Freshwater Technologies Inc.
Form 10-Q
November 16, 2009

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, 2009**

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

For the transition period from _________ to _________

Commission File No. **333-140595**

FRESHWATER TECHNOLOGIES, INC.
(Exact name of registrant as specified in its charter)

Nevada	**98-0508360**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

30 Denver Crescent, Suite 200, Toronto, Ontario, Canada M2J 1G8
(Address of principal executive offices) (zip code)

(416) 490-0254
(Registrant s telephone number, including area code)

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

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 is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of large accelerated filer, accelerated filer, and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer [ ] Accelerated filer [ ]

Non-accelerated filer [ ] Smaller reporting company [X]
(Do not check if a smaller reporting company)

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

APPLICABLE ONLY TO CORPORATE ISSUERS

As of November 13, 2009, there were 152,120,000 shares of common stock, par value $0.001, outstanding.

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Freshwater Technologies, Inc.
(A Development Stage Company)

September 30, 2009

Freshwater Technologies, Inc.
(A Development Stage Company)
Balance Sheets
(expressed in U.S. dollars)

	(Unaudited) September 30, 2009 $	December 31, 2008 $
ASSETS		
Current Assets		
Cash	464	160
Receivables	4,698	1,716
Inventory	82,694	
Total Current Assets	87,856	1,876
Intangible Assets (Notes 2(k) and 4(d))	297,124	
Total Assets	384,980	1,876
LIABILITIES AND STOCKHOLDERS EQUITY (DEFICIT)		
Current Liabilities		
Accounts payable	21,054	21,054
Accrued liabilities	56,879	17,537
Due to related parties (Note 3(b))	24,160	167,957
Total Liabilities	102,093	206,548
Going Concern (Note 1)		
Commitments and Contingencies (Notes 3(a) and 6)		
Stockholders Equity (Deficit)		
Class A Common Stock (Notes 4 and 5)		
Authorized: 300,000,000 common shares, with a par value of $0.001		
Issued and outstanding: 152,120,000 shares (2008 112,120,000)	152,120	112,120
Class B Common Stock		
Authorized: 100,000,000 common shares, with a par value of $0.001		
Issued and outstanding: none		
Additional Paid-in Capital (Notes 4 and 5)	1,259,015	686,589
Class A Common Stock Issuable (Note 4(d))	225,000	

Deficit Accumulated During the Development Stage	(1,353,248)	(1,003,381)
Total Stockholders Equity (Deficit)	282,887	(204,672)
Total Liabilities and Stockholders Equity (Deficit)	384,980	1,876

(The accompanying notes are an integral part of these financial statements)

Freshwater Technologies, Inc.
(A Development Stage Company)
Statements of Operations
(expressed in U.S. dollars)
(Unaudited)

	Accumulated from January 21, 2005 (Date of Inception) to September 30, 2009 $	Three Months Ended September 30, 2009 $	Three Months Ended September 30, 2008 $	Nine Months Ended September 30, 2009 $	Nine Months Ended September 30, 2008 $
Revenue	468,984	6,500	200	7,185	1,626
Cost of Sales	214,439		104	166	705
Gross Profit	254,545	6,500	96	7,019	921
Expenses					
Amortization of intangible assets	152,876	56,712		152,876	
Consulting (Note 3(a))	238,000	9,000	9,000	27,000	27,000
General and administrative	128,862	4,173	3,130	15,628	7,220
Imputed interest (Note 3(b))	110,484	5,225	1,475	12,426	17,641
Marketing and sales (Note 3(a))	429,553	49,004	23,251	150,007	50,760
Professional fees (Note 3(c))	178,290	3,500	11,610	35,837	40,005
Bad debts expense (recovery)	368,278	(1,400)	(5,900)	(40,338)	(6,780)
Commission Expense	3,450	3,250		3,450	
Total Expenses	1,609,793	129,464	42,566	356,886	135,846
Net Loss From Operations	(1,355,248)	(122,964)	(42,470)	(349,867)	(134,925)
Other Income					
Gain on settlement of debt	2,000				
Net Loss	(1,353,248)	(122,964)	(42,470)	(349,867)	(134,925)
Net Loss Per Share Basic and Diluted					
Weighted Average Shares Outstanding		136,903,000	102,700,000	126,186,000	102,700,000

(The accompanying notes are an integral part of these financial statements)

Freshwater Technologies, Inc.
(A Development Stage Company)
Statements of Cash Flows
(expressed in U.S. dollars)
(Unaudited)

	Nine Months Ended September 30, 2009 $	Nine Months Ended September 30 2008 $
Operating Activities		
Net loss	(349,867)	(134,925)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Amortization of intangible assets	152,876	
Donated costs		12,156
Imputed interest	12,426	17,641
Forgiveness of debt		
Provision for inventory obsolescence		
Changes in operating assets and liabilities:		
Accounts receivable	(2,982)	57
Other receivables		987
Inventory	(82,694)	
Prepaid expenses		
Accounts payable and accrued liabilities	39,342	(1,131)
Due to related parties	54,000	54,000
Net Cash Provided (Used) By Operating Activities	(176,899)	(51,215)
Financing Activities		
Advances from related parties	193,645	60,187
Repayments to related parties	(16,442)	(4,000)
Net Cash Provided (Used) By Financing Activities	177,203	56,187
Increase (Decrease) in Cash	304	4,972
Cash Beginning of Period	160	224
Cash End of Period	464	5,196
Non-cash Investing and Financing Activities:		
Issuance of shares of common stock for intangible assets	450,000	
Issuance of shares of common stock to settle debt	375,000	566,000
Supplemental Disclosures		
Interest paid		
Income tax paid		

(The accompanying notes are an integral part of these financial statements)

Freshwater Technologies Inc.
(A Development Stage Company)
Notes to Financial Statements
(expressed in U.S. dollars)
(Unaudited)

1. Nature of Operations and Going Concern

On January 1, 2006 Freshwater Technologies Inc. (formerly HMI Technologies Inc.) (HMI) entered into an Asset Acquisition Agreement to acquire the business of Freshwater Technologies (Freshwater). HMI was incorporated in the State of Nevada, U.S.A. on December 10, 1999. Its principal business now involves the distribution and marketing of drinking water products and water activation products. HMI is a Development Stage Company, as defined by Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 915, Development Stage Entities . Effective January 1, 2006, the acquisition of the Freshwater business was completed through the issuance of 80,000,000 split-adjusted restricted shares of common stock, and as a result, the former owners of the Freshwater business owned approximately 79% of the outstanding common stock of HMI.

Prior to the acquisition of Freshwater, HMI was a non-operating shell company with nominal net assets. The acquisition is a capital transaction in substance and therefore has been accounted for as a recapitalization, which is outside the scope of ASC 805 *Business Combinations* . Under recapitalization accounting, Freshwater is considered the acquirer for accounting and financial reporting purposes, and acquired the assets and assumed the liabilities of HMI. Assets acquired and liabilities assumed are reported at their historical amounts. These financial statements include the accounts of HMI since the effective date of the recapitalization (January 1, 2006) and the historical accounts of the business of Freshwater since inception (collectively, the Company). Refer to Note 5.

These financial statements have been prepared on a going concern basis, which implies that the Company will continue to realize its assets and discharge its liabilities in the normal course of business. The Company has generated limited revenues to date and has never paid any dividends and is unlikely to pay dividends or generate significant earnings in the immediate or foreseeable future. In order to fund the proposed plan of operation, the Company will require an additional $1,000,000 to $1,400,000 in funding through the next twelve month period. As at September 30, 2009, the Company had an accumulated deficit of $1,353,248 and a working capital deficit of $14,237. The continuation of the Company as a going concern is dependent upon the continued financial support from its directors and officers, the ability to raise equity or debt financing, and the attainment of profitable operations from the business. These factors raise substantial doubt regarding the Company s ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. Summary of Significant Accounting Policies

a) Basis of Presentation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States and are expressed in United States dollars. The Company s fiscal year end is December 31.

b) Interim Financial Statements

These interim unaudited financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Securities and Exchange Commission (SEC) Form 10-Q. They do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. Therefore, these financial statements should be read in conjunction with the Company s audited financial statements and notes thereto for the year ended December 31, 2008, included in the Company s Annual Report on Form 10K filed April 15, 2009 with the SEC.

The financial statements included herein are unaudited; however, they contain all normal recurring accruals and adjustments that, in the opinion of management, are necessary to present fairly the Company s financial position at September 30, 2009, and the results of its operations and cash flows for the nine month periods ended September 30, 2009 and 2008. The results of operations for the period ended September 30, 2009 are not necessarily indicative of the results to be expected for future quarters or the full year.

Freshwater Technologies Inc.
(A Development Stage Company)
Notes to Financial Statements
(expressed in U.S. dollars)
(Unaudited)

2. Summary of Significant Accounting Policies (continued)

c) Use of Estimates

The preparation of financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company regularly evaluates estimates and assumptions related to provision for uncollectible sales, provision for inventory obsolescence, valuation of distribution rights, donated expenses and deferred income tax asset valuation allowances. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company s estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

d) Cash and Cash Equivalents

The Company considers all highly liquid instruments with maturity of three months or less at the time of issuance to be cash equivalents.

e) Inventory

Inventory consists of water activation products and water filters and is recorded at the lower of cost and net realizable value on a first-in, first-out basis. The Company establishes inventory reserves for estimated obsolete or unmarketable inventory equal to the differences between the cost of inventory and the estimated realizable value based upon assumptions about future and market conditions. Shipping and handling costs are classified as a component of cost of sales in the statement of operations.

f) Comprehensive Loss

ASC 220, *Comprehensive Income* establishes standards for the reporting and display of comprehensive loss and its components in the financial statements. As at September 30, 2009, the Company has no items that represent comprehensive loss and, therefore, has not included a schedule of comprehensive loss in the financial statements.

g) Financial Instruments

Pursuant to ASC 820, *Fair Value Measurements and Disclosures* and ASC 825, *Financial Instruments,* an entity is required to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value using a hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument s categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The hierarchy prioritizes the inputs into three levels that may be used to measure fair value:

Level 1

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

Level 2

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

Level 3

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

Freshwater Technologies Inc.
(A Development Stage Company)
Notes to Financial Statements
(expressed in U.S. dollars)
(Unaudited)

2. Summary of Significant Accounting Policies (continued)

g) Financial Instruments (continued)

The Company s financial instruments consist principally of cash, receivables, accounts payable, and amounts due to related parties. The fair value of the Company s cash equivalents, when applicable, is determined based on Level 1 inputs, which consist of quoted prices in active markets for identical assets. The Company estimates that the carrying values of all of its other financial instruments approximate their fair values due to the immediate or relatively short maturities of these instruments.

h) Foreign Currency Translation

The Company s functional and reporting currency is the United States dollar. Monetary assets and liabilities denominated in foreign currencies are translated in accordance with ASC 830, *Foreign Currency Translation Matters,* using the exchange rate prevailing at the balance sheet date. Gains and losses arising on translation or settlement of foreign currency denominated transactions or balances are included in the determination of income. Foreign currency transactions are primarily undertaken in Canadian dollars. The Company has not, to the date of these financials statements, entered into derivative instruments to offset the impact of foreign currency fluctuations.

i) Revenue Recognition

The Company recognizes revenue from the sale or rental of drinking water products and water activation products in accordance with ASC 605, *Revenue Recognition.* The majority of the revenues consist of water activation units in Costa Rica, Panama and Peru. Revenue consists of the sale/rental of drinking water products and water activation products and is recognized only when the price is fixed or determinable, persuasive evidence of an arrangement exists, the product is shipped, and collectibility is reasonably assured. Our shipping terms are FOB shipping point. For UV products, the customer pays all costs from the point of shipment, and for ELCE products, the customer pays all costs from arrival point in the country to which the ELCE products are shipped. The Company evaluates the collectibility of accounts receivable based on a combination of factors. In cases where the Company is aware of circumstances that may impair a specific customer s ability to meet its financial obligations subsequent to the original sale, the Company will record an allowance against amounts due, and thereby reduce the net recognized receivable to the amount the Company reasonably believes will be collected. For all other customers, the Company recognizes allowances for doubtful accounts based on the length of time the receivables are past due, the current business environment and the Company s historical experience.

j) Stock-based Compensation

The Company accounts for share-based payments in accordance with ASC 718, *Compensation Stock Based Compensation.* All transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. The Company has not issued any stock options since its inception.

k) Intangible Assets

Intangible assets represent costs incurred to acquire product distribution rights under the agreement disclosed in Note 6(c). The useful life of the product distribution rights acquired has been estimated by management to be two years. Amortization is provided on a straight-line basis over the estimated useful life. During the nine month period ended September 30, 2009, the Company recorded $152,876 in amortization expense in relation to these assets.

l) Earnings (Loss) per Share

The Company computes earnings (loss) per share in accordance with ASC 260, *Earnings per Share*. SFAS No. 128 requires presentation of both basic and diluted earnings per share (EPS) on the face of the income statement. Basic EPS is computed by dividing net income (loss) available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period using the treasury stock method and convertible preferred stock using the if-converted method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential shares if their effect is anti dilutive. As at September 30, 2009, there are no anti-dilutive financial instruments outstanding.

Freshwater Technologies Inc.
(A Development Stage Company)
Notes to Financial Statements
(expressed in U.S. dollars)
(Unaudited)

2. Summary of Significant Accounting Policies (continued)

m) Income Taxes

The Company accounts for income taxes using the asset and liability method in accordance with ASC 740, *Income Taxes*. The asset and liability method provides that deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities, and for operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using the currently enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company records a valuation allowance to reduce deferred tax assets to the amount that is believed more likely than not to be realized.

n) Recent Accounting Pronouncements

In May 2009, FASB issued ASC 855-10, *Subsequent Events Overall*, which establishes general standards for the evaluation, recognition and disclosure of events and transactions that occur after the balance sheet date. Although there is new terminology, the standard is based on the same principles as those that currently exist in the auditing standards. The standard, which includes a new required disclosure of the date through which an entity has evaluated subsequent events, is effective for interim or annual periods ending after June 15, 2009. In accordance with ASC 855, *Subsequent Events*, the Company evaluated subsequent events through November 10, 2009, the date of issuance of the financial statements.

In June 2009, the FASB issued guidance now codified as FASB ASC Topic 105, *Generally Accepted Accounting Principles* as the single source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with U.S. GAAP, aside from those issued by the SEC. ASC 105 does not change current U.S. GAAP, but is intended to simplify user access to all authoritative U.S. GAAP by providing all authoritative literature related to a particular topic in one place. The adoption of ASC 105 did not have a material impact on the Company s financial statements, but did eliminate all references to pre-codification standards

The Company has implemented all new accounting pronouncements that are in effect and that may impact its financial statements and does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

Freshwater Technologies Inc.
(A Development Stage Company)
Notes to Financial Statements
(expressed in U.S. dollars)
(Unaudited)

4. Common Stock

a) On August 15, 2008, the Company entered into a debt settlement and subscription agreement with the President of the Company, whereby the Company agreed to issue 5,700,000 shares of Class A common stock at a fair value of $0.05 per share in consideration of the settlement of $285,000 owing.

b) On August 15, 2008, the Company entered into a debt settlement and subscription agreement with the CFO of the Company, whereby the Company agreed to issue 5,500,000 shares of Class A common stock at a fair value of $0.05 per share in consideration of the settlement of $275,000 owing.

c) On August 15, 2008, the Company entered into a debt settlement and subscription agreement, whereby the Company agreed to issue 120,000 shares of Class A common stock at a fair value of $0.05 per share in consideration of the settlement of $6,000 owing.

d) On January 25, 2009, the Company issued 10,000,000 restricted shares of Class A common stock under the agreement described in Note 6(b). On July 25, 2009, the Company issued 5,000,000 restricted shares of Class A common stock under this agreement. The fair value of the restricted shares issued was estimated to be $225,000 as determined on the measurement date using quoted prices in an active market, less a 75% discount to reflect the effect of the restriction. Under the agreement, the Company is also obligated to issue a further 15,000,000 restricted shares of Class A common stock. The fair value of these restricted shares was estimated to be $225,000 as determined on the measurement date using quoted prices in an active market, less a 75% discount to reflect the effect of the restriction. As at September 30, 2009, the estimated fair value of these shares has been presented as Class A common stock issuable on the balance sheet. The estimated fair value of the 30,000,000 shares issued and to be issued under the agreement of $450,000 has been recorded as intangible assets as at September 30, 2009, less accumulated amortization of $152,876.

e) On August 20, 2009, the Company entered into a debt settlement and subscription agreement, whereby the Company agreed to issue 25,000,000 shares of Class A common stock at a fair value of $0.015 per share in consideration of the settlement of $375,000 owing (see Note 3(f)).

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Advances from related parties	(45,301)
Net liabilities assumed	(45,301)

Freshwater Technologies Inc.
(A Development Stage Company)
Notes to Financial Statements
(expressed in U.S. dollars)
(Unaudited)

6. Commitments

a) On September 23, 2008, the Company entered into a Consulting Agreement with Rolando Choso Esquivel to act as Director, Latin American Sales and Marketing. The Company will pay $1,500 monthly for these consulting services and will reimburse out of pocket expenses incurred for Company business. The agreement was renewed for a one year term expiring August 31, 2010, is renewable annually with both parties approval and can be terminated by the Company with two month s notice and payment.

b) On January 25, 2009, the Company entered into an agreement with ELCE International Corp. (ELCE) under which it obtained the rights to distribute water products purchased from ELCE in certain countries domiciled in South and Central America. As consideration for these rights, the Company agreed to issue to Claudio Sgarbi, the President of ELCE, 10,000,000 restricted shares of common stock upon closing of the agreement (issued on January 25, 2009 see Note 4(d)), 5,000,000 restricted shares issued on July 25,2009 see Note 4(d) and an additional 5,000,000 shares issuable semi-annually for 18 months for a total of 15,000,000 additional shares. Under the agreement, the Company will pay Claudio Sgarbi any out-of-pocket expenses plus consulting fees as follows:

$4,500 per month until May 2009;
$6,000 per month thereafter until August 2009;
$7,500 per month thereafter until November 2009; and
$9,000 per month thereafter until the agreement is terminated.

Under the agreement, the Company has agreed to pay to ELCE 50% of the net profits relating to sales of ELCE water products and to maintain minimum inventories of ELCE water products for each country specified in the agreement in due course. As at September 30, 2009, the purchase cost of minimum inventory quantities was estimated to be $881,000 in total.

c) In February 2009, the Company entered into an Agency Agreement with Ancizar Rendon Ramirez to act as Agent for ELCE sales in the Southern Region of Colombia, South America. The Company will pay $1,000 monthly for these consulting services including related sales expenses and a commission of 10% for all collected ELCE sales initiated by the Agent in the Southern Region of Colombia. The agreement is for a one year term which expires January 31, 2010, is renewable annually and can be terminated by the Company with three month s notice.

d) In July 2009, the Company entered into an Agency Agreement with Luis Alberto Buitrago Gonzalez to act as Agent for FW Activator sales in the Valle de Cauca Region of Colombia, South America. The Company will pay $400 monthly increasing to $600 per month after three months for these consulting services including related sales expenses and a commission of 5% for all collected FW Activator sales initiated by the agent in the Valle de Cauca Region of Colombia. The agreement is for a one year term which expires July 15, 2010, is renewable annually and can be terminated by the Company with three month s notice.

e) In April 2009, the Company entered into an Agency Agreement with German Guerra Guerra to act as Agent for FW Activator sales made by RyC Refrigeracion E.I.R.L. and ASAP Consulting Group S.A.C. in Peru, South America. The Company will pay a commission of 5% for all collected FW Activator sales made by RyC Refrigeracion E.I.R.L. and ASAP Consulting Group S.A.C. in Peru, South America. The agreement is for a one year term which expires in April 2010, is renewable annually and can be terminated by the Company with three month s notice. On July 1, 2009 the Company formalized its Distributors Agreement with RyC Refrigeracion E.I.R.L.

7. Economic Dependence

The Company relies solely upon VIQUA- a Trojan Technologies Company (formerly R-Can Environmental Inc.) (VIQUA), as the sole supplier of their drinking water products, ELCE International Corp. (ELCE), as the sole supplier of their water activation products and Ozocan Corporation as sole supplier of ozone water treatment systems. VIQUA and ELCE supplied the Company with 100% of the products that the Company offered and sold during the nine months ended September 30, 2009 and 2008. VIQUA, Ozocan and ELCE are the sole manufacturers and primary developers of the respective technologies in such products. As a result, the Company could be adversely affected by changes in the cost of the suppliers products, the financial condition of the suppliers or by the deterioration or termination of its relationship with the suppliers.

ITEM 2. MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Forward Looking Statements

This quarterly report contains forward-looking statements. Forward-looking statements are projections of events, revenues, income, future economic performance or management s plans and objectives for our future operations. In some cases, you can identify forward-looking statements by terminology such as may , should , expects , plan anticipates , believes , estimates , predicts , potential or continue or the negative of these terms or other co terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including the risks in the section entitled Risk Factors and the risks set out below, any of which may cause our or our industry s actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to actual results.

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

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

As used in this quarterly report, the terms we , us , our , and Freshwater mean Freshwater Technologies, Inc., un otherwise indicated.

Corporate History

We were incorporated in the State of Nevada on December 10, 1999 under the name HMI Technologies Inc. Following incorporation until January 1, 2006, we sought out prospective businesses with which to enter into a merger or business combination. On January 1, 2006, we entered into and closed an asset sale agreement with Max Weissengruber and D. Brian Robertson, whereby we acquired all of the assets related to the business as operated by Mr. Weissengruber and Mr. Robertson under the name Freshwater Technologies in consideration for the issuance of 40,000,000 common shares to each individual. Following the closing of the asset sale agreement, we commenced the business of distributing and selling drinking water products and water activation products. On July 5, 2006, we changed our name from HMI Technologies Inc. to Freshwater Technologies, Inc. to better reflect our new business direction. Following the closing of the asset sale agreement, we appointed Max Weissengruber as our President and director and Brian Robertson as our Chief Financial Officer and director.

Current Business

We are a distributor of water treatment products to local distributors and retailers for household and commercial applications. We currently offer three product lines consisting of drinking water treatment products and water activation products. The drinking water treatment products feature Sterilight branded ultra violet products that are supplied to our company by VIQUA(formerly R-Can Environmental Inc.), a manufacturer based out of Guelph, Ontario, Canada. Sterilight branded ultraviolet water treatment systems incorporate ultraviolet light energy that eradicates harmful microbiological contaminants in drinking water. Traditional disinfectant methods such as chlorination reacts with natural organic matter to produce objectionable taste and odor and also forms substances with known carcinogenic properties such as trihalomethane. Genetic components in organisms carry hereditary characteristics that are copied and transmitted from each cell of water borne contaminants such as bacteria, viruses and parasites. The Sterilight ultraviolet lamp emits powerful ultraviolet light energy which, when absorbed by these contaminants, causes disruption of the DNA Structure of those contaminants preventing reproduction. It is the

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prevention of reproduction by microbial contaminants that renders ultraviolet treated water safe for human consumption. Sterilight lamps provide consistent UV output over the 9,000 hour life of the lamp and uniform temperature distribution calculated to achieve the desired levels of decontamination.

Our drinking water treatment products also feature the ozone water treatment systems of Ozocan Corporation for the countries of Argentina, Chile, Peru, Costa Rica and Panama. As a proven disinfectant, ozone is more powerful than chlorine and, unlike chlorine, it discharges no potentially harmful substances into the environment. Used in a variety of water treatment applications, Ozocan s products effectively treat municipal and industrial drinking water and wastewater and are used in bottled water applications as well as treating air conditioning and cooling tower installations. Ozocan systems can be found throughout the globe either as custom designed applications or in one of a number of standard sized units that can meet the effective treatment needs of a wide variety of customers.

Our water activation products are designed to improve the operating efficiency of commercial and industrial boilers and refrigeration systems without the use of chemicals. Our water activation products are supplied to our company by ELCE International Corp., the worldwide distributor of ELCE products invented by Nihon Jisui Co. Ltd. of Japan. We order units from ELCE International Corp. which are then shipped against customer orders or shipped directly to one of our local distributors located in Argentina, Chile, Colombia, Costa Rica, Panama and Peru. ELCE water activation treatment systems remove rust, scale and corrosion within heating and cooling systems. The water activation units, which range in water flow capacity from 11 liters per minute to over 2,000 liters per minute, change water properties physically without removing or adding chemical impurities, ions or minerals.

We will only purchase limited quantities of replacement filters and lamps for our water purification products for inventory as our distributors will be inventorying the majority of replacement parts. We will purchase all other finished product from our three supplier-manufacturers in quantities sufficient to satisfy product orders of our customers.

In January 2009, we signed a Joint Venture Agreement with ELCE International Corp., the company who has been a significant supplier to our company for a number of years. In July 2009 we were approved for a private labelling program whereby all ELCE Activators made for our company s rental or sale would now be labelled FW Activators. In July we introduced a FW Activator rental program to our distributors and, as a result, we will inventory rental units installed by our distributors. Pursuant to the joint venture agreement, ELCE International will supply its FW water activation units at manufacturer s cost to Freshwater and will participate with Freshwater to market and sell FW products in Argentina, Chile, Columbia, Costa Rica, Panama and Peru. ELCE International has compiled technical information on ELCE equipment installed world-wide in a variety of commercial, industrial, agricultural and aquacultural applications. We intend to target industries and companies for whom ELCE has already provided effective solutions in terms of eliminating or reducing encrustations and corrosion, improving energy efficiency and improving productivity and output.

The essential elements of the FW device lie in the properties of its ceramic balls, hardened to 1200 degrees Centigrade. As water passes through the stainless steel chamber containing the ceramic balls, the balls rotate and rub against each other generating several forms of electrical energy which act to reduce and eliminate the accumulated rust, scale and corrosion that is caused by minerals and salts in the source water. As a result, FW water activation eliminates the conventional use and ongoing costs of continually using harsh chemicals to clean out deposits within heating and cooling systems. We have formalized our relationship with ELCE International Corp. with a non-exclusive distribution agreement and a joint venture agreement. We have also formalized our relationship with VIQUA(formerly R-Can Environmental Inc.) and Oxocan Corporation pursuant to non-exclusive distribution agreements. We also offer a full line of accessories, replacement parts and services compatible with all types of our water treatment systems.

General

The following is a discussion and analysis of our results of operation for the nine month periods ended September 30, 2009 and September 30, 2008 and the year ended December 31, 2008, and the factors that could affect our future financial condition. This discussion and analysis should be read in conjunction with our unaudited financial statements and the notes thereto included elsewhere in this quarterly report. Our financial statements are prepared in accordance with United States generally accepted accounting principles. All references to dollar amounts in this section are in United States dollars unless expressly stated otherwise.

Results of Operations

Material Changes in Financial Condition

		September 30, 2009		December 31, 2008
Current Assets	$	87,856	$	1,876
Current Liabilities		102,093		206,548
Working Capital Deficiency	$	14,237	$	204,672

Total assets at September 30, 2009 were $384,980 as compared to $1,876 at December 31, 2008.

$82,694 of the increase in our Total Assets is due to an increase in inventory mainly representing two FW-12 Activation units that are being evaluated in companies in Colombia.

$2,982 of the increase in our Total Assets is attributable to an increase in accounts receivable.

$297,124 of the increase in our Total Assets is attributable to Intangible Assets as described below:

Pursuant to the joint venture agreement, on January 25, 2009, the Company issued 10,000,000 restricted shares of Class A common stock under the joint venture agreement with ELCE International Corp. and on July 25, 2009, the Company issued 5,000,000 restricted shares of Class A common stock under this agreement. The fair value of the restricted shares issued was estimated to be $225,000 as determined on the measurement date using quoted prices in an active market, less a 75% discount to reflect the effect of the restriction. Under the agreement, the Company is also obligated to issue a further 15,000,000 restricted shares of Class A common stock. The fair value of these restricted shares was estimated to be $225,000 as determined on the measurement date using quoted prices in an active market, less a 75% discount to reflect the effect of the restriction. As at September 30, 2009, the estimated fair value of these shares has been presented as Class A common stock issuable on the balance sheet. The estimated fair value of the 30,000,000 shares issued and to be issued under the agreement of $450,000 has been recorded as intangible assets at September 30, 2009, less accumulated amortization of $152,876.

Our Liabilities at September 30, 2009 were $102,093 as compared to $206,548 at December 31, 2008. The decrease is due to the Company entering into a debt settlement and subscription agreement, on August 20, 2009, whereby the Company agreed to issue 25,000,000 shares of Class A common stock at a fair value of $0.015 per share in consideration of the debt settlement of $375,000 offset by an increase of $39,342 in accrued liabilities mainly regarding professional fees. The amounts due to our directors and officers at September 30, 2009 total $24,160 and are non-interest bearing, unsecured and have no specific terms for repayment.

Revenue

We generated revenues of $6,500 for the three month period ended September 30, 2009 compared to $200 for the three month period ended September 30, 2008 and $7,185 for the nine month period ended September 30, 2009 compared to $1,626 for the nine month period ended September 30, 2008. Revenues for the three months ended September 30, 2009 of $6,500 and for the nine months ended September 30, 2009 of $6,900 were for the rental of Activators and $285 were for the sale of water purification products. Revenues of $200 for the three months ended September 30, 2008 and $1,626 for the nine months ended September 30, 2008 were for the sale of water purification products.

The cost of sales for the three month period ended September 30, 2009 was $nil, compared to $104 for the three month period ended September 30, 2008 while the cost of sales was $166 for the nine month period ended September 30, 2009 compared to $705 for the nine month period ended September 30, 2008. There are no cost of sales recorded for the Activator rentals as these Activators had been provided for or written off in previous years.

Operating Costs and Expenses

The major components of our revenue and expenses for the three and nine month periods ended September 30, 2009 and 2008 are outlined in the table below:

	Three Months Ended September 30, 2009 $	Three Months Ended September 30, 2008 $	Nine Months Ended September 30, 2009 $	Nine Months Ended September 30, 2008 $
Revenue	6,500	200	7,185	1,626
Cost of Sales		104	166	705
Gross Profit	6,500	96	7,019	921
Expenses				
Amortization of intangible assets	56,712		152,876	
Consulting	9,000	9,000	27,000	27,000
General and administrative	4,173	3,130	15,628	7,220
Imputed interest	5,225	1,475	12,426	17,641
Marketing and sales	49,004	23,251	150,007	50,760
Professional fees	3,500	11,610	35,837	40,005
Bad debts expense (recovery)	(1,400)	(5,900)	(40,338)	(6,780)
Commission Expense	3,250		3,450	
Total Expenses	129,464	42,566	356,886	135,846
Net Loss From Operations	(122,964)	(42,470)	(349,867)	(134,925)

For the three months ended September 30, 2009, our operating expenses totalled $129,464 as compared to $42,566 for the three months ended September 30, 2008. Amortization of intangible assets representing costs incurred to acquire product distribution rights under the joint venture agreement with ELCE International Corp. amounted to $56,712 for the three months ended September 30, 2009 compared with nil for the three months ended September 30, 2008 as the agreement was signed January 25, 2009. Professional fees amounted to $3,500 for the three months ended September 30, 2009 as compared to $11,610 for the three months ended September 30, 2008. Marketing and sales expenses and consultants costs were $49,004 for the three months ended September 30, 2009 as compared to $23,251 for the three months ended September 30, 2008 with the increase being due to an increase in travel expenses and fees for our Director of Latin America sales of $6,630, an increase in fees and expenses for our Agent in Colombia of $3,800, an increase in costs relating to our Joint Venture Agreement with ELCE International Corp. of $26,240 offset by a decrease in Central/South America travel of $10,917. Rental commissions paid to our distributors for the rental of our Activators amounted to $3,250 for the three months ending September 30, 2009 versus $nil for the three months ended September 30, 2008 as our Activator rental program started in July 2009. General and administrative expenses were $4,173 during the three months ended September 30, 2009 as compared to $3,130 for the three months ended

September 30, 2008. Imputed interest on directors loans was $5,225 for the three months ended September 30, 2009 as compared to $1,475 for the three months ended September 30, 2008. This increase is due to the imputed interest being calculated on higher amounts owing to Directors in 2009. For the three months ended September 30, 2009 we recovered $1,400 of sales previously written off as compared to $5,900 for the three months ended September 30, 2008.

For the nine months ended September 30, 2009, our operating expenses totalled $356,886 as compared to $135,846 for the nine months ended September 30, 2008. Amortization of intangible assets representing costs incurred to acquire product distribution rights under the joint venture agreement with ELCE International Corp. amounted to $152,876 for the nine months ended September 30, 2009 compared with nil for the nine months ended September 30, 2008 as the agreement was signed January 25, 2009. Professional fees amounted to $35,837 for the nine months ended September 30, 2009 as compared to $40,005 for the nine months ended September 30, 2008. Marketing and sales expenses and consultants costs were $150,007 for the nine months ended September 30, 2009 as compared to $50,760 for the nine months ended September 30, 2008 with the increase being due to an increase in travel expenses and fees for our Director of Latin America sales of $22,647, an increase in fees and expenses for our Agent in Colombia of $12,936, an increase in costs relating to our Joint Venture Agreement with ELCE International Corp. of $70,831 and a business/marketing development fee paid of $3,750 offset by a decrease in Central/South American travel of $10,917. Rental commissions paid to our distributors for the rental of our Activators amounted to $3,250 for the nine months ending September 30, 2009 versus $nil for the nine months ended September 30, 2008 as our Activator rental program started in July 2009. General and administrative expenses were $15,628 during the nine months ended September 30, 2009 as compared to $7,220 for the nine months ended September 30, 2008. This increase is mainly due to costs of setting up banking in Colombia and Peru of $3,500 and increased shareholder communication costs of $3,608. Imputed interest on directors loans was $12,426 for the nine months ended September 30, 2009 as compared to $17,641 for the nine months ended September 30, 2008. This decrease is mainly due to the completion of a debt settlement and subscription agreement in August 2008 whereby $560,000 of debt to directors was settled by the issuance of 11,200,000 common shares of our company which reduced the imputed interest charged on Directors loans. For the nine months ended September 30, 2009 we recovered $40,338 of sales previously written off as compared to $6,780 for the nine months ended September 30, 2008.

Liquidity and Capital Resources

Working Capital

		September 30, 2009		December 31, 2008
Current Assets	$	87,856	$	1,876
Current Liabilities		102,093		206,548
Working Capital Deficiency	$	14,237	$	204,672

Cash Flows

		Nine Months Ended September 30, 2009		Nine Months Ended September 30, 2008
Cash provided (used) in Operating Activities	$	(176,899)	$	(51,215)
Cash used by Investing Activities		-		-
Cash provided (used) by Financing Activities		177,203		56,187
Net Increase (Decrease) in Cash	$	304	$	4,972

We had cash on hand of $464 and negative working capital of $14,237 as of September 30, 2009 compared to cash on hand of $160 and negative working capital of $204,672 for the year ended December 31, 2008. We anticipate that we will require approximately $1,000,000 to $1,400,000 for operating expenses, including professional, legal and accounting expenses associated with our reporting requirements under the Exchange Act during the next twelve months. Accordingly, we do not have enough money to carry out our business plan and we will need to obtain additional financing in order to continue operating

There are no assurances that we will earn the funds required for our continued operations. If we do not earn the required revenues, then we will have to seek another source of financing, likely through the sale of more shares of our common stock or borrowing money. There can be no assurance that additional financing will be available to us when needed or, if available, that it can be obtained on commercially reasonable terms. If we are not able to obtain the additional financing on a timely basis, we will not be able to meet our other obligations as they become due and we will be forced to scale down or perhaps even cease the operation of our business.

There is substantial doubt about our ability to continue as a going concern as the continuation of our business is dependent upon a combination of our ability to obtain further long-term financing, the successful and sufficient market acceptance of any product offerings that we may introduce, the continuing successful development of our product offerings, and, finally, our ability to achieve a profitable level of operations. The issuance of additional equity securities by us could result in a significant dilution in the equity interests of our current stockholders. Obtaining commercial loans, assuming those loans would be available, would increase our liabilities and future cash commitments.

Operating Activities

Operating activities used cash of $176,899 for the nine months ended September 30, 2009 and used cash of $51,215 for the nine months ended September 30, 2008.

Financing Activities

Net cash provided by financing activities was $177,203 for the nine months ended September 30, 2009 and net cash provided by financing activities was $56,187 for the nine months ended September 30, 2008. These financing activities were provided by two directors of our Company.

Non-cash Investing and Financing Activities

In January 2009, the Company signed a Joint Venture Agreement with ELCE International Corp. Under the Agreement the Company is to issue 30,000,000 common shares with an estimated fair value of $450,000 on the date of the agreement for certain distribution rights.

In August 2009, the Company entered into a debt settlement and subscription agreement, whereby the Company agreed to issue 25,000,000 shares of Class A common stock at a fair value of $0.015 per share in consideration of the settlement of $375,000 owing.

In August 2008, the Company entered into a debt settlement and subscription agreement, whereby the Company agreed to issue 11,320,000 shares of Class A common stock at a fair value of $0.050 per share in consideration of the settlement of $566,000 owing.

Going Concern

Due to the uncertainty of our ability to meet our current operating and capital expenses, in their report on our audited annual financial statements for the year ended December 31, 2008, our independent auditors included an explanatory paragraph regarding concerns about our ability to continue as a going concern. Our financial statements contain additional note disclosures describing the circumstances that led to this disclosure by our independent auditors. There is substantial doubt about our ability to continue as a going concern as the continuation and expansion of our business is dependent upon obtaining further financing, successful and sufficient market acceptance of our products, and, finally, achieving a profitable level of operations. The issuance of additional equity securities by us could result in a significant dilution in the equity interests of our current stockholders. Obtaining commercial loans, assuming those loans would be available, will increase our liabilities and future cash commitments.

Future Financings

Fundraising will be one of our primary objectives over the next twelve months. The financial requirements of our company for the next twelve months will depend on our ability to raise the money we require through credit facilities and additional private placements of our equity securities or loans from our directors. The issuance of additional equity securities by us may result in a significant dilution in the equity interests of our current shareholders.

There is no assurance that we will be able to obtain the funds required for our continued operations or that additional financing will be available to us when needed or, if available, that it can be obtained on commercially reasonable terms. If we are not able to obtain the additional financing on a timely basis, we will not be able to meet our other obligations as they become due and we will be forced to scale down or perhaps even cease our operations. We do not currently have any plans to merge with another company, and we have not entered into any agreements or understandings for any such merger.

Our cash on hand and the revenue that we anticipate generating going forward from our operations will not be sufficient to satisfy our cash requirements for the next twelve month period. We expect to require from $1,000,000 to $1,400,000. We intend to raise any such additional capital primarily through the private placement of our securities and further borrowings from our directors if this type of funding continues to be available. We also intend to continue to seek additional funds from our directors to fund our day to day operations until a private placement can be pursued but we have no guarantee that our directors will continue to fund our day to day operations.

Estimated Working Capital Expenditures During the Next Twelve Month Period

We estimate our future expenditures for the next twelve months as follows:

Operating expenditures			
	Marketing	$	400,000 - 550,000
	General and Administrative	$	50,000 - 75,000
	Legal and Accounting	$	50,000 - 75,000
	Working capital	$	400,000 - 500,000
	Repayment of Directors Advances	$	100,000 - 200,000
Total		$	1,000,000 - 1,400,000

Off-Balance Sheet Arrangements

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

Application of Critical Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company regularly evaluates estimates and assumptions related to provision for uncollectible sales, provision for inventory obsolescence, valuation of distribution rights, donated expenses and deferred income tax asset valuation allowances. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company s estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

Cash and Cash Equivalents

The Company considers all highly liquid instruments with maturity of three months or less at the time of issuance to be cash equivalents.

Inventory

Inventory consists of water activation products and water filters and is recorded at the lower of cost and net realizable value on a first-in, first-out basis. Our company establishes inventory reserves for estimated obsolete or unmarketable inventory equal to the differences between the cost of inventory and the estimated realizable value based upon assumptions about future and market conditions. Shipping and handling costs are classified as a component of cost of sales in the statement of operations.

Comprehensive Loss

ASC 220, *Comprehensive Income* establishes standards for the reporting and display of comprehensive loss and its components in the financial statements. As at September 30, 2009, the Company has no items that represent comprehensive loss and, therefore, has not included a schedule of comprehensive loss in the financial statements.

Financial Instruments

Pursuant to ASC 820, *Fair Value Measurements and Disclosures* and ASC 825, *Financial Instruments,* an entity is required to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value using a hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument s categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The hierarchy prioritizes the inputs into three levels that may be used to measure fair value:

Level 1

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

Level 2

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

Level 3

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

The Company s financial instruments consist principally of cash, receivables, accounts payable, and amounts due to related parties. The fair value of the Company s cash equivalents, when applicable, is determined based on Level 1 inputs, which consist of quoted prices in active markets for identical assets. The Company estimates that the carrying values of all of its other financial instruments approximate their fair values due to the immediate or relatively short maturities of these instruments.

Foreign Currency Translation

The Company s functional and reporting currency is the United States dollar. Monetary assets and liabilities denominated in foreign currencies are translated in accordance with ASC 830, *Foreign Currency Translation Matters,* using the exchange rate prevailing at the balance sheet date. Gains and losses arising on translation or settlement of foreign currency denominated transactions or balances are included in the determination of income. Foreign currency transactions are primarily undertaken in Canadian dollars. The Company has not, to the date of these financial statements, entered into derivative instruments to offset the impact of foreign currency fluctuations.

Revenue Recognition

The Company recognizes revenue from the sale or rental of drinking water products and water activation products in accordance with ASC 605, *Revenue Recognition.* The majority of the revenues consist of water activation units in Costa Rica, Panama and Peru. Revenue consists of the sale/rental of drinking water products and water activation products and is recognized only when the price is fixed or determinable, persuasive evidence of an arrangement exists, the product is shipped, and collectibility is reasonably assured. Our shipping terms are FOB shipping point. For UV products, the customer pays all costs from the point of shipment, and for ELCE products, the customer pays all costs from arrival point in the country to which the ELCE products are shipped. The Company evaluates the collectibility of accounts receivable based on a combination of factors. In cases where the Company is aware of circumstances that may impair a specific customer s ability to meet its financial obligations subsequent to the original sale, the Company will record an allowance against amounts due, and thereby reduce the net recognized receivable to the amount the Company reasonably believes will be collected. For all other customers, the Company recognizes allowances for doubtful accounts based on the length of time the receivables are past due, the current business environment and the Company s historical experience.

Stock-based Compensation

The Company accounts for share-based payments in accordance with ASC 718, *Compensation Stock Based Compensation.* All transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. The Company has not issued any stock options since its inception.

Intangible Assets

Intangible assets represent costs incurred to acquire product distribution rights under the agreement disclosed in Note 6(c). The useful life of the product distribution rights acquired has been estimated by management to be two years. Amortization is provided on a straight-line basis over the estimated useful life. During the nine month period ended September 30, 2009, the Company recorded $152,876 in amortization expense in relation to these assets.

Earnings (Loss) Per Share

The Company computes earnings (loss) per share in accordance with ASC 260, *Earnings per Share*. SFAS No. 128 requires presentation of both basic and diluted earnings per share (EPS) on the face of the income statement. Basic EPS is computed by dividing net income (loss) available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period using the treasury stock method and convertible preferred stock using the if-converted method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential shares if their effect is anti dilutive. As at September 30, 2009, there are no anti-dilutive financial instruments outstanding.

Income Taxes

The Company accounts for income taxes using the asset and liability method in accordance with ASC 740, *Income Taxes*. The asset and liability method provides that deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities, and for operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using the currently enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company records a valuation allowance to reduce deferred tax assets to the amount that is believed more likely than not to be realized.

Recently Accounting Pronouncements

In May 2009, FASB issued ASC 855-10, *Subsequent Events Overall*, which establishes general standards for the evaluation, recognition and disclosure of events and transactions that occur after the balance sheet date. Although there is new terminology, the standard is based on the same principles as those that currently exist in the auditing standards. The standard, which includes a new required disclosure of the date through which an entity has evaluated subsequent events, is effective for interim or annual periods ending after June 15, 2009. In accordance with ASC 855, *Subsequent Events*, the Company evaluated subsequent events through November 10, 2009, the date of issuance of the financial statements.

In June 2009, the FASB issued guidance now codified as FASB ASC Topic 105, *Generally Accepted Accounting Principles* as the single source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with U.S. GAAP, aside from those issued by the SEC. ASC 105 does not change current U.S. GAAP, but is intended to simplify user access to all authoritative U.S. GAAP by providing all authoritative literature related to a particular topic in one place. The adoption of ASC 105 did not have a material impact on the Company s financial statements, but did eliminate all references to pre-codification standards.

The Company has implemented all new accounting pronouncements that are in effect and that may impact its financial statements and does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

Risk Factors

Much of the information included in this quarterly report includes or is based upon estimates, projections or other forward looking statements . Such forward looking statements include any projections and estimates made by us and our management in connection with our business operations. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein.

Such estimates, projections or other forward looking statements involve various risks and uncertainties as outlined below. We caution the reader that important factors in some cases have affected and, in the future, could materially affect actual results and cause actual results to differ materially from the results expressed in any such estimates, projections or other forward looking statements .

Risks Related to the Economy

The recent weakening of economic conditions around the world could have harmful effects on our business. If these harmful effects cause us to scale down our planned operations, then our share price will likely decrease. If these harmful effects cause us to cease our operations, then our shareholders will likely lose their entire investment in our company.

The recent weakening of economic conditions around the world could have harmful effects on our business. Weakening economic conditions generally lead to less money being spent on luxuries, which water treatment products may be considered by many to be. If consumers spend less and do not choose to spend their limited funds on our water treatment products, we will earn less revenue than we currently plan on and we will not be able to achieve profitable operations.

The recent economic problems will likely also have a negative impact on the amount of money we may expect to raise through sales of our equity securities. Many investors have recently seen large decreases in the value of various investments due to declining share prices across many economic sectors. Because of this and other market factors, if we choose to raise funds through the sale of our equity securities, potential investors may be less likely to buy our equity securities or we may be need to sell our equity securities at low prices, resulting in fewer proceeds. This would make it difficult for us to raise adequate amounts to fund our operations through the sale of our equity securities.

If we are unable to fund our operations through revenues or the sale of our equity securities, then we may choose to borrow money to pay for some of our operations. A tightening of credit conditions has also been experienced in the economy recently. Because of the recent credit crisis, it is possible that we would not be able to borrow adequate amounts to fund our operations on terms and at rates of interest we find acceptable and in the best interests of our company.

If we cannot fund our planned operations from revenue, the sale of our equity securities or through incurring debt on acceptable terms, then we will likely have to scale down or cease our operations. If we scale down our operations, our share price would likely decrease and if we cease our operations, shareholders will likely lose their entire investment in our company.

The recent weakening of economic conditions around the world could have harmful effects on the operations of our customers and suppliers and the confidence of end consumers, all of which could cause our operations to suffer and our revenues to decrease.

Some of our customers or suppliers could experience serious cash flow problems due to the current economic situation. If our customers or suppliers attempt to increase their prices, pass through increased costs, alter payment terms or seek other relief, our business may suffer from decreased sales to final consumers or increased costs to us. If any of our vendors or suppliers go out of business, we may not be able to replace them with other companies of the same quality and level of service. If the quality of our products and promptness of delivery deteriorates as a result, our revenue will likely decrease as retailers and consumers would be less likely to choose our products out of those available to them.

We do not expect that the difficult economic conditions are likely to improve significantly in the near future, and further deterioration of the economy, and even consumer fear that the economy will deteriorate further, could intensify the adverse effects of these difficult market conditions.

Risks Related to our Company

We have had minimal revenues from operations and if we are not able to obtain further financing we may be forced to scale back or cease operations or our business operations may fail.

To date, we have not generated significant income from our operations and we have been dependent on sales of our equity securities and advances from directors to meet the majority of our cash requirements. From the date of inception on January 21, 2005 to September 30, 2009, we have generated $468,984 in revenue from the sale of our products. As at September 30, 2009, we had cash of $464 and negative working capital of $14,237. We expect to generate a moderate positive cash flow from operations in the next twelve month period. We estimate that we will require between $1,000,000 and $1,400,000 to carry out our business plan for the next twelve month period. We will, in all likelihood, continue to incur operating expenses without significant revenues until our products gain significant popularity. Since we are still in the early stages of operating our company and because of the lack of operating history, our independent auditors report and Note 1 to the financial statements for the years ended December 31, 2008 and December 31, 2007 state that these factors raise substantial doubt regarding our company s ability to continue as a going concern. Because we cannot anticipate when we will be able to generate significant revenues from sales, we will need to raise additional funds to develop our business plan, respond to competitive pressures, sign distribution agreements with distributors and respond to unanticipated requirements or expenses. If we are not able to generate significant revenues from the sale of our products, we will not be able to maintain our operations or achieve a profitable level of operations.

We will not be able to expand our operations beyond current levels without generating significant revenues from our current operations or obtaining further financing. We cannot assure that we will be able to generate enough interest in our products to ever become profitable. If we are unable to establish and generate material revenues, or obtain adequate future financing, our business will fail and you may lose some or all of your investment in our common stock.

We have only commenced our current business operations on January 1, 2006 and we have a limited operating history. If we cannot successfully manage the risks normally faced by start-up companies, we may not achieve profitable operations and ultimately our business may fail.

We have a limited operating history. From the date of inception on January 21, 2005 to the closing of the asset purchase agreement on January 1, 2006, our business operations consisted primarily seeking out prospective entities with which to enter into a merger or business combination. Since January 1, 2006, we have concentrated on our new business of selling drinking water products and water activation products to distributors for resale in our target markets of South America, Central America and the Caribbean. Our prospects are subject to the risks and expenses encountered by start up companies, such as uncertainties regarding our level of future revenues, our inability to budget expenses and manage growth accordingly, and our inability to access sources of financing when required and at rates favorable to us. Our limited operating history and the highly competitive nature of the drinking water and water activation industries make it difficult or impossible to predict future results of our operations. We may not establish a distribution network that will make us profitable, which may result in the loss of some or all of your investment in our common stock.

The fact that we have only generated limited revenues since our inception raises substantial doubt about our ability to continue as a going concern, as indicated in our independent auditors report in connection with our audited financial statements.

We have generated limited revenues since our inception on January 21, 2005. Since we are still in the early stages of operating our company and because of the lack of operating history, our independent auditors report includes an explanatory paragraph about our ability to continue as a going concern. We will, in all likelihood, continue to incur operating expenses without significant revenues until our products gain significant popularity. From January 21, 2005 to September 30, 2009, we raised $549,463 through advances provided by two of our directors. We estimate our average monthly operating expenses to be approximately $30,000 per month. We will not be able to expand our operations beyond current levels without generating significant revenues from our current operations or obtaining further financing. Our primary source of funds has been advances from two of our directors and officers. We cannot assure that we will be able to generate enough interest in our products. If we cannot attract a successful distribution network, we will not be able to generate any significant revenues or income. In addition, if we are unable to establish and generate material revenues, or obtain adequate future financing, our business will fail and you may lose some or all of your investment in our common stock. These circumstances raise substantial doubt about our ability to continue as a going concern as described in an explanatory paragraph to our independent auditors report on the financial statements for the years ended December 31, 2008 and December 31, 2007.

Our substantial debt could adversely affect our financial condition and prevent us from fulfilling our obligations to our creditors and cause us to go out of business.

As of September 30, 2009, we had total liabilities of $102,093, of which $24,160 was due to related parties. Our liabilities are in excess of our current assets, which were $87,856 as of September 30, 2009, and could adversely affect our financial condition and make it more difficult for us to satisfy our obligations with respect to our creditors. If we are unable to pay our debts as they come due, we will be insolvent and investors will lose all of their investment in our company. Our substantial liabilities and lack of cash could also have other negative effects, including:

- increase our vulnerability to adverse general economic conditions;
- require us to dedicate a substantial portion of our cash flow from operations to payments on our liabilities, thereby reducing the availability of our cash flow to fund working capital, investments, capital expenditures and other general corporate purposes;
- limit our ability to make required payments under our existing contractual commitments;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate; and,
- place us at a competitive disadvantage compared to our competitors that have fewer liabilities.

If we are unable to obtain financing in the amounts and on terms and dates acceptable to us, we may not be able to expand or continue our operations and development and so may be forced to scale back or cease operations or discontinue our business.

We do not currently have any arrangements for financing and we can provide no assurance to investors we will be able to find such financing when such funding is required. Obtaining additional financing would be subject to a number of factors, including investor acceptance of our product selection and our business model. Furthermore, there is no assurance that we will not incur further debt in the future, that we will have sufficient funds to repay our future indebtedness, or that we will not default on our future debts, thereby jeopardizing our business viability. Finally, we may not be able to borrow or raise additional capital in the future to meet our needs or to otherwise provide the capital necessary to maintain our operations, which might result in the loss of some or all of your investment in our common stock.

Our company anticipates that the funds that were raised from private placements by way of subscription agreements and funds advanced from directors will not be sufficient to satisfy our cash requirements for the next twelve month period. Also, there is no assurance that actual cash requirements will not exceed our estimates. We will need additional capital in the next month in order to continue our business plan.

We depend almost exclusively on outside capital to pay for the continued development of our business and the marketing of our products. Such outside capital may include the sale of additional stock, shareholder and director advances and/or commercial borrowing. There can be no assurance that capital will continue to be available if necessary to meet these continuing development costs or, if the capital is available, that it will be on terms acceptable to us. The issuance of additional equity securities by us will result in a significant dilution in the equity interests of our current stockholders. Obtaining commercial loans, assuming those loans would be available, will increase our liabilities and future cash commitments.

If we are unable to obtain additional capital in the next month, then we will be unable to pursue our business plan and we will go out of business. If this happens, investors will lose their entire investment in our company.

Our company relies on three suppliers who supply our company with all of our products and as a result, we could be adversely affected by changes in the cost of the suppliers products, the financial condition of the suppliers or by the deterioration or termination of our relationship with the suppliers.

We sell drinking water treatment products and water activation products. Our two suppliers of drinking water products, VIQUA(formerly R-Can Environmental Inc.) of Guelph, Ontario, Canada, and Ozocan Corporation of Toronto, Ontario, Canada supplied our company with all of our drinking water treatment products that our company sold during the years ended December 31, 2008 and December 31, 2007. Similarly, our sole supplier of water activation products, ELCE International Corp., is the manufacturer and distributor of our FW water activation units. We order units from ELCE International which are then shipped to our warehouse facility for reshipment or directly to countries where our distributors are located. ELCE International supplied our company with all of our water activation products that our company sold during the year ended December 31, 2008 and December 31, 2007. Our three suppliers manufacture their respective products and develop the technologies within such products. In addition, these suppliers also supply similar products from other manufacturers. As of May 2005, VIQUA(formerly R-Can Environmental Inc.) supplied our company with products from some components from outside suppliers but all VIQUA products are assembled and shipped from their Guelph, Ontario, Canada manufacturing facility. A significant decline in our suppliers financial condition, a material rise in the cost of their prices or a reduction in the number of products currently available could adversely affect our results of operations. In addition, if our existing relationship with VIQUA(formerly R-Can Environmental Inc.), Ozocan Corporation or ELCE International Corp. deteriorates or is terminated in the future, and we are not successful in establishing a relationship with an alternative supplier at prices and products currently offered by such suppliers, our results of operations could be adversely affected.

All of our directors and officers are engaged in other business activities and accordingly may not devote sufficient time to our business affairs, which may affect our ability to conduct operations and generate revenues.

Although all three of our directors and officers are involved in other business activities, as a development stage company, we are able to manage the current level of business with our three officers, our relationship with eleven local distributors and the technical assistance of our three product suppliers, VIQUA(formerly R-Can Environmental), Ozocan Corporation and ELCE International as well as local accounting and technical support services, our Latin American Director of Sales and our Southern Colombian and Peruvian sales agents. At present, Max Weissengruber, our President and director, spends approximately 30 hours per week, or 80%, of his business time on the management of our company. D. Brian Robertson, our Chief Financial Officer, Vice-President of Sales and director, spends approximately 35 hours per week, or 90%, of his business time on the management of our company and Douglas R.

Robertson, our Secretary and director, spends approximately 4 hours per week, or 10 %, of his business time on the management of our company. As a result of their other business endeavors, Mr. Weissengruber, Mr. B. Robertson and Mr. D. Robertson may not be able to devote sufficient time to our business affairs, which may negatively affect our ability to conduct our ongoing operations and our ability to generate revenues. In addition, the management of our company may be periodically interrupted or delayed as a result of our directors and officers other business interests.

All of our assets and all of our directors and officers are outside the United States, with the result that it may be difficult for investors to enforce within the United States any judgments obtained against us or any of our directors or officers.

All of our assets are located outside the United States and we do not currently maintain a permanent place of business within the United States. In addition, all of our directors and officers are nationals and/or residents of countries other than the United States, and all or a substantial portion of such persons assets are located outside the United States. As a result, it may be difficult for investors to enforce within the United States any judgments obtained against us or our officers or directors, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state thereof. Consequently, you may be effectively prevented from pursuing remedies under United States federal securities laws against them.

Risks Relating to our Business

Changes to the current or future government regulation of our products may add to our operating costs.

We may face unanticipated operating costs due to future government regulation of drinking water standards. We believe that we are not currently subject to direct regulation of our current and expected activities, other than regulations generally applicable to businesses. However, the issue of what constitutes pure drinking water as is currently defined leaves the claim of purity open to a broad spectrum of water providers. Laws and regulations may be introduced that affect drinking water standards and claims of purity or other characteristics of water being sold to consumers. Complying with new regulations could increase our operating costs. Furthermore, we may be subject to the laws of various jurisdictions where we actually conduct business. Although we rely on distributors who sell our products in our target markets, there is a risk that we may be deemed to be actively selling in jurisdictions that may impose regulations on the sale of our products. Under such circumstances, we could be subject to fines or penalties that could have a material adverse impact on our business and operations.

Sales and delivery of our products may be interrupted due to international political situations, natural disasters or other causes. Interruptions may cause us to lose customers and distributors and, accordingly, may adversely affect our business and results of operations.

Most of our products are manufactured in Canada, Italy and Japan. Our target market includes Central and South America, which are subject to social, economic and political uncertainty. We are subject to the risk that the sale, payment and delivery of our products may be interrupted as a result of social, economic and political turmoil or by natural disasters such as earthquakes and fires. Any such interruptions may cause us to lose customers and distributors and, accordingly, may adversely affect our business and results of operations.

Our industry is very competitive and we may not be able to achieve long term success. If this happens, we will go out of business.

Our products compete with a number of established brands and new products that target the same market as we do. We compete against major manufacturers of both traditional and new water treatment methods and technologies most with substantially greater marketing, cash, distribution, production, technical and other resources than our company has at present. In addition to competitors with comparable ultra violet technology, there are large, well established water treatment companies offering proven technologies such as chlorination, ozone, reverse osmosis and physical filtration methods. If we are unable to produce, market and distribute our products as well as our competitors or if customers do not find our products to be as good or better than others on the market, then we may never develop a client base or sell enough of our product to be profitable. If this happens, we will go out of business.

Risks Related to our Securities

Because our directors and officers control a large percentage of our common stock, such insiders have the ability to influence matters affecting our shareholders and other shareholders will likely have no effect on the decisions made by our company. This could result in our management making decisions that are in the best interest of themselves *and not in the best interest of shareholders. Shareholders could lose some or all of the value of their investments in our common stock as a result.*

Our directors and officers, in the aggregate, beneficially own approximately 58% of the issued and outstanding shares of our common stock. As a result, they have the ability to influence matters affecting our shareholders, including the election of our directors, the acquisition or disposition of our assets, and the future issuance of our shares. Because our officers and directors control such shares, investors may find it difficult to replace our management if they disagree with the way our business is being operated. Because the influence by these insiders could result in management making decisions that are in the best interest of those insiders and not in the best interest of the investors, you may lose some or all of the value of your investment in our common stock.

Because we do not have sufficient insurance to cover our business losses, we might have uninsured losses, increasing the possibility that you may lose your investment.

We may incur uninsured liabilities and losses as a result of the conduct of our business. We do not currently maintain any comprehensive liability or property insurance. Even if we obtain such insurance in the future, we may not carry sufficient insurance coverage to satisfy potential claims. We do not carry any business interruption insurance. Should uninsured losses occur, any purchasers of our common stock could lose their entire investment.

The market price of our common stock is likely to be highly volatile. The market price of our common stock may also fluctuate significantly in response to the following factors, most of which are beyond our control:

- variations in our quarterly operating results;
- changes in securities analysts estimates of our financial performance;
- changes in general economic conditions and in the software industry;
- changes in market valuations of similar companies;
- announcements by us or our competitors of significant new products; and,
- the loss of key management.

The equity markets have, on occasion, experienced significant price and volume fluctuations that have affected the market prices for many companies securities and that have often been unrelated to the operating performance of these companies. Any such fluctuations may adversely affect the market price of our common stock, regardless of our actual operating performance. As a result, stockholders may be unable to sell their shares, or may be forced to sell them at a loss.

Because we can issue additional common shares, purchasers of our common stock may incur immediate dilution and may experience further dilution.

We are authorized to issue up to 400,000,000 common shares, including 100,000,000 Series B common shares which have equal rights and preferences as our common shares. As of November 13, 2009, there were 152,120,000 common shares issued and outstanding and no Series B common shares issued and outstanding. In addition, under our Joint Venture Agreement with ELCE International Corp. we have committed to issue 15,000,000 common shares over the next eighteen months. Our board of directors has the authority to cause our company to issue additional shares of common stock without the consent of any of our shareholders. Consequently, our shareholders may experience more dilution in their ownership of our company in the future.

Our stock is a penny stock. Trading of our stock may be restricted by the Securities and Exchange Commission s penny stock regulations which may limit a stockholder s ability to buy and sell our stock.

Our stock is a penny stock. The Securities and Exchange Commission has adopted Rule 15g-9 which generally defines penny stock to be any equity security that has a market price (as defined) less than $5.00 per share or an exercise price of less than $5.00 per share, subject to certain exceptions. Our securities are covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and accredited investors . The term accredited investor refers generally to institutions with assets in excess of $5,000,000 or individuals with a net worth in excess of $1,000,000 or annual income exceeding $200,000 or $300,000 jointly with their spouse. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document in a form prepared by the Securities and Exchange Commission which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction and monthly account statements showing the market value of each penny stock held in the customer s account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer s confirmation. In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from these rules; the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser s written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the stock that is subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade our securities. We believe that the penny stock rules discourage investor interest in and limit the marketability of our common stock.

Financial Industry Regulatory Authority (FINRA) sales practice requirements may also limit a stockholder s ability to buy and sell our stock.

In addition to the penny stock rules promulgated by the Securities and Exchange Commission, FINRA rules require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer s financial status, tax status, investment objectives and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low priced securities will not be suitable for at least some customers. FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our common stock, which may limit your ability to buy and sell our stock and have an adverse effect on the market for our shares.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

Not Applicable.

Item 4T. Controls and Procedures.

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports filed under the Securities Exchange Act of 1934, as amended, 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 president (who is our principal executive officer) and our treasurer, chief financial officer, vice-president of sales (who is our principal financial and accounting officer) to allow for timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As of September 30, 2009, the end of the three month period covered by this report, our management carried out an evaluation with the participation of our principal executive officer and our principal financial officer, of the effectiveness of our disclosure controls and procedures. Based on the foregoing, our management concluded that our disclosure controls and procedures were not effective as of the end of the period covered by this quarterly report.

There have been no changes in our internal controls over financial reporting that occurred during the three months ended September 30, 2009 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 1A. RISK FACTORS.

Not Applicable.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

On August 20, 2009, we issued 25,000,000 shares to four creditors in exchange for the settlement of $375,000 in debt owing by us to the four creditors at a deemed price of $0.015 per share. In selling these shares of our common stock we relied on the registration exemption provided by Regulation S and/or Section 4(2), promulgated under the Securities Act of 1933, as amended. The Form of Debt Settlement and Subscription Agreement used is attached to this report as an exhibit.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

None.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS

Exhibit Number	Description
3.1(1)	Articles of Incorporation
3.2 (1)	By-laws
10.1 (1)	Supplier Agreement with ELCE International dated August 18, 2001
10.2 (1)	Distribution Agreement with Avila S.T.E.M., SA dated February 1, 2005
10.3 (1)	Supplier Agreement with R-Can Environmental Inc. dated May 20, 2005

10.4 (1)	Distribution Agreement with JEUFI International, SA dated June 22, 2005
10.5 (1)	Distribution Agreement with Freshwater Latin, S.A. dated September 1, 2005
10.6 (1)	Asset Sale Agreement dated January 1, 2006, among our company, Max Weissengruber and D. Brian Robertson
10.7 (1)	Consulting Agreement dated January 1, 2006, between our company and D. Brian Robertson
10.8 (1)	Agreement with Max Weissengruber, dated January 1, 2006.
10.9 (2)	Distribution Agreement dated October 9, 2008 with Watergeeks Laboratories Inc., dated October 9, 2008

Exhibit Number	**Description**
10.10 (2)	Extension Agreement dated December 31, 2008 to Distribution Agreement with Watergeeks Laboratories Inc., dated October 9, 2008
10.11 (2)	Joint Venture Agreement with ELCE International Corp., dated January 25, 2009
10.12*	Form of Debt Settlement Agreement
31.1*	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 of Max Weissengruber
31.2*	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 of D. Brian Robertson
32.1*	Certification of Chief Executive Officer and Chief Financial Officer pursuant Section 906 Certifications under Sarbanes-Oxley Act of 2002

(1) Filed as an exhibit to our Form SB-2 registration statement filed on February 12, 2007.
(2) Filed as an exhibit to our Form 8-K filed on January 6, 2009.
* 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.

FRESHWATER TECHNOLOGIES, INC.

By /s/ Max Weissengruber
Max Weissengruber
President and Director
(Principal Executive Officer)

Date: November 13, 2009

By /s/ D. Brian Robertson
D. Brian Robertson
Treasurer, Chief Financial Officer
Vice-President of Sales and Director
(Principal Accounting Officer
and Principal Financial Officer)

Date: November 13, 2009