UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended **September 30, 2020**

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

Commission File Number **001-38754**

THE ALKALINE WATER COMPANY INC.

(Exact name of registrant as specified in its charter)

Nevada	**99-0367049**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
14646 N. Kierland Blvd, Suite 255, Scottsdale, AZ	**85254**
(Address of principal executive offices)	(Zip Code)

(480) 656-2423
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act

Title of Each Class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value $0.001 per share	WTER	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).
Yes [X] No [ ]

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

Large accelerated filer [ ]	Accelerated filer [ ]
Non-accelerated filer [X]	Smaller reporting company [X]
	Emerging growth company [ ]

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes [ ] No [X]

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

73,563,982 shares of common stock issued and outstanding as of November 16, 2020.

PART I-FINANCIAL INFORMATION

Item 1. Financial Statements.

THE ALKALINE WATER COMPANY INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2020 (unaudited)	March 31, 2020
ASSETS		
Current assets		
Cash	$ 3,976,877	$ 4,561,682
Accounts receivable, net	5,777,018	4,917,081
Inventory	4,249,581	2,919,860
Prepaid expenses	2,504,360	1,697,199
Operating lease right-of-use asset - current portion	121,650	87,393
Total current assets	16,629,486	14,183,215
Fixed assets - net	1,100,373	1,422,581
Operating lease right-of-use asset	23,049	-
Total assets	$ 17,752,908	$ 15,605,796
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 5,264,425	$ 5,406,541
Accrued expenses	1,512,343	1,186,516
Revolving financing	4,797,537	7,291,217
PPP loan payable - current portion	217,561	-
Operating lease liability - current portion	122,380	99,389
Total current liabilities	11,914,246	13,983,663
PPP loan payable	109,599	-
Operating lease liability	24,408	-
Total liabilities	12,048,253	13,983,663
Stockholders' equity		
Preferred stock, $0.001 par value, 100,000,000 shares authorized, nil issued and outstanding on September 30, 2020 and 3,400,000 Series D issued and outstanding on March 31, 2020	-	3,400
Common stock, Class A - $0.001 par value, 200,000,000 shares authorized 73,322,472 and 45,585,592 shares issued and outstanding at September 30, 2020 and March 31, 2020, respectively	73,321	45,585
Additional paid in capital	66,535,665	54,094,848
Stock Payable	-	1,000,000
Accumulated deficit	(60,904,331)	(53,521,700)
Total stockholders' equity	5,704,655	1,622,133
Total liabilities and stockholders' equity	$ 17,752,908	$ 15,605,796

The accompanying notes are an integral part of these condensed consolidated financial statements.

THE ALKALINE WATER COMPANY INC.
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(unaudited)

	For the Three Months Ended September 30, 2020	For the Three Months Ended September 30, 2019	For the Six Months Ended September 30, 2020	For the Six Months Ended September 30, 2019
Revenue	$ 10,755,946	$ 10,444,978	$ 24,975,370	$ 20,598,022
Cost of Goods Sold	6,326,958	5,959,430	14,696,484	11,987,627
Gross Profit	4,428,988	4,485,548	10,278,886	8,610,395
Operating expenses				
Sales and marketing expenses	4,984,729	4,809,882	9,490,074	9,282,342
General and administrative	3,490,548	2,247,371	7,437,869	6,626,642
Depreciation	184,406	239,757	412,317	473,697
Total operating expenses	8,659,683	7,297,010	17,340,260	16,382,681
Total operating loss	(4,230,695)	(2,811,462)	(7,061,374)	(7,772,286)
Other expense				
Interest expense	(130,933)	(113,495)	(321,257)	(208,859)
Total other expense	(130,933)	(113,495)	(321,257)	(208,859)
Net loss	$ (4,361,628)	$ (2,924,957)	$ (7,382,631)	$ (7,981,145)
LOSS PER SHARE (Basic and Diluted)	$ (0.06)	$ (0.07)	$ (0.12)	$ (0.19)
WEIGHTED AVERAGE SHARES OUTSTANDING (Basic and Diluted)	67,888,935	42,011,439	62,646,038	41,433,694

The accompanying notes are an integral part of these condensed consolidated financial statements.

THE ALKALINE WATER COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(unaudited)

	Preferred Stock		Common Stock		Additional		Accumulated	
	Number	Par Value	Number	Par Value	Paid-in Capital	Stock Payable	Deficit	Total
Balance, March 31, 2020	3,400,000	$ 3,400	45,585,592	$ 45,585	$ 54,094,848	$ 1,000,000	$ (53,521,700)	$ 1,622,133
Preferred Stock Conversion	(3,400,000)	(3,400)	3,400,000	3,400				-
Common shares issued in connection with offerings			9,750,000	9,750	3,890,250	(1,000,000)		2,900,000
Common shares issued upon exercise of warrants			287,666	288	258,612			258,900
Common shares issued to non-employees			452,000	452	466,848			467,300
Common shares issued to employees			20,000	20	19,980			20,000
Stock Option expense					661,959			661,959
Stock Option exercise			116,000	116	61,364			61,480
Stock Payable						1,999,998		1,999,998
Net (loss)							(3,021,003)	(3,021,003)
Balance, June 30, 2020	-	$ -	59,611,258	$ 59,611	$ 59,453,861	$ 1,999,998	$ (56,542,703)	$ 4,970,767
Common shares issued in connection with offerings			4,444,440	4,444	1,995,554	(1,999,998)		-
Common shares issued upon exercise of warrants			8,839,399	8,839	4,555,484			4,564,323
Common shares issued to non-employees			191,136	191	326,408			326,599
Stock Option expense					204,594			204,594
Stock Option exercise			236,239	236	(236)			-
Net (loss)							(4,361,628)	(4,361,628)
Balance, September 30, 2020	-	$ -	73,322,472	$ 73,321	$ 66,535,665	$ -	$ (60,904,331)	$ 5,704,655
Balance, March 31, 2019	5,300,000	$ 5,300	39,573,512	$ 39,573	$ 50,006,919	$ -	$ (38,694,879)	$ 11,356,913
Common shares issued upon exercise of warrants			1,774,000	1,774	1,178,712			1,180,486
Stock Option expense					1,103,740			1,103,740
Net (loss)							(5,056,188)	(5,056,188)
Balance, June 30, 2019	5,300,000	$ 5,300	41,347,512	$ 41,347	$ 52,289,371	$ -	$ (43,751,067)	$ 8,584,951
Common shares issued upon exercise of warrants			2,200,000	2,200	1,317,800			1,320,000
Stock Option expense					162,605			162,605
Stock Option exercise			138,080	138	(138)			-
Net (loss)							(2,924,957)	(2,924,957)
Balance, September 30, 2019	5,300,000	$ 5,300	43,685,592	$ 43,685	$ 53,769,638	$ -	$ (46,676,024)	$ 7,142,599

The accompanying notes are an integral part of these condensed consolidated financial statements.

THE ALKALINE WATER COMPANY INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	For the Six Months Ended September 30, 2020	For the Six Months Ended September 30, 2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (7,382,631)	$ (7,981,145)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation expense	412,317	473,697
Stock compensation expense	1,680,453	1,266,345
Right-of-use asset amortization	(9,907)	13,265
Changes in operating assets and liabilities:		
Accounts receivable	(859,937)	(1,187,897)
Inventory	(1,329,721)	262,767
Prepaid expenses and other current assets	(807,161)	(1,559,527)
Accounts payable	(142,116)	1,544,643
Accrued expenses	327,187	(160,150)
NET CASH USED IN OPERATING ACTIVITIES	(8,111,516)	(7,328,002)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(90,109)	(210,948)
CASH USED IN INVESTING ACTIVITIES	(90,109)	(210,948)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from (repayment of) revolving financing	(2,493,680)	876,919
Proceeds from PPP loan payable	325,800	-
Proceeds from sale of common stock, net	4,899,998	-
Proceeds for the exercise of warrants, net	4,823,222	2,500,486
Proceeds for the exercise of stock options, net	61,480	-
CASH PROVIDED BY FINANCING ACTIVITIES	7,616,820	3,377,405
NET CHANGE IN CASH	(584,805)	(4,161,545)
CASH AT BEGINNING OF PERIOD	4,561,682	11,032,451
CASH AT END OF PERIOD	$ 3,976,877	$ 6,870,906
INTEREST PAID	$ 276,813	$ 148,862
TAXES PAID	$ -	$ -
SUPPLEMENTAL DISCLOSURE of NON-CASH INVESTING and FINANCING ACTIVITIES		
OPERATING LEASE RIGHT OF USE ASSET	$ 130,989	$ -
OPERATING LEASE LIABILITY	$ 138,266	$ -
ISSUANCE OF COMMON SHARES TO SETTLE STOCK PAYABLE	$ 1,000,000	$ -

The accompanying notes are an integral part of these condensed consolidated financial statements.

NOTE 1 -NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

The Company offers retail consumers bottled alkaline water in 500-milliliter, 700-milliliter, 1-liter, 1.5 -liter, 3-liter and 1-gallon sizes, all of which is produced through an electrolysis process that uses specialized electronic cells coated with a variety of rare earth minerals to produce 8.8 pH drinking water without the use of any manmade chemicals. In addition to its bottled alkaline water, the Company also offers retail consumers flavor infused bottled water in the 500-milliliter size in seven flavors: Raspberry, Watermelon, Lemon, Lemon Lime, Peach Mango, Blood Orange, and Cucumber Mint. The Company recently introduced and began selling hemp-derived CBD topical and ingestible products under the brand name "A88CBD™". Our hemp-derived CBD products are produced and sold in compliance with the Agriculture Improvement Act of 2018 (also known as the 2018 Farm Bill, Public Law 115-334).

Basis of presentation

These unaudited financial statements represent the condensed consolidated financial statements of the Company. These unaudited condensed consolidated financial statements should be read in conjunction with the Company's consolidated financial statements and the notes thereto as set forth in the Company's Form 10-K, filed with the SEC on August 13, 2020, which included all disclosures required by generally accepted accounting principles ("GAAP") In the opinion of management, these unaudited condensed consolidated financial statements contain all adjustments necessary to present fairly the Company's financial position on a consolidated basis and the consolidated results of operations, equity and cash flows for the interim periods presented. The results of operations for the three and six months ended September 30, 2020 and 2019 are not necessarily indicative of expected operating results for the full year. The information presented throughout the document as of and for the three and six months ended September 30, 2020 and 2019 is unaudited. The condensed consolidated balance sheet at March 31, 2020 has been derived from the audited financial statements at that date, but does not include all of the information and footnotes required by generally accepted accounting principles in the U.S. for complete financial statements.

Principles of consolidation

The consolidated financial statements include the accounts of The Alkaline Water Company Inc. (a Nevada Corporation) and its four wholly owned subsidiaries: A88 Infused Beverage Division Inc. (a Nevada Corporation), A88 International, Inc. (a Nevada Corporation), A88 Infused Products Inc. (a Nevada Corporation), and Alkaline 88, LLC (an Arizona Limited Liability Company).

All significant intercompany balances and transactions have been eliminated. The Alkaline Water Company Inc., A88 Infused Beverage Division, Inc., A88 Infused Products Inc., A88 International, Inc., AWC Acquisition Company Inc., and Alkaline 88, LLC will be collectively referred herein to as the "Company". Any reference herein to "The Alkaline Water Company Inc.", the "Company", "we", "our" or "us" is intended to mean The Alkaline Water Company Inc., including the subsidiaries indicated above, unless otherwise indicated.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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. Actual results could differ significantly from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid instruments with an original maturity of three months or less to be considered cash equivalents. The carrying value of these investments approximates fair value. As of the balance sheet date and periodically throughout the period, the Company has maintained balances in various operating accounts in excess of federally insured limits. The Company had $3,976,877 and $4,561,682 in cash at September 30, 2020 and March 31, 2020, respectively.

Accounts Receivable and Allowance for Doubtful Accounts

The Company generally does not require collateral, and the majority of its trade receivables are unsecured. The carrying amount for accounts receivable approximates fair value.

Accounts receivable consisted of the following as of September 30, 2020 and March 31, 2020:

	September 30, 2020 (unaudited)	March 31, 2020
Trade receivables, net	$ 5,817,018	$ 4,957,081
Less: Allowance for doubtful accounts	(40,000)	(40,000)
Net accounts receivable	$ 5,777,018	$ 4,917,081

Accounts receivable are periodically evaluated for collectability based on past credit history with clients. Provisions for losses on accounts receivable are determined on the basis of loss experience, known and inherent risk in the account balance and current economic conditions. The accounts receivable balance is pledged as collateral for the Company's revolving financing as disclosed in Note 3.

Inventory

Inventory represents raw materials and finished goods valued at the lower of cost or market with cost determined using the weight average method which approximates first-in first-out method, and with market defined as the lower of replacement cost or realizable value. The inventory balance is pledged as collateral for the Company's revolving financing as disclosed in Note 3.

As of September 30, 2020 and March 31, 2020, inventory consisted of the following:

	September 30, 2020 (unaudited)	March 31, 2020
Raw materials	$ 1,808,860	$ 1,788,868
Finished goods	2,440,721	1,130,992
Total inventory	$ 4,249,581	$ 2,919,860

Property and Equipment

The Company records all property and equipment at cost less accumulated depreciation. Improvements are capitalized while repairs and maintenance costs are expensed as incurred. Depreciation is calculated using the straight-line (half-life convention) method over the estimated useful life of the assets, which the Company has determined to be 3 years.

Stock-Based Compensation

The Company accounts for stock-based compensation in accordance with Accounting Standards Codification ("ASC") 718. Stock-based compensation is measured at the grant date, based on the fair value of the award, and is recognized as expense over the requisite service period. The Company estimates the fair value of stock-based payments using the Black-Scholes option-pricing model for common stock options and warrants and the closing price of the Company's common stock for common share issuances.

Revenue Recognition

The Company recognizes revenue per ASC 606. The Company recognizes revenue when the Company's performance obligations are satisfied. The Company's primary obligation (the distribution and sale of beverage products) is satisfied upon the delivery of products to the Company's customers, which is also when control is transferred. The Company does not accept returns due to the nature of the product. However, the Company will provide credit to our customers for damaged goods. The Company provides credit to its customers which typically require payment within 30 days. As an incentive to pay early the Company also typically provides a 2% discount if the customer pays within 10 days. The Company estimates the amount of the discount that the customer is likely to take and recognizes it as variable consideration. The amounts are not considered material. After evaluating the revenue disclosure requirements the Company does not believe that any revenues are required to be disaggregated.

Revenue consists of the gross sales price, less variable consideration, consisting of estimated allowances for which provisions are made at the time of sale, and less certain other discounts, allowances, and rebates that are accounted for as a reduction from gross revenue. Shipping and handling charges that are billed to customers are included as a component of revenue. Costs incurred by the Company for shipping and handling charges are included in selling expenses and amounted to $1,670,523 and $1,496,708 for the three months ended September 30, 2020 and 2019, respectively and $3,477,554 and $2,928,163 for the six months ended September 30, 2020 and 2019, respectively.

Concentration Risks

We have 2 major customers that together account for 27% (15% and 12%, respectively) of accounts receivable at September 30, 2020, 1 customer that accounts for 25% of total revenues for the three months ended September 30, 2020 and 2 customers that accounts for 40% (22% and 18%, respectively) of the total revenues earned for the six months ended September 30, 2020. The Company has 3 vendors that accounts for 58% (25%, 21% and 12% respectively) of purchases for the three months ended September 30, 2020 and 3 vendors that accounted for 55% (24%, 19% and 12% respectively) of purchases for the six months ended September 30, 2020.

We had 2 major customers that together accounted for 41% (23% and 18%, respectively) of accounts receivable at September 30, 2019, and 2 customers that together accounted for 41% (24% and 17%, respectively) of the total revenues earned for the three months and six months ended September 30, 2019. The Company had 2 vendors that accounted for 43% (24% and 19% respectively) of purchases for the three months ended September 30, 2019 and 3 vendors that accounted for 54% (23%, 20% and 11% respectively) of purchases for the six months ended September 30, 2019.

Income Taxes

The Company uses an estimated annual effective tax rate method in computing its interim tax provision. This effective tax rate is based on forecasted annual pre-tax income (loss), permanent tax differences and statutory tax rates. Deferred income taxes are recognized for differences between the basis of assets and liabilities for financial statement and income tax purposes. The differences relate principally to net operating loss carryforwards. Deferred tax assets and liabilities represent the future tax consequence for those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

Basic and Diluted Loss Per Share

Basic and diluted earnings or loss per share ("EPS") amounts in the consolidated financial statements are computed in accordance ASC 260- 10 "*Earnings per Share*", which establishes the requirements for presenting EPS. Basic EPS is based on the weighted average number of common shares outstanding. Diluted EPS is based on the weighted average number of common shares outstanding and dilutive common stock equivalents. Basic EPS is computed by dividing net income or loss available to common stockholders (numerator) by the weighted average number of common shares outstanding (denominator) during the period. Potentially dilutive securities were excluded from the calculation of diluted loss per share, because their effect would be anti-dilutive.

The Company had 1,951,490 and 493,144 shares relating to options, 1,734,443 and 422,821 shares relating to warrants and -0- and 3.8 million convertible preferred shares at September 30, 2020 and 2019, respectively that were not included in the diluted earnings per share calculation because they were antidilutive.

Business Segments

The Company operates on one segment in one geographic location - the United States of America and; therefore, segment information is not presented.

Fair Value of Financial Instruments

The carrying amounts of the Company's financial instruments including accounts payable, accrued expenses, and notes payable approximate fair value due to the relative short period for maturity of these instruments.

The Company does not use derivative financial instruments to hedge exposures to cash-flow, market or foreign-currency risks.

Authoritative guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. The guidance establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability, developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the company's assumptions of what market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on reliability of the inputs as follows:

Level 1: Observable inputs such as quoted prices in active markets;

Level 2: Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and

Level 3: Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

As of September 30, 2020 and 2019, the Company did not have any financial instruments that are measured on a recurring basis as Level 1, 2 or 3.

Recent Accounting Pronouncements

Standards Required to be Adopted in Future Years.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments.* ASU 2016-13 amends the guidance on the impairment of financial instruments. This update adds an impairment model (known as the current expected credit losses model) that is based on expected losses rather than incurred losses. Under the new guidance, an entity recognizes, as an allowance, its estimate of expected credit losses. In November 2019,the FASB issued ASU 2019-10, Financial Instruments - Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842). ASU 2019-10 changes the effective date of the credit loss standard (ASU 2016-13) to fiscal years beginning after December 15, 2022, including interim periods within those fiscal years for smaller reporting companies Further, the ASU clarifies that operating lease receivables are not within the scope of ASC 326-20 and should instead be accounted for under the new leasing standard, ASC 842. The Company does not believe that the impact of adopting this standard will have a material effect on its financial statements.

The Company has evaluated other recent accounting pronouncements through September 30, 2020 and believes that none of them will have a material effect on our consolidated financial statements.

NOTE 2 - PROPERTY AND EQUIPMENT

Property and Equipment consisted of the following at:

Property and Equipment consisted of the following at:		September 30, 2020 (unaudited)		March 31, 2020
Machinery and Equipment	$	4,339,507	$	4,249,398
Office Equipment		32,992		32,992
Less: Accumulated Depreciation		(3,272,126)		(2,859,809)
Property and Equipment, net	$	1,100,373	$	1,422,581

Depreciation expense for the three months ended September 30, 2020 and 2019 was $184,406 and $239,757, respectively.

Depreciation expense for the six months ended September 30, 2020 and 2019 was $412,317 and $473,697, respectively.

NOTE 3 - REVOLVING FINANCING

On February 1, 2017, the Company entered into a Credit and Security Agreement (the "Credit Agreement") with CNH Finance Fund I, L.P. (fka SCM Specialty Finance Opportunities Fund, L.P.) (the "Lender") which has been amended from time to time the last of which was March 2020.

The Credit Agreement provides the Company with a revolving credit facility (the "Revolving Facility"), the proceeds of which are to be used to repay existing indebtedness of the Company, transaction fees incurred in connection with the Credit Agreement and for working capital needs of the Company.

Under the terms of the Credit Agreement, the Lender has agreed to make cash advances to the Company in an aggregate principal at any one time outstanding not to exceed the lesser of (i) $7 million (the "Revolving Loan Commitment Amount") and (ii) the Borrowing Base (defined to mean, as of any date of determination, 85% of net eligible billed receivables plus 65% of eligible unbilled receivables, minus certain reserves, and is subject to certain customer specific requirements).

The Credit Agreement expires on July 1, 2022, unless earlier terminated by the parties in accordance with the terms of the Credit Agreement.

The principal amount of the Revolving Facility outstanding bears interest at a rate per annum equal to (i) a fluctuating interest rate per annum equal at all times to the rate of interest announced, from time to time, within Wells Fargo Bank at its principal office in San Francisco as its "prime rate," plus (ii) 3.25%, payable monthly in arrears. The interest rate as of September 30, 2020 was 7.0%.

To secure the payment and performance of the obligations under the Credit Agreement, the Company granted to the Lender a continuing security interest in all of the Company's assets and agreed to a lockbox account arrangement in respect of certain eligible receivables.

In connection with the Credit Agreement, the Company paid to the Lender a $30,000 facility fee. The Company agreed to pay the Lender monthly an unused line fee in amount equal to 0.083% per month of the difference derived by subtracting (i) the average daily outstanding balance under the Revolving Facility during the preceding month, from (ii) the Revolving Loan Commitment Amount. The unused line fee will be payable monthly in arrears. The Company also agreed to pay the Lender as additional interest a monthly collateral management fee equal to 0.35% per month calculated on the basis of the average daily balance under the Revolving Facility outstanding during the preceding month. The collateral management fee will be payable monthly in arrears. Upon a termination of the Revolving Facility, the Company agreed to pay the Lender a termination fee in an amount equal to 1% of the Revolving Loan Commitment Amount if the termination occurs before July 1, 2022. The Company must also pay certain fees in the event that receivables are not properly deposited in the appropriate lockbox account.

The interest rate will be increased by 5% in the event of a default under the Credit Agreement. Events of default under the Credit Agreement, some of which are subject to certain cure periods, include a failure to pay obligations when due, the making of a material misrepresentation to the Lender, the rendering of certain judgments or decrees against the Company and the commencement of a proceeding for the appointment of a receiver, trustee, liquidator or conservator or filing of a petition seeking reorganization or liquidation or similar relief.

The Credit Agreement contains customary representations and warranties and various affirmative and negative covenants including the right of first refusal to provide financing for the Company and the financial and loan covenants, such as the loan turnover rate, minimum EBITDA, fixed charge coverage ratio and minimum liquidity requirements. The Company was in compliance with those covenants as of September 30, 2020.

In March, 2020, the Lender agreed to provide the Company a $400,000 Temporary Over Advance ("TOA") under the Credit Facility Agreement. The TOA is to be repaid as follows: (i) the Company shall make five (5) weekly principal payments on the TOA 2 each in the amount of $20,000 commencing on May 18, 2020 and on the first Business Day of each calendar week thereafter through and including June 15, 2020, (ii) the Company shall make ten (10) weekly principal payments on the TOA, each in the amount of $30,000, commencing on June 22, 2020 and on the first Business Day of each calendar week thereafter through and including August 24, 2020 and (iii) repay the remaining principal balance on the TOA, if any, in full on or prior to August 24, 2020. As of September 30, 2020, the balance of the TOA was zero.

In March, 2020, David Guarino, the Company's Chief Financial Officer, entered into a Guarantee Agreement (the "Guarantee") with the Lender in order for the Lender to agree to provide the Company the $400,000 TOA under the Credit Agreement. Under the Guarantee, Mr. Guarino personally, absolutely, and unconditionally, jointly and severally, guaranteed the prompt, complete and full payment of the Company's obligations to repay the TOA only, under the Credit Agreement, with the Lender.

NOTE 4 - PAYCHECK PROTECTION PROGRAM LOAN

On April 29, 2020, Alkaline 88, LLC (the "Borrower"), a wholly owned subsidiary of the Company, signed a promissory note with MidFirst Bank (the "Lender") in the amount of $325,800, pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the CARES Act, which was enacted March 27, 2020.

The promissory note issued by Borrower, matures on April 29, 2022 and bears interest at a rate of 1% per annum. Borrower shall pay principal plus interest accrued under the promissory note in 18 equal monthly installments beginning on October 29, 2020. The Note may be prepaid by the Borrower at any time prior to maturity with no prepayment penalties. Funds from the Loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred before February 15, 2020. The Company intends to use the entire Loan amount for qualifying expenses. Under the terms of the PPP, certain amounts of the Loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. The Company will apply for loan forgiveness with the Lender.

NOTE 5 - STOCKHOLDERS EQUITY

Preferred Shares

On October 7, 2013, the Company amended its articles of incorporation to create 100,000,000 shares of preferred stock by filing a Certificate of Amendment to Articles of Incorporation with the Secretary of State of Nevada. The preferred stock may be divided into and issued in series, with such designations, rights, qualifications, preferences, limitations and terms as fixed and determined by our board of directors.

Grant of Series D Convertible Preferred Stock

On May 3, 2017, the Company designated 3,000,000 shares of the authorized and unissued preferred stock of our company as "Series D Preferred Stock" by filing a Certificate of Designation with the Secretary of State of the State of Nevada. On November 2, 2017, The Company increased the number of authorized shares of Series D Preferred Stock in our company to 5,000,000 shares by filing an Amendment to the foregoing Certificate of Designation with the Secretary of State of the State of Nevada. Each share of the Series D Preferred Stock will be convertible, without the payment of any additional consideration by the holder and at the option of the holder, into one fully paid and nonassessable share of our common stock at any time after (i) the Company achieved the consolidated revenue of our company and all of its subsidiaries equal to or greater than $40,000,000 in any 12 month period, ending on the last day of any quarterly period of our fiscal year; or (ii) a Negotiated Trigger Event, defined as an event upon which the Series D Preferred Stock will be convertible as may be agreed by our company and the holder in writing from time to time.

Effective as of April 1, 2020, the Company issued an aggregate of 3,400,000 shares of our common stock upon conversion of an aggregate of 3,400,000 shares of our Series D Preferred Stock without the payment of any additional consideration. Of the 3,400,000 shares that the Company issued, 1,500,000 shares were issued to Richard A. Wright, our president, chief executive officer and director, 1,000,000 shares were issued to David A. Guarino, our treasurer, secretary, chief financial officer and director and 900,000 shares were issued to three other individuals.

Common Shares

On April 17, 2020, the Company completed a private placement of 9,750,000 units of our securities at a price of $0.40 per unit for gross proceeds of $3,900,000, of which $1,000,000 was received on March 18,2020 and thus on March 31, 2020, the Company had $1 million as stock payable. Each unit consisted of one share of our common stock and one share purchase warrant, with each share purchase warrant entitling the holder to acquire one additional share of our common stock at a price of $0.50 per share for a period of three years. Of the 9,750,000 units the Company issued: (i) 1,250,000 units were issued pursuant to the exemption from registration under the Securities Act of 1933, as amended provided by Section 4(a)(2) and/or Rule 506 of Regulation D promulgated under the Securities Act of 1933, as amended to one investor who is an "accredited investor" within the respective meanings ascribed to that term in Regulation D promulgated under the Securities Act of 1933, as amended; and (ii) 8,500,000 units were issued to 5 non-U.S. persons (as that term is defined in Regulation S of the Securities Act of 1933, as amended) in an offshore transaction relying on Regulation S and/or Section 4(a)(2) of the Securities Act of 1933, as amended. In connection with this private placement, the Company agreed with each subscriber who purchased these units to prepare and file a registration statement with respect to (i) the shares of our common stock comprising these units and (ii) the shares of our common stock issuable upon exercise of the share purchase warrants comprising these units with the Securities and Exchange Commission within 90 days following the closing of the private placement and agreed to use commercially reasonable efforts to have the registration statement declared effective by the Securities and Exchange Commission as soon as possible. The Company filed the foregoing registration statement on Form S-3 with the SEC on May 27, 2020, and the registration statement was declared effective by the SEC on June 8, 2020.

On April 30, 2020, the Company issued an aggregate of 247,000 shares of our common stock to non-employees in consideration for services rendered to our company.

On April 30, 2020, the Company granted awards of an aggregate of 1,065,000 shares of our common stock as "restricted awards" under our 2020 Equity Incentive Plan to certain directors, officers, employees and consultants. Of these shares, 645,000 vest on the one-year anniversary of the grant date, 200,000 vest as to 50% on the one-year anniversary of the grant date and 50% vest on the second year anniversary of the grant date, 165,000 vest as to one-third on each anniversary of the grant date and 55,000 vest immediately. On April 30, 2020, the Company issued the immediately vested awards, 35,000 to a non-employee, and 20,000 to an employee. The grantees have no rights or privileges as stockholders of our company with respect to the unvested shares including, without limitation, the right to vote such shares and receive all dividends or other distributions paid with respect to such shares. Of these restricted awards granted on April 30, 2020, an award of 200,000 shares of our common stock went to Richard A. Wright, our president, chief executive officer and director, and an award of 100,000 shares of our common stock went to David A. Guarino, our chief financial officer, secretary, treasurer and director. The Company granted these shares as "restricted awards" under our 2020 Equity Incentive Plan. These shares vest on the one-year anniversary of the grant date. The grantees have no rights or privileges as a stockholder of our company with respect to the unvested shares including, without limitation, the right to vote such shares and receive all dividends or other distributions paid with respect to such shares. The total fair value of the 1,065,000 shares of the Company's common stock granted as "restricted awards" is $1,065,000, based upon the $1.00 per share closing price of the Company's common stock on the NASDAQ stock exchange on April 29, 2020.

On May 11, 2020, the Company completed a private placement of 4,444,440 subscription receipts at a price of $0.45 per subscription receipt for total gross proceeds of $1,999,998, which is being held in escrow until the subscription receipts are converted into common shares. To convert these subscription receipts to common shares in the Company and thereby satisfy the escrow condition, the Company needs the approval of its shareholders by July 15, 2020 or the funds held in escrow will be refunded to the subscribers. As of June 30, 2020, the Company has recognized the $1,999,998 as restricted cash and recognized the same amount as stock payable on the financial statements. On July 14, 2020 after receiving the Shareholder Approval, the Company issued 4,444,440 units pursuant to the foregoing private placement completed on May 11, 2020. Accordingly, gross proceeds of $1,999,998, previously held in escrow, have been released to our company. Each unit consists of one share of our common stock and one transferable share purchase warrant, for no additional consideration. Each warrant will entitle the holder thereof to acquire one share of our common stock until May 11, 2023 at a price of $0.55 per share. In the event that our common stock has a closing price on the TSX Venture Exchange (or such other exchange on which our common stock may be traded at such time) of $1.75 or greater per share for a period of 20 consecutive trading days at any time from the closing date of the private placement, the Company may accelerate the expiry date of the warrants by giving notice to the holders thereof (by disseminating a news release advising of the acceleration of the expiry date of the warrants) and, in such case, the warrants will expire on the thirtieth day after the date of such notice. The proceeds of the private placement are expected to be used to fund our company's general working capital and expansion of production capacity. Of the 4,444,440 units the Company issued: (i) 444,443 units were issued pursuant to the exemption from registration under the Securities Act of 1933, as amended provided by Section 4(a)(2) and/or Rule 506 of Regulation D promulgated under the Securities Act of 1933, as amended to three investors, each of who is an "accredited investor" within the meaning ascribed to that term in Regulation D promulgated under the Securities Act of 1933, as amended; and (ii) 3,999,997 units were issued to three non-U.S. persons (as that term is defined in Regulation S of the Securities Act of 1933, as amended) in an offshore transaction relying on Regulation S and/or Section 4(a)(2) of the Securities Act of 1933, as amended. In connection with the private placement, the Company agreed with each subscriber who purchased these subscription receipts to prepare and file a registration statement with respect to (i) the shares of our common stock comprising these subscription receipts and (ii) the shares of our common stock issuable upon exercise of the share purchase warrants comprising these subscription receipts with the Securities and Exchange Commission within 30 days following the satisfaction of the Release Condition and agreed to use commercially reasonable efforts to have the registration statement declared effective by the Securities and Exchange Commission as soon as possible. The Company filed the foregoing registration statement on Form S-3 with the SEC on May 27, 2020, and the registration statement was declared effective by the SEC on June 8, 2020.

Effective as of May 22, 2020, the Company issued 170,000 shares of our common stock to non-employees in consideration for services to be rendered to our company.

Effective as of August 18, 2020, the Company issued 90,116 shares of our common stock to non-employees in consideration for services to be rendered to our company. The total fair value of the shares is $155,000 based on the $1.72 per share closing price of the Company's common stock on the NASDAQ stock exchange on August 18, 2020. These shares were issued pursuant to an agreement dated July 30, 2020, whereby an entity was engaged to provide investor relations management services through its online platform for the Company for an initial term beginning on August 3, 2020 and ending on November 3, 2020. The Company agreed to pay a one-time annual platform access fee in the amount of $40,000 plus pay for an additional deliverables during the term in the amount of $115, 000 for a total of $155,000, which amount was paid in the form of 90,116 shares of common stock of the Company.

Effective as of July 17, 2020, August 28, 2020 and September 23,2020, the Company issued 18,779 shares, 53,256 shares and 28,985 shares, respectively of our common stock to non-employees in consideration for services to be rendered to our company. The total fair value of the shares is $40,000, $91,600, and $40,000, respectively based upon the $2.13, $1.72 and $1.38 per share closing price of the Company's common stock on the NASDAQ stock exchange on July 17, 2020, August 28, 2020 and September 23, 2020. These shares were issues pursuant to a consulting agreement dated June 15, 2020 whereby the Company engaged an entity to perform consulting services for the Company for a period of one year. The Company agreed to pay a retainer in the amount of $40,000 per month, for a total of $480,000 to be paid in the form of the common stock of the Company, which shares are to be issued monthly.

On August 27, 2020, the Company granted an award of 20,000 shares of our common stock as "restricted awards" under our 2020 Equity Incentive Plan to new employee. These shares vest one-third on each anniversary date over three years. The grantee has no rights or privileges as stockholders of our company with respect to the unvested shares including, without limitation, the right to vote such shares and receive all dividends or other distributions paid with respect to such shares. The total fair value of the 20,000 shares of the Company's common stock granted as "restricted awards" is $30,400 based upon the $1.52 per share closing price of the Company's common stock on the NASDAQ stock exchange on August 27, 2020. The Company's total stock compensation expense on account of the 1,065,000 shares of its common stock granted on April 30, 2020 and the 20,000 shares of its common stock granted on August 27, 2020 as "restricted awards" for the three-month period ended September 30, 2020 was $232,094 and for the six-month period ended September 30, 2020 was $365,428. An additional expense will be recognized of $ 408,539 will be recognized in the year ended March 31, 2021 for a total of $773,967 expense in the fiscal year ended March 31, 2021. Additional expense will be recognized in the next 3 fiscal years of $202,217, $56,800 and $7,417, respectively.

NOTE 6 - OPTIONS AND WARRANTS

On April 3, 2020, the Company granted an aggregate of 2,737,000 stock options to certain directors, officers, consultants and employees for the purchase of up to 2,737,000 shares of our common stock pursuant to our 2018 Stock Option Plan. Each stock option is exercisable at a price of $0.53 per share until April 2, 2030. Of these stock options, 1,217,000 vest as to 50% on the grant date and 50% on the one-year anniversary of the grant date, 640,000 vest as to one-third on the grant date and one-third on each anniversary of the grant date and 880,000 vest as to one-third on each anniversary of the grant date. The Company granted the stock options to 31 U.S. Persons and 3 non U.S. Persons (as that term is defined in Regulation S of the Securities Act of 1933) and in issuing securities the Company relied on the registration exemption provided for in Regulation S and/or Section 4(a)(2) of the Securities Act of 1933. Of these options, 250,000 were granted to Richard A. Wright, our president, chief executive officer and director, and 150,000 were granted to David A. Guarino, our chief financial officer, secretary, treasurer and director. These stock options are exercisable at the exercise price of $0.53 per share until April 2, 2030. The stock options vest as to 50% on the date of grant and 50% on the one-year anniversary of the date of grant. The fair value of each of the 2,737,000 stock options issued was calculated as $0.53 per share, which was the Black-Scholes valuation as of the grant date, corresponding to a total fair value of $1,450,610 for these options.

Effective August 10, 2020, we granted 125,000 stock options to the new employee issued restricted shares above with an exercise price of $1.57 per share. These options vest one-third on each anniversary of the grant date. The fair value of these 125,000 stock options issues was calculated at $1.57 per share, which was the Black-Scholes valuation (using the exercise price of $1.57, 10 years to maturity, annual risk-free interest rate of 0.6% and annualized volatility of 107%) as of the date of grant, corresponding to a total fair value of $185,625 for these options.

The Company's total stock compensation expense for the three-month period ending September 30, 2020 was $204,595 related to the 2018 Stock Option and for the six-month period ending September 30, 2020 was $769,987 related to the 2018 Stock Option Plan and $54,202 relating to the 2013 Stock Option Plan. An additional expense of $419,501 will be recognized in the year ended March 31, 2021 for a total of $1,189,188 in stock compensation expense in the fiscal year ended March 31, 2021. Additional stock compensation expense will be recognized in fiscal years 2022, 2023 and 2024 of $297,217, $124,886 and $24,944, respectively. In connection with the above grant, the Company repriced a total of 600,900 stock options originally issued on April 28, 2017 from their original exercise price of $1.29 to $0.53, resulting in an additional stock compensation expense of $42,664.

Effective as of April 29, 2020, the Company issued an aggregate of 116,000 shares of our common stock upon exercise of stock options for gross proceeds of $61,480.

Effective as of May 20, 2020, the Company issued an aggregate of 287,666 shares of our common stock upon exercise of our common stock purchase warrants with an exercise price of $0.90 per share for aggregate gross proceeds of $258,899.

Effective as of July 9, 2020 the Company issued an aggregate of 188,081 shares of our common stock upon a cash-less exercise of stock options.

Effective as of July 28, 2020 the Company issued an aggregate of 81,400 shares of our common stock upon exercise of our common stock purchase warrants with an exercise price of CAD$2.90 per share for aggregate gross proceeds of $172,521.

Effective as of August 4, 2020 the Company issued an aggregate of 48,158 shares of our common stock upon a cash-less exercise of stock options.

Effective as of August 5, 2020 the Company issued an aggregate of 7,999 shares of our common stock upon exercise of our common stock purchase warrants with an exercise price of CAD$2.90 per share for aggregate gross proceeds of $16,802.

Effective as of August 14, 2020 the Company issued an aggregate of 8,750,000 shares of our common stock upon exercise of our common stock purchase warrants with an exercise price of $0.50 per share for aggregate gross proceeds of $4,375,000.

NOTE 7 - LEASES

The Company adopted ASC 842 on April 1, 2019 which requires lessees to recognize right-of-use ("ROU") asset and lease liability for all leases. The Company elected the package of transition practical expedients for existing contracts, which allowed us to carry forward our historical assessments of whether contracts are or contain leases, lease classification and determination of initial direct costs.

The Company leases property under operating leases. The Company leases its corporate office space with a size of 3,352 square feet leased from a third party through November, 2020 at the current rate of $7,891per month. The Company extended its short-term lease for a warehouse, originally due to expire on March 31, 2020 to March 2021, thus the Company adopted ASC 842 for this lease at the time of the extension in January 2020. The lease rate for the extension was $3,938 per month starting April 1, 2020.

As of July 1, 2020, the Company entered into a lease for 14,530 square feet of warehouse space from a third party through December 2021 at a rate of $7,992 per month for the first twelve months, then at a rate of $8,231 per month for the last six months of the lease. The Company determined this lease was an operating lease under ASC 842 and using an interest rate of 7%, the Company determined that the ROU for this lease was $130,989 and the lease liability for this lease was $138,266, at inception of this lease, respectively.

At inception the ROU and Lease Liability was calculated based on the net present value of the future lease payments over the term of the lease. When available, the Company uses the rate implicit in the lease discount payments as the incremental borrowing rate to calculate the net present value; however, the rate implicit in the lease is not readily determinable for our corporate office lease. In this case, the Company estimated its incremental borrowing rate as the interest rate it could borrow an amount equal to the lease payments over a similar term, with similar collateral as the lease, and in a similar economic environment. The Company estimated its rate using available evidence such as rates imposed by third-party lenders to the Company in recent financings or observable risk-free interest rate and credit spreads for commercial debt of a similar duration, with credit spreads correlating to the Company's estimated creditworthiness.

For operating leases that include rent holidays and rent escalation clauses, the Company recognizes lease expense on a straight-line basis over the lease term from the date it takes possession of the leased property. The Company records the straight-line lease expense and any contingent rent, if applicable, in general and administrative expenses on the condensed consolidated statements of operations. The corporate office, lease also requires the Company to pay real estate taxes, common area maintenance costs and other occupancy costs which are included in the general and administrative expenses on the condensed consolidated statements of operations.

Operating Lease expense for the three and six months ended September 30, 2020 was $59,461 and $94,215, respectively. Operating lease expense for the three and six months ended September 30, 2019 was $21,681 and $43,753, respectively.

Operating Leases:

		September 30, 2020
Operating lease right-of-use asset - current portion	$	121,650
Operating lease right-of-use asset - non-current portion		23,049
Total Operating lease right-of-use asset	$	144,699
Operating lease liability - current portion	$	122,380
Operating lease liability - non-current portion		24,408
Total Operating lease liability	$	146,788
Weighted average remaining lease term (in years):		
Operating leases		1.2
Weighted average discount rate:		
Operating leases		7%

Supplemental cash flow information related to leases is as follows:

Maturities of undiscounted lease liabilities as of September 30, 2020 are as follows:

	Operating Leases
Year ending March 31, 2021	79,465
Year ending March 31, 2022	73,362
Total lease payments	152,827
Less: Imputed interest	(6,038)
Total lease obligations	146,789

NOTE 8 - RISKS AND UNCERTAINTIES

In December 2019, a novel strain of COVID-19 was reported in China. Since then, the COVID-19 has spread globally including across North America and the United States. The spread of COVID-19 from China to other countries has resulted in the World Health Organization (WHO) declaring the outbreak of COVID-19 as a "pandemic," or a worldwide spread of a new disease, on March 11, 2020.

Specifically, the Company cautions that our business could be materially and adversely affected by the risks, or the public perception of the risks, related to the outbreak of COVID-19. To date, the Company has managed to operate successfully throughout the pandemic without any material disruptions to our supply chain. Although retailers which carry our products may be considered essential businesses and therefore be allowed to remain operational, they may experience significantly reduced demand. The risk of a pandemic, or public perception of the risk, could cause customers to avoid public places, including retail properties, and could cause temporary or long-term disruptions in our supply chains and/or delays in the delivery of our inventory to our customers. Further, such risks could also adversely affect retail customers' financial condition, resulting in reduced spending on our products, which are marketed as premium products. "Shelter-in-place" or other such orders by governmental entities could also disrupt our operations, if our employees or the employees of our sourcing partners who cannot perform their responsibilities from home, are not able to report to work. Risks related to an epidemic, pandemic or other health crisis, such as COVID-19, could also lead to the complete or partial closure of one or more of our co-packing facilities or operations of our sourcing partners.

NOTE 9 - SUBSEQUENT EVENTS

The Company entered into a new lease for its new corporate office space with a size of 9,166 square feet leased from a third party through September 2023 at the current rate of $10,082 per month effective October 1, 2020. The Company also entered into a new lease for additional office space with a size of 2,390 square feet lease from a third party through January 31, 2024 effective November 1, 2020.

Effective as of October 19, 2020 the Company issued an aggregate of 166,666 shares of our common stock upon exercise of our common stock purchase warrants with an exercise price of $0.55 per share for aggregate gross proceeds of $91,666.

Effective as of October 19, 2020, the Company issued 24,844 shares of our common stock to a non-employee in consideration for services to be rendered to our company.

Effective as of November 3, 2020, the Company issued 50,000 shares of our common stock to an employee who was granted restricted stock units on April 30, 2020 under our 2020 Equity Incentive Plan that became fully vested.

In accordance with ASC Topic 855-10, the Company has analyzed its operations subsequent to September 30, 2020 to the date these financial statements were issued and has determined that it does not have any other material subsequent events to disclose in these financial statements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

This report contains "forward-looking statements." All statements other than statements of historical fact are "forward-looking statements" for purposes of applicable securities laws, including, but not limited to, any projections of earnings, revenue or other financial items; any statements of the plans, strategies and objections of management for future operations; any statements concerning proposed new services or developments; any statements regarding future economic conditions or performance; any statements or belief; and any statements of assumptions underlying any of the foregoing. Forward-looking statements may include the words "may," "could," "estimate," "intend," "continue," "believe," "expect" or "anticipate" or other similar words. These forward-looking statements present our estimates and assumptions only as of the date of this report. Accordingly, readers are cautioned not to place undue reliance on forward- looking statements, which speak only as of the dates on which they are made. Except as required by applicable law, including the securities laws of the United States and Canada, we do not intend, and undertake no obligation, to update any forward-looking statement.

Although we believe the expectations reflected in any of our forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in any of our forward-looking statements. Our future financial condition and results of operations, as well as any forward-looking statements, are subject to change and inherent risks and uncertainties. The factors impacting these risks and uncertainties include, but are not limited to:

- lack of working capital;
- inability to raise additional financing;
- the fact that our accounting policies and methods are fundamental to how we report our financial condition and results of operations, and they may require our management to make estimates about matters that are inherently uncertain;
- deterioration in general or regional economic conditions;
- adverse state or federal legislation or regulation that increases the costs of compliance, or adverse findings by a regulator with respect to existing operations;
- inability to efficiently manage our operations;
- inability to achieve future sales levels or other operating results; and
- the unavailability of funds for capital expenditures.

Unless otherwise indicated, all reference to "dollars", "$", "USD" or "US$" are to United States dollars and all reference to "CDN$" are to Canadian dollars.

Our financial statements are stated in United States Dollars ($ or US$) unless otherwise stated and are prepared in accordance with United States Generally Accepted Accounting Principles.

In this quarterly report, unless otherwise specified, all references to "common shares" refer to the common shares in our capital stock.

As used in this quarterly report on Form 10-Q, the terms "we", "us" "our", the "Company" and "Alkaline" refer to The Alkaline Water Company Inc., a Nevada corporation, and its wholly-owned subsidiaries A88 Infused Beverage Division, Inc. (a Nevada Corporation hereinafter referred to as "A88 Infused"), A88 International, Inc. (a Nevada Corporation), A88 Infused Products, Inc. (a Nevada Corporation), and Alkaline 88, LLC (an Arizona Limited Liability Company), unless otherwise specified.

COVID-19

In December 2019, a novel strain of COVID-19 was reported in China. Since then, the COVID-19 has spread globally including across North America and the United States. The spread of COVID-19 from China to other countries has resulted in the World Health Organization (WHO) declaring the outbreak of COVID-19 as a "pandemic," or a worldwide spread of a new disease, on March 11, 2020.

Specifically, we caution that our business could be materially and adversely affected by the risks, or the public perception of the risks, related to the outbreak of COVID-19. To date, we have managed to operate successfully throughout the pandemic without any material disruptions to our supply chain. Although retailers which carry our products may be considered essential businesses and therefore be allowed to remain operational, they may experience significantly reduced demand. The risk of a pandemic, or public perception of the risk, could cause customers to avoid public places, including retail properties, and could cause temporary or long-term disruptions in our supply chains and/or delays in the delivery of our inventory to our customers. Further, such risks could also adversely affect retail customers' financial condition, resulting in reduced spending on our products, which are marketed as premium products. "Shelter-in-place" or other such orders by governmental entities could also disrupt our operations, if our employees or the employees of our sourcing partners who cannot perform their responsibilities from home, are not able to report to work. Risks related to an epidemic, pandemic or other health crisis, such as COVID-19, could also lead to the complete or partial closure of one or more of our co-packing facilities or operations of our sourcing partners.

Results of Operations

Three Months Ended September 30, 2020 and September 30, 2019

Our results of operations for the three months ended September 30, 2020 and September 30, 2019 are as follows:

	For the three months ended September 30, 2020	For the three months ended September 30, 2019
Revenue	$ 10,755,946	$ 10,444,978
Cost of goods sold	6,326,958	5,959,430
Gross profit	$ 4,428,988	$ 4,485,548
Net Loss	$ (4,361,628)	$ (2,924,957)

Revenue and Cost of Goods Sold

We had revenue from sales of our product for the three months ended September 30, 2020 of $10,755,946, as compared to $10,444,978 for the three months ended September 30, 2019, an increase of 3% generated by sales of our alkaline water and flavored infused water. The increase in sales is due to the expanded distribution of our products to additional retailers throughout the country offset reduced demand due to Covid-19. We distribute our product through several channels. We sell through large national distributors (UNFI, KeHe, C&S, and Core-Mark), which together represent over 150,000 retail outlets. We also sell our product directly to retail clients, including convenience stores, natural food products stores, large ethnic markets and national retailers. Some examples of retail clients are: Walmart, CVS, Family Dollar, Albertson/Safeway, Kroger, Schnucks, Smart & Final, Jewel-Osco, Sprouts, Bashas', Stater Bros. Markets, Unified Grocers, Bristol Farms, Vallarta, Superior Foods, Ingles, Shaw's, Raley's, Harris Teeter, Festival Foods, HEB Brookshire's, Publix, Shaw's, Raley's, Food Lion, Harris Teeter, and Festival Foods.

Cost of goods sold is comprised of production costs, shipping and handling costs. For the three months ended September 30, 2020, we had cost of goods sold of $6,326,958 or 59% of revenue, as compared to cost of goods sold of $5,959,430 or 57% of revenue, for the three months ended September 30, 2019.

Expenses

Our operating expenses for the three months ended September 30, 2020 and September 30, 2019 are as follows:

	For the three months ended September 30, 2020	For the three months ended September 30, 2019
Sales and marketing expenses	$ 4,984,729	$ 4,809,882
General and administrative expenses	3,490,548	2,247,371
Depreciation expenses	184,406	239,757
Total operating expenses	$ 8,659,683	$ 7,297,010

For the three months ended September 30, 2020, our total operating expenses were $8,659,683 as compared to $7,297,010 for the three months ended September 30, 2019.

For the three months ended September 30, 2020, the total included $4,984,729 of sales and marketing expenses. Sales and marketing expenses increased as a result of increased freight and sales promotional expenses due to our increase in sales. General and administrative expenses of $3,490,548, consisted primarily of approximately $1.6 million of professional fees, media fees and legal fees, stock option expense in the amount of approximately $0.8 million and approximately $0.7 million of wages and wage related expenses.

For the three months ended September 30, 2019, the total included $4,809,882 of sales and marketing expenses. Sales and marketing expenses increased as a result of increased freight and sales promotional expenses due to our increase in sales. General and administrative expenses of $2,247,371, consisted primarily of approximately $1.3 million of professional fees, media fees and legal fees, stock option expense in the amount of approximately $0.2 million and approximately $0.4 million of wages and wage related expenses.

Six Months Ended September 30, 2020 and September 30, 2019

Our results of operations for the six months ended September 30, 2020 and September 30, 2019 are as follows:

	For the six months ended September 30, 2020	For the six months ended September 30, 2019
Revenue	$ 24,975,370	$ 20,598,022
Cost of goods sold	14,696,484	11,987,627
Gross profit	10,278,886	8,610,395
Net Loss	$ (7,382,631)	$ (7,981,145)

Revenue and Cost of Goods Sold

We had revenue from sales of our product for the six months ended September 30, 2020 of $24,975,370 as compared to $20,598,022 for the six months ended September 30, 2019, an increase of 21% generated by sales of our alkaline water and flavored infused water. We distribute our product through several channels. We sell through large national distributors (UNFI, KeHE, C&S, and Core-Mark), which together represent over 150,000 retail outlets. We also sell our products directly to retail clients, including convenience stores, natural food products stores, large ethnic markets and national retailers. Some examples of retail clients are: Walmart, Food Lion, Albertson's, Safeway, Kroger, Schnucks, Smart & Final, Jewel-Osco, Sprouts, Bashas', Stater Bros. Markets, Unified Grocers, Bristol Farms, Vallarta, Superior Foods, Ingles, HEB and Brookshire's. Cost of goods sold is comprised of production costs, shipping and handling costs. For the six months ended September 30, 2020, we had cost of goods sold of $14,696,484, or 59% of revenue, as compared to cost of goods sold of $11,987,627 or 58% of revenue, for the six months ended September 30, 2019. The decrease in gross profit rate is a result of increased raw material cost from our suppliers.

Expenses

Our operating expenses for the six months ended September 30, 2020 and September 30, 2019 are as follows:

	For the six months ended September 30, 2020	For the six months ended September 30, 2019
Sales and marketing expenses	$ 9,490,074	$ 9,282,342
General and administrative expenses	7,437,869	6,626,642
Depreciation expenses	412,317	473,697
Total operating expenses	$ 17,340,260	$ 16,382,681

For the six months ended September 30, 2020, our total operating expenses were $17,340,260, as compared to $16,382,681 for the six months ended September 30, 2019.

For the six months ended September 30, 2020, the total included $9,490,074 of sales and marketing expenses and $7,437,869 of general and administrative expenses, consisting primarily of approximately $3.3 million of professional fees, stock option expense in the amount of approximately $1.9 million and approximately $1.4 million of wage and wage related expenses.

For the six months ended September 30, 2019, the total included $9,282,342 of sales and marketing expenses and $6,626,642 of general and administrative expenses, consisting primarily of approximately $3.9 million of professional fees, stock option expense in the amount of approximately $1.2 million and approximately $0.9 million of wage and wage related expenses.

Liquidity and Capital Resources

Working Capital

	At September 30, 2020	At March 31, 2020
Current assets	$ 16,629,486	$ 14,183,215
Current liabilities	11,914,246	13,983,663
Working capital	$ 4,715,240	$ 199,552

Current Assets

Current assets as of September 30, 2020 and March 31, 2020 primarily relate to $3,976,877 and $4,561,682 in cash, $5,777,018 and $4,917,081 in accounts receivable and $4,249,581 and $2,919,860 in inventory. The increase in accounts receivable was due to an overall increase in payment terms with some of the Company's customers. The increase in inventory is a result of the Company intentionally building its inventory to meet demand in anticipation of a potential second wave of Covid-19 in the upcoming winter months.

Current Liabilities

Current liabilities as of September 30, 2020 and March 31, 2020 primarily relate to $5,264,425 and $5,406,541 in accounts payable, revolving financing of $4,797,537 and $7,291,217, and accrued expenses of $1,512,343 and $1,186,516 respectively. The decrease in the amount outstanding under the Company's revolving financing facility as of September 30, 2020 was due to a reduction in the Company's Borrowing Base under the facility; (defined as of any date of determination, 85% of net eligible billed receivables plus 65% of eligible unbilled receivables, minus certain reserves).

Cash Flows

Our cash flows for the six months ended September 30, 2020 and September 30, 2019 are as follows:

	For the six months ended September 30, 2020	For the six months ended September 30, 2019
Net Cash used in operating activities	$ (8,111,516)	$ (7,328,002)
Net Cash used in investing activities	(90,109)	(210,948)
Net Cash provided by financing activities	7,616,820	3,377,405
Net (decrease) in cash and cash equivalents	$ (584,805)	$ (4,161,545)

Operating Activities

Net cash used in operating activities was $8,111,516 for the six months ended September 30, 2020, as compared to $7,328,002 used in operating activities for the six months ended September 30, 2019. The increase in net cash used in operating activities was primarily due to the increase inventory.

Investing Activities

Net cash used in investing activities was $90,109 for the six months ended September 30, 2020, as compared to $210,948 used in investing activities for the six months ended September 30, 2019. The decrease in net cash used in investing activities was from a reduction in purchases of fixed assets.

Financing Activities

Net cash provided by financing activities for the six months ended September 30, 2020 was $7,616,820, as compared to $3,377,405 for the six months ended September 30, 2019. The increase in net cash provided by financial activities is primarily due to the approximately $4.9 million in proceeds from the sale of common stock offset by a reduction of $2.4 million in the Company's revolver financing.

Cash Requirements

We believe that between the cash on hand as of September 30, 2020, expected warrant exercises, and our credit line, we will have sufficient cash to sustain operations including our cash needs through at least September 30, 2021. If our own financial resources and future cash-flows from operations beyond September 30, 2021 are insufficient to sustain operations, we may seek to sell additional equity or debt securities or obtain additional credit facilities. The sale of additional equity securities will result in dilution to our stockholders. The incurrence of indebtedness will result in increased debt service obligations and could require us to agree to operating and financial covenants that could restrict our operations or modify our plans to grow the business. Financing may not be available in amounts or on terms acceptable to us, if at all. Any failure by us to raise additional funds on terms favorable to us, or at all, will limit our ability to expand our business operations and could harm our overall business prospects.

Off-Balance Sheet Arrangements

We have no 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 is material to our stockholders.

Item 3 Quantitative and Qualitative Disclosures About Market Risk

Not applicable.

Item 4 Controls and Procedures

Disclosure Controls and Procedures

We maintain "disclosure controls and procedures", as that term is defined in Rule 13a-15(e), promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934. Disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed in our company's reports filed under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and our principal financial officer to allow timely decisions regarding required disclosure.

As required by paragraph (b) of Rules 13a-15 under the Securities Exchange Act of 1934, our management, with the participation of our principal executive officer and our principal financial officer, evaluated our company's disclosure controls and procedures as of the end of the period covered by this quarterly report on Form 10-Q. Based on this evaluation, our management concluded that as of the end of the period covered by this quarterly report on Form 10-Q, our disclosure controls and procedures were not effective. The ineffectiveness of our disclosure controls and procedures was due to the material weaknesses in our internal control over financial reporting disclosed in our annual report on Form 10-K for the fiscal year ended March 31, 2020. We are working on mitigating the material weaknesses.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the fiscal quarter ended September 30, 2020 that have materially affected, or are reasonably likely to materially affect our internal control over financial reporting.

PART II-OTHER INFORMATION

Item 1. Legal Proceedings

We know of no material pending legal proceedings to which our company or any of our subsidiaries is a party or of which any of our properties, or the properties of any of our subsidiaries, is the subject. In addition, we do not know of any such proceedings contemplated by any governmental authorities.

We know of no material proceedings in which any of our directors, officers or affiliates, or any registered or beneficial stockholder is a party adverse to our company or any of our subsidiaries or has a material interest adverse to our company or any of our subsidiaries.

Item 1A. Risk Factors

Information regarding risk factors appears in our Annual Report on Form 10-K filed on August 13, 2020. There have been no material changes since August 13, 2020 from the risk factors disclosed in that Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Effective as of July 28, 2020, we issued 81,400 shares of our common stock upon exercise of our common stock purchase warrants with an exercise price of CDN$2.90 per share for gross proceeds of CDN$236,060. We issued these shares to one non-U.S. person (as that term is defined in Regulation S of the Securities Act of 1933) in an offshore transaction relying on Regulation S and/or Section 4(a)(2) of the Securities Act of 1933.

Effective as of August 5, 2020, we issued 7,999 shares of our common stock upon exercise of our common stock purchase warrants with an exercise price of CDN$2.90 per share for gross proceeds of CDN$23,197.10. We issued these shares to one non-U.S. person (as that term is defined in Regulation S of the Securities Act of 1933) in an offshore transaction relying on Regulation S and/or Section 4(a)(2) of the Securities Act of 1933.

Effective August 10, 2020, we granted 125,000 stock options to an employee. Each stock option is exercisable at a price of $1.57 per share until August 9, 2030. These options vest as to one-third on each anniversary of the grant date. We granted the stock options to one U.S. Person (as that term is defined in Regulation S of the Securities Act of 1933) and in issuing securities we relied on the registration exemption provided for in Section 4(a)(2) of the Securities Act of 1933.

Effective August 14, 2020, we issued an aggregate of 8,750,000 shares of our common stock upon exercise of our common stock purchase warrants with an exercise price of $0.50 per share for gross proceeds of $4,375,000. Of the 8,750,00 shares we issued: (i) 1,250,000 shares were issued to one U.S. Person (as that term is defined in Regulation S of the Securities Act of 1933) and in issuing these shares, we relied on the exemption from the registration requirements of the Securities Act of 1933 provided by Section 4(a)(2) of the Securities Act of 1933 and/or Rule 506 promulgated under the Securities Act of 1933 and (ii) 7,500,000 shares were issued to four non-U.S. Persons in an offshore transaction relying on Regulation S and/or Section 4(a)(2) of the Securities Act of 1933.

Effective August 14, 2020, we issued 75,000 shares of our common stock in consideration for services rendered to our company. These shares were previously disclosed as having been issued on April 30, 2020. We issued these shares to one U.S. Person (as that term is defined in Regulation S of the Securities Act of 1933) and in issuing these shares, we relied on the exemption from the registration requirements of the Securities Act of 1933 provided by Section 4(a)(2) of the Securities Act of 1933.

Effective September 23, 2020, we issued 28,985 shares of our common stock in consideration for services rendered to our company. We issued these shares to one U.S. Person (as that term is defined in Regulation S of the Securities Act of 1933) and in issuing these shares, we relied on the exemption from the registration requirements of the Securities Act of 1933 provided by Section 4(a)(2) of the Securities Act of 1933 and/or Rule 506 promulgated under the Securities Act of 1933.

Effective October 8, 2020, we issued 111,111 shares of our common stock upon exercise of our common stock purchase warrants with an exercise price of $0.55 per share for gross proceeds of $61,111.05. We issued these shares to one U.S. Person (as that term is defined in Regulation S of the Securities Act of 1933) and in issuing these shares, we relied on the exemption from the registration requirements of the Securities Act of 1933 provided by Section 4(a)(2) of the Securities Act of 1933 and/or Rule 506 promulgated under the Securities Act of 1933.

Effective October 15, 2020, we issued 55,555 shares of our common stock upon exercise of our common stock purchase warrants with an exercise price of $0.55 per share for gross proceeds of $30,555.25. We issued these shares to one U.S. Person (as that term is defined in Regulation S of the Securities Act of 1933) and in issuing these shares, we relied on the exemption from the registration requirements of the Securities Act of 1933 provided by Section 4(a)(2) of the Securities Act of 1933 and/or Rule 506 promulgated under the Securities Act of 1933.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit Number	Description
(3)	**Articles of Incorporation and Bylaws**
3.1	Articles of Incorporation (incorporated by reference from our Form S-1 Registration Statement, filed on October 28, 2011)
3.2	Certificate of Change (incorporated by reference from our Quarterly Report on Form 10-Q, filed on August 13, 2013)
3.3	Articles of Merger (incorporated by reference from our Quarterly Report on Form 10-Q, filed on August 13, 2013)
3.4	Certificate of Amendment to Articles of Incorporation (incorporated by reference from our Current Report on Form 8-K, filed on October 11, 2013)
3.5	Certificate of Designation (incorporated by reference from our Current Report on Form 8-K, filed on October 11, 2013)
3.6	Certificate of Designation (incorporated by reference from our Current Report on Form 8-K, filed on November 12, 2013)
3.7	Certificate of Change (incorporated by reference from our Current Report on Form 8-K, filed on December 30, 2015)
3.8	Certificate of Amendment to Articles of Incorporation (incorporated by reference from our Current Report on Form 8-K, filed on January 25, 2016)
3.9	Certificate of Amendment to Certificate of Designation (incorporated by reference from our Current Report on Form 8-K, filed on January 25, 2016)
3.10	Certificate of Designation (incorporated by reference from our Current Report on Form 8-K, filed on April 5, 2016)
3.11	Certificate of Withdrawal of Certificate of Designation (incorporated by reference from our Current Report on Form 8-K, filed on April 4, 2017)
3.12	Certificate of Designation (incorporated by reference from our Current Report on Form 8-K, filed on May 4, 2017)
3.13	Certificate of Amendment to Certificate of Designation (incorporated by reference from our Current Report on Form 8-K, filed on November 6, 2017)
3.14	Certificate of Withdrawal of Certificate of Designation (incorporated by reference from our Quarterly Report on Form 10-Q, filed on November 20, 2017)
3.15	Amended and Restated Bylaws (incorporated by reference from our Current Report on Form 8-K, filed on October 15, 2018)
(10)	**Material Contracts**
10.1	Contract Packer Agreement dated November 14, 2012 between Alkaline 84, LLC and AZ Bottled Water, LLC (incorporated by reference from our Current Report on Form 8-K, filed on June 5, 2013)
10.2	Contract Packer Agreement dated October 7, 2013 with White Water, LLC (incorporated by reference from our Quarterly Report on Form 10-Q, filed on November 13, 2013)
10.3	Manufacturing Agreement dated August 15, 2013 with Water Engineering Solutions, LLC (incorporated by reference from our Registration Statement on Form S-1, filed on November 27, 2013)
10.4	Equipment Lease Agreement dated January 17, 2014 (incorporated by reference from our Current Report on Form 8-K, filed on January 27, 2014)
10.5	Revolving Accounts Receivable Funding Agreement dated February 20, 2014 (incorporated by reference from our Current Report on Form 8-K, filed on February 25, 2014)
10.6	Form of Securities Purchase Agreement dated as of April 28, 2014, between The Alkaline Water Company Inc. and the purchasers named therein (incorporated by reference from our Current Report on Form 8-K, filed on May 6, 2014)
10.7	Form of Common Stock Purchase Warrant (incorporated by reference from our Current Report on Form 8-K, filed on May 6, 2014)
10.8	Form of Placement Agent Common Stock Purchase Warrant (incorporated by reference from our Current Report on Form 8-K, filed on May 6, 2014)
10.9	Amendment #1 dated February 12, 2014 to Equipment Lease Agreement (incorporated by reference from our Quarterly Report on Form 10-Q, filed on August 13, 2014)
10.10	Equipment Sale/Lease Back Agreement dated April 2, 2014 (incorporated by reference from our Quarterly Report on Form 10-Q, filed on August 13, 2014)
10.11	Agreement dated August 12, 2014 with H.C. Wainwright & Co., LLC (incorporated by reference from our Current Report on Form 8-K, filed on August 21, 2014)
10.12	Form of Warrant Amendment Agreement (incorporated by reference from our Current Report on Form 8-K, filed on August 21, 2014)

10.13	Form of Common Stock Purchase Warrant (incorporated by reference from our Current Report on Form 8-K, filed on August 21, 2014)
10.14	Form of Warrant Amendment Agreement (incorporated by reference from our Current Report on Form 8-K, filed on October 9, 2014)
10.15	Form of Common Stock Purchase Warrant (incorporated by reference from our Current Report on Form 8-K, filed on October 9, 2014)
10.16	Master Lease Agreement dated October 28, 2014 with Veterans Capital Fund, LLC (incorporated by reference from our Current Report on Form 8-K, filed on November 4, 2014)
10.17	Warrant Agreement dated October 28, 2014 with Veterans Capital Fund, LLC (incorporated by reference from our Current Report on Form 8-K, filed on November 4, 2014)
10.18	Registration Rights Agreement dated October 28, 2014 with Veterans Capital Fund, LLC (incorporated by reference from our Current Report on Form 8-K, filed on November 4, 2014)
10.19	Form of Amending Agreement to Stock Option Agreement (incorporated by reference from our Current Report on Form 8-K, filed on November 4, 2014)
10.20	Securities Purchase Agreement dated as of May 11, 2015 with Assurance Funding Solutions LLC (incorporated by reference from our Annual Report on Form 10-K, filed on July 14, 2015)
10.21	Secured Term Note dated May 2015 issued to Assurance Funding Solutions LLC (incorporated by reference from our Annual Report on Form 10-K, filed on July 14, 2015)
10.22	General Security Agreement dated as of May 11, 2015 with Assurance Funding Solutions LLC (incorporated by reference from our Annual Report on Form 10-K, filed on July 14, 2015)
10.23	Securities Purchase Agreement dated as of August 20, 2015 with Assurance Funding Solutions LLC (incorporated by reference from our Quarterly Report on Form 10-Q, filed on November 23, 2015)
10.24	Secured Term Note dated August 20, 2015 issued to Assurance Funding Solutions LLC (incorporated by reference from our Quarterly Report on Form 10-Q, filed on November 23, 2015)
10.25	General Security Agreement dated as of August 20, 2015 with Assurance Funding Solutions LLC (incorporated by reference from our Quarterly Report on Form 10-Q, filed on November 23, 2015)
10.26	Loan Agreement dated November 30, 2015 with Neil Rogers (incorporated by reference from our Current Report on Form 8-K, filed on December 4, 2015)
10.27	Promissory Note dated November 30, 2015 issued to Neil Rogers (incorporated by reference from our Current Report on Form 8-K, filed on December 4, 2015)
10.28	Escrow Agreement dated November 30, 2015 with Neil Rogers and Escrow Agent (incorporated by reference from our Current Report on Form 8-K, filed on December 4, 2015)
10.29	2013 Equity Incentive Plan (incorporated by reference from our Current Report on Form 8-K, filed on January 25, 2016)
10.30	Loan Agreement dated January 25, 2016 with Turnstone Capital Inc. (incorporated by reference from our Current Report on Form 8-K, filed on January 25, 2016)
10.31	Promissory Note dated January 25, 2016 issued to Turnstone Capital Inc. (incorporated by reference from our Current Report on Form 8-K, filed on January 25, 2016)
10.32	Escrow Agreement dated January 25, 2016 with Turnstone Capital Inc. and Escrow Agent (incorporated by reference from our Current Report on Form 8-K, filed on January 25, 2016)
10.33	Amendment Agreement dated January 25, 2016 with Neil Rogers (incorporated by reference from our Current Report on Form 8-K, filed on January 25, 2016)
10.34	Employment Agreement dated effective March 1, 2016 with Steven P. Nickolas (incorporated by reference from our Current Report on Form 8-K, filed on April 5, 2016)
10.35	Employment Agreement dated effective March 1, 2016 with Richard A. Wright (incorporated by reference from our Current Report on Form 8-K, filed on April 5, 2016)
10.36	Form of Promissory Note and Warrant Exchange Agreement (incorporated by reference from our Current Report on Form 8-K, filed on June 16, 2016)
10.37	Loan Facility Agreement dated September 20, 2016 with Turnstone Capital Inc. (incorporated by reference from our Current Report on Form 8-K, filed on September 22, 2016)
10.38	Credit and Security Agreement dated February 1, 2017 with SCM Specialty Finance Opportunities Fund, L.P. (incorporated by reference from our Current Report on Form 8-K, filed on February 7, 2017)
10.39	Payoff Agreement dated February 1, 2017 with Gibraltar Business Capital, LLC (incorporated by reference from our Current Report on Form 8-K, filed on February 7, 2017)
10.40	Form of Stock Option Agreement (incorporated by reference from our Current Report on Form 8-K, filed on May 4, 2017)

10.41	Settlement Agreement and Mutual Release of Claims dated October 31, 2017 with Steven P. Nickolas, Nickolas Family Trust, Water Engineering Solutions, LLC, Enhanced Beverages, LLC, McDowell 78, LLC and Wright Investments Group, LLC (incorporated by reference from our Current Report on Form 8-K, filed on November 6, 2017)
10.42	Exchange Agreement and Mutual Release of Claims dated November 8, 2017 with Ricky Wright (incorporated by reference from our Current Report on Form 8-K, filed on November 14, 2017)
10.43	Stock Option Forfeiture & General Release dated November 8, 2017 by Ricky Wright and Sharon Wright (incorporated by reference from our Current Report on Form 8-K, filed on November 14, 2017)
10.44	Form of Warrant Amendment Agreement (incorporated by reference from our Current Report on Form 8-K, filed on February 22, 2018)
10.45	Form of Common Stock Purchase Warrant (incorporated by reference from our Current Report on Form 8-K, filed on March 5, 2018)
10.46	2018 Stock Option Plan (incorporated by reference from our Current Report on Form 8-K, filed on April 25, 2018)
10.47	Form of Subscription Agreement (incorporated by reference from our Current Report on Form 8-K filed on May 31, 2018)
10.48	Form of Subscription Agreement (incorporated by reference from our Current Report on Form 8-K filed on October 3, 2018)
10.49	Underwriting Agreement, dated March 8, 2019, by and between The Alkaline Water Company Inc. and Canaccord Genuity LLC, as representative of the underwriters named therein (incorporated by reference from our Current Report on Form 8-K, filed on March 11, 2019)
10.50	Employment Agreement dated April 25, 2019 with Ronald DaVella (incorporated by reference from our Current Report on Form 8-K filed on May 3, 2019)
10.51	Sixth Amendment to Credit and Security Agreement dated June 27, 2019 with CNH Finance Fund I, L.P. (incorporated by reference from our Annual Report on Form 10-K filed on July 1, 2019)
10.52	Agreement and Plan of Merger, dated as of September 9, 2019 among The Alkaline Water Company Inc., AQUAhydrate, Inc. and AWC Acquisition Company Inc. (incorporated by reference from our Current Report on Form 8-K filed on September 12, 2019)
10.53	Amendment to the Agreement and Plan of Merger, dated as of October 31, 2019 among The Alkaline Water Company Inc., AQUAhydrate, Inc. and AWC Acquisition Company Inc. (incorporated by reference from our Current Report on Form 8-K filed on November 6, 2019)
10.54	Form of Subscription Agreement (incorporated by reference from our Current Report on Form 8-K filed on April 20, 2020)
10.55	2020 Equity Incentive Plan (incorporated by reference from our Current Report on Form 8-K filed on April 28, 2020)
10.56	Form of Subscription Agreement (incorporated by reference from our Current Report on Form 8-K filed on May 13, 2020)
(31)	**Rule 13a-14 Certifications**
31.1*	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes Oxley Act of 2002
31.2*	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes Oxley Act of 2002
(32)	**Section 1350 Certifications**
32.1*	Certification of Principal Executive Officer Pursuant to Section 906 of the Sarbanes Oxley Act of 2002
32.2*	Certification of Principal Financial Officer Pursuant to Section 906 of the Sarbanes Oxley Act of 2002
(101)	**Interactive Data File**
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase
101.DEF*	XBRL Taxonomy Extension Definition Linkbase
101.LAB*	XBRL Taxonomy Extension Label Linkbase
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase

*Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

THE ALKALINE WATER COMPANY INC.

Date: November 16, 2020	By:	*/s/ Richard A. Wright* Richard A. Wright President and Chief Executive Officer (Principal Executive Officer)
Date: November 16, 2020	By:	*/s/ David A. Guarino* David A. Guarino Chief Financial Officer and Treasurer (Principal Financial Officer and Principal Accounting Officer)

Exhibit 31.1

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Richard A. Wright, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Alkaline Water Company Inc.;

2. Based on my knowledge, this report 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 16, 2020

/s/ Richard A. Wright
Richard A. Wright
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, David A. Guarino, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Alkaline Water Company Inc.;

2. Based on my knowledge, this report 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 16, 2020

/s/ David A. Guarino
David A. Guarino
Chief Financial Officer and Treasurer
(Principal Financial Officer and Principal Accounting Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned, Richard A. Wright, hereby certifies, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. the quarterly report on Form 10-Q of The Alkaline Water Company Inc. for the period ended September 30, 2020 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of The Alkaline Water Company Inc.

November 16, 2020

/s/ Richard A. Wright
Richard A. Wright
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned, David A. Guarino, hereby certifies, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. the quarterly report on Form 10-Q of The Alkaline Water Company Inc. for the period ended September 30, 2020 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of The Alkaline Water Company Inc.

November 16, 2020

/s/ David A. Guarino
David A. Guarino
Chief Financial Officer and Treasurer
(Principal Financial Officer and Principal Accounting Officer)