WisdomTree Trust
Form 497K
December 23, 2013

WisdomTree Global Corporate Bond Fund GLCB (NASDAQ Ticker)

SUMMARY PROSPECTUS January 1, 2014

Before you invest in the Fund, as defined below, you may want to review the Fund s prospectus and statement of additional information (SAI), which contain more information about the Fund and the risks of investing in the Fund. The Fund s current prospectus and SAI are incorporated by reference into this summary prospectus. You can find the Fund s prospectus and SAI, as well as other information about the Fund, online at www.wisdomtree.com/prospectus. You may also obtain this information at no charge by calling 1-866-909-9473 or by sending an e-mail request to getinfo@wisdomtree.com.

Investment Objective

The Fund seeks a high level of total return consisting of both income and capital appreciation.

Fees and Expenses of the Fund

This table describes the fees and expenses you may pay if you buy and hold shares of the Fund. The fees are expressed as a percentage of the Fund s average net assets.

Shareholder Fees (fees paid directly from your investment)	None
Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)	
Management Fees	0.50%
Distribution and/or Service (12b-1) Fees	None
Other Expenses	0.00%
Total Annual Fund Operating Expenses	0.50%
Fee Waivers	(0.05)%
Total Annual Fund Operating Expenses After Fee Waivers*	0.45%

* WisdomTree Asset Management, Inc. has contractually agreed to limit the Management Fee to 0.45% through at least January 1, 2015. This agreement may be terminated by: (i) the Board of Trustees of the Trust, for any reason at any time, or (ii) by the Adviser, upon 90 days prior written notice to the Trust, effective as of the close of business on the last day of the then-current one-year period.

Example

The following example is intended to help retail investors compare the cost of investing in the Fund with the cost of investing in other funds. It illustrates the hypothetical expenses that such investors would incur over various periods if they invest $10,000 in the Fund for the time periods indicated and then redeem all of the shares at the end of those periods. This example assumes that the Fund provides a return of 5% a year and that operating expenses remain the same. This example does not include the brokerage commissions that retail investors may pay to buy and sell shares of the Fund. Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

	1 Year	3 Years	5 Years	10 Years
	$46	$155	$275	$623

Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or turns over its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in Annual Fund Operating Expenses or in the Example, affect the Fund s performance. During the most recent fiscal period, the Fund s portfolio turnover rate was 5% of the average value of its portfolio.

Principal Investment Strategies of the Fund

The Fund seeks to achieve its investment objective through investment in debt securities issued by corporate entities that are organized in or maintain their principal place of business in countries throughout the world, including the U.S. The issuers of such debt will include public, private, and state-owned or sponsored corporations. Under normal circumstances, the Fund will invest at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in Corporate Debt. For these purposes, Corporate Debt includes fixed income securities, such as bonds, notes, money market securities, and other debt obligations (such as loan participation notes). Corporate Debt also includes fixed income securities or debt obligations that are issued by companies or agencies that may receive financial support or backing from local governments. Corporate Debt does not include derivatives. The Fund is an actively managed exchange traded fund (ETF).

The Fund intends to invest in Corporate Debt denominated in U.S. dollars, as well as Corporate Debt issued in non-U.S. currencies. Non-U.S. denominated debt is sometimes referred to as local debt and, for the U.S. investor, provides exposure to the changes in the value of non-U.S. currencies relative to the U.S. dollar. The Fund generally intends to hedge the currency exposure of non-U.S. denominated debt back to U.S. dollars to reduce currency risk. Corporate Debt includes debt securities issued by supranational organizations, such as the European Investment Bank, International Bank for Reconstruction and Development or International Finance Corporation, or other regional development banks. The Fund may invest to a limited extent in debt securities of foreign governments (also known as sovereign debt) and debt securities linked to inflation rates in foreign countries.

The Fund intends to provide exposure across geographic regions and countries, world-wide. Under normal circumstances, the Fund intends to invest in at least three countries and to invest at least 30% of its net assets in issuers outside the United States. The Fund intends to seek exposure to Corporate Debt from the following regions and countries: Africa, Asia, Australia and New Zealand, Europe, Latin America, Middle East, North America, South America. The Fund may, however, invest up to 25% of its assets in emerging market countries, though this may change from time to time in response to economic events and changes to the credit ratings of the Corporate Debt of such countries. The Fund employs a structured investment approach that utilizes top down analysis of macroeconomic factors and bottom up analysis of countries and issuers. The Fund s credit exposures are monitored and may be modified, reduced or eliminated. The Fund s exposure to any single issuer generally will be limited to 10% of the Fund s net assets. The Fund s exposure to any single country (other than the United States) generally will be limited to 30% of the Fund s net assets. The percentage of Fund assets invested in a specific region, country or issuer will change from time to time.

The universe of global Corporate Debt currently includes securities that are rated investment grade as well as non-investment grade (commonly referred to as junk bonds). The Fund intends to provide a broad exposure to global Corporate Debt and therefore will invest in both investment grade and non-investment grade securities. Securities rated investment grade generally are considered to be of higher credit quality and subject to lower default risk. Although securities rated below investment grade may offer the potential for higher yields, they generally are subject to a higher potential risk of loss.

The Fund attempts to maintain an aggregate portfolio duration of between two and ten years under normal market conditions. Aggregate portfolio duration is important to investors as an indication of the Fund s sensitivity to changes in interest rates. Funds with higher durations generally are subject to greater interest rate risk. For example, the value of a fund with a portfolio duration of ten years would be expected to drop by 10% for every 1% increase in interest rates. The Fund s actual portfolio duration may be longer or shorter depending upon market conditions. The Fund may also invest in short-term money market securities denominated in U.S. dollars or the currencies of countries in which the Fund invests.

The Fund may invest up to 20% of its net assets in derivatives, such as swaps and forward currency contracts. A swap is an agreement between two parties to exchange payments based on a reference asset, which may be a currency or interest rate but also may be a single asset, a pool of assets or an index of assets. A forward currency contract is an agreement to buy or sell a specific currency at a future date at a price set at the time of the contract. The Fund s use of derivatives will be underpinned by investments in cash or other liquid assets (typically short-term, high-quality money market securities). The Fund also may enter into repurchase agreements with counterparties that are deemed to present acceptable credit risks. A repurchase agreement is a transaction in which the Fund purchases securities or other obligations from a bank or securities dealer and simultaneously agrees to resell them to a counterparty at an agreed-upon date or upon demand and at a price reflecting a market rate of interest unrelated to the coupon rate or maturity of the purchased obligations.

The Fund must invest at least 80% of its net assets directly in Corporate Debt. The decision to secure exposure through direct investment in Corporate Debt or indirectly through derivative transactions will be a function of, among other things, market accessibility, credit exposure, tax ramifications and regulatory requirements applicable to U.S. investment companies. If, subsequent to an investment, the Fund s 80% requirement is no longer met, the Fund s future investments will be made in a manner that will bring the Fund into compliance with this policy. The Trust will provide shareholders with sixty (60) days prior notice of any change to this policy for the Fund.

Principal Risks of Investing in the Fund

You can lose money on your investment in the Fund. The Fund is subject to the risks described below. Some or all of these risks may adversely affect the Fund s net asset value per share (NAV), trading price, yield, total return and/or ability to meet its objective. For more information about the risks of investing in the Fund, see the section in the Fund s prospectus titled Additional Risk Information About the Fund.

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Investment Risk. As with all investments, an investment in the Fund is subject to investment risk. Investors in the Fund could lose money, including the possible loss of the entire principal amount of an investment, over short or long periods of time.

- **Market Risk.** The trading prices of fixed income securities, currencies, and other instruments fluctuate in response to a variety of factors. The Fund s NAV and market price may fluctuate significantly in response to these and other factors. As a result, an investor could lose money over short or long periods of time.

- **Shares of the Fund May Trade at Prices Other Than NAV.** As with all ETFs, Fund shares may be bought and sold in the secondary market at market prices. The trading prices of the Fund s shares in the secondary market generally differ from the Fund s daily NAV, and there may be times when the market price of the shares is more than the NAV (premium) or less than the NAV (discount). This risk is heightened in times of market volatility or periods of steep market declines.

- **Capital Controls Risk.** Economic conditions, such as volatile currency exchange rates and interest rates, political events and other conditions may, without prior warning, lead to government intervention and the imposition of capital controls. Capital controls may impact the ability of the Fund to buy, sell or otherwise transfer securities or currency, adversely affect the trading market and price for shares of the Fund, and cause the Fund to decline in value.

- **Cash Redemption Risk.** The Fund s investment strategy will require it to effect redemptions, in whole or in part, for cash, triggering security sales. The sale of non-U.S. denominated securities can generate realized foreign exchange losses which could impact the income distributions paid by the Fund. Additionally, the Fund may pay out higher annual capital gain distributions than if the in-kind redemption process was used exclusively.

- **Counterparty and Issuer Credit Risk.** The financial condition of an issuer of a debt security or other instrument or a counterparty to a derivative or other contract may cause such issuer or counterparty to default, become unable to pay interest or principal due or otherwise fail to honor its obligations. The value of an investment in the Fund may change quickly and without warning in response to issuer or counterparty defaults and changes in the credit ratings of the Fund s portfolio investments.

- **Currency Exchange Rate Risk.** While the Fund intends to focus its investment on Corporate Debt denominated in U.S. dollars, the Fund may invest a portion of its assets in investments denominated in non-U.S. currencies, or in securities that provide exposure to such currencies, currency exchange rates or interest rates denominated in such currencies. Changes in currency exchange rates and the relative value of non-U.S. currencies will affect the value of the Fund s investment and the value of your Fund shares. Currency exchange rates can be very volatile and can change quickly and unpredictably. As a result, the value of an investment in the Fund may change quickly and without warning and you may lose money.

- **Derivatives Risk.** The Fund may invest in derivatives. Derivatives are financial instruments that derive their performance from an underlying reference asset, such as a commodity, index, interest rate or inflation rate. The return on a derivative instrument may not correlate with the return of its underlying reference asset. Derivatives are subject to a number of risks described elsewhere in this Prospectus, such as interest rate risk, market risk, and credit risk. Derivatives can be volatile and may be less liquid than other securities. As a result, the value of an investment in the Fund may change quickly and without warning and you may lose money. In addition to the other risks associated with the use of derivatives described elsewhere in this Prospectus, there are risks associated with the Fund s use of forward currency contracts and futures contracts. With respect to forward currency contracts, these risks include but are not limited to the risk that the counterparty will default on its obligations. With respect to futures contracts, these risks include but are not limited to: (1) the success of the adviser s and sub-adviser s ability to predict movements in the prices of individual currencies or securities, fluctuations in markets and movements in interest rates; (2) an imperfect or no correlation between the changes in market value of the currencies or securities and the prices of futures contracts; and (3) no guarantee that an active market will exist for the contracts at any particular time.

- **Emerging Markets Risk.** Investments in securities and instruments traded in developing or emerging markets, or that provide exposure to such securities or markets, can involve additional risks relating to political, economic, or regulatory conditions not associated with investments in U.S. securities and instruments or investments in more developed international markets. For example, developing or emerging market governments may, without prior warning, impose capital controls on the ability to transfer currency, securities or other assets. The Fund s ability to access certain developing or emerging markets also may be limited due to a variety of factors, including currency convertibility issues. Such conditions may impact the ability of the Fund to buy, sell or otherwise transfer securities, cause the Fund s returns to differ from those available to domestic investors, adversely affect the trading market and price for Fund shares, and cause the Fund to decline in value.

- **Financial Sector Risk.** The Fund may invest in companies in the financial sector, and therefore the performance of the Fund could be negatively impacted by events affecting this sector. This sector can be significantly affected by changes in interest rates, government regulation, the rate of defaults on corporate, consumer and government debt, the availability and cost of capital, and fallout from the housing and sub-prime mortgage crisis.

- **Foreign Securities Risk.** The Fund invests a significant portion of its assets in non-U.S. securities and instruments, or in securities that provide exposure to such securities and instruments. Investments in non-U.S. securities and instruments involve certain risks that may not be present with investments in U.S. securities, including the risk of loss due to foreign currency fluctuations or to political or economic instability.

- **Geographic Investment Risk.** To the extent the Fund invests a significant portion of its assets in the debt securities of companies or agencies of a single country or region, it is more likely to be impacted by events or conditions affecting that country or region.

- **High Yield Securities Risk.** Higher yielding, high risk debt securities, sometimes referred to as junk bonds , may present additional risk because these securities may be less liquid and present more credit risk than investment grade bonds. The price of high yield securities tends to be more susceptible to issuer-specific operating results and outlook and to real or perceived adverse economic and competitive industry conditions.

- **Industrial Investing.** The Fund may invest in companies in the industrial sector. The industrial sector can be significantly affected by, among other things, worldwide economic growth, supply and demand for specific products and services, rapid technological developments, and government regulation.

- **Interest Rate Risk.** Interest rate risk is the risk that fixed income securities will decline in value because of increases in interest rates and other factors, such as perception of an issuer s creditworthiness.

- **Issuer-Specific Risk.** Issuer-specific events, including changes in the financial condition of an issuer, can have a negative impact on the value of the Fund.

- **Management Risk.** The Fund is actively managed using proprietary investment strategies and processes. There can be no guarantee that these strategies and processes will be successful or that the Fund will achieve its investment objective.

- **Non-Diversification Risk.** The Fund is considered to be non-diversified, which means that it may invest more of its assets in the securities of a single issuer or a smaller number of issuers than if it were a diversified fund. To the extent the Fund invests a significant percentage of its assets in a limited number of issuers, the Fund is subject to the risks of investing in those few issuers, and may be more susceptible to a single adverse economic or regulatory occurrence. As a result, changes in the market value of a single security could cause greater fluctuations in the value of Fund shares than would occur in a diversified fund.

- **Repurchase Agreement Risk.** The Fund s investment in repurchase agreements may be subject to market and credit risk with respect to the collateral securing the repurchase agreements. Investments in repurchase agreements also may be subject to the risk that the market value of the underlying obligations may decline prior to the expiration of the repurchase agreement term.

- **Sovereign Debt Risk.** Bonds issued by governments, sometimes referred to as sovereign debt, present risks not associated with investments in other types of bonds. The government or agency issuing the debt may be unable or unwilling to make interest payments and/or repay the principal owed. In such instance, the Fund may have limited recourse against the issuing government or agency. In the past, governments of emerging market countries have refused to honor their payment obligations on issued bonds.

- **Telecommunications Investing.** The Fund may invest in companies in the telecommunications sector. The telecommunications sector can be significantly affected by, among other things, government intervention and regulation, technological innovations that make existing products and services obsolete, and consumer demand.

Fund Performance

The Fund commenced operations on January 31, 2013, and therefore does not have performance history for a full calendar year. Once the Fund has completed a full calendar year of operations, a bar chart and table will be included that will provide some indication of the risks of investing in the Fund by showing the variability of the Fund s return based on net assets and comparing the Fund s performance to a broad measure of market performance.

Management

Investment Adviser and Sub-Adviser

WisdomTree Asset Management, Inc. serves as the investment adviser to the Fund. Western Asset Management Company, Western Asset Management Company Limited and Western Asset Management Company Pte. Ltd. in Singapore serve as the sub-advisers to the Fund.

Portfolio Managers

Stephen A. Walsh, Chief Investment Officer, has been a portfolio manager of the Fund since its inception.

Ryan K. Brist, CFA, Head of U.S. Investment Grade Credit, has been a portfolio manager of the Fund since its inception.

Michael C. Buchanan, CFA, Head of Credit, has been a portfolio manager of the Fund since its inception.

Paul Shuttleworth, Head of Non-U.S. Credit, has been a portfolio manager of the Fund since its inception.

Buying and Selling Fund Shares

The Fund is an ETF. This means that shares of the Fund are listed on a national securities exchange, such as NASDAQ, and trade at market prices. Most investors will buy and sell shares of the Fund through brokers. Because Fund shares trade at market prices rather than NAV, shares may trade at a price greater than NAV (premium) or less than NAV (discount).

The Fund issues and redeems shares at NAV only in large blocks of shares (Creation Units), which only certain institutions or large investors (typically market makers or other broker-dealers) may purchase or redeem. Currently, Creation Units generally consist of 100,000 shares, though this may change from time to time. Creation Units are not expected to consist of less than 50,000 shares. The Fund generally issues and redeems Creation Units in exchange for a portfolio of fixed income securities closely approximating the holdings of the Fund or a designated basket of non-U.S. currency and/or an amount of U.S. cash.

Tax Information

The Fund intends to make distributions that may be taxed as ordinary income or capital gains.

Payments to Broker-Dealers and Other Financial Intermediaries

If you purchase shares of the Fund through a broker-dealer or other financial intermediary (such as a bank) (an Intermediary), WisdomTree Asset Management or its affiliates may pay Intermediaries for certain activities related to the Fund, including participation in activities that are designed to make Intermediaries more knowledgeable about exchange traded products, including the Fund, or for other activities, such as marketing, educational training or other initiatives related to the sale or promotion of Fund shares. These payments may create a conflict of interest by influencing the Intermediary and your salesperson to recommend the Fund over another investment. Any such arrangements do not result in increased Fund expenses. Ask your salesperson or visit the Intermediary s website for more information.

accompanying unaudited condensed consolidated financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has experience of defaults in paying capital leases and loans payable and has incurred operating losses since inception and has an accumulated deficit of $11,470,969 at September 30, 2012. The Company will continue to incur losses as it develops its products and marketing channels during 2012. These factors raise substantial doubt regarding the Company’s ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company has met its historical working capital requirements from the sale of common shares and loans from an officer/stockholder. In order to not burden the Company, the officer/stockholder has agreed to provide funding to the Company to pay its annual audit fees, filing costs and legal fees as long as the board of directors deems it necessary. However, there can be no assurance that such financial support shall be ongoing or available on terms or conditions acceptable to the Company.

NOTE 2 – ACCOUNTING POLICIES AND OPERATIONS

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions to Form 10-Q and Article 8-03 of Regulation S-X related to smaller reporting companies. These unaudited condensed consolidated financial statements should be read in conjunction with the annual audited financial statements and notes, which are included as part of the Company’s Form 10-K filed with the SEC for the year ended December 31, 2011.

Operating results for the periods presented are not necessarily indicative of the results that may be expected for the full year. Notes to the financial statements which substantially duplicate the disclosure contained in the audited financial statements for fiscal year ended December 31, 2011 as reported in the 10-K have been omitted. In the opinion of management, all adjustments, consisting only of normal recurring adjustments, considered necessary for a fair presentation, have been included in the accompanying unaudited condensed consolidated financial statements.

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(formerly Diamond Technologies, Inc.)
(A Development Stage Company)
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(unaudited)

NOTE 2 – ACCOUNTING POLICIES AND OPERATIONS (continued)

Convertible promissory note

Convertible promissory note is accounted for under FASB Codification ASC 815-15-25-4 (formerly SFAS 155). In accordance with ASC 815-15, the Company performs a fair value re-measurement for any hybrid financial instrument that contains an embedded derivative that otherwise would require bifurcation. The fair value has been defined as the common stock equivalent value, enhanced by the fair value of the default put plus the present value of the coupon.

Recently Adopted Accounting Pronouncements

In May 2011, the FASB issued ASU 2011-04, “Fair Value Measurement (Topic 820), Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS”. The amendment results in a consistent definition of fair value and ensures the fair value measurement and disclosure requirements are similar between GAAP and International Financial Reporting Standards (“IFRS”). This amendment changes certain fair value measurement principles and enhances the disclosure requirements particularly for Level 3 fair value measurements. This amendment will be effective for the Company on January 1, 2012. We adopted the amendments on January 1, 2012 on a prospective basis. The adoption of ASU No. 2011-04 had no material effect on our financial statements.

In June 2011, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2011-05, Presentation of Comprehensive Income, which revises the manner in which entities present comprehensive income in their financial statements. The ASU removes the presentation options in Accounting Standard Codification Topic 220 and requires entities to report components of comprehensive income in either 1) a continuous statement of comprehensive income or 2) two separate but consecutive statements. In December 2011, FASB issued Accounting Standards Update (“ASU”) No. 2011-12, “Comprehensive Income” which effectively defers the changes in ASU No. 2011-05, “Presentation of Comprehensive Income” that relate to the presentation of reclassification adjustments out of accumulated other comprehensive income to the first quarter of 2012 for the Company. We adopted the amendments on January 1, 2012 and presented a continuous statement of comprehensive loss.

Recent Accounting Pronouncements

In December 2011, the FASB issued ASU 2011-11, “Balance Sheet (Topic 210), Disclosures about Offsetting Assets and Liabilities”. The guidance in this update requires the Company to disclose information about offsetting and related arrangements to enable users of its financial statements to understand the effect of those arrangements on its financial position. The pronouncement is effective for fiscal years and interim periods beginning on or after January 1, 2013 with retrospective application for all comparative periods presented. The Company’s adoption of the new standard is not expected to have a material effect on the Company’s consolidated financial position or results of operations.

In July 2012, the FASB issued ASU 2012-02, “Testing Indefinite-Lived Intangible Assets for Impairment”, which provides companies with the option to first assess qualitative factors in determining whether the existence of events and circumstances indicates that it is more likely than not that an indefinite-lived intangible asset is impaired. If, after assessing the totality of events and circumstances, an entity concludes that it is not more likely than not that an indefinite-lived intangible asset is impaired, then the entity is not required to take further action. However, if an entity concludes otherwise, then it is required to determine the fair value of the indefinite-lived intangible asset and perform the quantitative impairment test by comparing the fair value with the carrying value. Previously, companies were required to perform the quantitative impairment test at least annually. The new accounting guidance is effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012. We do not anticipate the adoption of the new accounting guidance to have a significant effect on our financial condition or results of operations.

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NOTE 3 – STOCKHOLDERS' EQUITY

Common Stock

On February 1, 2012, the Company issued 1,193,381 restricted shares of common stock to creditors in consideration of satisfaction for services rendered during the period for an amount of $53,169.

On February 29, 2012, the Company's board of directors approved the issuance of 23,016,963 unregistered shares of common stock to 15 individuals in consideration of $1,150,848, of which $394,474 was received as at December 31, 2011.

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.

On February 3, 2012, the Company issued 500,000 shares of its common stock to creditors in consideration of satisfaction of $35,927 in outstanding payables.

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.

During the quarter ended September 30, 2012, the Company issued 12,815,113 shares of its common stock for cash proceeds of $640,756.

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 $24,500.

On September 18, 2012, the Company sold 115,641,114 restricted shares of its common stock at $0.0001 to various officers 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 $4,614,080. Because the sale price was below the quoted stock price per share of $0.04 per share at the time, the Company considered $4,614,080 as prepaid compensation which will be recognized as an expense over the lock up period of the restricted shares until August 31, 2013.

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. The Company recorded a subscription option asset in the amount of $100,000 which was determined to be the fair value of the option on September 26, 2012. On October 24, 2012, Kallo filed a prospectus relating to the resale of up to 50,000,000 shares of common stock issuable to Kodiak for investment banking services pursuant to an Investment Agreement dated September 26th, 2012 (See Note 11).

On June 27, 2011, Kallo registered 10,000,000 shares of its Common Stock, par value $0.00001 per share, under a 2011 Non-Qualified Stock Option Plan (the "2011 Plan"), to be offered and sold to accounts of eligible persons of the Company under the Plan at a proposed maximum offering price per share of $0.15. This 2011 Plan is for persons employed or associated with the Company, including without limitation any employee, director, general partner, officer, attorney, accountant, consultant or advisor, is intended to advance the best interests of the Company by providing additional incentive to those persons who have a substantial responsibility for its management, affairs, and growth by increasing their proprietary interest in the success of the Company, thereby encouraging them to maintain their relationships with the Company. As at September 30, 2012, 7,233,334 shares have been issued under this 2011 Non-Qualified Stock Option Plan.

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NOTE 3 – STOCKHOLDERS' EQUITY (continued)

On September 6, 2012, Kallo registered 50,000,000 shares of its Common Stock, par value $0.00001 per share, under a 2012 Non-Qualified Stock Option Plan (the "2012 Plan") to be offered and sold to accounts of eligible persons of the Company under the Plan at a proposed maximum offering price per share of $0.04. This 2012 Plan is for persons employed or associated with the Company, including without limitation any employee, director, general partner, officer, attorney, accountant, consultant or advisor, is intended to advance the best interests of the Company by providing additional incentive to those persons who have a substantial responsibility for its management, affairs, and growth by increasing their proprietary interest in the success of the Company, thereby encouraging them to maintain their relationships with the Company. As at September 30, 2012, no shares have been issued under this 2012 Non-Qualified Stock Option Plan.

NOTE 4 – WARRANTS

Warrant activity for the year ended December 31, 2011 and the nine months ended September 30, 2012 is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2010	1,580,000	$ 0.50
Granted	-	-
Cancelled	-	-
Exercised	-	-
Balance, December 31, 2011 (audited) and September 30, 2012 (unaudited)	1,580,000	$ 0.50

Each warrant is exercisable for a period of one year from the effective date of a registration statement filed with the SEC. Such registration statement has not been filed yet.

The value of the stock purchase warrants granted in 2010 was valued at $117,620 using the following assumptions and estimates in the Black-Scholes model: Expected life of 1.2 years, volatility of 100%, dividend yield of 0% and risk-free interest rate of 1.40%.

NOTE 5 – RELATED PARTY TRANSACTIONS

Included in the issuance of 23,016,963 unregistered shares of common stock to 15 individuals in consideration of $1,150,848 on February 29, 2012 were 3,000,000 shares issued to a director of the Company for an amount of $150,000.

On September 18, 2012, the Company issued 115,641,114 shares of its common stock for consideration of $11,564 to certain officers and parties related to them and as compensation for future services in the amount of $4,614,080 (Note 3).

Included in short term loans payable is an amount due to a shareholder and officer of the Company for the amount of $9,856 (See Note 10) and in accrued liabilities – other is an amount of $21,743 due to the same person.

Transactions with related parties are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

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NOTE 6 – ROPHE ACQUISITION

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 (based on discounted market price per share at the date of acquisition) 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 September 30, 2012, there is a payable in the amount of $36,665. The 3,000,000 shares were considered issued as at the closing date of the acquisition and valued based on discounted market price per share at the date of 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.

NOTE 7 – COMMITMENTS & CONTINGENCIES

Commitments

Operating lease

The Company leases office facilities under non-cancelable operating leases. The Company's obligations under non-cancelable lease commitments are as follows:

Year ending December 31, 2012	$	12,376
Total	$	12,376

Capital lease

Minimum lease payments on capital lease obligations are as follows:

Within one year	$	131,005
	$	131,005

Software development

As discussed in Note 1, the Company has agreed to pay AST a total of $213,000 for modification of the AST products to comply with the requirements of the Canadian Electronic Health Record market, of which $24,000 (2011 - $104,504) was paid in 2012. The remaining balance of $56,496 is due in 2012.

Contingencies

(a) On July 29, 2011, Watt International Inc. ("Watt") commenced a third party claim against Kallo concerning monies that Kallo allegedly owed to Watt for branding and internet services provided by Watt to Kallo. Watt is seeking damages in the amount of $161,673.67 plus unspecified "special" damage. Management is of the opinion that Watt has charged Kallo for services that Watt did not perform, and that Watt has duplicated charges for work that it performed and intends to defend itself vigorously in the suit. Management has recognized an accrual for the amount of the claim. An estimate could not be made of the unspecified "special" damage and hence no accrual was made thereof.

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KALLO INC.
(formerly Diamond Technologies, Inc.)
(A Development Stage Company)
Notes to Condensed Consolidated Financial Statements
September 30, 2012
Unaudited

NOTE 7 – COMMITMENTS & CONTINGENCIES (continued)

Contingencies (continued)

(b) The Company has calculated the estimated amount of withholding taxes on stock-based compensation based on valuation obtained from a third party. Should the amount payable be different from the estimated amount, the difference will be recorded in the period of payment.

(c) Included in accrued officers' salaries is an amount of $65,000 payable to a past officer for settlement of claims which the Company has agreed to pay in 6 installments of $10,000 for the months of October 2012 to March 2013 and a final payment of $5,000 by April 30, 2013. This settlement agreement was a result of an action by the past officer against the Company to recover past compensation due. The Company and the past officer had agreed to settle all the claims in exchange of the Company paying a total of $130,000 (of which $65,000 has been paid by September 30, 2012) and issuing 500,000 restricted shares of its common stock to the past officer. In the event the Company fails to make payment of any of the above installments on time and within 10 business days of the past officer giving written notice to the Company of such failure to make payment, the past officer may declare all unpaid installments as immediately due and payable by written notice to the Company.

NOTE 8 – LOAN PAYABLE

As at September 30, 2012, a loan payable of $139,642 bears interest at 6% per annum, is unsecured and is payable in monthly installments of principal and interest in the amount of Canadian $7,232.50. Future scheduled repayments of principal are as follows:

Within one year	$	139,642
	$	139,642

NOTE 9 – CONVERTIBLE PROMISSORY NOTE

The convertible promissory notes are unsecured and bear interest at 3.25% per annum with all principal and accrued interest due and payable one year from the dates of execution of the Notes. The Notes are due as follows: $20,000 on April 23, 2013, $10,000 on July 5, 2013, $20,000 on August 22, 2012. The Holders may, in lieu of payment of the principal and interest, elect to convert such amount into common shares of the Company at the conversion price per share equal to 30% discount to the average of the previous three lowest trading days over the last 10 trading days prior to the Conversion Date. All shares converted on or after six months from the dates of execution of the notes shall be issued as free-trading, unrestricted shares. The Company may prepay these Notes at anytime without penalty and without the prior consent of the Holders.

At the commitment date, the convertible promissory notes were re-measured and adjusted to their fair values by comparing the effective conversion price to the fair value of the Company's stock. The Company recognized an initial derivative loss of $203,868 related to the debts on inception dates and recognized a gain of $86,668 related to change in fair values on the debts since their inception dates to the period ended September 30, 2012. The number of common shares indexed to the derivative financial instruments used in the above calculation were 2,472,089 and 5,555,555 as at inception date and September 30, 2012 respectively.

Cash received from convertible promissory notes	$	50,000
Derivative loss on inception date		203,868
Fair value of convertible promissory notes on inception date		253,868
Change in fair value		(86,052)
Fair value as at September 30, 2012	$	167,816

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KALLO INC.
(formerly Diamond Technologies, Inc.)
(A Development Stage Company)
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September 30, 2012
(unaudited)

NOTE 10 – SHORT TERM LOANS PAYABLE

On July 9, 2012, the Company issued a promissory note to a director agreeing to pay the principal amount of $30,000 plus interest at the rate of 6% per annum on July 31, 2012. Kallo did not pay on the due date and the director advanced a further $5,000 which is non-interest bearing, unsecured and has no fixed repayment date. The total amount of $36,868 remains outstanding as at September 30, 2012.

An officer and a stockholder have agreed to provide short term funding to the Company by paying some of its expenses. The advances are non-interest bearing, unsecured and have no fixed repayment dates. As at September 30, 2012, $26,082 was owing to the officer and the stockholder.

NOTE 11 – SUBSEQUENT EVENT

Resale of shares

On October 24, 2012, Kallo filed a prospectus relating to the resale of up to 50,000,000 shares of common stock issuable to Kodiak for investment banking services pursuant to an Investment Agreement dated September 26th, 2012 (the “Investment Agreement” or “Equity Line of Credit”).

Pursuant to the Investment Agreement, Kallo has the right to “put” to Kodiak (the “Put Right”) up to $2 million in shares of its common stock (i.e., Kallo can compel Kodiak to purchase its common stock at a pre-determined formula).

The Investment Agreement provides, in part, that following notice to Kodiak, Kallo may put to Kodiak up to $2,000,000 in shares of its 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.

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

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

Operating lease commitment

On October 12, 2012, the Company renewed the lease of its office facilities for a period of six months starting on December 1, 2012. The Company’s additional obligation under this non-cancelable lease commitments is Canadian $37,962.

NOTE 12 – COMPARATIVES

The consolidated financial statements have been reclassified, where applicable, to conform to the presentation used in the current period.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

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

There is substantial doubt that we can continue as an on-going business for the next twelve months unless we obtain additional capital to pay out our bills. This is because we have not generated substantial revenues and do not anticipate generating on-going revenue until we complete the development of our website and engage suppliers and customers to buy our products.

For the last 3 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.

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 one or more installments within 5 months.

Plan of Operation

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

We are a Medical information company that uses technology to assist physicians and healthcare providers to streamline patient information in a coherent and usable manner. Our software is designed to take patient medical information from many sources and deposit it into a single source as electronic medical records (EMR) for each patient. In addition to our EMR product, we have three early stage products for which we plan to evaluate partnership opportunities in order to further develop and commercialize them.

Our plan and focus during the next twelve months include both selling our existing product as well as developing and possibly selling new products. Since changing to our current business, we have not generated any revenues.

Costs Associated with the Plan of Operations

Currently under the Plan of Operations, we have expenses towards 6 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.

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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 installation was completed in October 2012 and the user training has been completed in November 2012. Our milestones during the next twelve months are:

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

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.

3 – Expanding our market from the larger metropolitan areas to the smaller rural and more distant medical facilities.

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.

To date, we have not generated any revenues from our operations.

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. 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.

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.

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.

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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 September 30, 2012 had a working capital deficiency of $1,263,534 (excluding prepaid expenses).

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.

Operating history; need for additional capital

We cannot guarantee we will be successful in our business operations. Our business is subject to risks inherent in the establishment of a business enterprise.

To become profitable and competitive, we have to locate and negotiate agreements with manufacturers to offer their products for sale to us at pricing that will enable us to establish and sell the products to our clientele.

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

Revenues

We did not generate any revenues during the nine months ended September 30, 2012 or 2011. Since our inception on December 12, 2006 we generated $15,887 in revenues. The revenues were generated in fiscal year 2007. Since then we have not generated any revenues. We will start generating revenues in November 2012 when we plan to complete the user training for our first installation of EMR for Specialists.

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Expenses

During the three months ended September 30, 2012 we incurred total expenses of $658,973, including $231,425 in salaries and compensation, $22,143 in depreciation, $151,622 in professional fees, $103,003 in selling and marketing expenses, $64,582 in derivative loss and change in fair value of convertible promissory note and $86,198 as other expenses whereas during the three months ended September 30, 2011 we incurred total expenses of $3,278,555, including $127,623 in salaries and compensation, $2,369,910 in stock based compensation, $70,010 in software development costs, $21,825 in depreciation, $475,680 in professional fees, $39,645 in selling and marketing expenses and $173,862 in other expenses. Our professional fees consist of legal, consulting, accounting and auditing fees. The decrease in our total expenses for the three months ended September 30, 2012 from the comparative period is because in the previous period, the Company incurred $2,369,910 in non-cash stock based compensation and $70,010 in software development costs compared to NIL for the current three months period. There is also a decrease of $324,058 in professional fees and $100,534 in other expenses as we relied more on internal resources. The increase in salaries and compensation, selling and marketing expenses reflect the increase in activities of the Company as we work towards the development and marketing of a new medical software technology.

During the nine months ended September 30, 2012 we incurred total expenses of $1,713,771, including $587,293 in salaries and compensation, $66,427 in depreciation, $461,692 in professional fees, $225,341 in selling and marketing expenses, $117,816 in derivative loss and change in fair value of convertible promissory note and $255,202 as other expenses whereas during the nine months ended September 30, 2011 we incurred total expenses of $4,819,760, including $393,743 in salaries and compensation, $2,769,510 in stock based compensation, $140,215 in software development costs, $63,117 in depreciation, $752,383 in professional fees, $307,474 in selling and marketing expenses and $393,318 in other expenses. Our professional fees consist of legal, consulting, accounting and auditing fees. The decrease in our total expenses for the nine months ended September 30, 2012 from the comparative period is because in the previous period, the Company incurred $2,369,500 in non-cash stock based compensation and $140,215 in software development costs compared to NIL for the current nine months period. There is also a decrease of $290,591 in professional fees and $150,266 in other expenses as we relied more on internal resources. Otherwise, the general increase in expenses reflects the increase activities of the Company as we work towards the development and marketing of a new medical software technology.

Net Loss

During the three months ended September 30, 2012 we did not generate any revenues and incurred a net loss of $658,973 compared to a net loss of $3,278,555 during the same period in 2011. The main reason is because in the previous period, the Company incurred $2,369,500 in non-cash stock based compensation by issuing common shares to various officers and employees.

During the nine months ended September 30, 2012 we did not generate any revenues and we incurred a net loss of $1,713,771, compared to a net loss of $4,819,760 during the same period in 2011. The main reason is because in the previous period, the Company incurred $2,369,500 in non-cash stock based compensation by issuing common shares to various officers and employees.

From our inception on December 12, 2006 to September 30, 2012 we incurred a net loss of $11,470,969, $9,407,182 of which was general and administration, $824,292 of which was software development costs, $744,198 of which was selling and marketing, $173,738 of which was depreciation, $206,595 of which was interest and financing costs and $114,964 of which was other expenses.

From Inception on December 12, 2006 to September 30, 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.

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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.

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 2010, we sold 1,133,664 shares of common stock at $0.15 per share for a total of $170,050 and 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 from the effective date of a registration statement filed with the SEC 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 to 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.

On February 1, 2012, the Company issued 1,193,381 restricted shares of common stock to creditors in consideration of satisfaction of outstanding debts and of services rendered.

On February 29, 2012, the Company's board of directors approved the issuance of 23,016,963 unregistered shares of common stock to 15 individuals in consideration of $1,150,848, of which $394,474 was received as at December 31, 2011.

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.

On February 3, 2012, the Company issued 500,000 shares of its common stock to creditors in consideration of satisfaction of $25,000 in outstanding payables.

During the quarter ended September 30, 2012, the Company issued 500,000 restricted shares of its common stock to a past officer as compensation for past services rendered.

During the quarter ended September 30, 2012, the Company issued 12,815,113 shares of its common stock for cash proceeds of $640,756.

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 $24,500.

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On September 18, 2012, the Company sold 115,641,114 restricted shares of its common stock at $0.0001 to various officers 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 $4,614,080. Because the sale price was below the quoted stock price per share of $0.04 per share at the time, the Company considered $4,614,080 as prepaid compensation which will be recognized as an expense over the lock up period of the restricted shares until August 31, 2013.

On September 26, 2012, the Company entered into an 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. The Company recorded a subscription option asset in the amount of $100,000 which was determined to be the fair value of the option on September 26, 2012. On October 24, 2012, Kallo filed a prospectus relating to the resale of up to 50,000,000 shares of common stock issuable to Kodiak for investment banking services pursuant to an Investment Agreement dated September 26, 2012.

Liquidity and capital resources

As at September 30, 2012, the Company had current assets of $5,093,422 and current liabilities of $1,572,985, indicating working capital of $3,520,437. However, excluding the prepaid expenses of $4,783,971 which relates mainly to deferred non-cash stock based compensation, there is a working capital deficiency of $1,363,534. As of September 30, 2012, our total assets were $6,158,105 in cash, prepaid expenses, copyrights, equipment and our total liabilities were $1,724,577 comprised of $949,907 in accrued liabilities, $85,000 in accrued officer salaries, Rophe Medical Technologies Inc. acquisition costs payable of $36,665, obligations under capital leases of $131,005, deposit for shares to be issued of $151,592, convertible promissory note of $167,816, short term loans of $62,950 and loan of $139,642.

Cash used in operating activities amounted to $1,353,484 during the nine months ended September 30, 2012, 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 nine months period ended September 30, 2012.

Cash provided by financing activities during the nine months ended September 30, 2012 amounted to $1,585,841 and represented proceeds from sale of common stock of $1,397,130, proceeds for shares to be issued of $151,592, proceeds from convertible promissory note of $50,000, proceeds from loans payable of $40,494, net of payments under capital lease obligations of $53,375.

The Company issued 35,832,976 unregistered shares of common stock for cash consideration of $1,397,130 during the nine months period, in addition to the $394,474 which was received as at December 31, 2011.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

ITEM 4. CONTROLS AND PROCEDURES.

Under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures as required by

Exchange Act Rule 13a-15(b) as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that these disclosure controls and procedures are not effective due to lack of segregation of duties in financial reporting and presence of adjusting journal entries during our last audit. There were no changes in our internal control over financial reporting during the quarter ended September 30, 2012 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

On July 29, 2011, Watt International Inc. ("Watt") commenced a third party claim against Kallo concerning monies that Kallo allegedly owed to Watt for branding and internet services provided by Watt to Kallo. Watt is seeking damages in the amount of $161,673.67 plus unspecified "special" damage. Management is of the opinion that Watt has charged Kallo for services that Watt did not perform, and that Watt has duplicated charges for work that it performed and intends to defend itself vigorously in the suit. Management has recognized an accrual for the amount of the claim.

ITEM 1A. RISK FACTORS.

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

ITEM 6. EXHIBITS.

The following documents are included herein:

		Incorporated by reference			Filed
Exhibit	Document Description	Form	Date	Number	herewith
2.1	Articles of Merger.	8-K	1/21/11	2.1	
3.1	Articles of Incorporation.	SB-2	3/05/07	3.1	
3.2	Bylaws.	SB-2	3/05/07	3.2	
4.1	Specimen Stock Certificate.	SB-2	3/05/07	4.1	
10.1	Option Agreement.	SB-2	3/05/07	10.1	
10.1	Lease Agreement	SB-2	3/05/07	10.1	
10.2	Agreement with Rophe Medical Technologies Inc. dated December 11, 2009.	10-K	3/31/10	10.2	
10.3	Amended Agreement with Rophe Medical Technologies Inc. dated December 18, 2009.	10-K	3/31/10	10.3	
10.4	Amended Agreement with Rophe Medical Technologies Inc. dated March 16, 2010.	10-K	3/31/10	10.4	
10.5	Investment Agreement with Kodiak Capital Group, LLC.	S-1	5/24/10	10.5	
10.6	Registration Rights Agreement with Kodiak Capital Group, LLC.	S-1	10/24/12	10.6	
10.7	Consulting Agreement with Ten Associate LLC.	S-1	5/24/10	10.7	

10.8	Employment Agreement with Leonard Steinmetz.	S-1	5/24/10	10.8
10.9	Employment Agreement with Samuel Baker.	S-1	5/24/10	10.9
10.10	Employment Agreement with John Cecil.	S-1	5/24/10	10.10

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10.11	Employment Agreement with Mary Kricfalusi.	S-1	5/24/10	10.11	
10.12	Employment Agreement with Vince Leitao.	S-1	5/24/10	10.12	
10.13	Amended Consulting Agreement with Ten Associate LLC dated October 5, 2010.	8-K	10/14/10	10.13	
10.14	Agreement with Jarr Capital Corp.	8-K	11/17/10	10.1	
10.15	Agreement with Mary Kricfalusi.	8-K	11/19/10	10.1	
10.16	Agreement with Herb Adams.	8-K	11/19/10	10.2	
10.17	North American Authorized Agency Agreement with Advanced Software Technologies, Inc.	8-K	12/16/10	10.1	
10.18	Amended Agreement with Jarr Capital Corp.	8-K	2/22/11	10.1	
10.19	Termination of Employment Agreement with John Cecil.	8-K	2/22/11	10.2	
10.20	Termination of Employment Agreement with Vince Leitao.	8-K	2/22/11	10.3	
10.21	Termination of Employment Agreement with Samuel Baker.	8-K	2/22/11	10.4	
10.22	Services Agreement with Buchanan Associates Computer Consulting Ltd.	10-K	5/18/2011	10.1	
10.23	Equipment Lease Agreement with Buchanan Associates Computer Consulting Ltd.	10-K	5/18/2011	10.2	
10.24	Agreement with Mansfield Communications Inc.	10-K	5/18/2011	10.3	
10.25	Agreement with Watt International Inc.	10-K	5/18/2011	10.4	
10.26	Pilot EMR Agreement with Nexus Health Management Inc.	10-K	5/18/2011	10.5	
10.27	Investment Agreement With Kodiak Capital Group, LLC.	S-1	10/24/12	10.6	
14.1	Code of Ethics.	10-K	4/15/08	14.1	
16.1	Letter from Kempisty & Company	8-K	10/27/09	16.1	
16.2	Letter from MaloneBailey, LLP	8-K	3/02/11	16.1	
21.1	List of Subsidiary Companies.	10-K	3/31/10	21.1	
31.1					X

	Certification of Principal Executive Officer and Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	X

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99.1	Audit Committee Charter.	10-K	4/15/08	99.1	
99.2	Disclosure Committee Charter.	10-K	4/15/08	99.2	
101.INS	XBRL Instance Document.				X
101.SCH	XBRL Taxonomy Extension – Schema.				X
101.CAL	XBRL Taxonomy Extension – Calculations.				X
101.DEF	XBRL Taxonomy Extension – Definitions.				X
101.LAB	XBRL Taxonomy Extension – Labels.				X
101.PRE	XBRL Taxonomy Extension – Presentation.				X

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1934, the registrant has duly caused this amended report to be signed on its behalf by the undersigned, thereunto duly authorized on this 15th day of January, 2013.

KALLO INC.
(The "Registrant")

BY:	JOHN CECIL John Cecil Principal Executive Officer, Principal Financial Officer, Principal Accounting Officer, and a Chairman of the Board of Directors
BY:	VINCE LEITAO Vince Leitao President, Chief Operating Officer and a member of the Board of Directors

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EXHIBIT INDEX

		Incorporated by reference			Filed
Exhibit	Document Description	Form	Date	Number	herewith
2.1	Articles of Merger.	8-K	1/21/11	2.1	
3.1	Articles of Incorporation.	SB-2	3/05/07	3.1	
3.2	Bylaws.	SB-2	3/05/07	3.2	
4.1	Specimen Stock Certificate.	SB-2	3/05/07	4.1	
10.1	Option Agreement.	SB-2	3/05/07	10.1	
10.1	Lease Agreement	SB-2	3/05/07	10.1	
10.2	Agreement with Rophe Medical Technologies Inc. dated December 11, 2009.	10-K	3/31/10	10.2	
10.3	Amended Agreement with Rophe Medical Technologies Inc. dated December 18, 2009.	10-K	3/31/10	10.3	
10.4	Amended Agreement with Rophe Medical Technologies Inc. dated March 16, 2010.	10-K	3/31/10	10.4	
10.5	Investment Agreement with Kodiak Capital Group, LLC.	S-1	5/24/10	10.5	
10.6	Registration Rights Agreement with Kodiak Capital Group, LLC.	S-1	10/24/12	10.6	
10.7	Consulting Agreement with Ten Associate LLC.	S-1	5/24/10	10.7	
10.8	Employment Agreement with Leonard Steinmetz.	S-1	5/24/10	10.8	
10.9	Employment Agreement with Samuel Baker.	S-1	5/24/10	10.9	
10.10	Employment Agreement with John Cecil.	S-1	5/24/10	10.10	
10.11	Employment Agreement with Mary Kricfalusi.	S-1	5/24/10	10.11	
10.12	Employment Agreement with Vince Leitao.	S-1	5/24/10	10.12	
10.13	Amended Consulting Agreement with Ten Associate LLC dated October 5, 2010.	8-K	10/14/10	10.13	
10.14	Agreement with Jarr Capital Corp.	8-K	11/17/10	10.1	
10.15	Agreement with Mary Kricfalusi.	8-K	11/19/10	10.1	

10.16	Agreement with Herb Adams.	8-K	11/19/10	10.2
10.17	North American Authorized Agency Agreement with Advanced Software Technologies, Inc.	8-K	12/16/10	10.1
10.18	Amended Agreement with Jarr Capital Corp.	8-K	2/22/11	10.1

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10.19	Termination of Employment Agreement with John Cecil.	8-K	2/22/11	10.2	
10.20	Termination of Employment Agreement with Vince Leitao.	8-K	2/22/11	10.3	
10.21	Termination of Employment Agreement with Samuel Baker.	8-K	2/22/11	10.4	
10.22	Services Agreement with Buchanan Associates Computer Consulting Ltd.	10-K	5/18/2011	10.1	
10.23	Equipment Lease Agreement with Buchanan Associates Computer Consulting Ltd.	10-K	5/18/2011	10.2	
10.24	Agreement with Mansfield Communications Inc.	10-K	5/18/2011	10.3	
10.25	Agreement with Watt International Inc.	10-K	5/18/2011	10.4	
10.26	Pilot EMR Agreement with Nexus Health Management Inc.	10-K	5/18/2011	10.5	
10.27	Investment Agreement With Kodiak Capital Group, LLC.	S-1	10/24/12	10.6	
14.1	Code of Ethics.	10-K	4/15/08	14.1	
16.1	Letter from Kempisty & Company	8-K	10/27/09	16.1	
16.2	Letter from MaloneBailey, LLP	8-K	3/02/11	16.1	
21.1	List of Subsidiary Companies.	10-K	3/31/10	21.1	
31.1	Certification of Principal Executive Officer and Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
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