Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

Alkame Holdings, Inc.

3651 Lindell Rd., Ste D #356
Las Vegas, NV 89103
(702) 273-9714
www.alkameholdingsinc.com

info@alkameholdingsinc.com
SIC Code 0610 / 0711

Annual Report

For the period ending December 31, 2022 **(the "Reporting Period")**

Outstanding Shares
The number of shares outstanding of our Common Stock was:

8,646,388,106 as of April 13, 2023

8,646,388,106 as of December 31, 2022

Shell Status
Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 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: ☒

Change in Control
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 and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with 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.

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; 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

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

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

The address(es) of the issuer's principal executive office:

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

The address(es) of the issuer's principal place of business:
☒ *Check if principal executive office and principal place of business are the same address:*

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

No: ☒ Yes: ☐ If Yes, provide additional details below:

______

2) Security Information

Transfer Agent

Name: Securities Transfer Corporation
Phone: (801) 274-1088
Email: ____________
Address: 2901 N. Dallas Parkway
Suite 380
Plano, TX 75093

Publicly Quoted or Traded Securities:

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

Trading symbol:	ALKM	
Exact title and class of securities outstanding:	Common Stock	
CUSIP:	01643J109	
Par or stated value:	$0.001	
Total shares authorized:	10,000,000,000	as of date: 12/31/2022
Total shares outstanding:	8,646,388,106	as of date: 12/31/2022
Total number of shareholders of record:	8,646,388,106	as of date: 12/31/2022

All additional class(es) of publicly quoted or traded securities (if any):

Trading symbol:	____	
Exact title and class of securities outstanding:	____	
CUSIP:	____	
Par or stated value:	____	
Total shares authorized:	____	as of date: ______
Total shares outstanding:	____	as of date: ______
Total number of shareholders of record:	____	as of date: __

Trading symbol:	____	
Exact title and class of securities outstanding:	____	
CUSIP:	____	
Par or stated value:	____	
Total shares authorized:	____	as of date: ______
Total shares outstanding:	____	as of date: ______
Total number of shareholders of record:	____	as of date: __

Other classes of authorized or outstanding equity securities:

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g. preferred shares). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

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: 12/31/2022
Total shares outstanding Preferred A:	12,000,000	as of date: 12/31/2022
Total number of shareholders of record (if applicable):	2	as of date: 12/31/2022

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: 12/31/2022
Total shares outstanding Preferred B:	65,398,334	as of date: 12/31/2022
Total number of shareholders of record (if applicable):	8	as of date: 12/31/2022

Exact title and class of securities outstanding:	Preferred Stock Series C	
CUSIP:	N/A	
Par or stated value:	$1.00	
Total shares authorized:	10,000,000	as of date: 12/31/2022
Total shares outstanding Preferred C:	1,425,000	as of date 12/31/2022
Total number of shareholders of record (if applicable):	37	as of date: 12/31/2022

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: 12/31/2022
Total shares outstanding Preferred D:	2,000,000	as of date: 12/31/2022
Total number of shareholders of record (if applicable):	2	as of date: 12/31/2022

Exact title and class of securities outstanding:	Preferred Stock Series E	
CUSIP:	N/A	
Par or stated value:	$1.00	
Total shares authorized:	1,250,000	as of date: 12/31/2022
Total shares outstanding Preferred E:	1,250,000	as of date: 12/31/2022
Total number of shareholders of record (if applicable):	1	as of date: 12/31/2022

Exact title and class of securities outstanding:	Preferred Stock Series F	
CUSIP:	N/A	
Par or stated value:	$0.001	
Total shares authorized:	1,000	as of date: 12/31/2022
Total shares outstanding Preferred F:	1,000	as of date: 12/31/2022
Total number of shareholders of record (if applicable):	1	as of date: 12/31/2022

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

1. **For common equity, describe any dividend, voting and preemption rights.**
   - The Common Stock, Par Value $0.001, carries one vote per share, shares in any dividend as declared and approved by the Board of Directors. The series has NO preemptive rights.

2. **For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.**

- 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.
- 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.
- The Company has designated 1,000 shares as Series F Convertible Preferred Series Stock, par value $0.001 per share. The 1,000 shares of Series F Preferred Stock are convertible into a number of shares of common stock equivalent to a two percent (2%) interest in the Company.

3. **Describe any other material rights of common or preferred stockholders.**

See Footnote 8 of the attached Financial Statements for the Year ended December 31, 2022.

4. **Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.**

None

3) Issuance History

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

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

A. Changes to the Number of Outstanding Shares

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: ☐ Yes: **X** (If yes, you must complete the table below)

Number of Shares O/S at	Opening Balance		
12/31/2020	Common:	6,302,219,612	Common
		12,000,000	Preferred A
		65,398,334	Preferred B
		1,425,000	Preferred C
		2,000,000	Preferred D
		1,250,000	Preferred E
		1,000	Preferred F

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?
02/11/2021	New Issue	314,460,000	Common	$ 0.001	Yes	Blue Citi / Linda Malin	Debt Conversion	Unrestricted	Rule 144
04/15/2021	New Issue	300,000,000	Common	$ 0.001	Yes	Blue Citi / Linda Malin	Debt Conversion	Unrestricted	Rule 144
05/18/2021	New Issue	200,000,000	Common	$ 0.001	Yes	Blue Citi / Linda Malin	Debt Conversion	Unrestricted	Rule 144
06/30/2021	New Issue	300,000,000	Common	$ 0.001	Yes	Blue Citi / Linda Malin	Debt Conversion	Unrestricted	Rule 144
09/21/2021	New Issue	10,016,264	Common	$ 0.010	No	Blue Citi / Linda Malin	Debt Conversion	Unrestricted	Rule 144
01/11/2021	New Issue	1,425,000	Preferred C	$ 1.000	No	Jeffrey Crandell, Esq/ Escrow Agent	Xtreme Acquisition	Restricted	Exempt
10/14/2021	New Issue	100,000,000	Common	$ 0.00055	Yes	Mammoth Corp. / Brad Hare	Debt Conversion	Unrestricted	Rule 144
11/01/2021	New Issue	23,076,923	Common	$ 0.00065	Yes	Mammoth Corp. / Brad Hare	Debt Conversion	Unrestricted	Rule 144
12/02/2021	New Issue	250,000,000	Common	$ 0.00065	Yes	Blue Citi / Linda Malin	Debt Conversion	Unrestricted	Rule 144
Shares O/S at 12/31/2021		7,799,772,799	Common						
		12,000,000	Preferred A						
		65,398,334	Preferred B						
		1,425,000	Preferred C						
		2,000,000	Preferred D						
		1,250,000	Preferred E						
		1,000	Preferred F						
03/03/2022	New Issue	300,000,000	Common	$ 0.00055	Yes	Blue Citi / Linda Malin	Debt Conversion	Unrestricted	Rule 144
05/11/2022	New Issue	246,615,307	Common	$ 0.00026	Yes	Universal Consulting / Ken Radcliff	Debt Conversion	Unrestricted	Rule 144
06/17/2022	New Issue	300,000,000	Common	$ 0.00055	Yes	Blue Citi / Linda Malin	Debt Conversion	Unrestricted	Rule 144
Shares O/S at 12/31/2022		8,646,388,106	Common						
		12,000,000	Preferred A						
		65,398,334	Preferred B						
		1,425,000	Preferred C						
		2,000,000	Preferred D						
		1,250,000	Preferred E						
		1,000	Preferred F						

Example: A company with a fiscal year end of December 31st, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2021 through December 31, 2022 pursuant to the tabular format above.

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

B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities:

No: ☐ Yes: **X** (If yes, you must complete the table below)

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.)
Convertible Debt							
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	$ 92,650	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	$ -	03/03/2023	Conversion at 50% lowest price in 20 trading days. Penalty applied to principle. Interest forgiven. No accrual	Blue Citi / Linda Malin	Convertible Debenture
09/30/18	$ 246,625	$ 268,625	$ -	03/03/2023	Lesser of $0.00021 or 70% of lowest trade price in 20 trading days Interest forgiven. No further accrual.	Blue Citi / Linda Malin	Convertible Debenture
09/30/18	$ 263,103	$ 263,103	$ -	03/03/2023	Lesser of $0.00021 or 70% of lowest trade price in 20 trading days. Interest forgiven. No further accrual.	Blue Citi / Linda Malin	Convertible Debenture
10/13/21	$ 52,792	$ 116,912	$ -	10/13/2022	50% of prior days closing price	Universal Consulting/ Ken Radcliff	Convertible Debenture
	$ 865,942	*Total all Convertible Debt*					

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.)
Straight Notes							
08/6/2014	$ 19,341	$ 68,000	$ 0	On Demand	Straight Loan / Interest wrapped into principle	KBM / Seth Kramer	Cash Flow Loan
07/10/2015	$ 22,554	$ 25,000	$ 0	On Demand	Straight Loan / Interest wrapped into principle	Kabbage Financing / American Express owner	Cash Flow Loan
08/12/2015	$ 49,100		$ 16,055		Straight Loan / Original Issue Discount recorded as Interest	TVT Capital / Andrew Fellus	Cash Flow Loan
09/02/2015	$ 1,145	$ 1,000 $ 1,145	$ 812	On Demand	Straight Loan 10% Interest per annum	David Ross-Burns	Working Capital
01/04/2016	$ 3,500	$ 4,000	$ 2,028	On Demand	Straight Loan 10% Interest per annum	David Scott	Working Capital
04/27/2016 04/29/2016 05/23/2016 06/08/2016 06/30/2016 01/08/2020 01/09/2020 01/10/2020	$ 44,400	$ 35,000 $ 15,000 $ 25,000 $ 18,700 $ 6,300 $ 8,000 $ 2,000 $ 40,000	$ 24,172			Phil Scafetta	Working Capital
08/02/2019	$ 15,000	$ 15,000	$ 5,124	On Demand	Note for purchase of equipment	Trevhill Consulting	Working Capital

10/31/2020 11/30/2020 01/31/2021 03/31/2021 04/30/2021 06/30/2021 08/15/2021	$ 23,085	$ 2,240 $ 8,244 $ 567 $ 6,224 $ 3,771 $ 500 $ 5,525	$ 6,573	On Demand	Straight Loan 18% Interest per annum	Erwin Vahlsing, Jr.	Working Capital Equipment Purchase
10/12/2021 10/14/2021 11/04/2021	$ 572,500	$ 7,500 $ 50,000 $ 55,000 Multiple Advances/ Paydowns	$ 45,670	Revolving Line of Credit	Revolving line of credit 8% interest per annum	Blue Citi / Linda Malin	Working Capital Line
	$ 750,625	*Total all Non-Convertible Notes*					

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

____

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations.
(Please ensure that these descriptions are updated on the Company's Profile on www.otcmarkets.com).

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-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. List any subsidiaries, parent company, or affiliated companies.

The Company operates three 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. – Co-packing of beverage and food products.

C. Describe the issuers' principal products or services.

The Company utilizes its proprietary technology to produce specialty bottled water products 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.

5) 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 and the extent in which the facilities are utilized.

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:	**Production Facilities:**		**Mailing Address:**
Alkame Holdings, Inc. 3651 Lindell Road Suite D # 356 Las Vegas, NV 89103	Alkame Water, Inc. Bell Food & Beverage, Inc. 3213 Waconda Road NE Gervais, OR 97026	West Coast Copacker, Inc. 809 Edgewater St. NW Salem OR 97304	2755 Commercial St. Ste 101-196 Salem, OR 97302

The Company leases manufacturing space totaling approximately 10,000 SF for the manufacture of its beverage and sauce products. A portion of the space is in a separate building with a conference room and several offices. The facility is located on the periphery of a working farm, in a rural area. The buildings are metal "butler buildings" set on concrete foundations, and the office space is in a wood framed building. All facilities are in good working condition and accommodate the requirements of our production. While the Company owns much of its manufacturing equipment, it does, as part of its month-to-month lease, utilize certain "hot pack" equipment for production of specific products.

The Corporate office is in an office building providing shared services and spaces on an as needed basis.

6) Officers, Directors, and Control Persons

Using the table below, please provide information, as of the period end date of this report, regarding any officers, or directors of the company, individuals or entities controlling more that 5% of any class of the issuers securities, or any person that performs a similar function, regardless of the number of shares they own. **If any insiders 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 (City, State) of an individual representing the corporation or entity in the note section.**

Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

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.

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%	____

7) Legal/Disciplinary History

A. Identify whether any of the persons or entities 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

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Securities Counsel (must include Counsel preparing Attorney Letters).

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

Securities Counsel

Name:	Gary Rosenberg
Firm:	Spectrum Law Group, LLC
Address 1:	1555 North Park Drive, Suite 103
Address 2:	Weston, Florida 33326
Phone:	_____
Email:	_____

Accountant or Auditor

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

Investor Relations

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

All other means of Investor Communication:

Twitter: _____
Discord: _____
LinkedIn _____
Facebook: _____
[Other] _____

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, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

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

9) Financial Statements

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

☐ IFRS
X U.S. GAAP

B. The following financial statements were prepared by (name of individual)[2]:

Name: **Robert Eakle**
Title: **CFO**
Relationship to Issuer: **CEO and CFO**
Describe the qualifications of the person or persons who prepared the financial statements: **Having been an independent sales rep. for many years prior to acquiring the controlling interest in Pinacle Enterprise, Inc. which became Alkame Holdings, I quickly learned how to manage the day to day operations with the support of clerical personnel. In the early days of Alkame we were audited, and I learned the basic accounting and reporting requirements. With 10 years plus of managing the day-to-day operations of Alkame included numerous years of SEC filings, audited financial statements, and operational and general accounting which also included the filing the required business reports.**

Provide the following financial statements 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.

a. Audit letter, if audited;
b. Balance Sheet;
c. Statement of Income;
d. Statement of Cash Flows;
e. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
f. Financial Notes

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

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) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Robert Eakle certify that:

1. I have reviewed this Disclosure Statement for the Year ending December 31, 2022 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.

April 14, 2023

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 Disclosure Statement for the Year ending December 31, 2022 of Alkame Holdings, Inc.;

1. 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

2. 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.

April 14, 2023

Date

/s/ *Robert Eakle*

CFO's Signature

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

Alkame Holdings, Inc.
and
Subsidiaries

Annual Report

For the Year

ended

December 31, 2022

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

	December 31, 2022	December 31, 2021
ASSETS		
Current assets:		
Cash	$ 15,497	$ 9,806
Accounts receivable (net of reserve for bad debts of $-0- and $0, respectively)	203,074	154,399
Prepaid expenses - current	2,000	147,619
Inventory (net of reserve for impairment of inventory of $-0- and $64,906, respectively)	255,987	259,016
Total current assets	476,558	570,840
Fixed assets:		
Furniture and fixtures	1,530	867
Manufacturing equipment, net	207,649	228,199
Fixed assets, net	209,179	229,066
Other assets:		
Deposits	4,500	4,500
Total other assets	4,500	4,500
Total assets	$ 690,237	$ 804,406
LIABILITIES AND STOCKHOLDERS' (DEFICIT)		
Current liabilities:		
Accounts payable and accrued expenses	$ 679,741	$ 828,971
Accrued interest	198,913	164,825
Accrued compensation	1,401,644	1,401,644
Accrued contingencies	-	379,269
Notes payable (net of debt discount of $-0- and $-0-, respectively)	750,625	511,587
Convertible debt (net of debt discount of $-0- and $0, respectively)	865,943	1,208,089
Derivative instrument liability	1,197,876	1,646,556
Total current liabilities	5,094,742	6,140,941
Total liabilities	5,094,742	6,140,941
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 - $1.00 par value, 1,425,000 shares designated; issued and outstanding 1,425,000 and 0 shares, respectively	1,425,000	1,425,000
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 1,250,000 and 0 shares, respectively	1,250,000	1,250,000
Series F Convertible Preferred stock - 0.001 par value, 1,000 shares designated; issued and outstanding 1,000 and 1,000 shares, respectively	1	1
Common stock - $0.001 par value, authorized - 10,000,000,000 shares; issued and outstanding - 8,646,388,106 and 7,799,772,799 shares, respectively	8,646,388	7,799,773
Preferred Stock to be issued	60,000	60,000
Additional paid-in capital	1,034,584	1,787,080
Accumulated deficit	(16,899,876)	(17,737,787)
Total stockholders' deficit	(4,404,505)	(5,336,535)
Total liabilities and stockholders' deficit	$ 690,237	$ 804,406

See accompanying notes to these unaudited consolidated financial statements.

ALKAME HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	For the years ended December 31,	
	2022	2021
Revenues	$ 780,312	$ 658,476
Cost of Sales		
Cost of goods sold	918,516	460,965
Depreciation	38,240	42,308
Cost of sales	956,756	503,273
Gross (loss) profit	(176,444)	155,203
Operating expenses:		
Selling expenses	8,959	4,979
General and administrative	421,349	400,614
Depreciation and amortization	1,660	1,004
Total operating expenses	431,968	406,597
Profit (loss) from operations	(608,412)	(251,394)
Other Income / (Expense):		
Amortization of deferred financing costs	(10,000)	-
Interest expense	(62,588)	(83,401)
Amortization of beneficial conversion feature	-	-
Gain (loss) on change in fair value of derivative liability	448,680	(283,028)
Gain (loss) on asset disposal	28,787	-
Gain (loss) on settlement of debt	1,024,367	284,689
Total other expenses	1,429,246	(81,740)
Net profit (loss) applicable to common stockholders	$ 820,834	$ (333,134)
Per share data		
Net Profit (Loss) per share - basic and diluted	$ 0.00	$ (0.00)
Weighted average number of shares outstanding- basic and diluted	8,646,388,762	7,118,211,929

See accompanying notes to these unaudited consolidated financial statements.

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

	Preferred A Stock ($.001 par value)		Preferred B Stock ($.001 par value)		Preferred C Stock ($1.00 par value)		Preferred D Stock ($.001 par value)		Preferred E Stock ($1.00 par value)		Preferred F Stock ($.001 par value)		Common Stock ($.001 par value)		Stock	Additional Paid-In	erred F s	Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	To be issued	Capital		Deficit	Equity (Deficit)
Balance, December 31, 2019	**12,000,000**	**$ 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**		**$ (16,698,355)**	**$ (5,089,956)**
Common shares issued for legal obligations													107,219,612	107,220		96,497			203,717
Conversion of debentures to Pfd F Series											1,000	1	-	-		244,999			245,000
Conversion of debentures to common shares													695,000,000	695,000		(649,250)			45,750
Net loss		-		-		-							-	-				(706,298)	(706,298)
Balance, December 31, 2020	**12,000,000**	**12,000**	**65,398,334**	**65,398**	**-**	**-**	**2,000,000**	**2,000**	**-**	**-**	**1,000**	**1**	**6,302,219,612**	**6,302,220**	**2,693,036**	**3,028,211**		**(17,404,653)**	**(5,301,787)**
Issuance of Pfd C Series					1,425,000	1,425,000									(1,443,036)	18,036			18,036
Issuance of Pfd E Series						-			1,250,000	1,250,000					(1,250,000)	-			-
Conversion of debentures													1,497,553,187	$ 1,497,553	60,000	(1,259,167)			280,350
Net loss		-		-		-							-	-				(333,134)	(333,134)
Balance, December 31, 2021	**12,000,000**	**$ 12,000**	**65,398,334**	**$ 65,398**	**1,425,000**	**$ 1,425,000**	**2,000,000**	**$ 2,000**	**1,250,000**	**$ 1,250,000**	**1,000**	**$ 1**	**7,799,772,799**	**$ 7,799,773**	**$ 60,000**	**$ 1,787,080**		**$ (17,737,787)**	**$ (5,336,535)**
Conversion of debentures to common shares													846,615,307	846,615		(752,495)			94,120
																			-
ERC adj for prior year																		17,077	17,077
Net loss																		820,834	820,834
Balance, December 31, 2022	**12,000,000**	**$ 12,000**	**65,398,334**	**$ 65,398**	**1,425,000**	**$ 1,425,000**	**2,000,000**	**$ 2,000**	**1,250,000**	**$ 1,250,000**	**1,000**	**$ 1**	**8,646,388,106**	**$ 8,646,388**	**$ 60,000**	**$ 1,034,584**		**$ (16,899,876)**	**$ (4,404,505)**

See accompanying notes to the consolidated financial statements

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

	For the Years Ended December 31, 2022	2021
Cash flows from operating activities:		
Net profit (loss)	$ 820,834	$ (93,862)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	39,900	33,540
Change in fair value of derivative liability	(448,680)	283,028
Changes in operating asset and liability account balances:		
Accounts receivable	(48,675)	(93,899)
Accrued contingencies	(379,269)	-
Deposits	-	(4,500)
Inventory	3,029	(145,619)
Customer deposits	-	10,213
Accrued compensation	-	(5,250)
Accrued interest	34,088	(259,829)
Accounts payable, customer deposits and accrued expenses	(149,230)	24,970
Total adjustments	(948,837)	(157,346)
Net cash used in operating activities	(128,003)	(251,208)
Cash flows from investing activities		
Purchase of equipment	(231,306)	(40,305)
Net cash used in investing activities	(231,306)	(40,305)
Cash flows from financing activities:		
Proceeds from convertible notes payable	-	120,000
Payments of notes payable	(345,000)	-
Proceeds from notes payable	710,000	165,029
Net cash provided by financing activities	365,000	285,029
Net increase (decrease) in cash	5,691	(6,484)
Cash at beginning of period	9,806	16,290
Cash at end of period	$ 15,497	$ 9,806
Supplemental Schedule of Cash Flow Information:		
Cash paid for interest	$ -	$ -
Supplemental Schedules of Noncash Investing and Financing Activities:		
Conversion of convertible loans and accrued interest to common stock	$ 94,120	$ 238,386

See accompanying notes to these unaudited consolidated financial statements.

Alkame Holdings, Inc. and Subsidiaries
Notes to the Unaudited Consolidated Financial Statements
For the Years ended December 31, 2022 and 2021

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 was completed.

2. Going Concern

The accompanying unaudited 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 $16,899,876 and had a net profit of $820,834 for the year ended December 31, 2022. 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., Bell Food and Beverage, Inc., and West Coast Copackers, 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

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.

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.

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, 2022 and 2021:

		Fair Value Measurements at December 31, 2022:		
	December 31, 2022	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Liabilities:				
Derivative Liabilities	$ 1,197,876	$ -	$ -	$ 1,197,876

		Fair Value Measurements at December 31, 2021:		
	December 31, 2021	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Liabilities:				
Derivative Liabilities	$ 1,646,556	$ -	$ -	$ 1,646,556

f) Basic and Diluted Net Loss per Share

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

	As of	
	December 31, 2022	**December 31, 2021**
Series A Convertible Preferred Stock	600,000,000	600,000,000
Series B Convertible Preferred Stock	65,398,334	65,398,334
Series C Convertible Preferred Stock	1,425,000	1,425,000
Series D Convertible Preferred Stock	20,000,000	20,000,000
Series E Convertible Preferred Stock	1,250,000	1,250,000
Series E Convertible Preferred Stock	172,927,762	172,927,762
Convertible notes payable	1,491,767,970	1,491,767,970

g) Income Taxes

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

h) Revenue Recognition

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

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

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

i) Accounts receivable and concentration of credit risk

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

j) Allowance for doubtful accounts

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

At December 31, 2022 and 2021, 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 December 31, 2022, 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 $5,877 and $11,603 for the periods ended December 31, 2022 and 2021, 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 2016, the Company closed down this division, and wrote off the asset values in their entirety. The Company issued the remaining preferred shares in the 1st quarter of 2021.

On January 11, 2021, the Company issued the remaining compensation of 1,250,000 Preferred Series E shares to the shareholders of Xtreme completing the terms of the deal.

5. Notes Payable, current and long-term

At December 31, 2022 and 2021, notes payable consisted of the following:

	December 31, 2022	December 31, 2021
Notes payable	$ 750,625	$ 511,587
Officer loans	-	-
Unamortized debt discount	-	-
Carrying amount	$ 750,625	$ 511,587
Less: current portion	(750,625)	(511,587)
Long-term notes payable, net	$ -	$ -

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 December 31, 2022, the balance outstanding is $19,341.

In July 2015, the Company borrowed $25,000 from an accredited investor group on a term loan. The note carries prepaid interest of 10% of the amount borrowing. As of December 31, 2022, 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 December 31, 2022, the balance outstanding is $49,100.

In September 2015, the Company borrowed $4,000 from an accredited investor on a demand note. The note carries prepaid interest of 10% of the amount borrowing. As of December 31, 2022, the balance outstanding is $3,500.

In January 2016, 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 December 31, the balance outstanding is $1,145.

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 December 31, 2022, the balance outstanding is $44,400.

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 December 31,2022, the balance outstanding was $15,000.

In the fourth quarter of 2020, the company received a series of tranches totaling $68,607 in the form of a short-term note from an accredited institutional investor. On January 25, 2021, the Company borrowed an additional $25,000. During the year ended December 31, 2021, this note was fully converted to shares of common stock.

Beginning October 2020, the Company received proceeds from an accredited investor proving short-term cash flow needs. The loans carry interest at eighteen percent (18%) per year. As of December 31, the balance outstanding was $23,084.

In February 2021, the Company received proceeds from a PPP loan under the Covid related Economic Recovery Act in the amount of $83,015. The loan carries interest at one percent (1%) per year, has a ten-year repayment period, and assuming we meet the qualifications, the entire note can be forgiven within ten (10) months. In June 2022, the loan was fully forgiven.

In April 2021, the Company received proceeds from a PPP loan under the Covid related Economic Recovery Act in the amount of $101,440. The loan carries interest at one percent (1%) per year, has a ten-year repayment period, and assuming we meet the qualifications, the entire note can be forgiven within ten (10) months. In August 2022, the loan was fully forgiven.

In October 2021, the Company entered into a one million dollar ($1,000,000) Revolving Line of Credit with an accredited investment fund. The fund provides capital on a revolving basis to support growth of the Company as it enlarges its business footprint. At December 31, 2022, the balance outstanding was $572,500.

6. Convertible debt

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 principal of the note. As of December 31, 2022, 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 December 31, 2022, 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 December 31, 2022, 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 October 1, 2022, the investor forgave the remaining balance of the note in the amount of $248,027.

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 December 31. 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. The current balance at December 31, 2022 is $246,625.

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 December 31, 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. The current balance at December 31, 2022 is $263,103.

At December 31, 2022 and 2021 convertible notes and debentures consisted of the following:

	December 31, 2022	December 31, 2021
Convertible notes payable	$ 865,942	$ 1,208,089
Unamortized debt discount	-	-
Carrying amount	$ 865,942	$ 1,208,089
Less: current portion	(865,942)	(1,208,089)
Long-term convertible notes, net	$ -	$ -

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

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

	December 31, 2022	December 31, 2021
Debt Discount beginning balance	$ -	$ -
Additions	-	-
Amortization	-	-
Ending Balance	$ -	$ -

During the year ended December 31, 2022, the Company issued 846,615,307 common shares upon the conversion of $94,120 of principal.

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.

The following table provides a summary of changes in fair value of the Company's Level 3 financial liabilities as of September 30, 2022:

	Derivative Liability
Balance, December 31, 2021	$ 1,646,556
Extinguishment of derivative liability upon conversion of debt	-
Change in fair value of derivative liabilities	(448,680)
Balance, September 30, 2022	$ 1,197,876

7. Related Party Transactions

As of December 31, 2022, and 2021, the Company owes its president $780,000 and $750,000, respectively, of accrued compensation.

As of December 31, 2022, and 2021, the Company owes $624,144 and $656,894, 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.

8. 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.
  - The Company has designated 1,000 shares as Series F Convertible Preferred Series Stock, par value $0.001 per share. The 1,000 shares of Series F Preferred Stock is convertible into a number of shares of common stock equivalent to a two percent (2%) interest in the Company. See additional description and preferences under "Series F 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 stockholders 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.

Series F Convertible Preferred Stock

On November 18, 2020, 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 F Preferred Stock, consisting of one thousand (1,000) shares, par value $0.001.

The Certificate of Designation for the Series F Preferred Stock contains the following features:

1. A liquidation preference of $1.00 per share;
2. The one thousand (1,000) shares of Series F Preferred can be converted into two percent (2%) of the issued and outstanding shares of the common stock of the Company;
3. Votes on all matters with the common stock on an as if converted basis;

The full rights afforded to the holders of Series F Preferred Stock are defined in the relevant Certificate of Designation filed with the Nevada Secretary of State on November 24, 2020.

b) Share Issuances

As December 31, 2022 and 2021, there were 8,646,388,106 and 7,799,772,799 shares of common stock issued and outstanding, respectively.

2022:

On March 2, 2022, the Company issued 300,000,000 common shares upon conversion of $15,000 in convertible debt at a price of $0.00005 per share.

On May 11, 2022, the Company issued 246,615,307 common shares upon conversion of $64,120 in convertible debt at a price of $0.00026 per share.

On June 17, 2022, the Company issued 300,000,000 common shares upon conversion of $15,000 in convertible debt at a price of $0.00005 per share.

2021:

On January 11, 2021, the Company issued 1,425,000 Preferred Series C shares to the prior shareholders of Xtreme Technologies, Inc. as final payment per the acquisition agreement. These were previously recorded as shares to be issued.

On February 11, 2021, the Company issued 314,460,000 common shares upon conversion of $15,723 in convertible debt at a price of $0.00005 per share.

On April 15, 2021, the Company issued 300,000,000 common shares upon conversion of $15,000 in convertible debt at a price of $0.00005 per share.

On May 18, 2021, the Company issued 200,000,000 common shares upon conversion of $10,000 in convertible debt at a price of $0.00005 per share.

On June 30, 2021, the Company issued 300,000,000 common shares upon conversion of $15,000 in convertible debt at a price of $0.00005 per share.

On August 30, 2021, the Company issued 10,016,264 common shares upon conversion of $100,163 in convertible debt at a price of $0.01 per share.

On October 14, 2021, the Company issued 100,000,000 common shares upon conversion of $55,000 in convertible debt at a price of $0.00055 per share.

On November 1, 2021, the Company issued 23,076,923 common shares upon conversion of $15,000 in convertible debt at a price of $0.00065 per share.

On November 1, 2021, the Company issued 250,000,0003 common shares upon conversion of $12,500 in convertible debt at a price of $0.00005 per share.

9. 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 a first-in, first-out basis of accounting.

Inventory consisted of:

		December 31, 2022		December 31, 2021
Inventory – Raw Materials	$	224,727	$	224,183
Inventory – Work in Progress		31,260		34,833
Total	$	255,987	$	259,016

At September 30, 2022 and December 31, 2021, the Company recorded a reserve for impairment of inventory of $-0- and $64,906, respectively.

10. Commitments and Contingencies

Litigation

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.
The shares were issued on January 11, 2021.

11. 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 last two years the Company estimates approximately 35% 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.

12. Subsequent Events

We have evaluated subsequent events through the date the consolidated financial statements were available to be issued, and there were no significant recognizable subsequent events to report.

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.

In January 2020, the Company created West Coast Co Packer, Inc. a wholly owned subsidiary dedicated to production of packaged and beverage products for other companies.

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 Years ended December 31, 2022 and 2021.

Operating Revenues

In the years ended December 31, 2022 and 2021, we generated $780,312 and $658,476, respectively, in revenue from the sales of water, jellies, jams, sauces, and hand sanitizer.

Cost of Goods Sold

In the years ended December 31, 2022 and 2021, we incurred $956,756 and $503,273, respectively, as cost of goods sold.

Gross profit (loss)

In the years ended December 31, 2022 and 2021, the Company had a gross profit (loss) of ($176,444) and $155,203, respectively.

Operating Expenses

Our operating expenses for the years ended December 31, 2022 and 2021are outlined in the table below:

	Years Ended December 31,	
	2022	**2021**
Selling expenses	$ 8,959	$ 4,979
General and administrative	421,349	400,614
Depreciation and amortization	1,660	1,004
Total	**$ 431,968**	**$ 406,597**

The insignificant changes in operating expense during the year ended December 31, 2022 versus 2021 is primarily attributed to stabilization of general and administrative costs and selling costs due to effects of the economy and reduced office staff.

Other Expenses

For the years ended December 31, 2022 and 2021, we incurred interest expenses of $62,588 and $83,5-401, respectively.

The overall decrease in interest expense is primarily attributable to decreases in the convertible notes balance and several small notes paid down coupled with a cancellation of approximately $300,000 of accrued interest in 2021 and an agreement to waive additional interest on various notes by a major lender.

For the years ended December 31, 2022 and 2021, we recognized a gain (loss) on the change in fair value of derivative liability of $448,680 and ($283,028), respectively.

For the years ended December 31, 2022 and 2021, we recognized a gain (loss) on the settlement of debt in the amount of $1,024,367 and $284,689, respectively.

For the years ended December 31, 2022 and 2021, we recognized a gain (loss) on the disposal of assets in the amount of $28,787 and $-0-, respectively.

Net Profit (Loss)

For the years ended December 31, 2022 and 2021, we recorded a net profit (loss) of $820,834 and ($333,134), respectively.

Liquidity and Capital Resources

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

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

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

Working Capital

	December 31, 2022	December 31, 2021	Percentage Increase (Decrease)
Current Assets	$ 476,558	$ 570,840	(16.5) %
Current Liabilities	5,094,742	6,140,941	(17.0) %
Working Capital Deficit	$ (4,618,184)	$ (5,570,101)	17.1 %

At December 31, 2022 and 2021, our cash balance was $15,497 and $9,806, respectively. The decrease in cash is primarily due to cash used in operations.

At December 31, 2022 and 2021, we had total current liabilities of $5,094,742 and $6,140,941, respectively. The decrease in total liabilities is primarily attributed to cancellation of the two PPP loans totaling $184,455, cancellation of a convertible note in the amount of $248,027, conversion of $94,120 of convertible debt and cancellation of accrued contingencies of $379,269.

At December 31, 2022 and 2021, we had a working capital deficit of $4,618,184 and $5,570,101, respectively. The decrease in working capital deficit is primarily due to a reduction of $448,680 in derivative liabilities, a reduction of convertible debt of $94,120, cancellation of the two PPP loans totaling $184,455, and a reduction in accrued contingencies of $379,269, offset by $805,000 in borrowings under the line of credit.

Cash Flows

	For the Years Ended December 31, 2022	For the Years Ended December 31, 2021	Percentage Increase (Decrease)
Cash Provided (Used) in Operating Activities	$ (128,003)	$ (251,208)	49.1 %
Cash Used in Investing Activities	(231,306)	(40,305)	473.9 %
Cash Provided by Financing Activities	365,000	285,029	28.1 %
Net Increase (decrease) in Cash	$ 5,691	$ (6,484)	187.8 %

Cash flow from Operating Activities

During the year ended December 31, 2022 and 2021, we used $128,003 and $251,208, respectively. The decrease in cash used in operating activities was mainly attributed an decrease in the change in fair value of the derivative liability, an smaller increase in the accounts receivable, and an increase in accruals and accounts payable .

Cash flow from Investing Activities

During the year ended December 31, 2022 and 2021, we used $231,306 and $40,305 in investing activities, respectively. The increased investments were to acquire additional equipment to increase productivity.

Cash flow from Financing Activities

During the year ended December 31, 2022 and 2021, we received net proceeds of $365,000 and $285,029, respectively from financing activities. The increase in proceeds from financing activities is mainly attributed to proceeds from the line of credit.

Going Concern

These accompanying unaudited condensed consolidated financial statements have been prepared on a going concern basis, which implies that the Company will continue to realize its assets and discharge its liabilities in the normal course of business. As of December 31, 2022, the Company had an accumulated deficit of $16,899,876 and negative working capital of $4,618,184. 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 investors, 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.