

ALKAME HOLDINGS, INC.  
Form 10-Q  
September 18, 2018

**SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 10-Q**

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT  
OF 1934

For the quarterly period ended **March 31, 2016**

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF  
1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: **333-175044**

**Alkame Holdings, Inc.**

(Exact name of registrant as specified in its charter)

**Nevada**

(State or other jurisdiction of incorporation organization)

**98-0661455**

(I.R.S. Employer Identification No.)

**3651 Lindell Road, Suite D #356, Las Vegas, NV 89103**

(Address of principal executive offices) (Zip Code)

Registrant's Telephone Number, Including Area Code: **702-273-9714**

\_\_\_\_\_  
(Former name, former address and former fiscal year, if changed since last report)

Indicate by checkmark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. **Yes [ ]**

No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

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

<b>Large accelerated filer</b>	<input type="checkbox"/>	<b>Accelerated filer</b>	<input type="checkbox"/>
<b>Non-accelerated filer</b>	<input type="checkbox"/>	<b>Smaller reporting company</b>	<input checked="" type="checkbox"/>
		<b>Emerging growth company</b>	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provide pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date: **5,500,000,000 common shares as of September 17, 2018.**

## INDEX

		Page
PART I.	FINANCIAL INFORMATION	
	ITEM 1	
	Financial Statements	
	Condensed consolidated balance sheets as of March 31, 2016 (unaudited) and December 31, 2015	F-1
	Condensed consolidated statements of operations for the three months ended March 31, 2016 and 2015 (unaudited)	F-2
	Condensed consolidated statements of cash flows for the three months ended March 31, 2016 and 2015 (unaudited)	F-3
	Notes to condensed consolidated financial statements (unaudited)	F4-F32
	ITEM 2.	38-42
	Management's Discussion and Analysis of Financial Condition and Results of Operations	
	ITEM 3.	42
	Quantitative and Qualitative Disclosures about Market Risk	
	ITEM 4.	42-43
	Controls and Procedures	
PART II.	OTHER INFORMATION	
	ITEM 1.	44
	Legal Proceedings	
	ITEM 1A.	44
	Risk Factors	
	ITEM 2.	44
	Unregistered Sales of Equity Securities and Use of Proceeds	
	ITEM 3.	46
	Defaults Upon Senior Securities	
	ITEM 4.	46
	Mine Safety Disclosures	
	ITEM 5.	46
	Other Information	
	ITEM 6.	46
	Exhibits	
	SIGNATURES	47



**PART 1 - FINANCIAL INFORMATION**

**Item 1. Financial Statements.**

*Forward Looking Statements*

This quarterly report contains forward-looking statements. These statements relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as may, should, expect, plan, anticipate, believe, estimate, predict, potential or continue or the negative of the comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, any of which may cause our company's or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. These risks include, by way of example and not in limitation:

the uncertainty that we will not be able to successfully execute our business plan;

risks related to the large number of established and well-financed entities that are actively seeking suitable business opportunities;

risks related to the failure to successfully manage or achieve growth of a new business opportunity; and

other risks and uncertainties related to our business strategy.

This list is not an exhaustive list of the factors that may affect any of our forward-looking statements. These and other factors should be considered carefully, and readers should not place undue reliance on our forward-looking statements.

Forward looking statements are made based on management's beliefs, estimates and opinions on the date the statements are made, and we undertake no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to actual results.

Our unaudited condensed consolidated financial statements are stated in United States dollars (US\$) and are prepared in accordance with United States Generally Accepted Accounting Principles. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. Operating results for the interim period ended March 31, 2016, are not necessarily indicative of the results that can be expected for the full year.

In this quarterly report, unless otherwise specified, all dollar amounts are expressed in United States dollars and all references to common stock refer to the common shares in our capital stock.

As used in this quarterly report, the terms we , us , our , our company and Alkame mean Alkame Holdings, Inc., otherwise stated.

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

March 31,  
2016

December 31,  
2015

ASSETS

Current assets:

	\$	\$
Cash	92	-
Accounts receivable (net of reserve for bad debts of \$150,000 and \$161,000, respectively)	39,127	28,238
Other receivable	8	18,000
Prepaid expenses	7,000	7,000
Inventory	42,828	59,904
Total current assets	89,056	113,142

Fixed and intangible assets:

Manufacturing equipment, net	111,876	122,829
Software	10,497	11,997
Intangible assets, net	951	1,662
Fixed and intangible assets, net	123,324	136,488

Other assets:

Deferred finance costs	2,972	5,513
Total other assets	2,972	5,513

	\$	\$
Total assets	215,352	255,143

LIABILITIES AND STOCKHOLDERS (DEFICIT)

Current liabilities:

	\$	\$
Cash overdraft	-	2,448
Accounts payable and accrued expenses	762,768	727,290
Accrued interest	374,531	272,391
Accrued compensation	573,480	513,480
Prepaid customer order	-	17,170
Legal obligations	120,000	120,000
Loans from officer	26,456	26,456
Notes payable (net of debt discount of \$26,332 and \$35,095, respectively)	1,020,679	991,119
Note due Xtreme Shareholders	169,000	183,000
Convertible debentures (net of debt discount of \$15,209 and \$27,411, respectively)	647,512	552,479
Derivative instrument liability	1,899,803	1,046,635
Total current liabilities	5,594,229	4,452,468

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Long-term liabilities:		
Notes payable - long term	-	24,573
Convertible debt - long term (net of debt discount of \$74,589 and \$25,847, respectively)	7,941	29,486
Total long-term liabilities	7,941	54,059
Total liabilities	5,602,170	4,506,527
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, 100,000,000 shares designated; issued and outstanding - 12,000,000 and 12,000,000 shares, respectively	12,000	12,000
Series B 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 Preferred stock - \$0.001 par value, 10,000,000 shares designated; issued and outstanding 0 shares	-	-
Series D 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
Common stock - \$0.001 par value, authorized - 900,000,000 shares; issued and outstanding 577,478,654 and 198,485,547 shares, respectively	577,479	198,486
Common stock to be issued	13,500	13,500
Series C Convertible Preferred Stock to be issued	1,425,000	1,425,000
Additional paid-in capital	6,812,746	7,010,488
Accumulated deficit	(14,294,942)	(12,978,256)
Total stockholders' deficit	(5,386,819)	(4,251,384)
	\$	\$
Total liabilities and stockholders' deficit	215,352	255,143

See accompanying notes to the unaudited condensed consolidated financial statements

F-1



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

	For the three months ended	
	March 31, 2016	March 31, 2015
	\$	\$
Revenues	73,972	294,006
Cost of sales	51,161	224,653
Gross profit	22,811	69,353
Operating expenses:		
Selling expenses	31,386	271,752
General and administrative	116,511	311,802
Depreciation and amortization	2,210	36,737
Total operating expenses	150,107	620,291

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Loss from operations	(127,296)	(550,938)
Other Income / (Expenses):		
Amortization of deferred financing costs	(2,599)	(46,455)
Interest expense	(278,872)	(43,452)
Amortization of beneficial conversion feature	(54,752)	(307,732)
Gain (loss) on change in fair value of derivative liability	(853,168)	182,646
Gain on disposition of terminated joint ventures	-	7,774
Total other expenses	(1,189,391)	(207,219)
	\$	\$
Net loss applicable to common stock holders	(1,316,687)	(758,157)
Per share data	\$	\$
Net Profit (Loss) per share - basic and diluted	(0.00)	(0.01)
Weighted average number of shares outstanding- basic and diluted	325,843,486	91,788,355

See accompanying notes to the unaudited condensed consolidated financial statements

F-2

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

	For the Three Months Ended	
	March 31, 2016	March 31, 2015
Cash flows from operating activities:	\$	\$
Net loss	(1,316,687)	(758,158)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		

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Bad debts	(11,000)	2,000
Depreciation and amortization	13,164	42,059
Amortization debt discount	46,812	307,732
Amortization of beneficial conversion feature	7,941	