Alkame Holdings, Inc.
and
Subsidiaries

Annual Report

For the Year

ended

December 31, 2017

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

Alkame Holdings Inc.

A Nevada Corporation

3651 Lindell Rd., Ste D #356
Las Vegas, NV 89103

(702) 273-9714
www.alkamewater.com

SIC Code 5140

Annual Report
For the Period Ending: December 31, 2017
(the "Reporting Period")

As of **12/31/2017**, the number of shares outstanding of our Common Stock was: 4,462,219,612

As of **12/31/2016**, the number of shares outstanding of our Common Stock was: 1,178,551,804

As of **11/13/2019, the date of this report**, the number of shares outstanding of our Common Stock was: 5,500,000,000

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

Yes: ☐ No: ☒ (Double-click and select "Default Value" to check)

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

Yes: ☐ No: ☒

Indicate by check mark whether a Change in Control[1] of the company has occurred over this reporting period:

Yes: ☐ No: ☒

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

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

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

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

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

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

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

The Exact Name of The Issuer Is:

As of June 24, 2013,	Alkame Holdings, Inc.
From April 19, 2010 to June 24, 2013	Pinacle Enterprise Inc.

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

The Company was incorporated on April 19, 2010 as Pinacle Enterprise Inc. under the laws of the state of Nevada.

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

Yes: ☐ No: ☒

2) Security Information

Trading symbol: ALKM
Exact title and class of securities outstanding: Common Stock
CUSIP: 01643J109
Par or stated value: $0.001

Total shares authorized: 5,000,000,000 as of date: 11/13/2019
Total shares outstanding: 4,462,219,612 as of date: 12/31/2017
Number of shares in the Public Float[2]: 4,462,219,612 as of date: 11/13/2019
Total number of shareholders of record: 230 as of date: 11/13/2019

Additional class of securities (if any):

Trading symbol: ------
Exact title and class of securities outstanding: Preferred Stock Series A
CUSIP: N/A
Par or stated value: $0.001
Total shares authorized: 12,000,000 as of date: 11/13/2019
Total shares outstanding Preferred A: 12,000,000 as of date: 11/13/2019

Exact title and class of securities outstanding: Preferred Stock Series B
CUSIP: N/A
Par or stated value: $0.001
Total shares authorized: 70,000,000 as of date: 11/13/2019
Total shares outstanding Preferred A: 70,000,000 as of date: 11/13/2019

Exact title and class of securities outstanding: Preferred Stock Series C
CUSIP: N/A
Par or stated value: $0.001
Total shares authorized: 10,000,000 as of date: 11/13/2019
Total shares outstanding Preferred A: -0- as of date: 11/13/2019

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

Exact title and class of securities outstanding:	Preferred Stock Series D	
CUSIP:	N/A	
Par or stated value:	$0.001	
Total shares authorized:	4,000,000	as of date: 11/13/2019
Total shares outstanding Preferred A:	2,000,000	as of date: 11/13/2019

Exact title and class of securities outstanding:	Preferred Stock Series E	
CUSIP:	N/A	
Par or stated value:	$0.001	
Total shares authorized:	1,250,000	as of date: 11/13/2019
Total shares outstanding Preferred A:	-0-	as of date: 11/13/2019

Transfer Agent

Name: Action Stock Transfer, Inc.
Phone: (801) 274-1088
Email: action@actionstocktransfer.com

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

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

NONE

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

NONE

3) Issuance History

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

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

A. Changes to the Number of Outstanding Shares

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

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

Number of Shares O/S at 12/31/2015	Opening Balance Common:	198,485,547							
Date of Transaction	**Transaction Type**	**Number of shares Issued or Cancelled**	**Class of Securities**	**Value of Shares**	**Were shares issued at discount to market price?**	**Shares issued to Individual or Entity / Control Person**	**Reason for Issuance**	**Restricted or Unrestricted**	**Exemption or Registration Type?**
02/09/16	New Issue	4,500,000	Common	$ 0.001560	No	EROP Capital/ Matt Myers	3(a)10 Filing	Unrestricted	Court Order
02/12/16	New Issue	5,000,000	Common	$ 0.001350	Yes	Cardinal / Tomar Tao	Debt Conversion	Unrestricted	Rule 144
02/16/16	New Issue	5,454,545	Common	$ 0.001380	Yes	Tangiers / Robert Papri	Debt Conversion	Unrestricted	Rule 144
02/16/16	New Issue	2,027,396	Common	$ 0.001330	Yes	LG Capital/ Ahron Framan	Debt Conversion	Unrestricted	Rule 144
02/17/16	New Issue	10,226,900	Common	$ 0.000880	Yes	Eastmore / Paul Carrozzo	Debt Conversion	Unrestricted	Rule 144
02/18/16	New Issue	5,952,381	Common	$ 0.000840	Yes	Blue Citi / Robert Malin	Debt Conversion	Unrestricted	Rule 144
02/22/16	New Issue	18,552,876	Common	$ 0.000540	Yes	Tangiers / Robert Papri	Debt Conversion	Unrestricted	Rule 144
02/22/16	New Issue	11,904,762	Common	$ 0.002800	Yes	Blue Citi / Robert Malin	Debt Conversion	Unrestricted	Rule 144
02/22/16	New Issue	9,904,429	Common	$ 0.000420	Yes	North River/ Ed Liceaga	Debt Conversion	Unrestricted	Rule 144
02/23/16	New Issue	7,500,000	Common	$ 0.000350	Yes	Cardinal / Tomar Tao	Debt Conversion	Unrestricted	Rule 144
02/24/16	New Issue	21,636,364	Common	$ 0.000275	Yes	Tangiers / Robert Papri	Debt Conversion	Unrestricted	Rule 144
02/25/16	New Issue	9,901,698	Common	$ 0.000212	Yes	LG Capital/ Ahron Framan	Debt Conversion	Unrestricted	Rule 144
02/26/16	New Issue	10,226,909	Common	$ 0.000080	Yes	Eastmore / Paul Carrozzo	Debt Conversion	Unrestricted	Rule 144
02/29/16	New Issue	23,787,879	Common	$ 0.000165	Yes	Tangiers / Robert Papri	Debt Conversion	Unrestricted	Rule 144
02/29/16	New Issue	7,500,000	Common	$ 0.000150	Yes	Cardinal / Tomar Tao	Debt Conversion	Unrestricted	Rule 144
03/01/16	New Issue	9,904,429	Common	$ 0.000120	Yes	North River/ Ed Liceaga	Debt Conversion	Unrestricted	Rule 144
03/02/16	New Issue	23,852,814	Common	$ 0.000115	No	Tangiers / Robert Papri	3(a)10 Filing	Unrestricted	Court Order
03/07/16	New Issue	21,715,522	Common	$ 0.000055	No	Tangiers / Robert Papri	3(a)10 Filing	Unrestricted	Court Order
03/07/16	New Issue	2,102,660	Common	$ 0.000055	Yes	Tangiers / Robert Papri	Debt Conversion	Unrestricted	Rule 144
03/07/16	New Issue	23,818,182	Common	$ 0.000055	Yes	Tangiers / Robert Papri	Debt Conversion	Unrestricted	Rule 144
03/08/16	New Issue	9,725,791	Common	$ 0.000020	Yes	Eastmore / Paul Carrozzo	Debt Conversion	Unrestricted	Rule 144
03/10/16	New Issue	9,904,429	Common	$ 0.000060	Yes	North River/ Ed Liceaga	Debt Conversion	Unrestricted	Rule 144
03/10/16	New Issue	23,818,182	Common	$ 0.000055	Yes	Tangiers / Robert Papri	Debt Conversion	Unrestricted	Rule 144
03/11/16	New Issue	9,725,000	Common	$ 0.000020	Yes	Eastmore / Paul Carrozzo	Debt Conversion	Unrestricted	Rule 144
03/15/16	New Issue	9,904,429	Common	$ 0.000060	Yes	North River/ Ed Liceaga	Debt Conversion	Unrestricted	Rule 144
03/16/16	New Issue	23,818,182	Common	$ 0.000055	Yes	Tangiers / Robert Papri	Debt Conversion	Unrestricted	Rule 144
03/17/16	New Issue	16,318,490	Common	$ 0.000053	Yes	LG Capital/ Ahron Framan	Debt Conversion	Unrestricted	Rule 144

03/18/16	New Issue	9,904,429	Common	$	0.000060	Yes	North River/ Ed Liceaga	Debt Conversion	Unrestricted	Rule 144
03/23/16	New Issue	20,500,000	Common	$	0.000600	No	EROP Capital/ Matt Myers	3(a)10 Filing	Unrestricted	Court Order
03/23/16	New Issue	9,904,429	Common	$	0.000600	Yes	North River/ Ed Liceaga	Debt Conversion	Unrestricted	Rule 144
05/24/16	New Issue	28,800,000	Common	$	0.000240	No	EROP Capital/ Matt Myers	3(a)10 Filing	Unrestricted	Court Order
06/16/19	New Issue	30,250,000	Common	$	0.000120	No	EROP Capital/ Matt Myers	3(a)10 Filing	Unrestricted	Court Order
07/11/16	New Issue	31,750,000	Common	$	0.000120	No	EROP Capital/ Matt Myers	3(a)10 Filing	Unrestricted	Court Order
07/25/16	New Issue	33,300,000	Common	$	0.000120	No	EROP Capital/ Matt Myers	3(a)10 Filing	Unrestricted	Court Order
09/13/16	New Issue	35,000,000	Common	$	0.000120	No	EROP Capital/ Matt Myers	3(a)10 Filing	Unrestricted	Court Order
10/13/16	New Issue	36,500,000	Common	$	0.000120	No	EROP Capital/ Matt Myers	3(a)10 Filing	Unrestricted	Court Order
10/16/16	New Issue	36,533,396	Common	$	0.000053	Yes	LG Capital/ Ahron Framan	Debt Conversion	Unrestricted	Rule 144
10/25/16	New Issue	38,500,000	Common	$	0.000120	No	EROP Capital/ Matt Myers	3(a)10 Filing	Unrestricted	Court Order
10/27/16	New Issue	36,687,169	Common	$	0.000106	Yes	LG Capital/ Ahron Framan	Debt Conversion	Unrestricted	Rule 144
10/28/16	New Issue	42,300,000	Common	$	0.001800	No	EROP Capital/ Matt Myers	3(a)10 Filing	Unrestricted	Court Order
11/01/06	New Issue	46,200,000	Common	$	0.001800	No	EROP Capital/ Matt Myers	3(a)10 Filing	Unrestricted	Court Order
11/01/16	New Issue	19,827,273	Common	$	0.000110	Yes	Tangiers / Robert Papri	Debt Conversion	Unrestricted	Rule 144
11/07/16	New Issue	32,525,312	Common	$	0.000120	Yes	Union Capital/ Yakov Borenstein	Debt Conversion	Unrestricted	Rule 144
11/14/16	New Issue	48,500,000	Common	$	0.000600	No	EROP Capital/ Matt Myers	3(a)10 Filing	Unrestricted	Court Order
11/18/16	New Issue	50,900,000	Common	$	0.000240	No	EROP Capital/ Matt Myers	3(a)10 Filing	Unrestricted	Court Order
12/07/16	New Issue	53,500,000	Common	$	0.000180	No	EROP Capital/ Matt Myers	3(a)10 Filing	Unrestricted	Court Order
Shares O/S at 12/31/2016		**1,178,551,804**								
01/04/17	New Issue	56,100,000	Common	$	0.00050	No	EROP Capital/ Matt Myers	3(a)10 Filing	Unrestricted	Court Order
01/19/17	New Issue	58,900,000	Common	$	0.001200	No	EROP Capital/ Matt Myers	3(a)10 Filing	Unrestricted	Court Order
01/25/17	New Issue	121,212,121	Common	$	0.000165	Yes	Tangiers / Robert Papri	Debt Conversion	Unrestricted	Rule 144
01/26/17	New Issue	61,900,000	Common	$	0.00170	No	EROP Capital/ Matt Myers	3(a)10 Filing	Unrestricted	Court Order
01/31/17	New Issue	106,791,056	Common	$	0.00018	Yes	Union Capital/ Yakov Borenstein	3(a)10 Filing	Unrestricted	Court Order
02/01/17	New Issue	60,000,000	Common	$	0.00018	Yes	Blue Citi / Robert Malin	Debt Conversion	Unrestricted	Rule 144
02/03/17	New Issue	67,000,000	Common	$	0.00360	No	EROP Capital/ Matt Myers	3(a)10 Filing	Unrestricted	Court Order
02/07/17	Cancellation	(53,050,500)	Common	$	0.00360	No	EROP Capital/ Matt Myers -Return of shares	3(a)10 Filing	Unrestricted	Court Order
02/07/17	New Issue	135,000,000	Common	$	0.000150	Yes	Prolific / Mark Zegal	Debt Conversion	Unrestricted	Rule 144
02/07/17	New Issue	135,459,267	Common	$	0.000150	Yes	Prolific / Mark Zegal	Debt Conversion	Unrestricted	Rule 144
02/09/17	New Issue	45,279,174	Common	$	0.00006	Yes	Eastmore / Paul Carrozzo	Debt Conversion	Unrestricted	Rule 144

02/10/17	New Issue	176,545,455	Common	$ 0.000165	Yes	Tangiers / Robert Papri	Debt Conversion	Unrestricted	Rule 144
02/16/17	New Issue	124,642,333	Common	$ 0.000180	Yes	Union Capital Union Capital/ Yakov Borenstein	Debt Conversion	Unrestricted	Rule 144
02/16/17	New Issue	70,000,000	Common	$ 0.000100	Yes	Blue Citi / Rob Malin	Debt Conversion	Unrestricted	Rule 144
02/17/17	New Issue	78,306,444	Common	$ 0.000180	Yes	Union Capital/ Yakov Borenstein	Debt Conversion	Unrestricted	Rule 144
02/17/17	New Issue	164,931,500	Common	$ 0.000180	Yes	Union Capital Union Capital/ Yakov Borenstein	Debt Conversion	Unrestricted	Rule 144
02/17/17	New Issue	39,206,833	Common	$ 0.000300	Yes	Prolific / Mark Zegal	Debt Conversion	Unrestricted	Rule 144
02/17/17	New Issue	86,936,364	Common	$ 0.000330	Yes	Tangiers / Robert Papri	Debt Conversion	Unrestricted	Rule 144
02/24/17	New Issue	240,000,000	Common	$ 0.000180	Yes	Blue Citi / Rob Malin	Debt Conversion	Unrestricted	Rule 144
02/24/17	New Issue	125,000,000	Common	$ 0.000180	Yes	Blue Citi / Rob Malin	Debt Conversion	Unrestricted	Rule 144
02/28/17	New Issue	74,586,446	Common	$ 0.000318	Yes	LG Capital/ Ahron Framan	Debt Conversion	Unrestricted	Rule 144
03/01/07	New Issue	108,085,525	Common	$ 0.000371	Yes	LG Capital/ Ahron Framan	Debt Conversion	Unrestricted	Rule 144
03/10/17	New Issue	120,000,000	Common	$ 0.000240	Yes	Blue Citi / Rob Malin	Debt Conversion	Unrestricted	Rule 144
03/13/17	New Issue	159,978,301	Common	$ 0.000212	Yes	LG Capital/ Ahron Framan	Debt Conversion	Unrestricted	Rule 144
03/16/17	New Issue	100,000,000	Common	$ 0.000240	Yes	Blue Citi / Robert Malin	Debt Conversion	Unrestricted	Rule 144
03/22/17	New Issue	131,344,669	Common	$ 0.000212	Yes	LG Capital/ Ahron Framan	Debt Conversion	Unrestricted	Rule 144
03/23/17	New Issue	166,666,667	Common	$ 0.000268	Yes	Blue Citi / Robert Malin	Debt Conversion	Unrestricted	Rule 144
05/19/17	New Issue	171,500,000	Common	$ 0.000260	Yes	Dennis Radcliffe	Debt Conversion	Unrestricted	Rule 144
06/02/17	New Issue	57,692,307	Common	$ 0.000260	Yes	Phillippe Uhrick	Debt Conversion	Unrestricted	Rule 144
06/05/17	New Issue	171,153,846	Common	$ 0.000260	Yes	Kenneth Radcliffe	Debt Conversion	Unrestricted	Rule 144
08/16/17	New Issue	122,500,000	Common	$ 0.000120	Yes	Blue Citi / Robert Malin	Debt Conversion	Unrestricted	Rule 144

Shares O/S at 06/30/2017 4,462,219,612

Example: A company with a fiscal year end of December 31st, in addressing this item for its quarter ended September 30, 2018, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2016 through September 30, 2018 pursuant to the tabular format above.

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

B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe any issuance of promissory notes, convertible notes or convertible debentures **in the past two completed fiscal years and any subsequent interim period**.

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

Date of Note Issuance	Outstanding Balance ($)	Principal Amount at Issuance ($)	Interest Accrued ($)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder	Reason for Issuance (e.g. Loan, Services, etc.)
10/27/14 02/10/15	$ 6,700 $ 22,000	$ 33,000 $ 22,000	$ 6,692	2 Years	Conversion at 60% lowest price in 25 trading days	Cardinale Capital / Tomar Tao	Convertible Debenture
12/16/14	$ 4,907	$ 38,889	$ 5,833	2 Years	Conversion at 60% lowest price in 25 trading days	North River/ Ed Liceaga	Convertible Debenture
09/30/15	$ 19,341	$ 36,400	$ -	Demand	None	Power Up Lending	Loan
10/29/14	$ 60,500	$ 55,000	$ 26,063	10/15/2015	Conversion at 60% lowest price in 20 trading days. Penalty applied to principle.	WHC Capital	Convertible Debenture
11/05/14	$ 99,628	$ 75,000	$ 60,999	Demand	Conversion at 50% lowest price in 20 trading days. Penalty applied to principle.	Eastmore Capital / Paul Carrozzo	Convertible Debenture
01/02/16	$ 82,530	$ 82,530	$ 16,257	2 Years	Conversion at 60% lowest price in 20 trading days	Erwin Vahlsing, Jr.	Convertible Debenture
03/31/17	$ 190,000	$ 190,000	$ 22,613	Demand	Conversion at 60% lowest price in 20 trading days	Blue Citi / Robert Malin	Convertible Debenture

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

4) Financial Statements

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

☒ U.S. GAAP
☐ IFRS

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

Name: Erwin Vahlsing, Jr.
Title:
Relationship to Issuer: Accountant

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

C. Balance sheet;
D. Statement of income;
E. Statement of cash flows;

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

F. Financial notes; and
G. Audit letter, if audited

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

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

The Company's financial statements are incorporated herein.

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

5) Issuer's Business, Products and Services

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

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

Alkame Holdings Inc. is a publicly traded holding company, with an emphasis on health and wellness products. Through its subsidiaries, the company develops, markets, and distributes consumer-based products to maximize, and capitalize, on the development of various and multiple applications utilizing an exclusive patented water technology to create enhanced water with several unique properties. The intellectual property (IP) assets are utilized in several emerging business sectors, such as the hemp niche industry, the manufacture of specialty food and beverage products, the pet and aqua-culture space, as well as many other business opportunities and various water treatment solutions to both new and existing business platforms.

Its patented technology and formulation produce water with a combination of unique attributes and forms the foundation for a number of water-based applications. The water maintains an average pH level of between 8 and 8.5 for extended periods of time once bottled. This pH level coupled with increased levels of dissolved oxygen have been proven to provide antioxidant protection and more complete hydration throughout the body and boost the immune system.

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

The Company operates two wholly owned subsidiaries:

1. Alkame Water, Inc. – Manufacture and bottling of the alkaline water for direct sale to retail outlets for consumer consumption. In addition, this division produces the various CBD water products under contract with the distributors of the products.
2. Bell Food and Beverage – This division produces various good related products. These include the bottling of various sauces, mixes, and fruits.

The Company is not currently subject to any legal action or in default of any debt covenants.

A. The form of organization of the Issuer:

Alkame Holdings, Inc. is a Nevada corporation

B. The Year that the Issuer (or predecessor was organized):

The Company was incorporated on April 19, 2010 as Pinacle Enterprise Inc. under the laws of the state of Nevada.

The Company's fiscal year end is 12/31

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

The Company operates under SIC Code – 5140

6) Issuer's Facilities

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

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

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

Corporate Office:
Alkame Holdings, Inc.
3651 Lindell Road
Suite D # 356
Las Vegas, NV 89103

Production Facility:
Alkame Water, Inc. and Bell Food & Beverage, Inc.
3213 Waconda Road NE
Gervais, OR 97026

The Company rents approximately 10,000 SF of manufacturing space in Gervais, Oregon.

7) Officers, Directors, and Control Persons

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

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

Name of Officer/Director and Control Person	**Affiliation with Company (e.g. Officer/Director/Owner of more than 5%)**	**Residential Address (City / State Only)**	**Number of shares owned**	**Share type/class**	**Ownership Percentage of Class Outstanding**	**Note**
Robert Eakle	Officer/ Director	Gervais, OR	450,000 6,000,000 1,000,000	Common Preferred A Preferred D	< 1%	_____
Craig Kaufman	Owner of more than 5%	Chicago, IL	-0- 6,000,000 1,000,000	Common Preferred A Preferred D	0%	_____

8) Legal/Disciplinary History

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

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

   NONE

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

   NONE

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

   NONE

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

   NONE

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

NONE

9) Third Party Providers

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

Securities Counsel

Name: Scott Doney, Esq.
Firm: The Doney Law Firm
Address 1: 4955 S. Durango Dr. Suite 165
Address 2: Las Vegas, NV 89113
Phone: (702) 982-5686
Email: scott@doneylawfirm.com

Accountant or Auditor

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Investor Relations Consultant

Name: _____
Firm: _____
Address 1: _____
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Phone: _____
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Other Service Providers

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

Name: _____
Firm: _____
Nature of Services: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

Name: _____
Firm: _____
Nature of Services: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

Item 3. Annual Financial Statements

Unaudited Balance Sheets at December 31, 2017 and 2016	F-1
Unaudited Statements of Operations for the Years Ending December 31, 2017 and 2016	F-2
Unaudited Statements of Stockholders Equity for the Years Ending December 31, 2017 and 2016	F-3
Unaudited Consolidated Statements of Cash Flows for the Years Ending December 31, 2017 and 2016	F-4
Notes to the Unaudited Consolidated Financial Statements	F-5 to F-36

ALKAME HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	December 31, 2017 (Unaudited)	December 31, 2016
ASSETS		
Current assets:		
Accounts receivable (net of reserve for bad debts of $12,499 and $12,499, respectively)	$ 150,555	$ 8,393
Prepaid expenses - current	2,000	2,000
Inventory (net of reserve for impairment of inventory of $45,111 and $36,097, respectively)	1,081	-
Total current assets	153,636	10,393
Fixed assets:		
Furniture and fixtures	824	824
Manufacturing equipment, net	72,176	79,016
Software	622	6,619
Total fixed and intangible assets, net	73,622	86,459
Other assets:		
Deferred finance costs	-	222
Total other assets	-	222
Total assets	$ 227,258	$ 97,074
LIABILITIES AND STOCKHOLDERS (DEFICIT)		
Current liabilities:		
Cash overdraft	$ 2,591	$ 169
Accounts payable and accrued expenses	948,228	796,670
Accrued interest	195,086	255,232
Accrued compensation	865,664	727,270
Prepaid customer order	25,665	14,580
Legal obligations	120,000	120,000
Accrued contingencies	134,000	134,000
Loans from officer	15,353	16,132
Notes payable (net of debt discount of $-0- and $-0-, respectively)	333,330	295,330
Note due Xtreme Shareholders	-	105,500
Convertible debt (net of debt discount of $73,182 and $109,774, respectively)	453,083	634,696
Derivative instrument liability	329,266	1,432,650
Total current liabilities	3,422,266	4,532,229
Total long-term liabilities	-	-
Total liabilities	3,422,266	4,532,229
Commitments and contingencies	-	-
Stockholders' deficit		
Preferred stock - $0.001 par value, authorized - 100,000,000 shares;		
Series A Convertible Preferred stock - $0.001 par value, 12,000,000 shares designated; issued and outstanding - 12,000,000 and 12,000,000 shares, respectively	12,000	12,000
Series B Convertible Preferred stock - $0.001 par value, 70,000,000 shares designated; issued and outstanding 65,398,334 and 65,398,334 shares, respectively	65,398	65,398
Series C Convertible Preferred stock - $0.001 par value, 1,250,000 shares designated; issued and outstanding 0 shares	-	-
Series D Convertible Preferred stock - $0.001 par value, 4,000,000 shares designated; issued and outstanding 2,000,000 and 2,000,000 shares, respectively	2,000	2,000
Series E Convertible Preferred stock - $1.00 par value, 1,250,000 shares designated; issued and outstanding 0 shares	-	-
Common stock - $0.001 par value, authorized - 5,500,000,000 shares; issued and outstanding - 4,462,219,612 and 1,178,551,804 shares, respectively	4,462,220	1,178,552
Common stock to be issued	13,500	13,500
Series C Convertible Preferred Stock to be issued	1,425,000	1,425,000
Series E Convertible Preferred Stock to be issued	1,250,000	1,250,000
Additional paid-in capital	4,102,961	6,518,516
Accumulated deficit	(14,528,087)	(14,900,121)
Total stockholders' deficit	(3,195,008)	(4,435,155)
Total liabilities and stockholders' deficit	$ 227,258	$ 97,074

See accompanying notes to the consolidated financial statements

ALKAME HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the years ended	
	December 31, 2017 (Unaudited)	December 31, 2016
Revenues	$ 1,121,046	$ 185,270
Cost of Sales		
Cost of goods sold	1,070,661	232,723
Gross (loss) profit	50,385	(47,453)
Operating expenses:		
Selling expenses	163,381	152,315
General and administrative	381,569	425,133
Depreciation and amortization	5,998	7,660
Total operating expenses	550,948	585,108
Loss from operations	(500,563)	(632,561)
Other Income / (Expense):		
Amortization of deferred financing costs	(1,910)	(10,195)
Interest expense	(126,721)	(460,930)
Amortization of beneficial conversion feature	(36,592)	(44,509)
Gain (loss) on change in fair value of derivative liability	1,103,384	(574,423)
Gain (loss) on settlement of debt	(50,595)	(199,247)
Total other expenses	887,566	(1,289,304)
Net profit (loss) applicable to common stockholders	$ 387,003	$ (1,921,865)
Per share data		
Net Profit (Loss) per share - basic and diluted	$ 0.00	$ (0.00)
Weighted average number of shares outstanding- basic and diluted	3,831,394,776	655,439,620

See accompanying notes to the consolidated financial statements

ALKAME HOLDINGS, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)

	Series A Convertible Preferred Stock ($.001 par value)		Preferred B Stock ($.001 par value)		Preferred D Stock ($.001 par value)		Common Stock ($.001 par value)		Stock	Additional Paid-In	Accumulated	Total Stockholders' Equity
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	To be issued	Capital	Deficit	(Deficit)
Balance, January 1, 2016	12,000,000	$ 12,000	65,398,334	$ 65,398	2,000,000	$ 2,000	198,485,547	$ 198,486	$ 1,438,500	7,010,488	$ (12,978,256)	$ (4,251,384)
Issuance of stock for:												
Conversion of debentures		-		-		-	479,566,257	479,566		(109,216)	-	370,350
Conversion of loans		-		-		-	500,500,000	500,500		(382,756)	-	117,744
Preferred stock to be issued		-		-		-		-	1,250,000	-	-	1,250,000
Rounding												
Net loss		-		-		-	-	-			(1,921,865)	(1,921,865)
Balance, December 31, 2016	12,000,000	$ 12,000	65,398,334	$ 65,398	2,000,000	$ 2,000	1,178,551,804	$ 1,178,552	$ 2,688,500	$ 6,518,516	$ (14,900,121)	$ (4,435,155)
Conversion of debentures		-		-			3,092,818,308	3,092,818		(2,478,884)	-	613,934
Conversion of loans		-		-			190,849,500	190,850		63,328	(14,969)	239,209
Net loss		-		-			-	-			387,003	387,003
Balance, December 31, 2017	12,000,000	$ 12,000	65,398,334	$ 65,398	2,000,000	$ 2,000	4,462,219,612	$4,462,220	$ 2,688,500	4,102,960	$ (14,528,087)	$ (3,195,009)

See accompanying notes to the consolidated financial statements

ALKAME HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the years Ended December 31, 2017 (Unaudited)	For the years Ended December 31, 2016
Cash flows from operating activities:		
Net profit (loss)	$ 387,003	$ (1,921,865)
Adjustments to reconcile net loss to net cash used in operating activities:		
Bad debts	-	50,585
Depreciation and amortization	12,838	51,474
Amortization debt discount	36,592	44,510
Change in fair value of derivative liability	(1,103,384)	574,423
Liquidated damages and default penalties	-	281,441
Amortization of prepaid expenses	-	5,000
Amortization of deferred financing costs	1,910	10,195
Loss on extinguishment of debt	50,595	173,875
Loss on conversion of debt	-	25,372
Changes in operating asset and liability account balances:		
Accounts receivable	142,162	(30,740)
Other receivable	-	18,000
Inventory	(1,081)	59,904
Customer deposit	11,085	(2,590)
Accrued compensation	138,394	213,790
Accrued interest	(60,146)	179,553
Accounts payable, customer deposits and accrued expenses	88,290	186,577
Total adjustments	(682,746)	1,841,369
Net cash used in operating activities	(295,743)	(80,496)
Cash flows from investing activities		
Purchase of equipment	-	(1,445)
Net cash used in investing activities	-	(1,445)
Cash flows from financing activities:		
Cash overdraft	(2,422)	(2,279)
Repayment of officer loans	(779)	(10,324)
Proceeds from convertible notes payable	204,400	-
Payments of notes payable	(12,956)	(12,956)
Proceeds from notes payable	107,500	107,500
Net cash provided by financing activities	295,743	81,941
Net increase (decrease) in cash	-	-
Cash at beginning of period	-	-
Cash at end of period	$ -	$ -
Supplemental Schedule of Cash Flow Information:		
Cash paid for interest	$ -	$ 3,724
Cash paid for income taxes	$ -	$ -
Supplemental Schedules of Noncash Investing and Financing Activities:		
Conversion of notes payable and accrued interest into common stock	$ 694,578	$ 91,310
Common stock issued to settle accounts payable	$ 148,678	$ 117,744
Payment made by EROP to noteholders on Company's behalf	$ 105,500	$ 77,500
Convertible note payable issued to settle accounts payable	$ -	$ 82,530
Beneficial conversion feature on convertible debt	$ -	$ 82,530
Series E Convertible Pfd. Stock to be Issued to settle notes payable and accrued interest	$ -	$ 1,250,000

See accompanying notes to the consolidated financial statements

Alkame Holdings, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements
For the years ended December 31, 2017 and 2016

1. Organization and Nature of Operations

Alkame Holdings, Inc. (fka Pinacle Enterprise Inc.) (the "Company", "we", "us" or "our") was incorporated under the laws of the State of Nevada on April 19, 2010. The Company is in the business of distributing bottled alkaline, antioxidant and oxygenated water.

On June 24, 2013, the Company entered into a share exchange agreement with Alkame Water, Inc. ("Alkame") and the shareholders of all of the issued and outstanding shares of Alkame. On June 25, 2013, the Company acquired 100% of the members' shares of Alkame, a Company incorporated in the state of Nevada on March 1, 2012, in exchange for 150,000,000 common shares, comprised of 116,666,667 common shares privately transacted from the President of the Company and the issuance of 33,333,333 common shares to shareholders of Alkame. Effectively, Alkame held 71% of the issued and outstanding common shares of the Company and the transaction has been accounted for as a reverse merger, where Alkame is deemed to be the acquirer and or the surviving entity for accounting purposes.

As part of the acquisition transaction, all assets and liabilities of Alkame Holdings, Inc. at the date of acquisition were assumed by the former management.

The transaction is accounted for using the purchase method of accounting. As a result of the recapitalization and change in control, Alkame is the acquiring entity in accordance with ASC 805, Business Combinations. Accordingly, the historical financial statements are those of Alkame, the accounting acquirer, immediately following the consummation of the reverse merger.

As a result of the exchange transaction in 2013, our board of directors decided to change our fiscal yearend from January 31 to December 31.

On April 21, 2014, we entered into a Stock Purchase Definitive Agreement (the "Agreement") with Xtreme Technologies, Inc., an Idaho corporation ("Xtreme"). Pursuant to the terms of the Agreement, we agreed to acquire all of the issued and outstanding capital stock of Xtreme in exchange for certain consideration as set forth in the Agreement.

On January 16, 2015, the parties to the Agreement entered into an amendment (the "Amendment") that changed, among other things, the Closing Date of the transaction.

On April 15, 2015, the parties to the Agreement entered into a second amendment (the "Second Amendment") that changed, among other things, the 120-day time period to pay monetary consideration under the Agreement to 240 days after the Closing Date of the transaction.

In February 2017, the final cash payments under the Agreement were completed.

2. Going Concern

The accompanying consolidated financial statements have been prepared using accounting principles generally accepted in the United States of America applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company has an accumulated deficit of $14,528,087 and had a net profit of $387,003 for the year ended December 31, 2017. The Company's ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they become due, and to generate profitable operations in the future. Management plans to continue to provide for its capital requirements by seeking long term financing which may be in the form of additional equity securities and debt. The outcome of these matters cannot be predicted at this time and there are no assurances that if achieved, the Company will have sufficient funds to execute its business plan or generate positive operating results.

These matters, among others, raise substantial doubt about the ability of the Company to continue as a going concern. These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should the Company be unable to continue as a going concern.

3. Summary of Significant Accounting Policies

a) Basis of Presentation

The consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States ("US GAAP") and are expressed in U.S. dollars. All inter-company accounts and transactions have been eliminated. The Company's fiscal year end is December 31.

b) Principles of Consolidation

The consolidated financial statements include the accounts of Alkame Holdings, Inc. (parent), Alkame Water, Inc., Xtreme Technologies, Inc., and Bell Food and Beveage, our wholly owned subsidiaries which have common ownership and management. All intercompany balances and transactions have been eliminated.

c) Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company regularly evaluates estimates and assumptions related to the deferred income tax asset valuation allowances. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected. Significant estimates included are assumptions about collection of accounts receivable, useful life of fixed and intangible assets, impairment analysis of goodwill and intangible assets, estimates used in the fair value calculation of stock-based compensation, beneficial conversion feature and derivative liability on convertible notes and warrants using Black-Scholes Model.

d) Cash and Cash Equivalents

For purposes of the statement of cash flows, cash includes demand deposits, saving accounts and money market accounts. The Company considers all highly liquid instruments with maturities of three months or less when purchased to be cash equivalents.

e) Financial Instruments

Pursuant to ASC 820, Fair Value Measurements and Disclosures, an entity is required to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. ASC 820 prioritizes the inputs into three levels that may be used to measure fair value:

Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The Company's financial instruments consist principally of cash, accounts payable and accrued liabilities and amounts due to related parties. Pursuant to ASC 820, the fair value of our cash is determined based on "Level 1" inputs, which consist of quoted prices in active markets for identical assets. We believe that the recorded values of all of our other financial instruments approximate their current fair values because of their nature and respective maturity dates or durations.

f) Basic and Diluted Net Loss per Share

The Company computes net loss per share in accordance with ASC 260, Earnings per Share. ASC 260 requires presentation of both basic and diluted earnings per share ("EPS") on the face of the income statement. Basic EPS is computed by dividing net loss available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period using the treasury stock method and convertible preferred stock using the if-converted method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential shares if their effect is anti-dilutive.

	As of December 31,	
	2016	**2016**
Series A Convertible Preferred Stock	600,000,000	600,000,000
Series B Convertible Preferred Stock	65,398,334	65,398,334
Series D Convertible Preferred Stock	20,000,000	20,000,000
3(a)10 Shares Issuances	-	190,845,900
Convertible notes payable	3,445,605,000	3,445,605,000
Warrants	1,587,302	1,587,302

g) Income Taxes

Potential benefits of income tax losses are not recognized in the accounts until realization is more likely than not. The Company has adopted ASC 740 "Accounting for Income Taxes" as of its inception. Pursuant to ASC 740, the Company is required to compute tax asset benefits for net operating losses carried forward. The potential benefits of net operating losses have not been recognized in this financial statement because the Company cannot be assured it is more likely than not it will utilize the net operating losses carried forward in future years.

h) Revenue Recognition

The Company recognizes revenue in accordance with ASC-605, "Revenue Recognition," which requires that four basic criteria must be met before revenue can be recognized: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred or title has passed; (3) the selling price is fixed and determinable; and (4) collectability is reasonably assured. Determination of criteria (3) and (4) are based on management's judgments regarding the fixed nature of the selling prices of the products delivered and the collectability of those amounts.

Revenues are recognized upon shipment, provided that a signed purchase order has been received, the price is fixed, title has transferred, collection of resulting receivables is reasonably assured, and there are no remaining significant obligations. Reserves for sales returns and allowances, including allowances for so called "ship and debit" transactions, are recorded at the time of shipment, based on historical levels of returns and discounts, current economic trends and changes in customer demand. Certain internet generated transactions that are prepaid at time of order, are recognized at the time the merchandise ships from the warehouse to the customer.

Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments are provided for in the same period the related sales are recorded. The Company will defer any revenue for which the product has not been delivered or is subject to refund until such time that the Company and the customer jointly determine that the product has been delivered or no refund will be required.

i) Accounts receivable and concentration of credit risk

Because the Company currently uses distributors as their main source of product sales and placement, there is an inherent risk that the distributor could experience difficulty in their payments for accounts they ship to. The result may be that while collecting from the stores and chains they supply; the distributors do not process through the payments to the Company. Although in the past the Company did see significant credit risk associated with the trade receivables, repayment is dependent upon the financial stability of the various distributors and customers to which shipment takes place. As a result, the Company is looking more closely at the credit worthiness of its customers and how large a footprint and customer base various distributors have and is attempting to limit how much of our business is conducted through any one customer or distributor. Our concentration risk is reevaluated on a quarterly basis.

j) Allowance for doubtful accounts

The allowance for doubtful accounts is based on the Company's assessment of the collectability of customer accounts and the aging of the accounts receivable. The Company regularly reviews the adequacy of the Company's allowance for doubtful accounts through identification of specific receivables where it is expected that payments will not be received. The Company also establishes an unallocated reserve that is applied to all amounts that are not specifically identified. In determining specific receivables where collections may not have been received, the Company reviews past due receivables and gives consideration to prior collection history and changes in the customer's overall business condition. The allowance for doubtful accounts reflects the Company's best estimate as of the reporting dates.

At December 31, 2017 and 2016, the Company had an allowance for bad debts in the amount of $12,499 and $12,499 respectively.

k) Related Party Transactions

Parties are considered to be related to the Company if the parties that, directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with the Company. Related parties also include principal owners of the Company, its management, members of the immediate families of principal owners of the Company and its management and other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests. The Company discloses all related party transactions. All transactions are recorded at fair value of the goods or services exchanged.

l) Recent Accounting Pronouncements

The FASB has issued ASU No. 2014-09, Revenue from Contracts with Customers. This ASU supersedes the revenue recognition requirements in Accounting Standards Codification 605 - Revenue Recognition and most industry-specific guidance throughout the Codification. The standard requires that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. This ASU is effective on January 1, 2017 and should be applied retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying the ASU recognized at the date of initial application.

In April 2016, the FASB issued ASU 2016-10, Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing, which provides further guidance on identifying performance obligations and improves the operability and understandability of licensing implementation guidance.

In March 2016, the FASB issued ASU 2016-08, Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net) that clarifies how to apply revenue recognition guidance related to whether an entity is a principal or an agent. ASU 2016-08 clarifies that the analysis must focus on whether the entity has control of the goods or services before they are transferred to the customer and provides additional guidance about how to apply the control principle when services are provided and when goods or services are combined with other goods or services.

The effective date for ASU 2016-10 is the same as the effective date of ASU 2016-08 and ASU 2014-09 as amended by ASU 2015-14, for annual reporting periods beginning after December 15, 2017, including interim periods within those years.

Effective January 1, 2018, the Company will adopt the requirements of Topic 606 using the modified retrospective method. Upon adoption, the Company will recognize the cumulative effect of initially applying the new revenue standard as an adjustment to the opening balance of retained earnings. Using the modified retrospective method of adoption, the comparative information for periods prior to 2018 will not be restated and instead will continue to be reported under the accounting standards in effect for those periods.

The Company anticipates that the adoption of the new standard will not result in a material difference between the recognition of revenue under Topic 606 and prior accounting standards. In addition, to meet the disaggregation disclosure requirements under Topic 606, the Company anticipates its disclosure of revenue disaggregation will be by major product group, geographic area and major sales channels.

Business Combinations. In January 2017, the FASB issued authoritative guidance that clarifies the definition of a business to help companies evaluate whether acquisition or disposal transactions should be accounted for as asset groups or as businesses. The authoritative guidance will be effective for Alkame in the first quarter of fiscal 2019 on a prospective basis, with early adoption permitted. The impact of the adoption depends on the facts and circumstances of future acquisition or disposal transactions.

Income Taxes: Intra-Entity Asset Transfers. In October 2016, the FASB issued authoritative guidance that requires entities to recognize at the transaction date the income tax consequences of intercompany asset transfers other than inventory. The authoritative guidance will be effective for Alkame in the first quarter of fiscal 2019, with early adoption permitted. Alkame is currently evaluating the effect of this new guidance on Alkame's consolidated financial statements.

Classification of Certain Cash Receipts and Cash Payments. In August 2016, the FASB issued authoritative guidance which addresses classification of certain cash receipts and cash payments related to the statement of cash flows. The authoritative guidance will be effective for Alkame in the first quarter of fiscal 2019. The adoption of this guidance is not expected to have a significant impact on Alkame's consolidated financial statements.

Share-Based Compensation. In March 2016, the FASB issued authoritative guidance that simplifies several aspects of the accounting for share-based payment transactions, including the income tax consequences, forfeitures, classification of awards as either equity or liabilities, and classification on the statement of cash flows. Alkame plans to adopt the authoritative guidance effective in the first quarter of fiscal 2018. Upon adoption, Alkame will elect to continue to estimate forfeitures expected to occur to determine the amount of compensation cost to be recognized in each period. The new standard will result in the recognition of excess tax benefits in provision for income taxes rather than paid-in capital prospectively, which is expected to increase volatility in Alkame's results of operations. Alkame will elect to apply the presentation requirements for cash flows related to excess tax benefits retrospectively. The presentation requirements for cash flows related to employee taxes paid for withheld shares will be presented as a financing activity retrospectively, as required. Alkame expects cash flow from operations to increase, with a corresponding decrease in cash flow from financing activity as a result of the changes in the cash flow presentation.

Leases. In February 2016, the FASB issued authoritative guidance for lease accounting, which requires lessees to recognize lease assets and liabilities on the balance sheet for certain lease arrangements that are classified as operating leases under the previous standard, and to provide for enhanced disclosures. The authoritative guidance will be effective for Alkame in the first quarter of fiscal 2019 and should see Alkame using a modified retrospective approach. Early adoption is permitted. Alkame is currently evaluating the effect of this new guidance on Alkame's consolidated financial statements.

Financial Instruments: Classification and Measurement. In January 2016, the FASB issued authoritative guidance that requires equity investments that do not result in consolidation, and are not accounted for under the equity method, to be measured at fair value, and requires recognition of any changes in fair value in net income unless the investments qualify for a new practicability exception. For financial liabilities measured at fair value, the change in fair value caused by a change in instrument-specific credit risk will be required to be presented separately in other comprehensive income. The authoritative guidance will be effective for Alkame in the first quarter of fiscal 2019. Early adoption is permitted only for the provisions related to the recognition of changes in fair value of financial liabilities caused by instrument-specific credit risk. Alkame is currently evaluating the effect of this new guidance on Alkame's consolidated financial statements.

m) Inventory

Inventories are stated at the lower of cost or market and consist of finished goods produced in accordance with Company specifications, work-in-process as such may exist from time to time at various supplier locations that may work with Company supplied goods and materials, and raw materials that are purchased in connection with upcoming seasonal production of goods.

n) Derivative Liabilities

The Company assessed the classification of its derivative financial instruments as of December 31, 2017, which consist of convertible instruments and rights to shares of the Company's common stock and determined that such derivatives meet the criteria for liability classification under ASC 815.

ASC 815 generally provides three criteria that, if met, require companies to bifurcate conversion options from their host instruments and account for them as free-standing derivative financial instruments. These three criteria include circumstances in which (a) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (b) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair value under otherwise applicable generally accepted accounting principles with changes in fair value reported in earnings as they occur and (c) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument subject to the requirements of ASC 815. ASC 815 also provides an exception to this rule when the host instrument is deemed to be conventional, as described.

o) Convertible Instruments

The Company evaluates and accounts for conversion options embedded in its convertible instruments in accordance with professional standards for "Accounting for Derivative Instruments and Hedging Activities".

Professional standards generally provide three criteria that, if met, require companies to bifurcate conversion options from their host instruments and account for them as free standing derivative financial instruments. These three criteria include circumstances in which (a) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (b) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair value under otherwise applicable generally accepted accounting principles with changes in fair value reported in earnings as they occur and (c) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument. Professional standards also provide an exception to this rule when the host instrument is deemed to be conventional as defined under professional standards as "The Meaning of "Conventional Convertible Debt Instrument".

The Company accounts for convertible instruments (when it has determined that the embedded conversion options should not be bifurcated from their host instruments) in accordance with professional standards when "Accounting for Convertible Securities with Beneficial Conversion Features," as those professional standards pertain to "Certain Convertible Instruments." Accordingly, the Company records, when necessary, discounts to convertible notes for the intrinsic value of conversion options embedded in debt instruments based upon the differences between the fair value of the underlying common stock at the commitment date of the note transaction and the effective conversion price embedded in the note. Debt discounts under these arrangements are amortized over the term of the related debt to their earliest date of redemption. The Company also records when necessary deemed dividends for the intrinsic value of conversion options embedded in preferred shares based upon the differences between the fair value of the underlying common stock at the commitment date of the note transaction and the effective conversion price embedded in the note.

ASC 815-40 provides that, among other things, generally, if an event is not within the entity's control or could require net cash settlement, then the contract shall be classified as an asset or a liability.

p) Long Lived Assets

The Company follows Accounting Standards Codification subtopic 360-10, Property, Plant and Equipment ("ASC 360-10"). ASC 360-10 requires those long-lived assets and certain identifiable intangibles held and used by the Company be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Events relating to recoverability may include significant unfavorable changes in business conditions, recurring losses, or a forecasted inability to achieve break-even operating results over an extended period. The Company evaluates the recoverability of long-lived assets based upon forecasted undiscounted cash flows. Should impairment in value be indicated, the carrying value of intangible assets will be adjusted, based on estimates of future discounted cash flows resulting from the use and ultimate disposition of the asset. ASC 360-10 also requires assets to be disposed of be reported at the lower of the carrying amount or the fair value less costs to sell.

q) Advertising

Advertising is expensed as incurred and is included in selling costs on the accompanying consolidated statements of operations. Advertising and marketing expense for the years ended December 31, 2017 and 2016 was $647 and $4,858, respectively.

r) Shipping costs

Shipping costs are included in cost of goods sold and totaled $23,381 and $33,558 for the years ended December 31, 2017and 2016, respectively.

4. Acquisition of Xtreme Technologies

On April 21, 2014, we entered into a Stock Purchase Definitive Agreement (the "Agreement") with Xtreme Technologies, Inc., an Idaho corporation ("Xtreme"). Pursuant to the terms of the Agreement, we agreed to acquire all of the issued and outstanding capital stock of Xtreme in exchange for certain consideration as set forth in the Agreement.

On January 16, 2015, the parties to the Agreement entered into an amendment (the "Amendment") that changed, among other things, the Closing Date of the transaction.

On April 15, 2015, the parties to the Agreement entered into a second amendment (the "Second Amendment") that changed, among other things, the 120-day time period to pay monetary consideration under the Agreement to 240 days after the Closing Date of the transaction.

In accordance with the terms of the Agreement, the Amendment and the Second Amendment, we agreed to purchase all of the outstanding shares of Xtreme for the purchase price of $2,000,000, payable as follows:

- A cash payment of $50,000 has been previously paid as a non-refundable deposit;
- The Closing Date is effective as of January 13, 2015;
- An additional cash payment of $525,000 shall be paid within two hundred and forty (240) days of the Closing Date, which, along with the initial $50,000 deposit, shall pay the obligations on Xtreme's balance sheet;
- The balance of $1,425,000 shall be payable by the issuance of shares of the Company's Series B Preferred Stock to be divided *pro rata* among the Company's shareholders of record as of the Closing Date. The Series B Preferred Stock shall include an option to convert each share of Series B Preferred Stock into one share of the Company's Common Stock. The Series B Preferred Stock shall be held in escrow along with the issued and outstanding shares of Xtreme's capital stock pending the full payment of $525,000. As of the date of this report, the balance of $525,000 has been fully paid to Xtreme; and

- One of Xtreme's previous officers and directors holds outstanding options to purchase up to 1,009,000 shares of Xtreme's common stock at the price of $0.10 per share. At the Closing Date, pursuant to Idaho law, Xtreme shall notify this previous officer and director of his 30-day right to exercise any or all of his remaining options. If he elects to exercise any of his options within such 30-day period, the Company agrees to issue additional shares of Series B Preferred Stock in exchange for such Xtreme shares. Xtreme notified the option holder and the 30-day period expired unanswered. The options expired unexercised.

The Amendment also requires that the Company guarantee the obligations on employment agreements for Xtreme's key employees, namely, Keith Fuqua, Timm Ott and Casey Henry. The employment agreements with Messrs. Fuqua, Ott and Henry have the terms set forth in the following table.

Employee	**Position**	**Term**	**Compensation**	**Commission**	**Benefits**	**Severance**
Keith Fuqua	Operations Director	One year	$70,000 annually and annual bonus	5% on gross sales made to Walmart	Benefit plans	6 months' severance for termination in certain instances; residual commissions for 1 year
Timm Ott	Sales and Marketing Director and Treasurer	One year	$2,700 per month salary and annual bonus	$1.00 per case of product sold	Benefit plans	6 months' severance for termination in certain instances
Casey Henry	Manufacturing Director	One year	$4,350 per month and annual bonus	$1.00 per case of product sold	Benefit plans	6 months' severance for termination in certain instances

In addition, after the Closing Date, Xtreme's current officers and directors, namely, Jeffery J. Crandall, John N. Marcheso and Michael J. Bibin, shall continue to serve in that capacity until the $525,000 is paid in full. Our President and CEO, Robert K. Eakle and two (2) additional representatives of our company shall be appointed as directors of Xtreme and shall serve together with the other directors until the $525,000 is paid in full. In addition, Mr. Eakle shall be named as President and Chief Executive Officer of Xtreme. Until the $525,000 is paid in full, the officers and directors of Xtreme shall not make any material change in the company's business and operations without unanimous consent of the directors. If the $525,000 is not paid in full within two hundred and forty (240) days of the Closing Date, as may be extended, then the appointments of Mr. Eakle and the other two representatives as interim officers and directors shall be terminated. Upon payment of $525,000 in full to Xtreme, all former officers and directors of Xtreme shall resign and full control of Xtreme shall be tendered to us. Provided that certain representations are accurate, Jeffery J. Crandall, John N. Marcheso and Michael J. Bibin shall be released by us and Xtreme from any liability as officers and directors of Xtreme for their fiduciary obligations occurring prior to the Closing Date. As of the date of this filing, the entire payment has been made.

We previously held a three-year limited exclusive distribution agreement with Xtreme for the consumer market. We were permitted to distribute the technologically enhanced bottled water in the consumer market in the United States, Canada and Mexico. As a result of the Agreement, Amendment, and Second Amendment, Xtreme became our wholly-owned subsidiary and we acquired the patents on the proprietary process that we believe is the most technologically advanced in water treatment systems for complete hydration. We will now assume the operations of Xtreme and continue its business of distributing technologically enhanced bottled water.

Upon closing of the acquisition, we discovered that Xtreme was operating at a loss for the prior year and that it required a substantial cash infusion. We began a program of upgrading the production line, reorganized personnel, and began an effort to increase sales of the division so that it returns to profitability as quickly as possible. However, as 2015 progressed, it became obvious that changes in contracts negotiated prior to our acquisition were no longer profitable and we terminated the agreements with those customers.

Our primary objective now is to introduce, promote, aggressively market and establish channels of distribution to sell our product to a wide range of consumers, first in the United States, Canada and Mexico, and then globally. In addition, the Company is moving in the direction of bottling or "co-packing".

Alkame Holdings, Inc.
Xtreme Technologies, Inc.
Asset Acquired & Liabilities Assumed
January 14, 2015

	Assets	Liabilities	2015 Impairment
Cash	$ 13,287	$	$
Receivables	55,644		
Inventory	75,180		
Fixed Assets	91,431		
Patent Costs	1,000,000		1,000,000
Customer List	250,000		250,000
Trade Names	150,000		150,000
Goodwill	658,187		658,187
Accounts Payable & Accrued Liabilities		243,729	
Purchase consideration (Cash $625,000 and Series C Convertible Preferred Stock to be issued $1,425,000)		2,050,000	
	$ 2,293,729	**$ 2,293,729**	**$ 2,058,187**

In 2016, the Company closed down this division, and wrote off the asset values in their entirety.

5. Notes Payable, current and long-term

At December 31, 2017 and 2016, notes payable consisted of the following:

	December 31, 2017	December 31, 2016
Notes payable	$ 333,330	$ 295,330
Note payable Xtreme shareholders	-	105,500
Officer loans	15,353	16,132
Unamortized debt discount	-	-
Carrying amount	$ 348,683	$ 416,962
Less: current portion	(348,683)	(416,962)
Long-term notes payable, net	$ -	$ -

Officers Loans:

During the years ended December 31, 2017 and 2016, the Company received $0 and $0, respectively, in cash loans, and made cash payments on these amounts owing totaling $779 and $10,324, respectively during the same periods. As of December 31, 2017, and 2016, the balance of the loan was $15,353 and $16,132, respectively.

Note Payable to Stockholders:

During the year ended December 31, 2013, the Company had $63,000 in expenses paid on its behalf by this shareholder and former director which was recorded as a Note. On August 1, 2013, the Company and Note Holder amended the Note by mutual agreement increasing the principal amount by an additional $10,000 for other services rendered by the former director. The Note is unsecured, and only began accruing interest August 1, 2014 at 5% per annum on the unpaid principal thereof.

During the years ended December 31, 2017 and 2016, the Company received $9,000 and repaid $3,724 of the Notes respectively.

At December 31, 2017 and 2016, the balance of the Note was $23,849 and $32,849, respectively.

Notes Payable to Xtreme Shareholders:

In January 2015, an accredited investor group, EROP, filed and received approval by the courts for a 3(a)10 filing under which they acquired various debts, including the note due to the former shareholders of Xtreme Technologies, Inc. Under terms of the court order, they are able to convert the debts into common shares of the Company at a 40% discount to the market.

The original balance for the acquisition was $525,000. As of December 31, 2017, the balance has been paid in full.

Notes Payable, others:

On March 29, 2013, the Company entered into a two-year promissory note agreement for $500,000. On April 8, 2013, the Company received $200,000 and on May 1, 2013, the Company received $300,000. On September 27, 2013, the note agreement was amended to include an additional advance to the Company of $250,000. Pursuant to the agreement, the loan is secured with a general security agreement, bears interest at 10% per annum, and $500,000 was due on March 30, 2015 and $250,000 is due on September 27, 2015. The original note, and the amendment, each matured two years from date of issuance or amendment. These notes were in technical default, however by mutual agreement (as further described below), the note was converted into Series E Convertible Preferred Stock. Until the date of settlement of note into Series E Convertible Preferred Stock, the lender did not declare a default, and continued to forebear on collections.

On March 11, 2014, the Company entered into an additional two-year promissory note agreement for an additional $100,000 from the same investor group, on the same terms as outlined above.

The Company paid 10% of proceeds from $850,000 of the long-term notes payable as financing cost of $85,000 to a consultant. The Company amortizes this cost over the term of the note payable.

On May 10, 2016, we entered into a Debt Exchange Agreement pursuant to which we converted $1,076,125 in debt and accrued interest into 1,250,000 shares of our newly created Series E Preferred Stock. These shares were not issued as of December 31, 2016.

A copy of the Debt Exchange Agreement is attached to the Current Report on Form 8-K as Exhibit 10.1 filed on May 11, 2016.

During the years ended December 31, 2017 and 2016, the Company charged to operations $1,910 and $10,195 as amortization of deferred financing costs, respectively. As of December 31, 2017, and 2016, remaining balance in deferred financing cost of $-0- and $222, respectively is presented as part of other assets.

In July 2015, the Company borrowed $70,000 from an accredited investor group on a term loan. The note carries interest at 15% per annum and requires repayment of a total of $98,000 through daily payments of $560. As of December 31, 2017, the balance outstanding is $63,840.

In July 2015, the Company borrowed $25,000 from an accredited investor group on a term loan. The note carries prepaid interest of 10% of the amount borrowing. As of December 31, 2017, the balance outstanding is $22,554.

In August 2015, the Company borrowed $50,000 from an accredited investor group on a term loan. The note carries interest at 15% per annum and requires repayment of a total of $74,500 through daily payments of $899. As of December 31, 2017, the balance outstanding is $49,100.

In January 2016, the Company borrowed $4,000 from an accredited investor on a short-term loan. The note carries interest at 10% per annum and is due on demand. In May 2016, the Company repaid $500 of the loan.

Beginning in April 2016, the Company borrowed a series of short-term working capital loans from an accredited investor totaling $100,000 and carries interest at 10% per annum. The loans are secured by accounts receivable and requires repayment in 18 months. As of December 31, 2017, the balance outstanding is $100,000.

6. Convertible debt

On April 17, 2017, the Company entered into a Stock Purchase Agreement (the "SPA") with an accredited investor group (the "Investor" or "Buyer"). Under the terms of the SPA, the Investor will purchase up to $550,000 of convertible debentures in a series of four tranches. The first tranche will be in the amount of $220,000, with each of the three successive tranches in the amount of $110,000.

Each note will be issued with a 10% Original Issue Discount ("OID") such that the net amount received by the Company will be either $200,000 or $100,000 per debenture. The convertible debentures are due and payable one year from date of issuance and will carry interest at a rate of 8% per annum from the date of issuance. Each debenture will be convertible into common stock of the Company at the lower of (i) 70% of the lowest trading price of the Common Stock as reported on the OTCPK marketplace which the Company's shares are traded or any market upon which the Common Stock may be traded in the future ("Exchange"), during the twenty (20) trading days immediately preceding the closing date or (ii) 70% of the lowest trading price of the Common Stock as reported on the OTCPK marketplace which the Company's shares are traded or any market upon which the Common Stock may be traded in the future ("Exchange"), during the twenty 20 trading days immediately preceding the receipt of a notice of conversion.

Subsequent funding's after the second tranche are conditioned on the Company completing the filing of its audits within 59 days of the date of the first funding, and subsequent tranches will require completion of the remaining filings necessary to bring the Company current in its reporting obligations.

Additionally, while the Notes are outstanding, the Company is prohibited from entering into any convertible debentures or 3(A)(10) financings with another party without prior written consent of the Buyer.

The Buyer has, for a period of 6 months from the sale of the first note purchased, to invest up to an additional $500,000, in one or more tranches, on the same terms as those in the first four notes being purchased.

On October 17, 2017, the Company entered into a nine-month convertible debenture for $16,500 with an accredited institutional investor. The debenture carries a 10% original issue discount, and interest at a rate of 8% per annum. The debenture is convertible at 70% of the lowest trading price in the 20 trading days prior to conversion.

On October 25, 2017, the Company entered into a nine-month convertible debenture for $27,500 with an accredited institutional investor. The debenture carries a 10% original issue discount, and interest at a rate of 8% per annum. The debenture is convertible at 70% of the lowest trading price in the 20 trading days prior to conversion.

On October 30, 2017, the Company entered into a nine-month convertible debenture for $22,000 with an accredited institutional investor. The debenture carries a 10% original issue discount, and interest at a rate of 8% per annum. The debenture is convertible at 70% of the lowest trading price in the 20 trading days prior to conversion.

On November 5, 2017, the Company entered into a nine-month convertible debenture for $22,000 with an accredited institutional investor. The debenture carries a 10% original issue discount, and interest at a rate of 8% per annum. The debenture is convertible at 70% of the lowest trading price in the 20 trading days prior to conversion.

On November 9, 2017, the Company entered into a nine-month convertible debenture for $90,000 with an accredited institutional investor. The debenture carries a 10% original issue discount, and interest at a rate of 8% per annum. The debenture is convertible at 70% of the lowest trading price in the 20 trading days prior to conversion.

On December 31, 2017, the Company entered into a nine-month convertible debenture for $22,000 with an accredited institutional investor. The debenture carries a 10% original issue discount, and interest at a rate of 8% per annum. The debenture is convertible at the lower of (a) $0.0001; or (b) 70% of the lowest trading price in the 20 trading days prior to conversion.

At December 31, 2016 and 2015 convertible notes and debentures consisted of the following:

	December 31, 2017	December 31, 2016
Convertible notes payable	$ 526,265	$ 744,470
Unamortized debt discount	(73,182)	(109,774)
Carrying amount	$ 453,083	$ 634,696
Less: current portion	(453,083)	(634,696)
Long-term convertible notes, net	$ -	$ -

At various times, the Company entered into Convertible Promissory Notes on various terms accredited institutional investors. The debentures are convertible at the discounts of between fifty percent (50%) and sixty percent (60%) of the market price of the Company's Common Stock determined based on the lowest trading price in a twenty (20) to twenty-five (25) day period prior to the date of conversion or the average of a three (3) period closing price of the Company's stock. Some notes were issued with an original issue discount which was charged to current period operations as interest expense during the year of inception.

The following table summarizes the debt discounts recorded on convertible debt in connection with the above convertible debentures.

	December 31, 2016	December 31, 2015
Debt Discount beginning balance	$ 109,774	$ 53,258
Additions	-	101,026
Amortization	(36,592)	(44,510)
Ending Balance	$ 73,182	$ 109,774

During the year ended December 31, 2017, the Company issued 3,092,818,308 shares of its common stock valued at $643,734, upon conversion of $463,806 principal and $179,928 interest.

The Company identified embedded derivatives related to the Convertible Promissory Notes entered into in the years ended December 31, 2014, 2015, and 2016. These embedded derivatives included certain conversion features as described in the preceding paragraph. The accounting treatment of derivative financial instruments requires that the Company record the fair value of the derivatives as of the inception date of the Convertible Promissory Note and to adjust the fair value as of each subsequent balance sheet date. At the inception of the Convertible Promissory Notes, the Company determined a fair value of the embedded derivative. The fair value of the embedded derivative was determined using the Black-Scholes Model based on the assumptions outlined in the following table:

Summary of Convertible Debt and Derivative Liabilities

12/31/2017

Date	Original Amount	Term (Months)	Full Conv. Y / N	Black-Scholes Assumptions Inception: Dividend Yield	Black-Scholes Assumptions Inception: Volatility	Black-Scholes Assumptions Inception: Risk Free Rate	Derivative Liability Inception	Note Balance 12/31/16	Black-Scholes Assumptions 12/31/2016: Dividend Yield	Black-Scholes Assumptions 12/31/2016: Volatility	Black-Scholes Assumptions 12/31/2016: Risk Free Rate	Derivative Liability Balance 12/31/2016	Derivative Liability Adjustment 12/31/2016	Note Balance 12/31/17	Black-Scholes Assumptions 12/31/2016: Dividend Yield	Black-Scholes Assumptions 12/31/2016: Volatility	Black-Scholes Assumptions 12/31/2016: Risk Free Rate	Derivative Liability Balance 12/31/2017	Derivative Liability Adjustment 12/31/2017
09/05/14	$ 52,500	12		0.00%	166.00%	0.10%	$ 578,343	$ 57,750	0.00%	459.37%	0.51%	$ 79,308	$ 9,779	$ -	0.00%	275.7%	0.14%	$ -	$ 79,308
10/24/14	$ 55,000	12		0.00%	260.00%	0.11%	$ 162,550	$ 60,500	0.00%	459.37%	0.51%	$ 144,168	$ (64,632)	$ 30,812	0.00%	275.7%	0.14%	$ 32,379	$ 111,789
10/27/14	$ 33,000	24		0.00%	260.00%	0.41%	$ 100,870	$ 27,000	0.00%	459.37%	0.51%	$ 36,294	$ 33,943		0.00%	275.7%	0.14%	$ -	$ 36,294
10/29/14	$ 55,000	12		0.00%	260.00%	0.11%	$ 142,870	$ 57,750	0.00%	459.37%	0.51%	$ 133,296	$ (37,671)		0.00%	275.7%	0.14%	$ -	$ 133,296
11/12/14	$ 75,000	12		0.00%	261-275%	0.14%	$ 324,627	$ 102,344	0.00%	459.37%	0.51%	$ 217,101	$ (119,428)	$ 99,628	0.00%	275.7%	0.14%	$ 133,593	$ 83,508
12/16/14	$ 39,772	24		0.00%	275.00%	0.58%	$ 85,288	$ 31,163	0.00%	459.37%	0.51%	$ 41,801	$ 42,912	$ 4,907	0.00%	275.7%	0.14%	$ 12,289	$ 29,512
01/22/15	$ 75,000	12		0.00%	335.00%	0.17%	$ 210,982	$ 74,949	0.00%	459.37%	0.51%	$ 166,429	$ (45,059)	$ -	0.00%	275.7%	0.14%	$ -	$ 166,429
02/10/15	$108,000	12		0.00%	336.00%	0.11%	$ 181,521	$ 108,000	0.00%	459.37%	0.51%	$ 335,279	$ (195,956)	$ 188,100	0.00%	275.7%	0.14%	$ 98,569	$ 236,710
02/10/15	$ 22,000	24		0.00%	336.00%	0.11%	$ 41,170	$ 22,000	0.00%	459.37%	0.51%	$ 32,860	$ 16,062	$ 22,000	0.00%	275.7%	0.14%	$ 10,913	$ 21,948
02/19/15	$ 35,000	12		0.00%	336.00%	0.11%	$ 53,829	$ 38,500	0.00%	459.37%	0.51%	$ 135,174	$ (76,175)	$ 38,500	0.00%	275.7%	0.14%	$ 41,524	$ 93,650
02/25/15	$ 33,333	24		0.00%	340.00%	0.10%	$ 61,358	$ 33,333	0.00%	459.37%	0.51%	$ 52,378	$ 22,098	$ -	0.00%	275.7%	0.14%	$ -	$ 52,378
03/13/15	$ 52,500	8		0.00%	343.00%	0.11%	$ 73,432	$ 57,750	0.00%	459.37%	0.51%	$ 58,562	$ 27,442	$ -	0.00%	275.7%	0.14%	$ -	$ 58,562
	$ 958,355						$ 2,832,774	$ 671,039				$1,432,650	$ (386,685)	$ 383,947				$ 329,267	$ 1,103,384

7. Fair Value of Financial Instruments

ASC 825-10 defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of nonperformance. ASC 825-10 establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 825-10 establishes three levels of inputs that may be used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs to the valuation methodology that are significant to the measurement of fair value of assets or liabilities.

To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement is disclosed is determined based on the lowest level input that is significant to the fair value measurement.

Items recorded or measured at fair value on a recurring basis in the accompanying consolidated financial statements consisted of the following items as of December 31, 2017:

		Fair Value Measurements at December 31, 2017 using:		
	December 31, 2017	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Liabilities:				
Derivative Liabilities	$ 329,266	$ -	$ -	$ 329,266

		Fair Value Measurements at December 31, 2016using:		
	December 31, 2016	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Liabilities:				
Derivative Liabilities	$ 1,432,650	$ -	$ -	$ 1,432,650

The debt and warrant derivative liabilities are measured at fair value using quoted market prices and estimated volatility factors based on historical prices for the Company's common stock and are classified within Level 3 of the valuation hierarchy.

The following table provides a summary of changes in fair value of the Company's Level 3 financial liabilities as of December 31, 2017:

		Derivative Liability
Balance, December 31, 2015	$	1,432,650
Extinguishment of derivative liability upon conversion of debt		(10,534)
Change in fair value of derivative liabilities		(1,092,850)
Balance, December 31, 2016	$	329,266

8. Prepaid Assets

During the year ended December 31, 2013, the Company entered into various agreements for future services such as financial management, radio and news spots highlighting the use of the Company's product, and news release services. The contracts ranged in length from six months to two years.

At their inception, the Company issued common stock in exchange for these services. The Company treats the cost of the stock issuance as a prepaid expense to be amortized over the life of the agreement.

Balance at December 31, 2016	Amortized in 2017	Balance at December 31, 2017	Current Asset	Long Term Asset
$2,000	$ -0-	$ 2,000	$ 2,000	$ 0

9. Related Party Transactions

During the years ended December 31, 2017 and 2016, the Company received $0 and $0, respectively, in cash loans from its president, and made cash payments on these amounts owing totaling $779 and $10,324, respectively during the same periods. As of December 31, 2017, and 2016, the Company owed $15,353 and $16,132 respectively, to its President. The amount owing is unsecured, non-interest bearing and due on demand.

As of December 31, 2017, and 2016, the Company owes its president $480,000 and $360,000, respectively, of accrued compensation.

As of December 31, 2017, and 2016, the Company owes $387,100 and $307,270, respectively to Kaufman & Associates (holding more than 5% shares of the Company) in connection with a consulting agreement and included in accrued compensation on the balance sheet.

10. Stockholders' Deficit

a) Authorized

Authorized capital stock consists of:

- 5,500,000,000 common shares with a par value of $0.001 per share; and
- 100,000,000 preferred shares with a par value of $0.001 per share;
  - The Company has designated 12,000,000 shares as Series A Convertible Preferred Series Stock. Each share of Series A Preferred Stock is convertible into fifty (50) shares of Common Stock.
  - The Company has designated 70,000,000 shares as Series B Convertible Preferred Series Stock. Each share of Series B Preferred Stock is convertible into one (1) share of Common Stock.
  - The Company has designated 10,000,000 shares as Series C Convertible Preferred Series Stock. Each share of Series C Preferred Stock is convertible into $1.00 of Common Shares at the market price on the date of conversion.
  - The Company has designated 4,000,000 shares as Series D Convertible Preferred Series Stock. Each share of Series D Preferred Stock is convertible into ten (10) shares of Common Stock. See additional description and preferences under "Series D Preferred Stock" below.
  - The Company has designated 1,250,000 shares as Series E Convertible Preferred Series Stock, par value $1.00 per share. Each share of Series E Preferred Stock is convertible into common stock, subject to adjustments, at a conversion price equal to a 50% discount to the VWAP per share for the 5 trading days prior to written notice of conversion. See additional description and preferences under "Series E Preferred Stock" below.

Increase in authorized shares

On May 10, 2016, we filed with the Secretary of State of the State of Nevada a Certificate of Amendment to the Articles of Incorporation to increase the authorized shares of Common Stock of our company (the "Amendment"). The Amendment authorizes us to issue 5,500,000,000 shares of Common Stock, par value $0.001 per share. The Amendment did not increase our authorized shares of Preferred Stock.

Series A Preferred Stock:

1. Designation and Rank.

   This series of Preferred Stock shall be designated and known as "Series A Preferred Stock." The number of shares constituting the Series A Preferred Stock shall be twelve million (12,000,000) shares. Except as otherwise provided herein, the Series A Preferred Stock shall, with respect to rights on liquidation, winding up and dissolution, rank *pari passu* to the common stock, par value $0.001 per share (the "Common Stock").

2. Dividends.

   The holders of shares of Series A Preferred Stock have no dividend rights except as may be declared by the Board in its sole and absolute discretion, out of funds legally available for that purpose.

3. Liquidation Preference.

(a) In the event of any dissolution, liquidation or winding up of the Corporation (a "Liquidation"), whether voluntary or involuntary, the Holders of Series A Preferred Stock shall be entitled to participate in any distribution out of the assets of the Corporation on an equal basis per share with the holders of the Common Stock.

(b) A sale of all or substantially all of the Corporation's assets or an acquisition of the Corporation by another entity by means of any transaction or series of related transactions (including, without limitation, a reorganization, consolidated or merger) that results in the transfer of fifty percent (50%) or more of the outstanding voting power of the Corporation (a "Change in Control Event"), shall not be deemed to be a Liquidation for purposes of this Designation.

4. Voting.

The holders of Series A Preferred Stock shall have the right to cast one hundred (100) votes for each share held of record on all matters submitted to a vote of holders of the Corporation's common stock, including the election of directors, and all other matters as required by law. There is no right to cumulative voting in the election of directors. The holders of Series A Preferred Stock shall vote together with all other classes and series of common stock of the Corporation as a single class on all actions to be taken by the common stock holders of the Corporation except to the extent that voting as a separate class or series is required by law.

On October 7, 2013, the Company filed an Amendment to the Certificate of Designation of the Series A Preferred Stock of the Company with the Secretary of State of Nevada. Paragraph 1 of the Certificate of Designation was amended to change the name of the Series A Preferred Stock to Series A Convertible Preferred Stock and to increase the number of authorized Series A Convertible Preferred Stock from 10,000,000 shares to 12,000,000 shares. The Company also added a new Paragraph 5 to include conversion rights of the Series A Convertible Preferred Stock. Each share of Series A Convertible Preferred Stock may convert into fifty (50) shares of common stock of the Company.

Series B Convertible Preferred Stock

On January 24, 2014, pursuant to Article III of our Articles of Incorporation, the Company's Board of Directors voted to designate a class of preferred stock entitled Series B Preferred Stock, consisting of up to seventy million (70,000,000) shares, par value $0.001. Under the Certificate of Designation, holders of Series B Preferred Stock will participate on an equal basis per-share with holders of our common stock and Series A Preferred Stock in any distribution upon winding up, dissolution, or liquidation. Holders of Series B Preferred Stock are entitled to convert each share of Series B Preferred Stock into one (1) share of common stock. Holders of Series B Preferred Stock are also entitled to vote together with the holders of our common stock and Series A Preferred Stock on all matters submitted to shareholders at a rate of one (1) vote for each share held.

The rights of the holders of Series B Preferred Stock are defined in the relevant Certificate of Designation filed with the Nevada Secretary of State on January 24, 2014.

Series C Convertible Preferred Stock

On January 24, 2014, pursuant to Article III of our Articles of Incorporation, the Company's Board of Directors voted to designate a class of preferred stock entitled Series C Preferred Stock, consisting of up to ten million (10,000,000) shares, par value $0.001. Under the Certificate of Designation, holders of Series C Preferred Stock will be entitled to receive the Stated Value per share ($1.00) in any distribution upon winding up, dissolution, or liquidation. Holders of Series C Preferred Stock are entitled to convert such number of shares of Common Stock equal to the quotient of the Stated Value per share divided by the closing price of our common stock on the day of conversion. Holders of Series C Preferred Stock are also entitled to vote together with the holders of our common stock, Series A Preferred Stock and Series B Preferred Stock on all matters submitted to shareholders at a rate of one (1) vote for each share held.

The rights of the holders of Series C Preferred Stock are defined in the relevant Certificate of Designation filed with the Nevada Secretary of State on January 24, 2014.

Series D Convertible Preferred Stock

On December 2, 2015, pursuant to Article III of our Articles of Incorporation, the Company's Board of Directors voted to designate a class of preferred stock entitled Series D Preferred Stock, consisting of up to four million (4,000,000) shares, par value $0.001. Under the Certificate of Designation, holders of Series D Preferred Stock will be entitled to receive the value at which they were issued ($0.003 per share) in any distribution upon winding up, dissolution, or liquidation. Holders of Series D Preferred Stock are entitled to convert such number of shares to Common Stock equal to the number of Series D Preferred Stock held multiplied by ten (10). Holders of Series D Preferred Stock are also entitled to vote together with the holders of our common stock, Series A Preferred Stock and Series B Preferred Stock on all matters submitted to shareholders at a rate of twenty-five thousand (25,000) votes for each share held.

The rights of the holders of Series D Preferred Stock are defined in the relevant Certificate of Designation filed with the Nevada Secretary of State on December 2, 2015.

Series E Convertible Preferred Stock

On May 10, 2016, pursuant to Article III of our Articles of Incorporation, our Board of Directors voted to designate a class of preferred stock entitled Series E Preferred Stock, consisting of up to 1,250,000 shares. The Certificate of Designation for the Series E Preferred Stock contains the following features:

1. No voting rights;
2. Dividends on an as converted basis along with the holders of common stock as and when declared by our Board of Directors;
3. Rank junior to all other issued and outstanding shares of preferred stock in any liquidation;
4. A liquidation preference over common stock equal to the greater of: $1.00 per share and any unpaid dividends; and the as converted amount;
5. Convertible into common stock, subject to adjustments, at a conversion price equal to a 50% discount to the VWAP per share for the 5 trading days prior to written notice of conversion;
6. Redeemable by us at $1.00 per share; and
7. Protective provisions requiring prior approval to: issue additional shares of preferred stock in an already existing and designated series; liquidate the business; pay dividends; or take any other action under Nevada law that would require prior approval of the holders of Series E Preferred Stock.

The full rights afforded to the holders of Series E Preferred Stock are defined in the relevant Certificate of Designation filed with the Nevada Secretary of State on May 10, 2016, attached to the Current Report on Form 8-K as Exhibit 3.1 filed on May 11, 2016.

b) Share Issuances

As of December 31, 2017, and 2016, there were 4,462,219,612 and 1,178,551,804 shares of common stock issued and outstanding, respectively.

2017:

On January 4, 2017, the Company issued 56,100,000 common shares upon conversion of $28,050 of accounts payable in connection with a settlement under the Section 3(a)10 of the Rules of the SEC. The shares were issued at a price of $0.0005 per share.

On January 19, 2017, the Company issued 58,900,000 common shares upon conversion of $70,680 of accounts payable in connection with a settlement under the Section 3(a)10 of the Rules of the SEC. The shares were issued at a price of $0.0012 per share.

On January 25, 2017, the Company issued 121,212,121 common shares upon conversion of $20,000 of convertible debt. The shares were issued at a price of $0.000165 per share.

On January 26, 2017, the Company issued 61,900,000 common shares upon conversion of $105,230 of accounts payable in connection with a settlement under the Section 3(a)10 of the Rules of the SEC. The shares were issued at a price of $0.0017 per share.

On January 31, 2017, the Company issued 106,791,056 common shares upon conversion of $19,222 of convertible debt and accrued interest. The shares were issued at a price of $0.00018 per share.

On February 1, 2017, the Company issued 60,000,000 common shares upon conversion of $10,800 of convertible debt. The shares were issued at a price of $0.000185 per share.

On February 3, 2017, the Company issued 13,949,500 common shares upon conversion of $50,218 of accounts payable in connection with a settlement under the Section 3(a)10 of the Rules of the SEC. The shares were issued at a price of $0.0036 per share.

On February 7, 2017, the Company issued 135,000,000 common shares upon conversion of $20,308 of convertible debt. The shares were issued at a price of $0.00015 per share.

On February 7, 2017, the Company issued 124,642,333 common shares upon conversion of $22,436 of convertible debt and accrued interest. The shares were issued at a price of $0.00018 per share.

On February 9, 2017, the Company issued 135,459,267 common shares upon conversion of $20,319 of convertible debt and accrued interest. The shares were issued at a price of $0.00015 per share.

On February 10, 2017, the Company issued 45,279,174 common shares upon conversion of $2,717 of convertible debt. The shares were issued at a price of $0.00006 per share.

On February 16, 2017, the Company issued 176,545,455 common shares upon conversion of $29,130 of convertible debt and accrued interest. The shares were issued at a price of $0.000165 per share.

On February 16, 2017, the Company issued 70,000,000 common shares upon conversion of $7,000 of convertible debt and accrued interest. The shares were issued at a price of $0.0001 per share.

On February 17, 2017, the Company issued 78,306,444 common shares upon conversion of $14,095 of convertible debt and accrued interest. The shares were issued at a price of $0.00018 per share.

On February 17, 2017, the Company issued 164,931,500 common shares upon conversion of $29,688 of convertible debt and accrued interest. The shares were issued at a price of $0.00018 per share.

On February 17, 2017, the Company issued 39,206,833 common shares upon conversion of $11,762 of convertible debt. The shares were issued at a price of $0.0003 per share.

On February 17, 2017, the Company issued 86,936,364 common shares upon conversion of $28,689 of convertible debt and accrued interest. The shares were issued at a price of $0.00033 per share.

On February 24, 2017, the Company issued 240,000,000 common shares upon conversion of $43,200 of convertible debt. The shares were issued at a price of $0.00018 per share.

On February 24, 2017, the Company issued 125,000,000 common shares upon conversion of $22,500 of convertible debt. The shares were issued at a price of $0.00018 per share.

On February 28, 2017, the Company issued 74,586,446 common shares upon conversion of $23,718 of convertible debt. The shares were issued at a price of $0.000318 per share.

On March 1, 2017, the Company issued 108,085,525 common shares upon conversion of $40,100 of convertible debt and accrued interest. The shares were issued at a price of $0.000371 per share.

On March 10, 2017, the Company issued 120,000,000 common shares upon conversion of $28,800 of convertible debt and accrued interest. The shares were issued at a price of $0.00024 per share.

On March 13, 2017, the Company issued 159,978,301 common shares upon conversion of $33,915 of convertible debt and accrued interest. The shares were issued at a price of $0.000212 per share.

On March 16, 2017, the Company issued 100,000,000 common shares upon conversion of $24,000 of accrued interest. The shares were issued at a price of $0.00024 per share.

On March 22, 2017, the Company issued 131,344,669 common shares upon conversion of $27,845 of convertible debt and accrued interest. The shares were issued at a price of $0.000212 per share.

On March 23, 2017, the Company issued 166,666,667 common shares upon conversion of $44,700 of accrued interest. The shares were issued at a price of $0.000268 per share.

On May 19, 2017, the Company issued 171,500,000 common shares upon conversion of $44,590 of convertible debt and accrued interest. The shares were issued at a price of $0.00026 per share.

On June 2, 2017, the Company issued 57,692,307 common shares upon conversion of $15,000 of convertible debt and accrued interest. The shares were issued at a price of $0.00026 per share.

On June 5, 2017, the Company issued 171,153,846 common shares upon conversion of $44,500 of convertible debt and accrued interest. The shares were issued at a price of $0.00026 per share.

On August 16, 2017, the Company issued 122,500,000 common shares upon conversion of $14,700 of convertible debt and accrued interest. The shares were issued at a price of $0.00012 per share.

2016:

On February 9, 2016, the Company issued 4,500,000 common shares upon conversion of $7,020 of accounts payable in connection with a settlement under the Section 3(a)10 of the Rules of the SEC. The shares were issued at a price of $0.00156 per share.

On February 12, 2016, the Company issued 5,000,000 common shares upon conversion of $6,750 of convertible debt. The shares were issued at a price of $0.00135 per share.

On February 16, 2016, the Company issued 5,454,545 common shares upon conversion of $7,500 of convertible debt. The shares were issued at a price of $0.00138 per share.

On February 16, 2016, the Company issued 2,027,396 common shares upon conversion of $2,686 of convertible debt and accrued interest. The shares were issued at a price of $0.00132 per share.

On February 17, 2016, the Company issued 10,226,900 common shares upon conversion of $8,949 of convertible debt. The shares were issued at a price of $0.00088 per share.

On February 18, 2016, the Company issued 5,952,381 common shares upon conversion of $5,000 of convertible debt. The shares were issued at a price of $0.00084 per share.

On February 22, 2016, the Company issued 18,552,879 common shares upon conversion of $10,000 of convertible debt. The shares were issued at a price of $0.00054 per share.

On February 22, 2016, the Company issued 11,904,762 common shares upon conversion of $5,000 of convertible debt. The shares were issued at a price of $0.00042 per share.

On February 22, 2016, the Company issued 9,904,429 common shares upon conversion of $4,160 of convertible debt. The shares were issued at a price of $0.00042 per share.

On February 23, 2016, the Company issued 7,500,000 common shares upon conversion of $2,625 of convertible debt. The shares were issued at a price of $0.00035 per share.

On February 24, 2016, the Company issued 21,636,364 common shares upon conversion of $5,950 of convertible debt. The shares were issued at a price of $0.000275 per share.

On February 25, 2016, the Company issued 9,901,698 common shares upon conversion of $2,099 of convertible debt and accrued interest. The shares were issued at a price of $0.00021 per share.

On February 26, 2016, the Company issued 10,226,909 common shares upon conversion of $818 of convertible debt. The shares were issued at a price of $0.00008 per share.

On February 29, 2016, the Company issued 23,787,879 common shares upon conversion of $3,925 of convertible debt. The shares were issued at a price of $0.00016 per share.

On February 29, 2016, the Company issued 7,500,000 common shares upon conversion of $1,125 of convertible debt. The shares were issued at a price of $0.00015 per share.

On March 1, 2016, the Company issued 9,904,429 common shares upon conversion of $1,189 of convertible debt. The shares were issued at a price of $0.00012 per share.

On March 2, 2016, the Company issued 23,852,814 common shares upon conversion of $2,755 of convertible debt. The shares were issued at a price of $0.00012 per share.

On March 7, 2016, the Company issued 21,715,522 common shares upon conversion of $1,194 of convertible debt. The shares were issued at a price of $0.00005 per share.

On March 7, 2016, the Company issued 2,102,660 common shares upon conversion of $116 of convertible debt. The shares were issued at a price of $0.000055 per share.

On March 7, 2016, the Company issued 23,818,182 common shares upon conversion of $1,310 of convertible debt. The shares were issued at a price of $0.000055 per share.

On March 8, 2016, the Company issued 9,725,791 common shares upon conversion of $195 of convertible debt. The shares were issued at a price of $0.00002 per share.

On March 10, 2016, the Company issued 9,904,429 common shares upon conversion of $594 of convertible debt. The shares were issued at a price of $0.00006 per share.

On March 10, 2016, the Company issued 23,818,182 common shares upon conversion of $1,310 of convertible debt. The shares were issued at a price of $0.000055 per share.

On March 11, 2016, the Company issued 9,725,000 common shares upon conversion of $195 of convertible debt. The shares were issued at a price of $0.00002 per share.

On March 15, 2016, the Company issued 9,904,429 common shares upon conversion of $594 of convertible debt. The shares were issued at a price of $0.00006 per share

On March 16, 2016, the Company issued 23,818,182 common shares upon conversion of $1,310 of convertible debt. The shares were issued at a price of $0.00005 per share.

On March 17, 2016, the Company issued 16,318,490 common shares upon conversion of $865 of convertible debt and accrued interest. The shares were issued at a price of $0.00005 per share.

On March 18, 2016, the Company issued 9,904,429 common shares upon conversion of $594 of convertible debt. The shares were issued at a price of $0.00006 per share

On March 23, 2016, the Company issued 20,500,000 common shares upon conversion of $12,300 of accounts payable in connection with a settlement under the Section 3(a)10 of the Rules of the SEC. The shares were issued at a price of $0.0006 per share.

On March 23, 2016, the Company issued 9,904,429 common shares upon conversion of $594 of convertible debt. The shares were issued at a price of $0.00006 per share.

On May 24, 2016, the Company issued 28,800,000 common shares upon conversion of $6,912 of accounts payable in connection with a settlement under the Section 3(a)10 of the Rules of the SEC. The shares were issued at a price of $0.00024 per share.

On June 16, 2016, the Company issued 30,250,000 common shares upon conversion of $3,630 of accounts payable in connection with a settlement under the Section 3(a)10 of the Rules of the SEC. The shares were issued at a price of $0.00012 per share.

On July 11, 2016, the Company issued 31,750,000 common shares upon conversion of $3,810 of accounts payable in connection with a settlement under the Section 3(a)10 of the Rules of the SEC. The shares were issued at a price of $0.00012 per share.

On July 25, 2016, the Company issued 33,300,000 common shares upon conversion of $3,996 of accounts payable in connection with a settlement under the Section 3(a)10 of the Rules of the SEC. The shares were issued at a price of $0.00012 per share.

On September 13, 2016, the Company issued 35,000,000 common shares upon conversion of $4,200 of accounts payable in connection with a settlement under the Section 3(a)10 of the Rules of the SEC. The shares were issued at a price of $0.00012 per share.

On October 13, 2016, the Company issued 36,500,000 common shares upon conversion of $4,380 of accounts payable in connection with a settlement under the Section 3(a)10 of the Rules of the SEC. The shares were issued at a price of $0.00012 per share.

On October 16, 2016, the Company issued 36,533,396 common shares upon conversion of $1,936 of convertible debt and accrued interest. The shares were issued at a price of $0.000053 per share.

On October 25, 2016, the Company issued 38,500,000 common shares upon conversion of $4,620 of accounts payable in connection with a settlement under the Section 3(a)10 of the Rules of the SEC. The shares were issued at a price of $0.00012 per share.

On October 27, 2016, the Company issued 36,687,169 common shares upon conversion of $3,889 of convertible debt and accrued interest. The shares were issued at a price of $0.00011 per share.

On October 28, 2016, the Company issued 42,300,000 common shares upon conversion of $7,614 of accounts payable in connection with a settlement under the Section 3(a)10 of the Rules of the SEC. The shares were issued at a price of $0.00018 per share.

On November 1, 2016, the Company issued 46,200,000 common shares upon conversion of $8,316 of accounts payable in connection with a settlement under the Section 3(a)10 of the Rules of the SEC. The shares were issued at a price of $0.00018 per share.

On November 1, 2016, the Company issued 19,827,273 common shares upon conversion of $2,181 of convertible debt. The shares were issued at a price of $0.00011 per share.

On November 7, 2016, the Company issued 32,525,312 common shares upon conversion of $3,903 of convertible debt and accrued interest. The shares were issued at a price of $0.00012 per share.

On November 14, 2016, the Company issued 48,500,000 common shares upon conversion of $29,100 of accounts payable in connection with a settlement under the Section 3(a)10 of the Rules of the SEC. The shares were issued at a price of $0.0006 per share.

On November 18, 2016, the Company issued 50,900,000 common shares upon conversion of $12,216 of accounts payable in connection with a settlement under the Section 3(a)10 of the Rules of the SEC. The shares were issued at a price of $0.00024 per share.

On December 7, 2016, the Company issued 53,500,000 common shares upon conversion of $9,630 of accounts payable in connection with a settlement under the Section 3(a)10 of the Rules of the SEC. The shares were issued at a price of $0.00018 per share.

c) Warrants

The following table summarizes the changes in warrants outstanding and related prices for the shares of the Company's common stock issued to shareholders at December 31, 2017:

Exercise Price	Number Outstanding	Warrants Outstanding Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise price	Number Exercisable	Warrants Exercisable Weighted Average Exercise Price
$ 0.24	1,587,302	2.87	$ 0.24	1,587302	$ 0.24

Transactions involving the Company's warrant issuance are summarized as follows:

	Number of Shares	Weighted Average Price Per Share
Outstanding at December 31, 2014	1,587,302	$ 0.24
Issued		
Exercised		
Expired		
Outstanding at December 31, 2015	1,587,302	$ 0.24
Issued		
Exercised		
Expired		
Outstanding at December 31, 2016	1,587,302	$ 0.24
Issued		
Exercised		
Expired		
Outstanding at December 31, 2017	1,587,302	$ 0.24

Warrants outstanding as of December 31, 2016, as disclosed in the above table, have an intrinsic value of $0.

11. Income Taxes

Deferred income tax assets as of December 31, 2017 of $3,927,500 resulting from net operating losses and future amortization deductions, have been fully offset by valuation allowances. The valuation allowances have been established equal to the full amounts of the deferred tax assets, as the Company is not assured that it is more likely than not that these benefits will be realized.

Reconciliation between the statutory United States corporate income tax rate (34% for 2016 and 2015) and the effective income tax rates based on continuing operations is as follows:

Year ended December 31,	**2017**	**2016**
Expected Federal Income tax benefit	$ 71,400	$ (380,223)
Expected State Income Tax benefit, net	13,860	(90,532)
Permanent and other differences	430,778	278,872
Change in valuation allowance	(516,038)	191,887
Total	**$ -**	**$ -**

Components of deferred tax assets were approximately as follows:

As at December 31,	2017	2016
Net operating loss carry forward	$ 3,438,820	$ 2,528,500
Accrued liabilities	-	-
Valuation allowance	(3,438,820)	(2,528,500)
Total	$ -	$ -

At December 31, 2017, the Company has available net operating losses of approximately $8,540,000 which may be carried forward to apply against future taxable income. These losses will expire in 2037. Deferred tax assets related to these losses have not been recorded due to uncertainty regarding their utilization.

The provisions of ASC 740 require companies to recognize in their financial statements the impact of a tax position if that position is more likely than not to be sustained upon audit, based upon the technical merits of the position. ASC 740 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken on a tax return. ASC 740 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods and disclosure.

Management does not believe that the Company has any material uncertain tax positions requiring recognition or measurement in accordance with the provisions of ASC 740. Accordingly, the adoption of these provisions of ASC 740 did not have a material effect on the Company's financial statements. The Company's policy is to record interest and penalties on uncertain tax positions, if any, as income tax expense.

The Company has not filed its applicable Federal and State tax returns for the years ended December 31, 2012, 2013, 2014, 2015, and 2016 and may be subject to penalties for noncompliance. The Company has filed an extension for the 2017 filing and is retaining a tax accountant to complete the necessary filings.

As a result of stock issuances in 2013, 2015, and 2016 the future utilization of the Company's net operating losses is likely limited pursuant to Internal Revenue Code section 382. The deferred tax asset derived from these tax loss carryforwards have been included in consolidated deferred tax assets - net operating loss carryforwards, and a full valuation allowance has been established since it is not more likely than not that such benefits will be recovered.

12. Inventory

Inventory

Inventories are stated at cost, with cost being determined on the First in First Out (FIFO) cost method. Inventory costs include material, import control costs, unpacking at the warehouse facility, and freight charges. The Company provides inventory allowances based on excess and obsolete inventories determined primarily by future demand forecasts.

Inventory in Transit

Inventory in transit is stated at actual cost invoiced by the supplier at time of shipment.

Cost of Sales

At the time of sale, the Cost of Sales is computed at actual cost based on first-in, first-out accounting.

Inventory consisted of:

	December 31, 2017	December 31, 2016
Inventory – Raw Materials	$ 1,081	$ -
Inventory – Finished Goods	-	-
Total	$ 1,081	$ -

At December 31, 2017 and 2016, the Company recorded a reserve for impairment of inventory $45,111 and $36,097, respectively.

13. Commitments and Contingencies

Litigation

a) In April 2014, we were notified that a note holder disputes the balance of his note as recorded on the books of our company. The discrepancy arises from a question regarding expenses that the holder claims were paid on behalf of our company and subsequent payments that we recorded as payments against the note. We have no record of the expenses claimed to be due, and we are in negotiations to settle this matter. We have accrued $28,000 to cover the potential expenses and adjustments to accrued interest if the claim is substantiated. We believe it has properly accounted for all payments made to the individual and have provided documentation to them substantiating our position.

b) In May 2014, the Company received notice that a complaint was filed in District Court, Clark County, NV alleging that the Company and various unnamed defendants are liable to a Mr. Renard Wiggins with regard to commissions and equity purportedly owed Mr. Wiggins, for services allegedly rendered in raising capital on behalf of the Company prior to the reverse merger between Alkame Holdings, Inc. (fka Pinacle Enterprises Inc.) and Alkame Water, Inc. in June 2013. After initial review, the Company has filed for a dismissal of the case with the District Court, does not believe there is any validity to the claims of Mr. Wiggins, and intends to vigorously continue defending against these claims. As of December 31, 2015, all but two claims have been dismissed, and the Company is in court mandated settlement talks to determine if the remaining counts can be dismissed or will require further litigation. On November 15, 2016, the Company entered into a stipulated settlement agreement to issue 200,000,000 common shares in full and final settlement of this matter and all legal complaints are withdrawn. In June 2018, the Company issued 92,780,388 shares of the agreed upon settlement.

The Company may, from time to time, become involved in various lawsuits and legal proceedings, which arise in the ordinary course of business. However, litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm our business. The Company is currently not aware of any such legal proceedings that it believes will have, individually or in the aggregate, a material adverse effect on its business, financial condition or operating results.

Commitments

In July 2015, the Company terminated the employment agreements with Keith Fuqua and Timm Ott. Under the terms of the agreements, the Company continued to make severance payments and provide health insurance through January 2016.

On January 19, 2016, the Company filed an 8-K announcing the formal termination of its January 22, 2015 MOU with Ready Made, Inc. due to the inability to come to mutually agreeable terms.

Material Agreements

Stock Purchase Definitive Agreement with Xtreme Technologies, Inc.

On April 21, 2014, we entered into a Stock Purchase Definitive Agreement (the “Agreement”) with Xtreme Technologies, Inc., an Idaho corporation (“Xtreme”). Pursuant to the terms of the Agreement, we agreed to acquire all of the issued and outstanding capital stock of Xtreme in exchange for certain consideration as set forth in the Agreement.

On January 16, 2015, the parties to the Agreement entered into an amendment (the “Amendment”) that changed, among other things, the Closing Date of the transaction.

On April 15, 2015, the parties to the Agreement entered into a second amendment (the “Second Amendment”) that changed, among other things, the 120-day time period to pay monetary consideration under the Agreement to 240 days after the Closing Date of the transaction.

In the first quarter of 2017, the Company completed the cash payments required under the Agreement. The Company has created the requisite preferred shares of stock to complete the stock issuance portion of the Agreement which will be issued into escrow for distribution.

By mid-2017 the Company ceased operations of this division and wrote the remaining asset values in their entirety.

Series C Convertible Preferred Stock to be issued:

During the year ended December 31, 2015, the Company committed to issue 1,425,000 shares of Series C Preferred stock valued at $1.00 per share as part of the Stock Purchase Agreement entered into with Xtreme Technologies, Inc.

Employment Agreements

On November 25, 2015, we entered into a three-year employment agreement with our executive officer and director, Robert Eakle, (the “2015 Employment Agreement”).

Pursuant to the terms and conditions of the 2015 Employment Agreement with Mr. Eakle:

- For the fiscal year ended December 31, 2015, we agreed to retain Mr. Eakle as Chief Executive Officer of our company and Mr. Eakle agreed to accept this senior officer position.
- The initial term of the Agreement is for a period of three years commencing January 1, 2015.
- Mr. Eakle shall receive an annual compensation of $120,000.
- Mr. Eakle received a one-time 1,000,000 shares of our newly created Series D Preferred Stock.
- In the event of insufficient liquidity, Mr. Eakle will be allowed to receive any unpaid and accrued portion of his cash compensation in the form of common stock or Series D Preferred Stock, as he may choose.

On December 31, 2015, we entered into a three-year consulting agreement with Kaufman & Associates Inc. (“Kaufman”) retroactive for the year ended 2015 (the “2015 Consulting Agreement”).

Pursuant to the terms and conditions of the 2015 Consulting Agreement with Kaufman:

- For the fiscal year ended December 31, 2015, we agreed to retain Kaufman as a consultant and Kaufman agreed to act as a consultant.
- The initial term of the Agreement is for a period of three years commencing January 1, 2015.
- Kaufman shall receive an annual compensation of $120,000.

- Kaufman received a one-time 1,000,000 shares of our newly created Series D Preferred Stock.
- In the event of insufficient liquidity, Kaufman will be allowed to receive any unpaid and accrued portion of his cash compensation in the form of common stock or Series D Preferred Stock, as it may choose.

The foregoing description of the 2015 Employment Agreement and 2015 Consulting Agreement does not purport to be complete and is qualified in its entirety by reference to the complete text of the agreements filed as Exhibits 10.1 and 10.2 to an 8K filed November 30, 2015 and incorporated herein by reference

14. Concentration of credit risk

Concentration of credit risk with respect to trade receivables is inherent as the Company begins the ramp up of its sales. Long term, the Company does not foresee a concentrated credit risk associated with its trade receivables. While repayment is dependent upon the financial stability of the various customers to which shipment takes place, major customers in the water industry are typically distributors or chain stores each with large, per shipment sales, but also with significant history and excellent credit. In the year ended December 31, 2017, approximately 59% of sales came from one customer. The Company expects these percentages to drop significantly as it expands the number and territories covered by distributors and retailers.

15. Subsequent Events

We have evaluated subsequent events through the date the consolidated financial statements were available to be issued, and did not have any material recognizable subsequent events, other than the following:

Stock Issuances

2018:

On February 22, 2018, the Company issued 215,000,000 common shares upon conversion of $21,500 of convertible debt and accrued interest. The shares were issued at a price of $0.0001 per share.

On March 8, 2018, the Company issued 220,000,000 common shares upon conversion of $22,000 of convertible debt and accrued interest. The shares were issued at a price of $0.0001 per share.

On March 23, 2018, the Company issued 135,000,000 common shares upon conversion of $13,500 of convertible debt and accrued interest. The shares were issued at a price of $0.0001 per share.

On April 11, 2018, the Company issued 320,000,000 common shares upon conversion of $32,000 of convertible debt and accrued interest. The shares were issued at a price of $0.0001 per share.

On May 8, 2018, the Company issued 55,000,000 common shares upon conversion of $5,500 of convertible debt and accrued interest. The shares were issued at a price of $0.0001 per share.

On June 8, 2018, the Company issued 92,780,388 common shares in connection with a stipulated settlement agreement entered into by the Company in early 2017. The shares were issued at a price of $0.0019 per share.

Convertible Debts:

On April 17, 2017, the Company entered into a Stock Purchase Agreement (the "SPA") with an accredited investor group (the "Investor" or "Buyer"). Under the terms of the SPA, the Investor will purchase up to $550,000 of convertible debentures in a series of four tranches. The first tranche will be in the amount of $220,000, with each of the three successive tranches in the amount of $110,000.

Each note will be issued with a 10% Original Issue Discount ("OID") such that the net amount received by the Company will be either $200,000 or $100,000 per debenture. The convertible debentures are due and payable one year from date of issuance and will carry interest at a rate of 8% per annum from the date of issuance. Each debenture will be convertible into common stock of the Company at the lower of (i) 70% of the lowest trading price of the Common Stock as reported on the OTCPK marketplace which the Company's shares are traded or any market upon which the Common Stock may be traded in the future ("Exchange"), during the twenty (20) trading days immediately preceding the closing date or (ii) 70% of the lowest trading price of the Common Stock as reported on the OTCPK marketplace which the Company's shares are traded or any market upon which the Common Stock may be traded in the future ("Exchange"), during the twenty 20 trading days immediately preceding the receipt of a notice of conversion.

Subsequent funding's after the second tranche are conditioned on the Company completing the filing of its audits within 59 days of the date of the first funding, and subsequent tranches will require completion of the remaining filings necessary to bring the Company current in its reporting obligations.

Additionally, while the Notes are outstanding, the Company is prohibited from entering into any convertible debentures or 3(A)(10) financings with another party without prior written consent of the Buyer.

The Buyer has, for a period of 6 months from the sale of the first note purchased, to invest up to an additional $500,000, in one or more tranches, on the same terms as those in the first four notes being purchased.

On October 17, 2017, the Company entered into a nine-month convertible debenture for $16,500 with an accredited institutional investor. The debenture carries a 10% original issue discount, and interest at a rate of 8% per annum. The debenture is convertible at 70% of the lowest trading price in the 20 trading days prior to conversion.

On October 25, 2017, the Company entered into a nine-month convertible debenture for $27,500 with an accredited institutional investor. The debenture carries a 10% original issue discount, and interest at a rate of 8% per annum. The debenture is convertible at 70% of the lowest trading price in the 20 trading days prior to conversion.

On October 30, 2017, the Company entered into a nine-month convertible debenture for $22,000 with an accredited institutional investor. The debenture carries a 10% original issue discount, and interest at a rate of 8% per annum. The debenture is convertible at 70% of the lowest trading price in the 20 trading days prior to conversion.

On November 5, 2017, the Company entered into a nine-month convertible debenture for $22,000 with an accredited institutional investor. The debenture carries a 10% original issue discount, and interest at a rate of 8% per annum. The debenture is convertible at 70% of the lowest trading price in the 20 trading days prior to conversion.

On November 9, 2017, the Company entered into a nine-month convertible debenture for $90,000 with an accredited institutional investor. The debenture carries a 10% original issue discount, and interest at a rate of 8% per annum. The debenture is convertible at 70% of the lowest trading price in the 20 trading days prior to conversion.

On December 31, 2017, the Company entered into a nine-month convertible debenture for $22,000 with an accredited institutional investor. The debenture carries a 10% original issue discount, and interest at a rate of 8% per annum. The debenture is convertible at the lower of (a) $0.0001; or (b) 70% of the lowest trading price in the 20 trading days prior to conversion.

On January 3, 2018, the Company entered into a nine-month convertible debenture for $30,000 with an accredited institutional investor. The debenture carries a 10% original issue discount, and interest at a rate of 8% per annum. The debenture is convertible at 70% of the lowest trading price in the 20 trading days prior to conversion.

On January 13, 2018, the Company entered into a nine-month convertible debenture for $22,000 with an accredited institutional investor. The debenture carries a 10% original issue discount, and interest at a rate of 8% per annum. The debenture is convertible at 70% of the lowest trading price in the 20 trading days prior to conversion.

On January 17, 2018, the Company entered into a nine-month convertible debenture for $16,500 with an accredited institutional investor. The debenture carries a 10% original issue discount, and interest at a rate of 8% per annum. The debenture is convertible at the lower of (a) $0.0002; or (b) 70% of the lowest trading price in the 20 trading days prior to conversion.

On January 25, 2018, the Company entered into a nine-month convertible debenture for $27,500 with an accredited institutional investor. The debenture carries a 10% original issue discount, and interest at a rate of 8% per annum. The debenture is convertible at the lower of (a) $0.0003; or (b) 70% of the lowest trading price in the 20 trading days prior to conversion.

On January 30, 2018, the Company entered into a nine-month convertible debenture for $22,000 with an accredited institutional investor. The debenture carries a 10% original issue discount, and interest at a rate of 8% per annum. The debenture is convertible at 70% of the lowest trading price in the 20 trading days prior to conversion.

On February 5, 2018, the Company entered into a nine-month convertible debenture for $22,000 with an accredited institutional investor. The debenture carries a 10% original issue discount, and interest at a rate of 8% per annum. The debenture is convertible at the lower of (a) $0.0003; or (b) 70% of the lowest trading price in the 20 trading days prior to conversion.

On February 9, 2018, the Company entered into a nine-month convertible debenture for $90,200 with an accredited institutional investor. The debenture carries a 10% original issue discount, and interest at a rate of 8% per annum. The debenture is convertible at the lower of (a) $0.0003; or (b) 70% of the lowest trading price in the 20 trading days prior to conversion.

On February 16, 2018, the Company entered into a nine-month convertible debenture for $55,000 with an accredited institutional investor. The debenture carries a 10% original issue discount, and interest at a rate of 8% per annum. The debenture is convertible at 70% of the lowest trading price in the 20 trading days prior to conversion.

On February 23, 2018, the Company entered into a nine-month convertible debenture for $55,000 with an accredited institutional investor. The debenture carries a 10% original issue discount, and interest at a rate of 8% per annum. The debenture is convertible at 70% of the lowest trading price in the 20 trading days prior to conversion.

On February 26, 2018, the Company entered into a nine-month convertible debenture for $55,000 with an accredited institutional investor. The debenture carries a 10% original issue discount, and interest at a rate of 8% per annum. The debenture is convertible at 70% of the lowest trading price in the 20 trading days prior to conversion.

On March 8, 2018, the Company entered into a nine-month convertible debenture for $55,000 with an accredited institutional investor. The debenture carries a 10% original issue discount, and interest at a rate of 8% per annum. The debenture is convertible at 70% of the lowest trading price in the 20 trading days prior to conversion.

On March 15, 2018, the Company entered into a nine-month convertible debenture for $22,000 with an accredited institutional investor. The debenture carries a 10% original issue discount, and interest at a rate of 8% per annum. The debenture is convertible at 70% of the lowest trading price in the 20 trading days prior to conversion.

On March 30, 2018, the Company entered into a 30-Day convertible debenture for $33,000 with an accredited institutional investor. The debenture carries a 10% original issue discount, and interest at a rate of 8% per annum. The debenture was repaid prior to 30-day periods expiration.

On May 16, 2018, the Company entered into a one-month, secured note for $50,000 with an accredited investor. The note carries 13.5% interest and was repaid prior to its due date.

On June 6, 2018, the Company entered into a one-month, secured note for $50,000 with an accredited investor. The note carries 12.5% interest and is due July 6, 2018.

On June 8, 2018, the Company entered into a nine-month convertible debenture for $55,000 with an accredited institutional investor. The debenture carries a 10% original issue discount, and interest at a rate of 8% per annum. The debenture is convertible at 70% of the lowest trading price in the 20 trading days prior to conversion.

<u>Others:</u>

On May 1, 2017, the Company entered into a five-year Commercial Sublease (the "Sublease") with Bell Foods and Bell Northside, LLC. Pursuant to the Sublease, the Property is approximately seventeen (17) acres and includes approximately twelve (12) acres of farm ground. On the remaining five (5) acres is where the production facility is located, and the company subleased a majority portion of that processing facility. A portion of the property has a food processing facility. The Company is required to pay $7,000 per month under the Sublease, which increases to $10,000 per month after three months.

On the same date, the Company entered into an Equipment Lease Agreement (the "Equipment Lease") with Bell Foods to use certain equipment located on the property located in the food processing facility for a nominal fee. A Letter Agreement that predated the Equipment Lease, but effective as of May 1, 2017, was designed to supplement the Equipment Lease with an assignment by Bell Foods of its account's receivables, with the assumption by the Company of accounts payable, including a loan payable to Craig Bell in the sum of $150,000.

Further under the Letter Agreement, Bell Foods was required to use the accounts receivable, prior to the effective date, to pay portions of the accounts payable. In the event there were insufficient funds to pay off the accounts payable, Craig Bell agreed to loan additional funds to Bell Foods, which would become part of the unpaid balance of the outstanding note.

Prior to the effective date, Bell Foods used approximately $60,438.76 in accounts receivables to retire $60,438.76 in accounts payables, namely $49,000.00 paid to the Craig Bell note. On the effective date, May 1, the remaining accounts receivable, valued at approximately $117,248.70, and remaining accounts payable, valued at approximately $48,797.46, were transferred to the Company and the Company released Bell Foods from all liability associated with the accounts payable. The company retired the remaining balance of the Craig Bell note on May 22nd. As of July 31, 2017, the accounts payable was $169,722.96, with the accounts receivable at $178,158.10.

The Company also entered into a Wastewater Disposal Agreement, effective as of May 1, 2017, with Bell Foods, Jones Place, LLC ("Jones Place") and Bell Farms, Inc. This agreement concerns the right to use brine wastewater ponds that reside at the property. The Company executed this agreement to deliver wastewater to the ponds located on the property under the specifications mandated by the Oregon Department of Environmental Quality.

Prior to entering into these agreements, the Company had been searching for a larger facility for increased warehousing and productions space for its water products. The Company was also interested in the property to diversify its water product line and possibly enter into the flavored beverages segment of the market for unique teas and health beverages. The Company believes that the foregoing agreements will afford the Company a unique opportunity – to lease not only warehousing space, but also use the existing equipment and infrastructure to manufacture on a "hot fill" and "healthy beverage" production line, as well as install the Company's bottling line, which due to added automation and redesigned layout, is expected to provide for more cost-efficient production.

As mentioned above, the Company received a discount on the first three months' lease cost. This was provided as an offset for removing or disposing of various manufacturing supplies left behind from Bell Foods' production operations.

In the Company's original Current Report on Form 8-K (May 8, 2017), the Company had indicated that the deal was structured as an assumption of the operations of Bell Foods, and with it significant revenue opportunities. In fact, as stated in the Letter Agreement, the Company is simply assisting Bell Foods close out its outstanding payables. The Company has chosen to employ several members of the previous staff that previously worked for Bell Foods in connection with the Company's water business.

The Company's main focus has always been in utilizing the patented water treatment technology for as many applications and market segments as possible, creating more revenue streams. Growing its co-packing and private label business opportunities, and utilizing its water technology whenever possible, should begin to grow substantially due to the new location and added capabilities the facility has. The Company may choose, in the future, to expand its water business with hot drinks and health beverages, which the new facility is capable of providing with added resources.

This assumption of operations may add approximately $1.5 million in annual revenue to Alkame. In addition to the added revenue, all customers' accounts, accounts payable and receivables, inventory, internet properties, and an extensive library of product formulations, along with the continuation to offer private label programs and customized co-packing solutions for a selected variety of specialty gourmet items. Along with the acquisition brings the ownership and title to the product expansion product offerings of the brands: Everyday Gourmet Fine Foods, Everyday Organic Fine Foods, Mr. Jalapeno, and NutraBell Gourmet Fine Foods.

On May 1, 2017, the Company entered into a purchase agreement to acquire the OmegaHemp brand and associated intellectual property consisting of, but not limited to, the application for the registration of the trademark name, logos, labels, artwork, web URL and associated domains, packaging configurations and promotional materials and formulations. The purchase price of $25,000 is payable over a period of twelve months from date of closing.

In April 2019, the Company entered into a settlement agreement with a vendor under which the Company has agreed to a payment schedule to liquidate the agreed to balance of $45,000. The Company continues to make payments to resolve the balance without further collection activity.

In May 2019, the Company was made aware of a judgement totaling approximately $36,679 for past due invoices from a vendor. The Company has contacted the attorney and continues to make payments to reduce the account balance without further litigation or collection activity.

Overview & General History

Organization

Alkame Holdings, Inc. (fka Pinacle Enterprise Inc.) (the "Company", “we”, “us” or “our”) was incorporated under the laws of the State of Nevada on April 19, 2010. The Company is in the business of distributing bottled alkaline, antioxidant and oxygenated water as well as consumer-based products.

On June 24, 2013, the Company entered into a share exchange agreement with Alkame Water, Inc. (“Alkame”) and the shareholders of all of the issued and outstanding shares of Alkame. On June 25, 2013, the Company acquired 100% of the members’ shares of Alkame, a Company incorporated in the state of Nevada on March 1, 2012, in exchange for 150,000,000 common shares, comprised of 116,666,667 common shares privately transacted from the President of the Company and the issuance of 33,333,333 common shares to shareholders of Alkame. Effectively, Alkame held 71% of the issued and outstanding common shares of the Company and the transaction has been accounted for as a reverse merger, where Alkame is deemed to be the acquirer and or the surviving entity for accounting purposes.

As part of the acquisition transaction, all assets and liabilities of Alkame Holdings, Inc. at the date of acquisition were assumed by the former management.

On April 21, 2014, we entered into a Stock Purchase Definitive Agreement (the “Agreement”) with Xtreme Technologies, Inc., an Idaho corporation (“Xtreme”). Pursuant to the terms of the Agreement, we agreed to acquire all of the issued and outstanding capital stock of Xtreme in exchange for certain consideration as set forth in the Agreement. On January 16, 2015, the parties to the Agreement entered into an amendment (the “Amendment”) that changed, among other things, the Closing Date of the transaction. In February 2017, the final cash payments under the Agreement was completed.

In 2017, the Company created Bell Food & Beverage, Inc. a wholly owned subsidiary dedicated to production of food based consumer products.

Nature of Business

Alkame Holdings Inc. is a publicly traded holding company, with an emphasis on health and wellness products. Through its subsidiaries, the company develops, markets, and distributes consumer-based products to maximize, and capitalize, on the development of various and multiple applications utilizing an exclusive patented water technology to create enhanced water with several unique properties. The intellectual property (IP) assets are utilized in several emerging business sectors, such as the hemp niche industry, the manufacture of specialty food and beverage products, the pet and aqua-culture space, as well as many other business opportunities and various water treatment solutions to both new and existing business platforms.

Its patented technology and formulation produce water with a combination of unique attributes and forms the foundation for a number of water-based applications. The water maintains an average pH level of between 8 and 8.5 for extended periods of time once bottled. This pH level coupled with increased levels of dissolved oxygen have been proven to provide antioxidant protection and more complete hydration throughout the body and boost the immune system.

Results of Operations for the years ended December 31, 2017 and 2016.

Operating Revenues

In the years ended December 31, 2017 and 2016, we generated $1,121,046 and $187,270, respectively, in revenue from the sales of the water and food based products.

Cost of Goods Sold

In the years ended December 31, 2017 and 2016, we incurred $1,070,661 and $232,723, respectively, as cost of goods sold.

Gross profit (loss)

In the years ended December 31, 2017 and 2016, the Company had a gross profit (loss) of $50,385 and ($47,453), respectively.

Operating Expenses

Our operating expenses for the years ended December 31, 2017 and 2016 are outlined in the table below:

	Years Ended December 31,	
	2017	**2016**
Selling expenses	$ 163,381	$ 152,315
General and administrative	381,569	425,133
Depreciation and amortization	5,998	7,660
Total	**$ 550,948**	**$ 585,108**

Operating expenses for the years ended December 31, 2017 and 2016 was $550,948 and $585,108, respectively. The decrease in operating expense during the year ended December 31, 2017 versus 2015 is primarily attributed to a decrease in general and administrative costs and professional fees.

Other Expenses

In addition to operating expenses, we incurred interest expenses of $126,721 and $460,930 during the years ended December 31, 2017 and 2016, respectively. The decrease in interest expense during the period ended December 31, 2017 is primarily attributable to a reduction of debt which was converted to equity during 2017. In addition, at December 31, 2017 and 2016, respectively we recognized a gain on change in fair value of derivative liability of $1,103,384 versus a loss of $574,423.

Net Loss

We incurred a net profit (loss) of $387,003 and ($1,921,865) for the years ended December 31, 2017 and 2016, respectively.

Liquidity and Capital Resources

Liquidity is the ability of a company to generate funds to support its current and future operations, satisfy its obligations, and otherwise operate on an ongoing basis. Significant factors in the management of liquidity are funds generated by operations, levels of accounts receivable and accounts payable and capital expenditures.

To date we have financed our operations through sales of convertible debt and short term loans.

The continuation of the Company as a going concern is dependent upon the continued financial support from its management, and its ability to identify future investment opportunities and obtain the necessary debt or equity financing and generating profitable operations from the Company’s future operations. However, there can be no assurance that these arrangements will be sufficient to fund its ongoing capital expenditures, working capital, and other cash requirements. The outcome of these matters cannot be predicted at this time. These factors raise substantial doubt regarding the Company’s ability to continue as a going concern.

Working Capital

	December 31, 2017	December 31, 2016	Percentage Increase (Decrease)
Current Assets	$ 153,636	$ 10,393	13.8 %
Current Liabilities	$ 3,422,266	$ 4,532,229	(24.5) %
Working Capital Deficit	$ (3,268,630)	$ (4,521,836)	27.7 %

At December 31, 2017, our cash balance was ($2,591) compared to ($169) at December 31, 2016. The decrease in cash is attributed to an increase of $142,162 in accounts receivable, offset by proceeds of $204,400 from convertible debt and $107,500 in other notes, all of which were used to pay operating expenses.

At December 31, 2017, we had total current liabilities of $3,422,266, compared with total current liabilities of $4,532,229 at December 31, 2016. The decrease in total liabilities is primarily attributed to an decrease in convertible debt and accrued interest of $694,578, an increase in accounts payable and accrued expenses of $944,502 and a decrease in accrued interest of $60,146.

At December 31, 2017, we had a working capital deficit of $3,268,630 compared with a working capital deficit of $4,521,836 at December 31, 2016. The decrease in working capital deficit is primarily due to a decrease of convertible debt and accrued interest of $694,578.

Cash Flows

	For the Years Ended		Percentage
	December 31, 2017	December 31, 2016	Increase (Decrease)
Cash Used in Operating Activities	$ (295,743)	$ (80,496)	267.4%
Cash Used in Investing Activities	-	(1,445)	-%
Cash Provided by Financing Activities	295,743	81,941	260.9%
Net Increase (decrease) in Cash	$ -	$ -	-%

Cash flow from Operating Activities

During the year ended December 31, 2017, we used $295,743 of cash in operating activities compared to the use of $80,496 of cash for operating activities during the year ended December 30, 2016. The increase in the use of cash for operating activities was mainly attributed to an increase in the accounts receivable. This increase was due to a smaller favorable adjustment in accounts payable and accrued expenses. The profit for the year ended December 31, 2017 was $387,003 and was offset by net adjustments to the cash flow of $295,743.

Cash flow from Investing Activities

During the years ended December 31, 2017 and 2016, we used $-0- and $-0- in investing activities, respectively.

Cash flow from Financing Activities

During the years ended December 31, 2017 and 2016, we received net proceeds of $295,743 and $81,941, respectively from financing activities. The increase in proceeds from financing activities is mainly attributed to $107,500 in proceeds from notes payable and $204,400 in proceeds from convertible debentures in the 2017 period, versus proceeds from notes payable of $107,500 in the 2016 period.

Going Concern

These accompanying unaudited condensed consolidated financial statements have been prepared on a going concern basis, which implies that the Company will continue to realize its assets and discharge its liabilities in the normal course of business. As of December 31, 2017, the Company had an accumulated deficit of $14,528,087 and negative working capital of $3,268,630. The continuation of the Company as a going concern is dependent upon the continued financial support from its management, and its ability to identify future investment opportunities and obtain the necessary debt or equity financing and generating profitable operations from the Company's future operations. However, there can be no assurance that these arrangements will be sufficient to fund its ongoing capital expenditures, working capital, and other cash requirements. The outcome of these matters cannot be predicted at this time. These factors raise substantial doubt regarding the Company's ability to continue as a going concern. These accompanying unaudited consolidated 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.

Off-Balance Sheet Arrangements

We have no significant off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to stockholders.

Future Financings

We intend to continue to rely on loans from related parties and the private sales of our shares of common stock in order to continue to fund our business operations. Issuances of additional shares will result in dilution to existing stockholders. There is no assurance that we will achieve any additional sales of the equity securities or arrange for debt or other financing to fund our operations and other activities.

Critical Accounting Policies

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

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

Our significant accounting policies are more fully described in Note 3 to our unaudited consolidated financial statements included in this Annual Report.

Recently Issued Accounting Pronouncements

The Company has implemented all new accounting pronouncements that are in effect. These pronouncements did not have any material impact on the financial statements unless otherwise disclosed, and we do not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on our financial position or results of operations.

10) Issuer Certification

Principal Executive Officer:

I, Robert Eakle certify that:

1. I have reviewed this Annual Report for the year ended December 31, 2017 of Alkame Holdings, Inc.;

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

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

11/13/2019

Date

/s/ Robert Eakle

CEO's Signature

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

Principal Financial Officer:

I, Robert Eakle certify that:

1. I have reviewed this Annual Report for the year ended December 31, 2017 of Alkame Holdings, Inc.;

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

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

11/13/2019

Date

/s/ Robert Eakle

CFO's Signature

(Digital Signatures should appear as "/s/ [OFFICER NAME]")