Alkame Holdings, Inc.
and
Subsidiaries

Quarterly Report

For the Nine Months

ended

September 30, 2020

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.alkameholdingsinc.com

SIC Code 5140

Quarterly Report
For the Period Ending: September 30, 2020
(the "Reporting Period")

As of **09/30/2020,** the number of shares outstanding of our Common Stock was: 5,720,000,000

As of **06/30/2020**, the number of shares outstanding of our Common Stock was: 5,500,000,000

As of **12/31/2019,** 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: ☒

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 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. On June 24, 2013, the Company changed its name to Alkame Holdings, Inc.

The Company's status is Active in the State of Nevada

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

Yes: ☐ No: ☒

If this issuer or any of its predecessors have been the subject of such proceedings, please provide additional details in the space below:

______

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:	10,500,000,000 as of date: 09/30/2020
Total shares outstanding:	5,720,000,000 as of date: 09/30/2020
Number of shares in the Public Float[2]:	5,500,000,000 as of date: 09/30/2020
Total number of shareholders of record:	230 as of date: 09/30/2020

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: 09/30/2020
Total shares outstanding Preferred A:	12,000,000 as of date: 09/30/2020

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: 09/30/2020
Total shares outstanding Preferred B:	70,000,000 as of date: 09/30/2020

[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 C	
CUSIP:	N/A	
Par or stated value:	$0.001	
Total shares authorized:	10,000,000	as of date: 09/30/2020
Total shares outstanding Preferred C:	-0-	as of date: 09/30/2020

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: 09/30/2020
Total shares outstanding Preferred D:	2,000,000	as of date: 09/30/2020

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: 09/30/2020
Total shares outstanding Preferred E:	-0-	as of date: 09/30/2020

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.

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

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: ☐

Number of Shares O/S at 12/31/2017	Opening Balance Common:	4,462,219,612							
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?**
02/22/18	New Issue	215,000,000	Common	$ 0.0001	Yes	Blue Citi / Robert Malin	Debt Conversion	Unrestricted	Rule 144
03/08/18	New Issue	220,000,000	Common	$ 0.0001	Yes	Blue Citi / Robert Malin	Debt Conversion	Unrestricted	Rule 144
03/23/18	New Issue	135,000,000	Common	$ 0.0001	Yes	Blue Citi / Robert Malin	Debt Conversion	Unrestricted	Rule 144
04/11/18	New Issue	320,000,000	Common	$ 0.0001	Yes	Blue Citi / Robert Malin	Debt Conversion	Unrestricted	Rule 144
05/08/18	New Issue	55,000,000	Common	$ 0.0001	Yes	Blue Citi / Robert Malin	Debt Conversion	Unrestricted	Rule 144
06/08/18	New Issue	92,780,388	Common	$ 0.0019	No	Alkaline Royalty Corp. / Renard Wiggins	Legal Settlement	Restricted	Court Order
Shares O/S at 12/31//2018		**5,500,000,000**							
No issuances in 2019									
Shares O/S at 12/31//2019		**5,500,000,000**							
07/08/2020	New Issue	220,000,000	Common	$ 0.0001	Yes	Blue Citi / Robert Malin	Debt Conversion	Unrestricted	Rule 144
Shares O/S at 09/30//2020		**5,720,000,000**							

Example: A company with a fiscal year end of December 31st, in addressing this item for its quarter ended September 30, 2019, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2017 through September 30, 2019 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 all outstanding promissory notes, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities..

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

Date of Note Issuance	Outstanding Balance ($)	Principal Amount at Issuance ($)	Interest Accrued ($)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder	Reason for Issuance (e.g. Loan, Services, etc.)
10/27/14 02/10/15	$ 12,300 $ 26,400	$ 33,000 $ 22,000	$ 6,692	2 Years	Conversion at 60% lowest price in 25 trading days	Acqd. by Blue Citi / Robert Malin	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
10/29/14	$ 60,500	$ 55,000	$ 65,993	10/15/2015	Conversion at lower of (i) $0.10 per share or (ii) 60% lowest price in 25 trading days	WHC Capital / Hamin Abdullah	Convertible Debenture
11/05/14	$ 238,016	$ 75,000	$121,290	Past Due - on Demand	Conversion at 50% lowest price in 20 trading days. Penalty applied to principle.	Blue Citi / Robert Malin	Convertible Debenture
04/13/17	$ 320,000	$ 220,000	$ 34,071	Past Due - on Demand	Conversion at the lower of: (a) $0.00005 per share; or (b) 50% lowest price in 20 trading days prior to conversion. Includes $100,000 penalty added to principle in September 2017.	Blue Citi / Robert Malin	Convertible Debenture
09/30/18	$ 246,625	$ 268,625	$ 37,460	9 Months	Lesser of $0.00021 or 70% of lowest trade price in 20 trading days	Blue Citi / Robert Malin	Convertible Debenture
09/30/18	$ 263,103	$ 263,103	$ 36,330	9 Months	Lesser of $0.00021 or 70% of lowest trade price in 20 trading days	Blue Citi / Robert Malin	Convertible Debenture
	$ 1,171,851	***Total all Convertible Debt***					

(Continued)							
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.)**
09/30/15	$ 19,341	$ 36,400	$ -	On Demand	Demand Note	Power Up Lending / Curt Kramer	Demand Note
07/10/2015	$ 36,507	$ 63,840	$ 28,000	On Demand	Demand Note	Everest Business Fin / Chad Trattner.	Demand Note
08/04/2015 09/02/2015	$ 2,794 $ 19,760	$ 25,000 $ 19,760	$ 0	On Demand	Demand Note	Kabbage Financing / Rob Frohwein	Demand Note
09/10/2015	$ 49,100	$ 75,000	$ 16,055	On Demand	Demand Note	TVT Capital / John Gabbert	Demand Note
09/28/15	$ 1,145	$ 2,145	$ 525	On Demand	Demand Note	E. Ross-Burns	Demand Note
Various 2016, 2017	$ 88,800	$ 100,000	$ 33,824	On Demand	Demand Note	Phil Scafetta	Demand Note
05/15/2018	$ 25,365	$ 50,000	$ 8,396	On Demand	Demand Note	Joe Radcliff	Demand Note
01/14/16	$ 3,500	$ 3,500	$ 1,328	On Demand	Demand Note	David Scott	Demand Note
01/12/17	$ 45,000	$ 45,000	$ 16,454	Past Due - on Demand	Demand Note	Universal Consulting / Ken Radcliff	Demand Note
08/02/2019	$ 15,000	$ 15,000	$ 1,371	On Demand	Demand Note	Trevhill / Joe Radcliff	Demand Note
12/17/18 03/29/19 06/04/19 06/10/20	$ 125,000 $ 10,000 $ 110,000 $ 25,000	$ 125,000	$ 23,422	9 Months	Line of Credit	Blue Citi / Robert Malin	Demand Note
	$ 576,612	***Total all Term / Demand Notes***					

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;
F. Statement of Changes in Shareholders' Equity
G. Financial notes; and
H. 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. Financial Statements must be compiled in one document.

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 a proprietary 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-

[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.

culture space, as well as many other business opportunities and various water treatment solutions to both new and existing business platforms.

Its proprietary 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 such entity's 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, Inc. – This division produces various liquid based food & beverage products. These include the bottling of various sauces, mixes, and fruits.
3. West Coast Copacker, Inc. – Future development of co-packed products.

All companies are co-managed by the Alkame Holdings, Inc. officers and directors.

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

The Company utilizes its proprietary technology to produce specialty water for more complete hydration, food and beverage related sauces, condiments, non-alcoholic mixes and fruits, hand sanitizer, and CBD water products. Its products are distributed nation-wide.

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

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, as of the period end date of this report, regarding any person or entity owning 5% of more of any class of the issuer's securities, 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 10,000,000 53,933,334 1,000,000	Common Preferred A Preferred B Preferred D	< 1% 83.3% 81.2% 50.0%	____
Craig Kaufman	Chairman of the Board	Chicago, IL	-0- 2,000,000 8,277,500 1,000,000	Common Preferred A Preferred B Preferred D	0% 16.7% 12.5% 50.0%	____

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

Name: Erwin Vahlsing, Jr.
Firm: XBRL Associates, Inc.
Address 1: PO Box 19652
Address 2: Johnstone, RI 02919
Phone: (401) 648-0802
Email: evahlsing@xbrlassociates.com

Investor Relations

Name: _____
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared or provided information with respect to this disclosure statement**. This includes counsel, advisor(s) or consultant(s) 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. Quarterly Financial Statements

ALKAME HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	September 30, 2020	December 31, 2019
ASSETS		
Current assets:		
Cash	$ 26,831	$ 31,636
Accounts receivable (net of reserve for bad debts of $-0- and $0, respectively)	241,746	186,843
Prepaid expenses - current	2,000	2,000
Inventory (net of reserve for impairment of inventory of $74,906 and $74,906, respectively)	270,012	199,566
Total current assets	540,589	420,045
Fixed assets:		
Furniture and fixtures	445	11,255
Manufacturing equipment, net	229,668	77,963
Fixed assets, net	230,113	89,218
Other assets:		
Deferred finance costs	-	-
Total other assets	-	-
Total assets	$ 770,702	$ 509,263
LIABILITIES AND STOCKHOLDERS (DEFICIT)		
Current liabilities:		
Accounts payable and accrued expenses	$ 603,746	$ 1,007,847
Accrued interest	476,126	357,580
Accrued compensation	1,358,824	1,234,024
Prepaid customer order	512,652	25,665
Legal obligations	203,717	203,717
Accrued contingencies	134,000	134,000
Notes payable (net of debt discount of $-0- and $-0-, respectively)	576,613	535,312
Convertible debt (net of debt discount of $-0- and $0, respectively)	1,171,851	1,193,851
Derivative instrument liability	1,466,184	925,387
Total current liabilities	6,503,713	5,617,383
Total long-term liabilities	-	-
Total liabilities	6,503,713	5,617,383
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 - 10,000,000,000 shares; issued and outstanding - 5,720,000,000 and 5,500,000,000 shares, respectively	5,720,000	5,500,000
Common stock to be issued	18,036	18,036
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	3,137,965	3,335,965
Accumulated deficit	(17,363,410)	(16,716,519)
Total stockholders' deficit	(5,733,011)	(5,108,120)
Total liabilities and stockholders' deficit	$ 770,702	$ 509,263

See accompanying notes to the consolidated financial statements

ALKAME HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the three months ended September 30, 2020	For the three months ended September 30, 2019	For the nine months ended September 30, 2020	For the nine months ended September 30, 2019
Revenues	$ 117,041	$ 509,715	$ 1,388,619	$ 1,510,672
Cost of Sales				
Cost of goods sold	165,032	396,367	925,773	1,010,595
Gross (loss) profit	(47,991)	113,348	462,846	500,077
Operating expenses:				
Selling expenses	40,980	32,451	147,775	115,210
General and administrative	115,121	137,347	410,039	375,711
Depreciation and amortization	583	-	1,749	-
Total operating expenses	156,684	169,798	559,563	490,921
Profit (loss) from operations	(204,675)	(56,450)	(96,717)	9,156
Other Income / (Expense):				
Interest expense	(38,736)	(43,412)	(129,073)	(121,734)
Amortization of beneficial conversion feature	-	(9,148)	-	(27,444)
Gain (loss) on change in fair value of derivative liability	27,354	(20,944)	(540,797)	31,358
Gain (loss) on settlement of debt	71,532	-	101,532	-
Total other expenses	60,150	(73,504)	(568,338)	(117,820)
Net profit (loss) applicable to common stock holders	$ (144,525)	$ 129,954)	$ (665,055)	$ (108,664)
Per share data				
Net Profit (Loss) per share - basic and diluted	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)
Weighted average number of				
shares outstanding- basic and diluted	5,700,869,565	5,500,000,000	5,567,445,255	5,500,000,000

See accompanying notes to the consolidated financial statements

ALKAME HOLDINGS, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
(Unaudited)

	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, December 31, 2018	12,000,000	$ 12,000	65,398,334	$ 65,398	2,000,000	$ 2,000	5,500,000,000	$ 5,500,000	$ 2,693,036	$ 3,335,964	$ (16,199,202)	$ (4,590,804)
Net loss for the quarter ended 03/31/2019		-		-			-	-			(95,905)	(95,905)
Balance, March 31, 2019	12,000,000	12,000	65,398,334	65,398	2,000,000	2,000	5,500,000,000	5,500,000	2,693,036	3,335,965	(16,295,107)	(4,686,709)
Net profit for the quarter ended 06/30/2019		-		-			-	-			117,195	117,195
Balance, June 30, 2019	12,000,000	12,000	65,398,334	65,398	2,000,000	2,000	5,500,000,000	5,500,000	2,693,036	3,335,965	(16,177,912)	(4,569,513)
Net loss for the quarter ended 09/30/2019		-		-			-	-			(129,954)	(129,954)
Balance, September 30, 2019	12,000,000	12,000	65,398,334	65,398	2,000,000	2,000	5,500,000,000	5,500,000	2,693,036	3,335,965	(16,307,866)	(4,699,467)
Net loss for the quarter ended 12/31/2019		-		-			-	-			(408,653)	(408,653)
Balance, December 31, 2019	12,000,000	12,000	65,398,334	65,398	2,000,000	2,000	5,500,000,000	5,500,000	2,693,036	3,335,965	(16,716,519)	(5,108,120)
Net loss for the quarter ended 03/31/2020		-		-			-	-			(620,776)	(620,776)
Balance, March 31, 2020	12,000,000	12,000	65,398,334	65,398	2,000,000	2,000	5,500,000,000	5,500,000	2,693,036	3,335,965	(17,337,295)	(5,728,896)
Net loss for the quarter ended 06/30/2020		-		-			-	-			118,410	118,410
Balance, June 30, 2020	12,000,000	12,000	65,398,334	65,398	2,000,000	2,000	5,500,000,000	5,500,000	2,693,036	3,335,965	(17,218,885)	(5,610,486)
Conversion of debentures							220,000,000	220,000		(198,000)		22,000
Net loss for the quarter ended 09/30/2020		-		-			-	-			(144,525)	(144,525)
Balance, September 30, 2020	12,000,000	$ 12,000	65,398,334	$ 65,398	2,000,000	$ 2,000	5,720,000,000	$ 5,720,000	$ 2,693,036	$ 3,137,965	$ (17,363,410)	$ (5,733,011)

See accompanying notes to the consolidated financial statements

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

	For the Nine Months Ended September 30, 2020	For the Nine Months Ended September 30, 2019
Cash flows from operating activities:		
Net profit (loss)	$ (665,055)	$ (102,178)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	25,155	27,000
Reserve for bad debt	-	(12,499)
Amortization debt discount	-	27,444
Change in fair value of derivative liability	540,797	17,452
Changes in operating asset and liability account balances:		
Accounts receivable	(54,903)	(62,933)
Inventory	(70,446)	(261,001)
Customer deposit	489,373	-
Accrued compensation	124,800	129,295
Accrued interest	118,489	64,366
Accounts payable, customer deposits and accrued expenses	(394,116)	60,443
Total adjustments	779,149	(10,433)
Net cash used in operating activities	114,094	(112,611)
Cash flows from investing activities		
Purchase of equipment	(166,050)	(47,986)
Net cash used in investing activities	(166,050)	(47,986)
Cash flows from financing activities:		
Proceeds from convertible notes payable	-	120,000
Payments of notes payable	(28,000)	(14,000)
Proceeds from notes payable	75,151	-
Net cash provided by financing activities	47,151	106,000
Net increase (decrease) in cash	(4,805)	54,597)
Cash at beginning of period	31,636	78,477
Cash at end of period	$ 26,831	$ 23,880
Supplemental Schedule of Cash Flow Information:		
Cash paid for interest	$ 8,654	$ -
Cash paid for income taxes	$ -	$ -
Supplemental Schedules of Noncash Investing and Financing Activities:		
Conversion of notes payable and accrued interest into common stock	$ 22,000	$ -

See accompanying notes to the consolidated financial statements

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 $17,363,410 and had a net loss of $665,055 for the nine months ended September 30, 2020. 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 Beverage, Inc., 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	
	September 30, 2020	December 31, 2019
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
Convertible notes payable	2,852,120,444	7,338,680,000

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 September 30, 2020 and December 31, 2019, the Company had an allowance for bad debts in the amount of $-0- and $-0- respectively.

k) Related Party Transactions

Parties are considered to be related to the Company if the parties, 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 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.

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 September 30, 2020, 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.

r) Shipping costs

Shipping costs are included in cost of goods sold and totaled $38,488 and $35,409 for the nine months ended September 30, 2020 and 2019, 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. The Company expects to issue the remaining preferred shares in the 4th quarter of 2020.

5. Notes Payable, current and long-term

At September 30, 2020 and December 31, 2019, notes payable consisted of the following:

	September 30, 2020	December 31, 2019
Notes payable	$ 576,613	$ 535,312
Officer loans	-	-
Unamortized debt discount	-	-
Carrying amount	$ 576,613	$ 535,312
Less: current portion	(576,613)	(535,312)
Long-term notes payable, net	$ -	$ -

Officers Loans:

During the nine months ended September 30, 2020 and the year ended December 31, 2019, the Company received $0 and $0, respectively, in cash loans from officers. There are no note balances due to officers.

Notes Payable, others:

In August 2014, the Company entered into a nine-month convertible debenture for $16,500 with an accredited institutional investor. Under the same terms, in September 2014 and January 2015, respectively, additional tranches of $42,500 and $28,000 were entered into as additional convertible debentures. In October 2015, by mutual agreement between the lender and the Company, the balance of $28,000 plus prepaid interest of $8,400 was converted to a "cash flow loan" under which daily cash withdrawals took place. Simultaneously, the balance was transferred from convertible debt to notes payable. In January 2016, the cash payments ceased, and the balance a $19,341 remained. As of September 30, 2020, the balance outstanding is $19,341.

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 September 30, 2020, the balance outstanding is $36,507.

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 September 30, 2020, 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 $75,000 through daily payments of $899. As of September 30, 2020, the balance outstanding is $49,100.

In September 2015, the Company borrowed $2,145 from an accredited investor on a demand note. The note carries prepaid interest of 10% of the amount borrowing. As of September 30, 2020, the balance outstanding is $1,145.

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 September 30, 2020, the balance outstanding is $88,800.

In January 2017, the Company borrowed $50,000 from an accredited investor on a term loan. The note carries interest at 10% per annum. As of September 30, 2020, the balance outstanding is $45,000.

In May 2018, the Company borrowed $50,000 from an accredited investor on a term loan. The note carries interest at 10% per annum. As of September 30, 2020, the balance outstanding is $21,250.

In August 2019, the Company borrowed $3,500 from an accredited investor on a term loan. The note carries interest at 10% per annum. As of September 30, 2020, the balance outstanding was $3,500.

In August 2019, the Company borrowed $15,000 from an accredited investor on a term loan. The note carries interest at 10% per annum. As of September 30, 2020, the balance outstanding was $15,000.

In December 2018, the Company entered into a "revolving line of credit" facility with an accredited institutional investor. The line carries interest on the outstanding principal of 8% per annum. The Company has received the following tranches on the dates and in the amounts listed:

- December 17, 2018 $ 125,000
- December 31, 2018 $ 10,000
- June 4, 2019 $ 110,000
- June 10, 2020 $ 25,000
- As of September 30, 2020, the balance outstanding was $270,000.

6. Convertible debt

In October 2014, the Company entered into a two-year convertible debenture for $33,000 with an accredited institutional investor. The debenture carried a one-time Original Issuance Discount of 12%, and no further interest charges. The debenture is convertible at the lower of (a) $0.15 per share; or (b) 60% of the lowest trading price in the 25 trading days prior to conversion.

In February 2015, the Company entered into an additional two-year convertible debenture for $22,000 with the same accredited institutional investor as above. The debenture carried a one-time Original Issuance Discount of 12%, and no further interest charges. The debenture is convertible at the lower of (a) $0.15 per share; or (b) 60% of the lowest trading price in the 25 trading days prior to conversion.

Both notes were defaulted for failure to convert incurring penalties of $4,500 and $4,400, respectively. At September 30, 2020, the remaining balance of the above two debentures were $38,700.

On October 29, 2014, the Company entered into a twelve-month convertible debenture for $55,000 with an accredited institutional investor. The debenture is convertible at lesser of (a) $0.10 or (b) 60% of the lowest trading price in the 25 trading days prior to conversion. In October 2015, a default penalty of $5,000 was recorded as part of principle of the note. As of September 30, 2020, the outstanding balance is $60,500.

On November 12, 2014, the Company entered into a twelve-month convertible debenture for $75,000 and a 5-year warrant to purchase an aggregate of 1,587,302 shares with an accredited institutional investor. The debenture is convertible at 50% of the lowest trading price in the 20 trading days prior to conversion. As of November 12, 2019, the warrant has expired unexercised. The debenture was acquired by Blue-Citi in late 2018. At September 30, 2020, the remaining balance was $238,016.

In December 2014, the Company entered into a convertible debenture for $38,889 with an accredited institutional investor. The debenture carried no interest for the first 3 months, and then a one-time interest charge of 12%, with no further interest charges thereafter. The debenture was subsequently sold to North River, a privately held accredited investor. The debenture is convertible at 60% of the lowest trading price in the 25 trading days prior to conversion. At September 30, 2020, the remaining balance was $4,907.

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 Company only received one tranche:

- April 13, 2017 $220,000;
- And after incurring a default, a forbearance amount was added to the balance on December 31, 2017 in the amount of $100,000.

The convertible debenture and default provision carry interest at a rate of 8% per annum from the date of issuance or forbearance. As part of the forbearance, the balance plus accrued interest is convertible into common stock of the Company at the lower of (i) 50% of the lowest trading price of the Common Stock as reported on the OTCPK during the twenty (20) trading days immediately preceding the closing date or (ii) $0.0005 per share.

On December 13, 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 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) $0.00021; 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) $0.00021; 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 the lower of (a) $0.00021; or (b) 70% of the lowest trading price in the 20 trading days prior to conversion.

On February 2, 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) $0.00021; 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) $0.00021; 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 the lower of (a) $0.00021; or (b) 70% of the lowest trading price in the 20 trading days prior to conversion.

On September 30. 2018, the Company and the investor in the above seven debentures, consolidated the debentures and accrued interest of $13,425 into a consolidated twelve-month convertible debenture totaling $268,625. The debenture carries the same terms as the original debentures and is convertible at the lower of (a) $0.00021; or (b) 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 the lower of (a) $0.00049; or (b) 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 the lower of (a) $0.00049; or (b) 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 the lower of (a) $0.00049; or (b) 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 the lower of (a) $0.00049; or (b) 70% of the lowest trading price in the 20 trading days prior to conversion.

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 the lower of (a) $0.00049; or (b) 70% of the lowest trading price in the 20 trading days prior to conversion.

On September 11, 2018, the Company entered into a nine-month convertible debenture for $11,000 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) $0.00049; or (b) 70% of the lowest trading price in the 20 trading days prior to conversion.

On September 30, 2018, the Company and the investor in the above six debentures, consolidated the debentures and accrued interest of $10,103 into a consolidated twelve-month convertible debenture totaling $263,103. The debenture carries the same terms as the original debentures and is convertible at the lower of (a) $0.00049; or (b) 70% of the lowest trading price in the 20 trading days prior to conversion.

In January 2020, the Company determined that a previously recorded penalty of $30,000 had been incorrectly recorded as a liability as there was a waiver on file. This was recorded as a gain on settlement of debt.

At June 30, 2020 and December 31, 2019 convertible notes and debentures consisted of the following:

	September 30, 2020	December 31, 2019
Convertible notes payable	$ 1,171,851	$ 1,193,851
Unamortized debt discount	-	-
Carrying amount	$ 1,171,851	$ 1,193,851
Less: current portion	(1,171,851)	(1,193,851)
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.

	September 30, 2020	December 31, 2019
Debt Discount beginning balance	$ -	$ -
Additions	-	-
Amortization	-	-
Ending Balance	$ -	$ -

During the nine months ended September 30, 2020, the Company issued 220,000,000 common shares upon the conversion of $22,000 in principle.

During the year ended December 31, 2019, the Company did not issue any shares for conversion of any debt.

The Company identified embedded derivatives related to the Convertible Promissory Notes entered into in the years ended December 31, 2014, 2015, 2016, 2017, and 2018. 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:

Alkame Holdings, Inc.
Summary of Convertible Debt and Derivative Liabilities
September 30, 2020

				Black-Scholes Assumptions Inception															
Date	Original Amount	Term (Months)	Conv. Y / N	Dividend Yield	Volatility	Risk Free Rate	Derivative Liability Inception	Note Balance 12/31/2019	Dividend Yield	Volatility	Risk Free Rate	Deriv. Liab. Balance 12/31/2019	Deriv. Liab. Adjustment 12/31/2019	Note Balance 9/30/2020	Dividend Yield	Volatility	Risk Free Rate	Deriv. Liab. Balance 6/30/2020	Deriv. Liab. Adjustment 9/30/2020
10/27/2014	$ 33,000	12		0.00%	260.11%	0.41%	$ 100,870	$ 38,700	0.00%	206.65%	0.21%	$ 11,355	$ 6,212	$ 38,700	0.00%	301.71%	0.08%	$ 42,539	$ 7,103
10/29/2014	55,000	12		0.00%	260.14%	0.11%	142,870	60,500	0.00%	206.65%	0.21%	55,405	6,212	60,500	0.00%	301.71%	0.08%	66,502	11,105
11/12/2014	75,000.0	12		0.00%	260.65%	0.14%	324,627	238,016	0.00%	206.65%	0.21%	119,949	9,771	238,016	0.00%	301.71%	0.08%	334,620	214,686
12/16/2014	39,772	24		0.00%	275.21%	0.58%	85,288	4,907	0.00%	206.65%	0.21%	4,494	504	4,907	0.00%	301.71%	0.08%	5,394	901
4/13/2017	220,000.0	12		0.00%	459.40%	11.00%	181,521	320,000	0.00%	206.65%	0.21%	222,916	15,559	320,000	0.00%	301.71%	0.08%	453,690	230,803
9/30/2018	268,625	12		0.00%	214.10%	0.14%	327,124	268,625	0.00%	206.65%	0.21%	246,004	27,581	246,625	0.00%	301.71%	0.08%	274,233	28,266
9/20/2018	263,356.0	12		0.00%	214.10%	0.14%	320,708	263,103	0.00%	206.65%	0.21%	241,178	27,040	263,103	0.00%	301.71%	0.08%	289,206	48,064
	$ 954,753						$ 1,483,008	$ 1,193,851				$ 901,301	$ 92,879	$ 1,171,851				$ 1,466,184	$ 540,927

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, 2019:

		Fair Value Measurements at June 30, 2020 using:		
	September 30, 2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Liabilities:				
Derivative Liabilities	$ 1,466,184	$ -	$ -	$ 1,466,184

		Fair Value Measurements at December 31, 2019 using:		
	December 31, 2019	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Liabilities:				
Derivative Liabilities	$ 925,387	$ -	$ -	$ 925,387

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 June 30, 2020:

		Derivative Liability
Balance, December 31, 2019	$	925,387
Extinguishment of derivative liability upon conversion of debt		-
Change in fair value of derivative liabilities		540,797
Balance, September 30, 2020	$	1,466,184

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, 2019	Amortized in 2019	Balance at September 30, 2020	Current Asset	Long Term Asset
$2,000	$ -0-	$ 2,000	$ 2,000	$ 0

9. Related Party Transactions

During the nine months ended September 30, 2020 and the year ended December 31, 2019, the Company received $0 and $0, respectively, in cash loans from its president, and made cash payments on these amounts owing totaling $-0- and $0, respectively during the same periods. As of September 30, 2020, the Company owed $-0- in loans, to its President.

As of September 30, 2020, and December 31, 2019, the Company owes its president $737,526 and $670,000, respectively, of accrued compensation.

As of September 30, 2020, and December 31, 2019, the Company owes $621,298 and $564,024, 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:

- 10,000,000,000 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.

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 September 30, 2020, and December 31, 2019, there were 5,500,000,000 and 5,500,000,000 shares of common stock issued and outstanding, respectively.

2019:

On July 8, 2019, 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.

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 as part of the remuneration required in connection with stipulated agreement with Renard Wiggins with regard to claims to an equity interest dating back to prior to the Company becoming public. The shares were issued at a price of $0.0019 per share.

11. 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:

	September 30, 2020		December 31, 2019	
Inventory – Raw Materials	$	344,918	$	267,626
Inventory – Finished Goods		-		-
Total	$	344,918	$	267,626

At September 30, 2020, and December 31, 2019, the Company recorded a reserve for impairment of inventory of $74,906 and $74,906, respectively.

12. 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. In July 2020, we issued the remaining 107,219,612 shares.

c) 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.

d) 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.

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.

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 off 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.

Other:

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.

13. 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, 2019, approximately 61% 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.

14. 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:

In October 2020, the Company hired two new management level personnel – a Chief Operating Officer to manage the production operations, and a Controller to handle the financial end of the business.

No other material events occurred.

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 a proprietary 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 proprietary 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 nine months and ended September 30, 2020 and 2019.

Operating Revenues

In the nine months ended September 30, 2020 and 2019, we generated $1,388,619 and $1,510,672, respectively, in revenue from the sales of water and food-based products.

In the three months ended September 30, 2020 and 2019, we generated $117,041 and $509,715, respectively, in revenue from the sales of the water and food-based products.

Cost of Goods Sold

In the nine months ended September 30, 2020 and 2019, we incurred $925,773 and $1,010,595, respectively, as cost of goods sold.

In the three months ended September 30, 2020 and 2019, we incurred $165,032 and $396,367, respectively, as cost of goods sold.

Gross profit

In the nine months ended September 30, 2020 and 2019, the Company had gross profits of $462,846 and $500,077, respectively.

In the three months ended September 30, 2020 and 2019, the Company had a gross loss of $47,991 and a gross profit of $113,348, respectively.

Operating Expenses

Our operating expenses for the three and nine months ended September 30, 2020 and 2019 are outlined in the table below:

	Three Months Ended September 30,		**Nine Months Ended September 30,**	
	2020	**2019**	**2020**	**2019**
Selling expenses	$ 40,980	$ 32,451	147,775	115,210
General and administrative	115,121	137,347	410,039	375,711
Depreciation and amortization	583	-	1,749	-
Total	**$ 156,684**	**$ 169,798**	**$ 559,563**	**$ 490,921**

The increase in operating expense during the nine months ended September 30, 2020 versus 2019 is primarily attributed to an increase in general and administrative costs and selling costs due to efforts at increasing the business.

Other Expenses

For the nine months ended September 30, 2020 and 2019, we incurred interest expenses of $129,073 and $121,734, respectively.

For the three months ended September 30, 2020 and 2019, we incurred interest expenses of $38,736 and $43,412, respectively.

The overall increase in interest expense is primarily attributable to marginal increases in several notes offset by a third quarter decrease in convertible debt due to a conversion of $22,000 of debt.

For the nine months ended September 30, 2020 and 2019, we recognized a gain / (loss) on the change in fair value of derivative liability of ($540,797) and $31,358, respectively.

For the three months ended September 30, 2020 and 2019, we recognized a gain / (loss) on the change in fair value of derivative liability of 27,354 and ($20,944), respectively.

For the three and nine months ended September 30, 2020, we recognized a gain on the settlement of debt in the amount of $71,532 and 101,532, respectively.

Net Profit (Loss)

For the nine months ended September 30, 2020 and 2019, we incurred net losses of $665,055 and $108,664, respectively.

For the three months ended September 30, 2020 and 2019, we incurred net losses of $144,525 and $129,954, 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

	September 30, 2020	December 31, 2019	Percentage Increase (Decrease)
Current Assets	$ 540,589	$ 420,045	28.7 %
Current Liabilities	6,503,713	5,617,383	15.8 %
Working Capital Deficit	$ (5,963,124)	$ (5,197,338)	14.7 %

At September 30, 2020, our cash balance was $26,831 as compared to $31,636 at December 31, 2019. The decrease in cash is attributed to a decrease of $404,101 in accounts payable and increases of accrued liabilities of $243,346 mostly offset by deposits from customers for future production of product.

At September 30, 2020, we had total current liabilities of $6,503,713, as compared with total current liabilities of $5,617,383 at December 31, 2019. The increase in total liabilities is primarily attributed to a net increase in accrued interest of $118,546, increases in accrued expenses of $243,346, an increase in prepaid customer deposits for future product production of $486,987 and an increase in the derivative instrument liability of $540,797.

At September 30, 2020, we had a working capital deficit of $5,963,124 as compared with a working capital deficit of $5,197,338 at December 31, 2019. The increase in working capital deficit is primarily due to increases in accrued interest, accrued compensation of $124,800, and an increase in customer prepayments of $486,987 offset by a decrease in accounts payable of $404,101, and the increase in the derivative instrument liability of $540,797.

Cash Flows

	For the Nine Months Ended		Percentage
	September 30, 2020	September 30, 2019	Increase (Decrease)
Cash Provided (Used) in Operating Activities	$ 147,694	$ (156,266)	194.5%
Cash Used in Investing Activities	(150,000)	(11,012)	126.2%
Cash Provided by Financing Activities	13,250	105,560	87.4%
Net Increase (decrease) in Cash	$ 10,944	$ (61,718)	117.7%

Cash flow from Operating Activities

During the nine months ended September 30, 2020, we generated $114,094 of cash in operating activities compared to the use of $112,611 of cash for operating activities during the nine months ended September 30, 2019. The increase in cash generated by operating activities was mainly attributed to the increase in customer deposits of $489,373, increases in the accruals of $243,289, offset by the decrease in accounts payable of $394,116. This was augmented by an increase in the non-cash derivative liability of $540,797. The loss for the nine months ended September 30, 2020 was $689,238.

Cash flow from Investing Activities

During the nine months ended September 30, 2020 and 2019, we used 166,050 and $47,986 in investing activities, respectively.

Cash flow from Financing Activities

During the nine months ended September 30, 2020 and 2019, we received net proceeds of $47,151 and $106,000, respectively from financing activities. The decrease in proceeds from financing activities is mainly attributed to a decrease in in proceeds from convertible debt of $120,000.

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 September 30, 2020, the Company had an accumulated deficit of $17,363,410 and negative working capital of $5,963124. 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:

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

The certifications shall follow the format below:

I, Robert Eakle certify that:

1. I have reviewed this Quarterly Disclosure Statement for the nine months ended September 30, 2020 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.

11/19/2020

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 Quarterly Disclosure Statement for the nine months ended September 30, 2020 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.

11/19/2020

Date

/s/ Robert Eakle

CFO's Signature

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