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 **March 31, 2010**

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

For the transition period from _________to ________

Commission File No. 000-53871

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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.

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

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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 May 14, 2010, there were 189,120,000 shares of common stock, par value $0.001, outstanding.

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PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

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Freshwater Technologies, Inc.
(formerly HMI Technologies Inc.)
(A Development Stage Company)

March 31, 2010

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

	March 31, 2010 $	December 31, 2009 $
ASSETS		
Current Assets		
Cash	578	226
Receivables	1,791	1,791
Inventory	122,211	122,211
Prepaid consulting fees	179,667	
Total Current Assets	304,247	124,228
Intangible Assets (Notes 2(l) and 4(d))	282,506	367,542
Total Assets	586,753	491,770
LIABILITIES AND STOCKHOLDERS EQUITY (DEFICIT)		
Current Liabilities		
Accounts payable	120,889	98,585
Accrued liabilities	7,037	7,037
Loan payable (Note 8)	41,000	
Due to related parties (Note 3(b))	145,743	107,303
Total Liabilities	314,669	212,925
Commitments and Contingencies (Notes 1, 3(a) and 6)		
Subsequent Events (Note 9)		
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: 180,120,000 shares (2009 152,120,000)	180,120	152,120
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)	1,820,662	1,371,436
Class A Common Stock Issuable (Note 4(d))		251,339
Deficit Accumulated During the Development Stage	(1,728,698)	(1,496.050)
Total Stockholders Equity (Deficit)	272,084	278,845
Total Liabilities and Stockholders Equity (Deficit)	586,753	491,770

(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 March 31, 2010 $	Three Months Ended March 31, 2010 $	Three Months Ended March 31, 2009 $
Revenue	477,178	220	130
Cost of Sales	214,951	133	88
Gross Profit	262,227	87	42
Expenses			
Amortization of intangible assets	407,225	85,035	40,068
Consulting (Note 3(a))	256,000	9,000	9,000
General and administrative	177,889	42,077	4,941
Imputed interest (Note 3(b))	109,108	1,887	2,928
Marketing and sales (Note 3(a))	553,996	67,536	52,589
Professional fees	218,788	30,550	22,478
Bad debts expense (recovery)	361,728	(3,350)	(31,042)
Commision Expense	5,900		
Total Expenses	2,090,634	232,735	100,962
Net Loss From Operations	(1,828,407)	(232,648)	(100,920)
Other Income			
Gain on settlement of debt	99,709		
Net Loss	(1,728,698)	(232,648)	(100,920)
Net Loss Per Share Basic and Diluted			
Weighted Average Shares Outstanding		171,098,000	109,795,000

(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)

	Three Months Ended March 31, 2010 $	Three Months Ended March 31 2009 $
Operating Activities		
Net loss	(232,648)	(100,920)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Amortization of intangible assets	85,036	40,068
Donated costs		
Imputed interest	1,887	2,928
Forgiveness of debt		
Non cash consulting costs	44,333	
Changes in operating assets and liabilities:		
Accounts receivable		
Other receivables		(4,869)
Inventory		(7,514)
Prepaid expenses		
Accounts payable and accrued liabilities	22,304	17,120
Due to related parties	18,000	18,000
Net Cash Provided (Used) By Operating Activities	(61,088)	(35,187)
Financing Activities		
Loan payable	41,000	
Advances from related parties	21,340	42,051
Repayments to related parties	(900)	(4,900)
Net Cash Provided (Used) By Financing Activities	61,440	37,151
Increase (Decrease) in Cash	352	1,964
Cash Beginning of Period	226	160
Cash End of Period	578	2,124
Non-cash Investing and Financing Activities:		
Issuance of shares of common stock for intangible assets		450,000
Issuance of shares of common stock for consulting contracts	224,000	
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 the Financial Statements
March 31, 2010
(expressed in U.S. dollars)
(unaudited)

1. Nature of Operations and Continuance of Business

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 was 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 March 31, 2010, the Company had an accumulated deficit of $1,728,698 and a working capital deficit of $10,422. 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

These financial statements and related notes are presented in accordance with accounting principles generally accepted in the United States, and are expressed in US dollars. The Company s fiscal year-end is December 31.

b) Interim Financial Statements

These interim unaudited financial statements have been prepared on the same basis as the annual financial statements and in the opinion of management reflect all adjustments, which include only normal recurring adjustments, necessary to present fairly the Company's financial position, results of operations, and cash flows for the periods shown. The results of operations for such periods are not necessarily indicative of the results expected for a full year or for any future period.

c) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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, fair values of financial instruments 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.

Freshwater Technologies Inc.
(A Development Stage Company)
Notes to the Financial Statements
March 31, 2010
(expressed in U.S. dollars)
(unaudited)

2. Summary of Significant Accounting Policies (continued)

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. As at March 31, 2010, the Company had no cash equivalents.

e) Basic and Diluted Net Income (Loss) Per Share

The Company computes earnings (loss) per share in accordance with ASC 260, *Earnings per Share* which 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 March 31, 2010, there are no potentially dilutive financial instruments outstanding.

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 March 31, 2010, the Company has no items that represent comprehensive loss and, therefore, has not included a schedule of comprehensive loss in the financial statements.

g) 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.

h) 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, loan 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 nature or duration of these instruments.

Freshwater Technologies Inc.
(A Development Stage Company)
Notes to the Financial Statements
March 31, 2010
(expressed in U.S. dollars)
(unaudited)

2. Summary of Significant Accounting Policies (continued)

i) 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 and Euros. The Company has not, to the date of these financials statements, entered into derivative instruments to offset the impact of foreign currency fluctuations.

j) 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*, and SAB 104. 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/FW products, the customer pays all costs from arrival point in the country to which the ELCE/FW 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.

k) Stock-based Compensation

The Company accounts for share-based payments in accordance with ASC 718, *Compensation Stock 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.

l) Intangible Assets

Intangible assets represent costs incurred to acquire product distribution rights under the agreement disclosed in Note 6(d) amounting to $689,732. 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 three months ended March 31, 2010, the Company recognized $85,035 in amortization expense in relation to these assets as compared to $40,068 amortization expense for the three months ended March 31, 2009. The Company estimates it will recognize $344,866 and $22,676 in amortization expense during the years ended December 31, 2010 and 2011, respectively.

m) Recently Adopted Accounting Pronouncements

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 the Financial Statements
March 31, 2010
(expressed in U.S. dollars)
(unaudited)

3. Related Party Transactions

a) The Company entered into consulting agreements with the President and CFO of the Company. Under these agreements, both the President and CFO receive $3,000 per month commencing June 1, 2006 and expiring December 31, 2010. For the three months ended March 31, 2010, the Company recorded $9,000 (March 31, 2009 - $9,000) of consulting expense and $9,000 (March 31, 2009 - $9,000) as marketing and sales expense.

b) As at March 31, 2010, the Company was indebted to directors and officers of the Company for $145,743 (March 31, 2009 - $223,108) for financing of day-to-day operations. These amounts are non-interest bearing, unsecured, and have no specific terms for repayment. For the three months ended March 31, 2010, the Company recorded $1,887 (2009 - $2,928) of imputed interest at 5.25% relating to these amounts owing.

Freshwater Technologies Inc.
(A Development Stage Company)
Notes to the Financial Statements
March 31, 2010
(expressed in U.S. dollars)
(unaudited)

4. Common Stock(continued)

g) In January 2010, the Company entered into a one year business consulting services agreement with a consultant whereby the Company issued 6,000,000 common shares, on January 25, 2010, for business consulting services to be rendered over a one year period. The shares were issued under the 2010 Stock Plan registered on Form S-8 on January 20, 2010. The estimated fair value of the shares issued was $84,000 as determined on the measurement date.

h) In February 2010, the Company entered into a one year marketing consulting services agreement with a consultant whereby the Company issued 4,000,000 common shares, on February 22, 2010, for consulting services to be rendered over a one year period. The shares were issued under the 2010 Stock Plan registered on Form S-8 on January 20, 2010. The estimated fair value of the shares issued was $80,000 as determined on the measurement date.

i) In February 2010, the Company entered into a one year web development consulting services agreement with a consultant whereby the Company issued 3,000,000 common shares, on February 22, 2010, for consulting services to be rendered over a one year period. The shares were issued under the 2010 Stock Plan registered on Form S-8 on January 20, 2010. The estimated fair value of the shares issued was $60,000 as determined on the measurement date.

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

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 for a one year term which was to expire on August 31, 2009, is renewable annually with both parties approval and can be terminated by the Company with two month s notice and payment. In August 2009, the Company agreed to extend the term of this agreement to August 31, 2010.

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)), and 5,000,000 restricted shares semi-annually for a period of two years for a total of 20,000,000 additional shares as follows:

5,000,000 on July 25, 2009 (issued on August 20, 2009)
5,000,000 on January 25, 2010
5,000,000 on July 25, 2010

5,000,000 on January 25, 2011

Freshwater Technologies Inc.
(A Development Stage Company)
Notes to the Financial Statements
March 31, 2010
(expressed in U.S. dollars)
(unaudited)

6. Commitments (continued)
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 was to maintain minimum inventories of ELCE water products, estimated to be $881,000 in total, for each country specified in the agreement in due course.

Under an amendment to this agreement dated December 31, 2009, in return for ELCE eliminating the requirement for a minimum inventory in each country, the Company agreed to issue the remaining 15,000,000 shares owing to Claudio Sgarbi under this agreement on January 25, 2010.

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. In January 2010, the Company agreed to extend the term of this agreement on a month to month basis.

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.

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 years ended December 31, 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.

8. Loan Payable

During the three months ended March 31, 2010, the Company received a loan in the amount of $41,000. The loan is non-interest bearing, unsecured and due on demand.

9. Subsequent Events

a) On May 5, 2010, the Company issued a $55,000 convertible note with a maturity on February 5, 2011 and bearing interest at 8% per annum for cash proceeds of $55,000. The notes are convertible into shares of the Company's common stock at a 40% discount of the average of the lowest 3 trading prices (the closing bid price on the Over-the-Counter Bulletin Board or applicable trading market) for the Company's common stock during the ten trading day period ending one trading day prior to the date the conversion notice is sent by the noteholder to the Company. The Company agreed to reserve for future issuance 10,645,161 common shares to provide for the full conversion of the note.

b) On May 5, 2010 the Company entered into a six month public relations and corporate communications services agreement in exchange for the issuance of 9,000,000 restricted common shares of the Company.

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

Forward Looking Statements

This quarterly report contains forward-looking statements. These statements relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as may , should , expect , plan , anticipate , believe , estimate , predict , potential or continue or the negative of th comparable 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 , that may cause our company s or our industry s actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to actual results.

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

As used in this quarterly report, the terms we , us and our refer to Freshwater Technologies, Inc., unless 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 Mr. Weissengruber as our President and director and Mr. B. Robertson as our Chief Financial Officer and director.

Current Business

We are a distributor of water treatment products to local distributors and retailers for industrial, manufacturing productivity, agricultural, commercial and household applications. Max Weissengruber, President is responsible for day-to-day business operations with specific responsibilities for marketing communications, website maintenance, investor relations and liaison with regulatory agencies. Brian Robertson is Chief Financial Officer responsible for budgeting, treasury and comptroller functions. He also fills the specific role of Vice President of Sales, local distributor relations, training and sales support. Douglas Robertson, Secretary maintains corporate records and documentation of business decisions. These officers and directors are capable of managing our current level of business much of which is conducted by our local distributors and supported by our Vice President of Sales, our Director of Marketing for Latin America and our Southern Colombian sales agents.

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, react 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 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 as well as improving significantly the productivity results in certain manufacturing operations and agricutural Greenhouse facilities. 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. In July, 2009 ELCE International Corp. agreed to supply the Company with its own FW branded water activation technology. 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. FW water activation treatment systems remove rust, scale and corrosion within heating and cooling systems. Additionally, FW water activators improve productivity in both agricultural and manufacturing operations due to the FW Water Activator s capability to reduce the size of water molecules and reduce water surface tension. The FW 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 except for rental FW water activators.

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 2009 we introduced a FW Activator rental program to our distributors and, as a result, we will inventory rental units installed by our distributors at their customers. 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 Corp. 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 chemicals to clean out deposits within heating and cooling systems.

In manufacturing and agricultural operations, as a result of FW activated water decreasing the surface tension of the water and reducing the water molecule size, productivity is increased in many applications.

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 Ozocan 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.

Currently, we market our products through local distributors and agents in Argentina, Chile, Columbia, Costa Rica, Panama and Peru. These specific markets were selected because the Company has the ability to conduct business in Spanish and has been able to enter into business relationships with firms and individuals with existing commercial customers and the technical resources to sell, install and service our products. In addition, Central and South America are areas where the depth and breadth of competitive products is not as intense as other more developed markets such as North America and Europe. All of our product lines are chemical free technologies which are gaining more and more support by the general public and increased regulatory attention. Once we have secured the interest of potential local distributors, our Vice President of Sales and/or our Director of Marketing and Sales for Latin America visits the country in question to determine if the potential local partner has an existing business with the required technical capability to represent the Company s products. Our initial focus is in the water activation products area since we do have available activators for the boiler and refrigeration/cooling products already sold by local distributors and are testing activators in the manufacturing and agricutural areas. Once an agreement is signed, our Vice President of Sales or Director of Latin American Marketing delivers on site training programs for each local distributor and regularly accompanies local partners on sales presentations to answer questions and provide technical support. The Company receives ongoing product and technical support from ELCE International which is usually provided in Spanish. Communication with local distributors is maintained on a regular basis with quick responses to questions or inquiries from our distributors.

As a marketing initiative, we also offer training and technical information to local distributors, through our Director of Latin American Marketing, who may then pass on such knowledge and information to the end-user. Our primary objective in the short-to-medium term is to establish an initial customer base in every market we enter. We have found that if potential customers can see our products in a nearby location and talk with the owner of our products, that third party support is critical in growing our business. As a result of the specific definition of our target markets and the fact that we are in the development stage of operations, we have focused on the development of distribution alliances as the preferred means of business development. Our company intends to leverage external resources provided by our local distributors and satisfied customers to minimize overhead and to seek market development by tapping into existing client pools of distributors. These arrangements may take the form of a distribution agreement, joint venture or partnership agreement. We believe that without well-established, reputable local partners, it is difficult to manage the language, culture and business practices of foreign territories.

To date, the cost of our water activation units compare with other methods of treating scale, rust and corrosion in heating and cooling systems and are a one time cost when compared with the never ending cost of chemicals in chemical methods of removing such water based encrustations. We have learned that industrial and commercial customers are financially able to purchase our water activation products which cost a very small amount when compared with the cost they pay for boiler and refrigeration equipment. In addition, FW water activators are designed to maximize operational efficiency by removing rust, scale and corrosion which can increase energy costs and cause production shutdowns and reduce the equipment life of water based heating and cooling systems.

The VIQUA ultraviolet units are marketed to middle and higher income households who want to directly control the safety of their household drinking water supplies.

In terms of drinking water treatment systems, all competitive technologies such as chlorination, reverse osmosis, desalinization and ion exchange require some form of electricity in order to function. A normal household ultra violet water treatment system, which requires a sediment filter, uses the equivalent electricity of a 40 watt light bulb. To eliminate sulphur and other taste affecting odors, a carbon filter is also recommended.

We believe that we can develop a distribution network by offering proven chemical free and competitively priced products to our distributors. Through our distribution network, we hope to derive recurring sales and rental revenue from sources, such as servicing potable water equipment, the sale of replacement parts, filters and other consumables. Our distribution network may enable us to offer appropriate solutions to water problems for residential and commercial customers through a combination of testing, product selection, installation, monitoring and service. We also intend to use a distribution network as a way to consider new product lines and enter new markets once a determination of potential need has been made. Distributors are required to purchase all their requirements for water treatment products from our company. As we do not manufacture our products, we are not required to invest in capital intensive infrastructure that is necessary to complete the manufacturing process. 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 except for rental FW water activators.

General

The following is a discussion and analysis of our results of operation for the three month period ended March 31, 2010 and March 31, 2009 and the year ended December 31, 2009, and the factors that could affect our future financial condition. This discussion and analysis should be read in conjunction with our consolidated unaudited financial statements and the notes thereto included elsewhere in this quarterly report. Our consolidated 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

Revenue

We generated revenues of $220 for the three month period ended March 31, 2010, compared to revenues of $130 for the three month period ended March 31, 2009. The cost of sales on the orders for the three month period ended March 31, 2010 was $133, compared to cost of sales on the orders for the three month period ended March 31, 2009 of $88.

This revenue was generated from sales of our drinking water products.

Operating Costs and Expenses

The major components of our revenue and expenses for the three month periods ended March 31, 2010 and March 31, 2009 and from date of inception until March 31, 2010 are outlined in the table below:

	Three Months Ended March 31		Accumulated from January 21, 2005 (Date of Inception) to March 31, 2010
	2010	**2009**	
Revenue	$ 220	$ 130	$ 477,178
Cost of Sales	133	88	214,951
Gross Profit	$ 87	$ 42	$ 262,227
Expenses			
Amortization of intangible assets	$ 85,035	$ 40,068	$ 407,225
Consulting	9,000	9,000	256,000
General and administrative	42,077	4,941	177,889
Imputed interest	1,887	2,928	109,108
Marketing and sales	67,536	52,589	553,996
Professional fees	30,550	22,478	218,788
Commission Expense	--	--	5,900
Bad debts expense (recovery)	(3,350)	(31,042)	361,728
Total Expenses	$ 232,735	$ 100,962	$ 2,090,634
Net Loss From Operations	$ (232,648)	$ (100,920)	$ (1,828,407)
Other Income			
Gain on settlement of debt	-	-	$ 99,709
Net Loss	$ (232,648)	$ (100,920)	$ (1,728,698)

For the three months ended March 31, 2010, our operating expenses totalled $232,735 as compared to $100,962 for the three months ended March 31, 2009. Amortization of intangible assets representing costs incurred to acquire product distribution rights under the joint venture agreement with ELCE International Corp. amounted to $85,035 for the three months ended March 31, 2010 compared with $40,068 for the three months ended March 31, 2009. Professional fees amounted to $30,550 for the three months ended March 31, 2010 as compared to $22,478 for the three months ended March 31, 2009. Marketing and sales expenses and consultants costs were $76,536 for the three months ended March 31, 2010 as compared to $61,589 for the three months ended March 31, 2009 with the increase being due to the write off of $13,333 representing two months consulting costs of a one year marketing consulting services agreement, an increase in travel expenses fees for our Director of Latin America sales of $4,515 offset by a decrease in all other marketing/sales costs of $2,901. General and administrative expenses were $42,077 during the three months ended March 31, 2010 as compared to $4,941 for the three months ended March 31, 2009. This increase is due to the write off of $21,000 representing three months consulting costs of a one year business consulting services agreement, the write off of $10,000 representing two months consulting costs of a one year web developement consulting services agreement, FW Activator testing consulting fees of $2,100 and increased trust company costs and shareholder communication costs of $4,036. Imputed interest on directors loans was $1,887 for the three months ended March 31, 2010 as compared to $2,928 for the three months ended March 31, 2009 due to lesser amounts owing to Directors during the three months ended March 31, 2010 as compared to March 31, 2009. For the three months ended March 31, 2010 we recovered $3,350 of sales previously written off as compared to $31,042 for the three months ended March 31, 2009.

Liquidity and Capital Resources

Material Changes in Financial Condition

		March 31, 2010		**December 31, 2009**
Current Assets	$	304,247	$	124,228
Current Liabilities		314,669		212,925
Working Capital Deficiency	$	10,422	$	88,697

Total assets at March 31, 2010 were $586,753 as compared to $491,770 at December 31, 2009. $179,667 of this increase is attributable to prepaid consulting fees resulting from the issuance of common stock for one year consulting services agreements with three consultants under an equity incentive plan entitled the 2010 Non-Qualified Stock Plan.

A decrease of $85,035 is attributable to the amortization of Intangible Assets for the three months ended March 31, 2010 as described below:

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. 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 $438,393. Under the agreement, the Company issued a final 15,000,000 restricted shares of Class A common stock on January 25, 2010. The fair value of these restricted shares was estimated to be $251,339. As at March 31, 2010, these shares have been presented as Class A common stock on the balance sheet. The estimated fair value of the 30,000,000 shares issued and to be issued under the agreement of $689,732 has been recorded as intangible assets as at March 31, 2010, less accumulated amortization of $407,226.

The remaining increase is due to an increase of $352 in cash while inventories and other receivables did not change.

Liabilities at March 31, 2010 were $314,669 as compared to $212,925 at December 31, 2009. The increase is due to an increase of $63,304 in accounts payable and an increase of $38,440 due to our directors and officers. The amounts due to our directors and officers total $145,743 and are non-interest bearing, unsecured and have no specific terms for repayment.

We had cash on hand of $578 and negative working capital of $10,422 as of March 31, 2010 compared to cash on hand of $226 and negative working capital of $88,697 as of December 31, 2009. 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.

On May 5, 2010, we sold one convertible debenture to one investor for gross proceeds of $55,000. This convertible debenture has a face amount of $55,000, is due and payable on February 1, 2011, earns interest at a rate of 8% per annum and is convertible, at the option of the holder, into shares of our common stock at a conversion price as set forth in the convertible note.

On May 5, 2010, we entered into an agreement with Equititrend Advisors, LLC whereby Equititrend Advisors agreed to provide public relations and communications services to our company for a period of six months in consideration for the issuance of 9,000,000 shares of common stock of our company.

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.

Cash Flows

		Three Months Ended March 31, 2010		**Three Months Ended March 31, 2009**
Cash provided (used) in Operating Activities	$	(61,088)	$	(35,187)
Cash used by Investing Activities		-		-
Cash provided (used) by Financing Activities		61,440		37,151
Net Increase (Decrease) in Cash	$	352	$	1,964

Operating Activities

Operating activities used cash of $61,088 for the three months ended March 31, 2010 and used cash of $35,187 for the three months ended March 31, 2009.

Financing Activities

Net cash provided by financing activities was $61,440 for the three months ended March 31, 2010 and net cash provided by financing activities was $37,151 for the three months ended March 31, 2009. These financing activities were provided by two directors of our company.

Non-cash Investing and Financing Activities

On May 5, 2010, we entered into an agreement with Equititrend Advisors, LLC whereby Equititrend Advisors agreed to provide public relations and communications services to our company for a period of six months in consideration for the issuance of 9,000,000 shares of common stock of our company.

In January 2010, the Company entered into a one year business consulting services agreement with a consultant whereby the Company issued 6,000,000 common shares, on January 25, 2010, for business consulting services to be rendered over a one year period. The shares were issued under the 2010 Stock Plan and were registered on Form S-8 on January 20, 2010.

In February 2010, the Company entered into a one year marketing consulting services agreement with a consultant whereby the Company issued 4,000,000 common shares, on February 22, 2010, for consulting services to be rendered over a one year period. The shares were issued under the 2010 Stock Plan and were registered on Form S-8 on January 20, 2010.

In February 2010, the Company entered into a one year web development consulting services agreement with a consultant whereby the Company issued 3,000,000 common shares, on February 22, 2010, for consulting services to be rendered over a one year period. The shares were issued under the 2010 Stock Plan and were registered on Form S-8 on January 20, 2010.

The estimated fair value of the common stock issued for the three consulting services contracts amounted to $224,000.

In January 2009, we signed a Joint Venture Agreement with ELCE International Corp. Under the Agreement we are to issue 30,000,000 common shares with an estimated fair value of $689,732 on the date of the agreement for certain distribution rights.

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, 2009, 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

Our company has no outstanding derivative financial instruments, off-balance sheet guarantees, interest rate swap transactions or foreign currency contracts. Our company does not engage in trading activities involving non-exchange traded contracts.

Application of Critical Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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, fair values of financial instruments 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. As at March 31, 2010, the Company had no cash equivalents.

Basic and Diluted Net Income (Loss) Per Share

The Company computes earnings (loss) per share in accordance with ASC 260, *Earnings per Share* which 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 March 31, 2010, there are no potentially dilutive financial instruments outstanding.

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 March 31, 2010, the Company has no items that represent comprehensive loss and, therefore, has not included a schedule of comprehensive loss in the financial statements.

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.

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 nature or duration 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 and Euros. The Company has not, to the date of these financials 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*, and SAB 104. 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/FW products, the customer pays all costs from arrival point in the country to which the ELCE/FW 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 joint venture agreement with Elce International Corp. amounting to $689,732. 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 three months ended March 31, 2010, the Company recognized $85,035 in amortization expense in relation to these assets as compared to $40,068 amortization expense for the three months ended March 31, 2009. The Company estimates it will recognize $344,866 and $22,676 in amortization expense during the years ended December 31, 2010 and 2011, respectively.

Recently Adopted Accounting Pronouncements

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.

Risks and Uncertainties

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 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 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 current 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 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. Because of the 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 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 March 31, 2010, we have generated $477,178 in revenue from the sale or rental of our products. As at March 31, 2010, we had cash of $578 and negative working capital of $10,422. 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, 2009 and December 31, 2008 state that these factors raise substantial doubt regarding the 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 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 and Central America. 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 December 1999 to March 31, 2010, we raised $13,000 through the sale of shares of our common stock with the balance of our financing requirements coming from two directors. We estimate our average monthly cash 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 the sale of our common stock and 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, 2009 and December 31, 2008.

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 March 31, 2010, we had total liabilities of $314,669, $145,743 of which was due to related parties. Our liabilities are substantial relative to our current assets, which were $304,247 as of March 31, 2010, 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 (see Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources);
- 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(formerlyR-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, 2009 and December 31, 2008. 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, 2009 and December 31, 2008. 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. During the years ended December 31, 2009 and December 31,2008, VIQUA 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, 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 local distributors and the technical assistance of our three product suppliers, VIQUA, Ozocan Corporation and ELCE International as well as local accounting and technical support services, our Senior Operations consultant, our Latin American Director of Sales, our Southern Colombian sales agents, our marketing services consultant and our web development consultant. 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, officers and insiders, in the aggregate, beneficially own approximately 67% 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 insiders 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 May 14, 2010, there were 189,120,000 common shares issued and outstanding and no Series B common shares issued and outstanding. 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 (see above), 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.

Evaluation of Disclosure Controls and Procedures

Our management, including our chief executive officer and our chief financial officer, evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, our management, including our chief executive officer and our chief financial officer, concluded that our disclosure controls and procedures as of the end of the period covered by this report were not effective.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that the information required to be disclosed by us in reports filed or submitted under the Securities Exchange Act of 1934, as amended, is (i) recorded, processed, summarized and reported within the time periods specified in the SEC s rules and forms and (ii) accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding disclosure. A controls system cannot provide absolute assurance, however, that the objectives of the controls system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected.

Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting, that occurred during the quarter ended March 31, 2010, that has materially affected, or is reasonably likely to materially affect, our internal control 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.

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. (REMOVED AND RESERVED).

ITEM 5. OTHER INFORMATION.

During the three months ended March 31, 2010, we received a loan in the amount of $41,000. The loan is non-interest bearing, unsecured and due on demand.

ITEM 6. EXHIBITS

Exhibit Number	**Description**
3.1[1]	Articles of Incorporation
3.2 [1]	By-laws

Exhibit Number	**Description**
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
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 (3)	Form of Debt Settlement Agreement
10.13 (4)	Securities Purchase Agreement dated May 5, 2010 with Asher Enterprises, Inc.
10.14 (4)	Convertible Note dated May 5, 2010
10.15 (5)	Agreement dated May 5, 2010 with Equititrend Advisors, LLC
31.1*	Certification of Max Weissengruber pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of D. Brian Robertson pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification of Max Weissengruber pursuant Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification of D. Brian Robertson pursuant Section 906 of the 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.
(3) Filed as an exhibit to our Form 10-Q filed on November 16, 2009.
(4) Filed as an exhibit to our Form 8-K filed on May 11, 2010.
(5) Filed as an exhibit to our Form 8-K filed on May 12, 2010.
* Filed herewith

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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: May 14, 2010

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: May 14, 2010