposed regulations thereunder, or with respect to a non-ERISA arrangement under any similar laws) with respect to the acquisition, holding or disposition of the securities, or as a result of any exercise by the Bank or its affiliates of any rights in connection with the securities, (b) no advice provided by any of the Affiliated Parties has formed a primary basis for any investment decision by or on behalf of such purchaser in connection with the securities and the transactions contemplated with respect to the securities, and (c) such purchaser recognizes and agrees that any communication from any of the Affiliated Parties to the purchaser with respect to the securities is not intended by the Affiliated Parties to be impartial investment advice and is rendered in its capacity as a seller of such securities and not a fiduciary to such purchaser.

Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is important that fiduciaries or other persons considering purchasing the securities on behalf of or with assets of any plan, plan asset entity or non-ERISA arrangement consult with their counsel regarding the availability of exemptive relief and the potential consequences of purchasing or holding the securities under ERISA, the Code, or any similar laws, as

applicable.

If you are an insurance company or the fiduciary of a pension plan or an employee benefit plan, and propose to invest in the securities, you should consult your legal counsel.

PLAN OF DISTRIBUTION (CONFLICTS OF INTEREST)

We may sell any of the securities at any time after effectiveness of the registration statement of which this prospectus forms a part in one or more of the following ways from time to time:

- through underwriters or dealers;
- through agents; or
- directly to one or more purchasers.

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The offered securities may be distributed periodically in one or more transactions at:

- a fixed price or prices, which may be changed;
- market prices prevailing at the time of sale;
- prices related to the prevailing market prices; or
- negotiated prices.

The applicable prospectus supplements will include:

- the initial public offering price;
- the names of any underwriters, dealers or agents;
- the purchase price of the securities;
- our proceeds from the sale of the securities;
- any underwriting discounts or commissions or agency fees and other underwriters or agents compensation;

- any discounts or concessions allowed or reallowed or paid to dealers;

- the place and time of delivery of the securities; and

- any securities exchange on which the securities may be listed.

If underwriters are used in the sale, they will buy the securities for their own account. The underwriters may then resell the securities in one or more transactions, at any time or times at a fixed public offering price or at varying prices. The underwriters may change from time to time any fixed public offering price and any discounts or commissions allowed or re-allowed or paid to dealers. If dealers are utilized in the sale of the securities, we will sell the securities to the dealers as principals. The dealers may then resell the securities to the public at varying prices to be determined by such dealers.

In connection with the offering of securities, we may grant to the underwriters an option to purchase additional securities to cover over-allotments, if any, at the initial public offering price (with an additional underwriting commission), as may be set forth in the applicable prospectus supplements for such securities. If we grant any over-allotment option, the

terms of the option will be set forth in the applicable prospectus supplements for the securities.

This prospectus may be delivered by underwriters and dealers in connection with short sales undertaken to hedge exposures under commitments to acquire our securities to be issued on a delayed or contingent basis.

Underwriters, dealers and agents that participate in the distribution of the securities may be underwriters as defined in the Securities Act. Any discounts or commissions that we pay them and any profit they receive when they resell the securities may be treated as underwriting discounts and commissions under the Securities Act. We may have agreements with underwriters, dealers and agents to indemnify them against certain civil liabilities, including liabilities under the Securities Act, to contribute with respect to payments which they may be required to make in respect of such liabilities and to reimburse them for certain expenses.

Underwriters, dealers and agents and their affiliates or associates, may engage in transactions with us or perform services for us in the ordinary course of business and receive compensation from us.

Each series of offered debt securities and preferred shares will be a new issue of

securities and will have no established trading market. Securities may or may not be listed on a national or foreign securities exchange or automated quotation system. Our common shares are currently listed on the NYSE and the TSX under the trading symbol BNS . Any underwriters or agents to whom securities are sold for public offering or sale may make, but are not required to make, a market in the securities, and the underwriters or agents may discontinue making a market in the securities at any time without notice. No assurance can be given as to the liquidity or the existence of trading markets for any securities.

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Any underwriters utilized may engage in stabilizing transactions and syndicate covering transactions in accordance with Rule 104 of Regulation M under the Exchange Act. Stabilizing transactions permit bids to purchase the offered securities or any underlying security so long as the stabilizing bids do not exceed a specified maximum. Syndicate covering transactions involve purchases of securities in the open market after the distribution has been completed in order to cover syndicate short positions. Such stabilizing transactions and syndicate covering transactions may cause the price of the offered securities to be higher than would be the case in the absence of such transactions.

Under Rule 15c6-1 of the Exchange Act, trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. The prospectus supplement may provide that the original issue date for a series of securities may be more than three scheduled business days after the trade date for the securities. Accordingly, in such a case, parties who wish to trade the securities on any date prior to the third business day before the original issue date for the securities, will be required, by virtue of the fact that the securities initially are expected to settle in more than

three scheduled business days after the trade date for the securities, to make alternative settlement arrangements to prevent a failed settlement.

Selling Restrictions Outside the United States

Except as described in an applicable prospectus supplement, the Bank has taken no action that would permit a public offering of the securities or possession or distribution of this prospectus or any other offering material in any jurisdiction outside the United States where action for that purpose is required. Accordingly, each underwriter and agent will be required to represent, warrant and agree, that it will comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells securities or possesses or distributes this prospectus or any other offering material and will obtain any consent, approval or permission required by it for the purchase, offer or sale by it of securities under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales and the Bank shall have no responsibility in relation to this.

With regard to each security, the relevant purchaser will be required to comply with those restrictions that the Bank and the relevant purchaser shall agree and as shall be set out in an applicable prospectus

supplement.

Conflicts of Interest

Our affiliates, Scotia Capital Inc. (for distributions in Canada) and Scotia Capital (USA) Inc. (for distributions in the United States), may participate in the distribution of the securities as an underwriter, dealer or agent. Scotia Capital (USA) Inc., a wholly owned subsidiary of Scotia Capital Inc., is a securities broker-dealer registered with the SEC under the Exchange Act and is a member of the Financial Industry Regulatory Authority, Inc. (FINRA). Scotia Capital Inc. is a Canadian investment dealer (not registered in the United States). Any offering of securities in which Scotia Capital (USA) Inc. participates will be conducted in compliance with the applicable requirements of FINRA Rule 5121. Scotia Capital (USA) Inc. will not participate in the distribution of an offering of securities that do not have a bona fide public market within the meaning of Rule 5121 or are not investment grade rated within the meaning of Rule 5121 or securities issued pursuant to this prospectus in the same series that have equal rights and obligations as investment grade rated securities unless either (1) each FINRA member firm primarily responsible for managing the public offering does not have a conflict of interest within the meaning of Rule 5121, is not an affiliate

of any member that does have a conflict of interest, and meets the requirements of Rule 5121 with respect to disciplinary history or (2) a qualified independent underwriter has participated in the preparation of the prospectus supplement or other offering document for the offering of securities and has exercised the usual standards of due diligence with respect thereto. Neither Scotia Capital (USA) Inc. nor any other FINRA member participating in an offering of these securities issued pursuant to this prospectus that has a conflict of interest will confirm initial sales to any discretionary accounts over which it has authority without the prior specific written approval of the customer.

In compliance with the guidelines of FINRA, the maximum commission or discount to be received by the participating FINRA members may not exceed 8% of the aggregate principal amount of securities offered pursuant to this prospectus. We anticipate, however, that the maximum commission or discount to be received in any particular offering of securities will be significantly less than this amount.

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Market-Making Resale by Affiliates

This prospectus may be used by Scotia Capital Inc. (for market-making in Canada), Scotia Capital (USA) Inc. (for market-making in the United States) or one or more of our affiliates in connection with offers and sales of the securities in market-making transactions. In a market-making transaction, Scotia Capital Inc., Scotia Capital (USA) Inc. or one of our affiliates may resell a security it acquires from other holders, after the original offering and sale of such security. Resales of this kind may occur in the open market or may be privately negotiated, at prevailing market prices at the time of resale or at related or negotiated prices. In these transactions, Scotia Capital Inc., Scotia Capital (USA) Inc. or one of our affiliates may act as principal or agent, including as agent for the counterparty in a transaction in which Scotia Capital Inc., Scotia Capital (USA) Inc. or one of our affiliates, as applicable, acts as principal, or as agent for both counterparties in a transaction in which Scotia Capital Inc., Scotia Capital (USA) Inc. or such affiliate, as applicable, does not act as principal. Scotia Capital Inc., Scotia Capital (USA) Inc. or one of our affiliates may receive compensation in the form of discounts and commissions,

including from both counterparties in some cases.

The securities to be sold in market-making transactions include securities to be issued after the date of this prospectus, as well as securities previously issued. We do not expect to receive any proceeds from market-making transactions. We do not expect that Scotia Capital Inc., Scotia Capital (USA) Inc. or any other affiliate that engages in these transactions will pay any proceeds from its market-making resales to us.

Information about the trade and settlements dates, as well as the purchase price, for a market-making transaction will be provided to the purchaser in a separate confirmation of sale.

Unless we or an agent informs you in your confirmation of sale that your security is being purchased in its original offering and sale, you may assume that you are purchasing your security in a market-making transaction.

LIMITATIONS ON ENFORCEMENT OF U.S. LAWS

AGAINST THE BANK, OUR MANAGEMENT AND OTHERS

The Bank is incorporated under the laws of Canada pursuant to the Bank Act. Substantially all of our directors and executive

officers, including many of the persons who signed the registration statement on Form F-3, of which this prospectus forms a part, and some or all of the experts named in this document, reside outside the United States, and all or a substantial portion of our assets and the assets of such persons are located outside the United States. As a result, it may be difficult for you to affect service of process within the United States upon such persons, or to realize upon judgments rendered against the Bank or such persons by the courts of the United States predicated upon, among other things, the civil liability provisions of the federal securities laws of the United States. In addition, it may be difficult for you to enforce, in original actions brought in courts in jurisdictions located outside the United States, among other things, civil liabilities predicated upon such securities laws.

We have been advised by our Canadian counsel, Osler, Hoskin & Harcourt LLP, that a judgment of a United States court predicated solely upon civil liability under such laws and that would not be contrary to public policy would probably be enforceable in Canada if the United States court in which the judgment was obtained has a basis for jurisdiction in the matter that was recognized by a Canadian court for such purposes. We have also been advised by such counsel, however, that there is substantial doubt

whether an original action could be brought successfully in Canada predicated solely upon such civil liabilities.

LEGAL MATTERS

The validity of the debt securities will be passed upon by Osler, Hoskin & Harcourt LLP, Toronto, Ontario, as to matters of Canadian law and applicable matters of Ontario law, and by Shearman & Sterling LLP, Toronto, Ontario, as to matters of New York law. The validity of certain of the senior debt securities will be passed upon by Cadwalader, Wickersham & Taft LLP, New York, New York, special products counsel to the Bank, as to matters of New York law. Certain Canadian federal income tax matters will be passed upon for us by Osler, Hoskin & Harcourt LLP, Toronto, Ontario. Certain U.S. federal income tax matters will be passed upon for us by Shearman & Sterling LLP, Toronto, Ontario. Certain U.S. federal income tax matters regarding certain of the senior debt securities will be passed upon for us by Cadwalader, Wickersham & Taft LLP, New York, New York.

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EXPERTS

The consolidated financial statements of the Bank which comprise the consolidated statements of financial position as at October 31, 2016, and October 31, 2015 and the consolidated statements of income, changes in shareholders equity, comprehensive income and cash flows for each of the years in the three year period ended October 31, 2016, and management s assessment of the effectiveness of internal control over financial reporting as of October 31, 2016 have been incorporated by reference herein in reliance upon the reports of KPMG LLP, independent registered public accounting firm, incorporated by reference herein and upon the authority of said firm as experts in accounting and auditing.

OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

The following is a statement of the expenses (all of which are estimated), other than underwriting discounts and commissions, to be incurred in connection with the issuance and distribution of the securities registered under the registration statement of which this prospectus forms a part. Additional information about the estimated or actual expenses in connection with a particular offering of securities under the shelf will

be provided in the applicable prospectus supplements.

Registration statement filing fee	US$	2,153,936
Trustees fees and expenses	US$	10,000
Legal fees and expenses	US$	177,000
Accounting fees and expenses	US$	40,000
Printing costs	US$	12,000
Miscellaneous	US$	35,000
Total	US$	2,427,936

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The Bank of Nova Scotia

US$ % Senior Notes due

PROSPECTUS SUPPLEMENT

, 2018

Joint Book-Running Managers

Scotiabank

BofA Merrill Lynch

BNP PARIBAS

Citigroup

Goldman Sachs & Co. LLC