

DISCLOSURE STATEMENT

# MEDICAL MARIJUANA, INC.

AN OREGON CORPORATION

3974 Sorrento Valley Blvd, #910889, San Diego, CA 92191, (866) 273-8502

www.medicalmarijuanainc.com | info@medicalmarijuanainc.com | SIC Code: 7383

Quarterly Report for the Period Ending: September 30, 2021



As of the current reporting date of September 30, 2021, the number of shares outstanding of our Common Stock was:	4,474,877,271
As of the prior reporting date of June 30, 2020, the number of shares outstanding of our Common Stock was:	4,357,240,587
As of the most recent completed fiscal year end date of December 31, 2020, the number of shares outstanding of our Common Stock was:	4,066,496,984
Indicate by check mark whether the company is a shell company (as defined by Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Indicate by check mark whether the company's shell status has changed since the previous reporting period.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Indicate by check mark whether a Change in Control of the company has occurred over this reporting period.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

## **FORWARD LOOKING STATEMENTS**

This Disclosure Statement contains forward-looking statements. To the extent that any statements made in this report contain information that is not historical, these statements are essentially forward-looking. Forward-looking statements can be identified by the use of words such as “expects,” “plans,” “may,” “anticipates,” “believes,” “should,” “intends,” “estimates,” and other words of similar meaning. These statements are subject to risks and uncertainties that cannot be predicted or quantified and, consequently, actual results may differ materially from those expressed or implied by such forward-looking statements. Such risks and uncertainties include, without limitation, marketability of our products; legal and regulatory risks associated with the share exchange our ability to raise additional capital to finance our activities; the effectiveness, profitability and; the future trading of our common stock; our ability to operate as a public company; our ability to protect our proprietary information; general economic and business conditions; the volatility of our operating results and financial condition; our ability to attract or retain qualified senior management personnel and research and development staff; and other risks detailed from time to time in our filings with the OTC Markets (the “OTC”), or otherwise.

Information regarding market and industry statistics contained in this report is included based on information available to us that we believe is accurate. It is generally based on industry and other publications that are not produced for purposes of securities offerings or economic analysis. Forecasts and other forward-looking information obtained from these sources are subject to the same qualifications and the additional uncertainties accompanying any estimates of future market size, revenue and market acceptance of products and services. We do not undertake any obligation to publicly update any forward-looking statements. As a result, investors should not place undue reliance on these forward-looking statements.

## **GOVERNMENT REGULATION**

The effect of existing or probable government regulations on our business is not known at this time. Due to the nature of our business, it is anticipated that there may be increasing government regulation that may cause the Company to have to take serious corrective actions, changes in business plan, or even close or stop its business practices and/or operations.

## **FOOD AND DRUG ADMINISTRATION (FDA) DISCLOSURE**

The statements found herein have not been evaluated by the Food and Drug Administration (FDA) and are not intended to diagnose, treat, cure or prevent any disease or medical condition.

**1. NAME AND ADDRESS(ES) OF THE OF THE ISSUER AND ITS PREDECESSORS (IF ANY)**

Medical Marijuana, Inc. (the “Company,” “we,” “our,” “us,” “MJNA”) was incorporated in Oregon in 2005 as Berkshire Collection, Inc. Subsequently, we changed our name on two separate occasions prior to changing our name to Medical Marijuana, Inc. on April 28, 2009.

We are currently active and in good standing with the State of Oregon.

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

The Company was subject to a temporary trading halt in 2012, which was lifted shortly thereafter.

**List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the last 12 months:**

None

**The address for our principal executive office and principal place of business is:**

3974 Sorrento Valley Blvd, #910889, San Diego, CA 92191.

<b>Has the issuer or any of its Predecessors ever been in bankruptcy, receivership, or any similar proceeding in the past five years:</b>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
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**2. SECURITY INFORMATION**

<b>As of Date:</b>	September 30, 2021
<b>Trading Symbol:</b>	MJNA
<b>Exact title and class of securities outstanding:</b>	Common Stock
<b>CUSIP:</b>	58463A105
<b>Par or Stated Value:</b>	\$.01 per share
<b>Common Stock</b>	
Total shares authorized:	5,000,000,000
Total shares outstanding:	4,474,877,271
Number of shares in the public float:	3,519,201,214
Total number of shareholders of record:	1,022 <sup>(1)</sup>
<b>Preferred Stock</b>	
Total shares authorized:	50,000,000
Total shares of Series A Redeemable Preferred Stock authorized:	1,000,000
Total shares of Series A Redeemable Preferred Stock outstanding:	1,000,000
Total shares of Series B Preferred Stock authorized:	230,000
Total shares of Series B Preferred Stock outstanding:	230,000

<sup>(1)</sup> This number does not include all beneficial holders of our common stock because many of our shares of common stock are held by brokers and other institutions on behalf of shareholders, we are unable to estimate the total number of shareholders represented by these record holders.

## Transfer Agent

Action Stock Transfer Corporation  
2469 E. Fort Union Blvd., Suite 214  
Salt Lake City, UT 84121  
Telephone: (801) 274-1088  
Fax: (801) 274-1099  
Email: info@actionstocktransfer.com

Is the Transfer Agent registered under the Exchange Act?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
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### 3. ISSUANCE HISTORY

#### A. Changes to the Number of Outstanding Shares

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods:	<input type="checkbox"/>
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The Changes to the Number of Outstanding Shares is attached as **Exhibit A** to this Disclosure Statement.

#### B. Debt Securities, Including Promissory and Convertible Notes

Check this box if there are no outstanding promissory, convertible notes or debt arrangements:	<input type="checkbox"/>
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The Debt Securities, Including Promissory and Convertible Notes is attached as **Exhibit B** to this Disclosure Statement.

### 4. FINANCIAL STATEMENTS

Our Financial Statements are attached as **Exhibit C** to this Disclosure Statement and incorporated herein by reference thereto.

A. The Financial Statements were prepared in accordance with:  U.S. GAAP.

B. The Financial Statements for this reporting period were prepared by: Todd Morrow, CFO of Medical Marijuana, Inc.

C. Medical Marijuana, Inc. is not now, nor has it ever been, a “shell company.”

### 5. ISSUER’S BUSINESS, PRODUCTS AND SERVICES

#### A. Summarize the issuer’s business operations (If the issuer does not have current operations, state “no operations”)

Medical Marijuana, Inc. (OTCMarkets: MJNA) manufactures and distributes CBD products via e-commerce, direct sales, retail and wholesale distribution channels throughout the world.

Medical Marijuana Inc. is the first publicly held company vested in the cannabis and industrial hemp space in America. We have brought about many industry firsts, including establishing in 2012 the world’s first supply chain of industrial hemp-derived cannabidiol (CBD) consumer products. Subsequently, we were awarded the first distribution rights for these products into the countries of Brazil (April 2014) and Mexico (February 2016). In the U.S., we developed and marketed the first fully THC-free version of CBD products.

Soon thereafter, the *World Anti-Doping Agency* approved CBD for professional sport and Olympic competition. We maintain our leadership through our international expansion efforts where today we now ship to over 40 countries worldwide making branded products available through e-commerce, direct sales, retail and wholesale distribution channels.

Medical Marijuana, Inc. was the first company to receive historic import permits for CBD products from the governments of Brazil, Mexico, Argentina, and Paraguay and in many countries has been directly responsible for changing laws and regulations to allow hemp-based CBD consumer products to be marketed. In November 2017, our HempMeds<sup>®</sup> CEO Raul Elizalde addressed the *World Health Organization* at its hearings on CBD – with favorable outcomes for the CBD movement.

**B. Describe any subsidiaries, parents, or affiliated companies, if applicable, and a description of their business contact information for the business, officers, directors, managers or control persons. Subsidiary information may be included by reference.**

As discussed below, the Company operates in numerous countries throughout the world and has established operating subsidiaries in order to comply with local laws and tax authorities. These subsidiary entities are controlled by the Company and are maintained for compliance purposes.

**C. Describe the issuers' Principal products or services and their markets.**

The Company operates primarily through three divisions: Medical Marijuana, Inc., HempMeds<sup>®</sup>, and Kannaway. These divisions, as well as the Company's investment portfolio, are discussed below.

Divisions

1. Medical Marijuana, Inc.

Medical Marijuana, Inc. is the parent company of all the operating divisions. Medical Marijuana, Inc. operates a website to maintain an online presence, provide corporate, investor relations and educational information and news relating to the Company and the cannabis industry.

2. HempMeds<sup>®</sup>

HempMeds<sup>®</sup> distributes products directly in the US and through wholly owned subsidiaries internationally (primarily in Mexico and Brazil). Distribution is accomplished primarily through online presence and its sales staff.

The HempMeds<sup>®</sup> flagship product is Real Scientific<sup>®</sup> Hemp Oil (RSHO).<sup>®</sup> RSHO is a full spectrum, complete CBD hemp oil, containing the highest quality natural Hemp Oil in the industry. RSHO<sup>®</sup> is offered in 3 varieties: Green, Blue and Gold.

RSHO<sup>®</sup> Green is the non-decarboxylated, raw variety of our Real Scientific<sup>®</sup> Hemp Oil, and is as close as you can get to juicing the hemp plant.

RSHO<sup>®</sup> Blue is the most popular version of our CBD hemp oil products, going through a decarboxylation process before being made ready for consumption.

RSHO<sup>®</sup> Gold is decarboxylated like our Blue product, then goes through an additional filtration process, creating a golden oil with great taste and smoother consistency.

#### A. HempMeds® Mexico.

HempMeds® Mexico is the first Mexican cannabis company, established in 2016 with offices in México City and Monterrey. The HempMeds® Mexico products are the first-ever to be imported and commercialized legally in Mexico since 2016. With the reforms on the general health law (ley general de salud), HempMeds® Mexico is proud that its products were the first to be approved by the COFEPRIS (Federal Commission for Protection Against Health Risks) as food supplements and cosmetics in Mexico.

#### B. HempMeds® Brazil.

In Brazil, HempMeds® has three products approved for importation into Brazil as a prescription medication for multiple conditions including Epilepsy, Parkinson's, Chronic Pain, Psoriasis, Cancer, Alzheimer's, Diabetes, ALS, Multiple Sclerosis and Migraines. The Brazilian health care system is HempMeds® Brazil's single largest client. We had the first-ever cannabis product allowed for import into Brazil and its products are currently subsidized by the Brazilian government, under their health care system, for the medical indications listed above. It is believed to also be the world's first prescription cannabis product for Epilepsy, Parkinson's, and pain. HempMeds® Brazil is working on additional approvals for multiple indications.

#### C. White Label and Private Production.

In addition to manufacturing distribution its own branded CBD products, HempMeds® offers White Label and Private production services. At the request of its customers, many of the HempMeds® products can be rebranded to the name of the customer. Further, HempMeds® offers Private Production services whereby the Company's FDA registered manufacturing facility can create, formulate and manufacture custom CBD products made to the customer's unique specifications.

#### 3. Kannaway®

Kannaway® is our direct selling division which started in 2014 and was the first Cannabis based direct selling company. Kannaway is our largest division and sells our CBD products worldwide, including, but not limited to the US, Europe, and Asia.

#### 4. Manufacturing and Production Facility

The Company's 16,663 sq. ft. manufacturing and production facility is located in Lindon, Utah. The facility is registered with the FDA, has been issued a Good Manufacturing Practice (GMP) certificate, and holds a State of Utah Industrial Hemp Processor License.

The Lindon facility provides small-to-large scale Manufacturing, Logistics, Bottle Filling, Kitting, Assembly, Warehousing and Storage for all of the Company's divisions as well as providing the same services for third party vendors. The facility specializes in one-stop skin care, hair care and dietary supplement manufacturing and production services

#### Investment Portfolio

The Company's investment portfolio consists of two fully reporting public companies: Neuropathix, Inc. (formally known as Kannalife, Inc.) and AXIM Biotechnologies, Inc.

1. Neuropathix, Inc. ("Neuropathix") (OTCBB: NPTX) is a socially responsible pain management life sciences company. For the past ten years, Neuropathix has discovered, developed and patented a global intellectual property estate of novel new therapeutic agents designed to prevent and reverse neuropathic pain,

reduce oxidative stress, and act as anti-inflammatory neuroprotectants. Neuropathix was the only company to hold an exclusive license with National Institutes of Health - Office of Technology Transfer ("NIH-OTT") for the Commercialization of U.S. Patent #6630507, "Cannabinoids as Antioxidants and Neuroprotectants" (the "507 Patent"). This early and extensive pre-clinical research on cannabidiol (CBD) led Neuropathix to develop its own patented molecules lead by KLS-13019 called by Sports Illustrated as a "super-CBD" and currently covered under global patents awarded including U.S. Patent #9611213, "Functionalized 1,3-benzene diols and their method of use for the treatment of hepatic encephalopathy". Neuropathix continues to conduct its research and development efforts at the Bucks County Pennsylvania Biotechnology Center in Doylestown, PA, for a target drug candidate to treat Hepatic Encephalopathy ("HE"), Chronic Traumatic Encephalopathy ("CTE") and Chemotherapy Induced Peripheral Neuropathy ("CIPN"). HE and CTE are both oxidative stress related diseases that affects the cognitive and behavioral functions, and the wellness of the brain. CIPN is a neurodegenerative condition that afflicts patients undergoing chemotherapy with symptoms that include numbness, tingling, and pain. The Company currently owns approximately 23.4% of Neuropathix's issued and outstanding shares of common stock.

2. AXIM<sup>®</sup> Biotechnologies, Inc. AXIM<sup>®</sup> Biotechnologies, Inc. ("AXIM<sup>®</sup>") (OTCBB: AXIM). AXIM<sup>®</sup> Founded in 2014, AXIM<sup>®</sup> is a vertically integrated oncology company developing diagnostic tests for the early detection of cancer, proprietary small molecules drugs not only to treat cancer but also to block metastasis and developing novel antibodies for therapeutic and diagnostic uses. AXIM is also developing new cannabinoid molecules for oncological therapeutics. Currently, the Sapphire Biotech, Inc. diagnostic tool is being used to study the company's enzyme biomarker to detect pancreatic cancer earlier than circulating tumor cells. The Company currently owns approximately 17.7% of AXIM's<sup>®</sup> issued and outstanding shares of common stock.

## 6. ISSUER'S FACILITIES

We lease the following office and warehouse space:

15,847 square feet of corporate office space in San Diego, CA. The lease term runs through March 2024. Future minimum obligation on the lease totals \$1,652,160.

16,663 square feet of warehouse in Lindon, Utah which includes warehouse and manufacturing and distribution operations. The lease term runs through March 2023. Future minimum obligation on the lease totals \$269,941.

604 square meters of office and warehouse space in Szeligi, Poland. The space is leased through November 1, 2024. Future minimum obligation on the lease totals 972,000 PLN.

560 square meters of office space in Monterrey Mexico. Until terminated by either party, the lease term automatically renews on a semi-annual basis. Future minimum obligation on the lease totals \$609,000 MXN.

Three small office spaces in Sao Paolo, Brazil. The lease term runs through March 2023. Future minimum obligation on the lease totals 160,200 reais.

## 7. OFFICERS, DIRECTORS, AND CONTROL PERSONS

### Beneficial Ownership

The following table indicates the Beneficial Ownership of our Officers, Directors and Shareholders of 5% or more based upon 4,474,877,271 shares outstanding as of September 30, 2021.

Name	Affiliation	Address	# Shares	Type	%
Blake N. Schroeder (2)(3)	Chairman CEO President	3974 Sorrento Valley Blvd. #910889 San Diego, CA 92191	105,000,000	Common	2.0
Todd Morrow	CFO	3974 Sorrento Valley Blvd. #910889 San Diego, CA 92191	5,000,000	Common	(1)
Michael L. Corrigan	SEC	3974 Sorrento Valley Blvd. #910889 San Diego, CA 92191	3,000,000	Common	(1)
Michelle Sides, Esq. (4)(5)	Director CLO	3974 Sorrento Valley Blvd. #910889 San Diego, CA 92191	134,045,352	Common	3.0
Timothy R. Scott, PhD	Director	3974 Sorrento Valley Blvd. #910889 San Diego, CA 92191	1,000,000	Common	(1)
Robert L. Cunningham	Director	3974 Sorrento Valley Blvd. #910889 San Diego, CA 92191	500,000	Common	(1)
Chris Prine	Director	3974 Sorrento Valley Blvd. #910889 San Diego, CA 92191	500,000	Common	(1)
Columbia & Beech Corporation (5)	Affiliate	3974 Sorrento Valley Blvd. #910889 San Diego, CA 92191	454,047,389	Common	10.2

(1) Less than 1%.

(2) Mr. Schroeder was appointed as Chairman, CEO and President of the Company on June 12, 2021.

(3) Does not include 70,000 shares of Series B Preferred Stock held by BNS Advisors, LLC ("BNS"), which are convertible into 70 million shares of common stock, of which Mr. Schroeder is the sole member. Mr. Schroeder acquired BNS in November of 2021.

(4) Does not include any shares held by Columbia & Beech Corporation (formerly known as Hemp Deposit and Distribution Corporation), of which Ms. Sides holds a 55% ownership interest.

(5) Does not include 70,000 shares of Series B Preferred Stock held by MLS Advisors, LLC ("MLS"), which are convertible into 70 million shares of common stock, of which Ms. Sides is the sole member. Ms. Sides acquired MLS in November of 2021.

## **Professional Background of our Officers and Directors**

### **Blake N. Schroeder, J.D. - Chairman of the Board, CEO, President**

Mr. Schroeder's career has been in marketing natural products and opening international marketplaces to those products. Before joining Kannaway®, Mr. Schroeder was the Chief Operating Officer of Forevergreen International, where he was responsible for global operation of the multinational organization, including oversight of a global supply chain. He holds a B.S. in Finance from Utah State University and a law degree from Syracuse University College of Law.

### **Todd Morrow-Chief Financial Officer**

Mr. Morrow is an innovative business leader with more than 20 years of experience ranging from start-ups to multi-billion dollar enterprises. Prior to becoming the Company's Chief Financial Officer, Mr. Morrow acted as the Company's Chief Information Officer where he led the Company's strategy, optimization and collaboration efforts. Prior to becoming the Company's Chief Information Officer, Mr. Morrow was the President of the Company's subsidiary, HempMeds®, PX, LLC where he successfully spearheaded the Company's sales, marketing and product development efforts. Mr. Morrow brings broad business acumen and strategy to the Company based on his many years of experience in various roles with companies such as Petco Animal Supplies and LEGO Systems, Inc.

### **Michael L. Corrigan, J.D., M.B.A. – Secretary**

Mr. Corrigan is an attorney whose work has focused on representation of emerging high technology and other operating companies in a broad range of industries, including computer hardware and software, telecommunications, multimedia, action sports, restaurant, entertainment and sporting goods manufacturing. In addition, Mr. Corrigan has represented several regional investment banking, advisory and management firms in securities and underwriting transactions. Mr. Corrigan received his undergraduate degree from the University of Notre Dame, where he majored in finance. Thereafter, he attended the University of Denver where he received both a J.D. and M.B.A. degree. While at the University of Denver, he was an editor of the Denver Journal of International Law & Policy and clerked at the U.S. Securities & Exchange Commission. Mr. Corrigan is a member of the California bar, a 1988 graduate of the San Diego LEAD program and sits on the Medical Bioethics Committee of Sharp Memorial Hospital. He previously sat on the Board of Directors of the National Kidney Foundation of Southern California, the Board of Directors of United Way/CHAD, the Board of Trustees of the California Ballet Association, the Board of Trustees of the San Diego Repertory Theatre and the Eagle Scout review board.

### **Michelle Sides, J.D. – Director, Chief Legal Officer**

Prior to joining Medical Marijuana Inc., Ms. Sides was Chief Operating Officer for HDDC (d.b.a. CannaBANK®), located in San Diego, California. She earned her law degree from Nova Southeastern University. She is a member of the Florida State Bar Association. Ms. Sides holds a Bachelor of Science from Palm Beach Atlantic College, majoring in Business and Organizational Management. Michelle spent six years on the Board of Directors, as Executive Vice President, and as General Counsel for EH Building Group II, LLC, which was nationally recognized as one of the fastest-growing developers in 2006-08, winning numerous awards for production, design, and marketing. Prior to EH, Michelle honed her legal expertise as Legal and Operations Manager for the Commonwealth Network Corporation, as well as the Director of Legal Affairs for Power Sports, Inc. Both positions focused mainly on corporate and real estate transactional law.

### **Timothy R. Scott, PhD – Director**

From September 2001 to May 2008, Dr. Scott served on the Board of Directors of Naturewell, Incorporated, a publicly traded company engaged in the nutraceutical and homeopathic drug business. From April 1998 to June 2000, Dr. Scott served as a member of the Board of Directors of ICH Corporation, an American Stock Exchange listed company which owned 265 fast food and family dining restaurants having approximately \$265 million in revenues and 7,800 employees, and as a member of ICH's compensation committee. Dr. Scott currently serves as Chairman of the Board of Directors and President of Hope Rescue a charitable organization involved in community development. Dr. Scott received his Ph.D. in theology from Christian University in 1981 and served as a professor of philosophy and religion at Pacific International College from 1981 to 1985.

### **Robert L. Cunningham – Director**

Robert “Bob” Cunningham has over 40 years of executive management experience in financial services and venture capital. Currently, Mr. Cunningham provides business, banking and investments advisory services to various clients. Mr. Cunningham was the founding partner in Placer Financial Group, a nationwide mortgage and real estate development company and has served as Trustee for the U.S. Department of Justice, and a member of the board for numerous firms, including Allied Commercial Corporation, Vermillion Development, Pacific Building Industries Corporation and Bond HD Hospitality Group.

### **Chris Prine - Director**

From 1994 until the present Mr. Prine has operated his own company, Prines Lines, which acts as a manufacturers’ representative for five furniture manufacturing companies located within the United States. From 1988 to 1994 Mr. Prine served as Marketing Director for the Cleator Corporation, an office furniture manufacturer with approximately \$10 million in annual sales. From 1986 to 1988 Mr. Prine served as the Old Globe Theatre’s Director of marketing and from 1983 to 1985 served as Audience Development Manager for the Old Globe. Chris received his BA in Communications from the University of Wisconsin in 1977.

## **8. LEGAL/DISCIPLINARY HISTORY**

**A. Please identify whether any of the persons listed above have, in the past 10 years, been the subject of the following:**

None of the individuals identified in Section 7 above have, in the past 10 years, been the subject of:

1. a conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding;
2. the entry of an order, judgment or decree not subsequently reversed, suspended or vacated by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended, securities, commodities, or banking activities;
3. a finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended or vacated;
4. the entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person’s involvement in any type of business or securities activities.

**B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.**

In the ordinary course of business, we vigorously defend against and prosecute various legal actions. We consider all current pending legal proceedings to be ordinary routine litigation incidental to the operation of our business.

**9. THIRD PARTY PROVIDERS.**

<b>Securities Counsel:</b> Law Offices of Michael L. Corrigan Michael L. Corrigan, Esq. 10525 Vista Sorrento Parkway, #210 San Diego, CA, 92121	<b>Transfer Agent:</b> Action Stock Transfer Corp. 2469 E. Fort Union Blvd, Suite 214 Salt Lake City, UT 84121 (801) 274-1088 <a href="http://www.actionstocktransfer.com">http://www.actionstocktransfer.com</a>	<b>Shareholder Inquires:</b> Please call (888) 764-0700
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## 10. ISSUER CERTIFICATION

### *Principal Executive Officer and Principal Financial Officer*

I, certify that:

1. I have reviewed this Disclosure Statement of Medical Marijuana, Inc.
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, which have been prepared by the Company's financial and accounting personnel and advisors, present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

November 15, 2021

*/s/ Blake N. Schroeder*

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By: Blake N. Schroeder  
Its: Chief Executive Officer  
Its: Chairman of the Board of Directors

*/s/ Todd Morrow*

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By: Todd Morrow  
Its: Chief Financial Officer

**Exhibit A**  
**Changes to the Number of Outstanding Shares**

Shares Outstanding as of Second Most Recent Fiscal Year End: Date: 9/30/2019									
<b>Opening Balance:</b>									
Common: 3,694,273,820									
Preferred (A): 1,000,000									
Preferred (B): 230,000									
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) OR Nature of Services Provided (if applicable)	Restricted or Unrestricted as of this filing?	Exemption or Registration Type
10/1/2019	Cancel	(50,000,000)	C	0.0100	Y	Stuart W. Titus	Purchase	R	4(a)(2)
10/1/2019	Cancel	(40,000,000)	C	0.0100	Y	Blake N. Schroeder	Purchase	R	4(a)(2)
10/1/2019	Cancel	(10,000,000)	C	0.0100	Y	Michelle L. Sides	Purchase	R	4(a)(2)
10/8/2019	New	11,137,346	C	0.0224	Y	Chicago Venture Partners-John Fife	Debt Conversion	NO	4(a)(2)
10/9/2019	New	833,333	C	0.0301	Y	Aleksay Grapov	Compensation	R	4(a)(2)
10/9/2019	New	833,334	C	0.0301	Y	Chelsea Grapov	Compensation	R	4(a)(2)
10/9/2019	New	1,666,667	C	0.0301	Y	James Gibson	Compensation	R	4(a)(2)
10/9/2019	New	1,666,667	C	0.0301	Y	Stephen Jones	Compensation	R	4(a)(2)
10/9/2019	New	1,250,000	C	0.0301	Y	Brooke Beers	Compensation	R	4(a)(2)
10/9/2019	New	416,667	C	0.0301	Y	Mary Suzanne Thibodeau	Compensation	R	4(a)(2)
10/9/2019	New	666,667	C	0.0301	Y	Robert Brannin	Compensation	R	4(a)(2)
10/31/2019	New	8,928,571	C	0.0301	Y	Chicago Venture Partners-John Fife	Debt Conversion	No	4(a)(2)
11/22/2019	New	16,573,596	C	0.0301	Y	Chicago Venture Partners-John Fife	Debt Conversion	No	4(a)(2)
12/31/2019	New	10,188,441	C	0.0301	Y	Chicago Venture Partners-John Fife	Debt Conversion	No	4(a)(2)
1/9/2020	New	13,937,282	C	0.0144	Y	Chicago Venture Partners-John Fife	Debt Conversion	No	4(a)(2)
1/27/2020	New	13,937,282	C	0.0144	Y	Chicago Venture Partners-John Fife	Debt Conversion	No	4(a)(2)
2/10/2020	New	14,051,851	C	0.0142	Y	Chicago Venture Partners-John Fife	Debt Conversion	No	4(a)(2)
2/28/2020	New	19,347,973	C	0.0103	Y	Chicago Venture Partners-John Fife	Debt Conversion	No	4(a)(2)
3/12/2020	New	20,026,034	C	0.0099	Y	Chicago Venture Partners-John Fife	Debt Conversion	No	4(a)(2)
4/20/2020	New	20,408,163	C	0.0098	Y	Chicago Venture Partners-John Fife	Debt Conversion	No	4(a)(2)
5/13/2020	New	21,978,022	C	0.0091	Y	Chicago Venture Partners-John Fife	Debt Conversion	No	4(a)(2)
5/20/2020	New	23,548,805	C	0.0085	Y	Chicago Venture Partners-John Fife	Debt Conversion	No	4(a)(2)
5/26/2020	New	47,097,610	C	0.0085	Y	Atlas Sciences, LLC - John Fife	Debt Conversion	No	4(a)(2)
6/4/2020	New	23,548,805	C	0.0085	Y	Chicago Venture Partners-John Fife	Debt Conversion	No	4(a)(2)
7/15/2020	New	1,333,333	C	0.0153	Y	Maurico Belloa	Purchase	R	4(a)(2)
7/22/2020	New	18,513,376	C	0.0108	Y	Chicago Venture Partners-John Fife	Debt Conversion	No	4(a)(2)
8/13/2020	New	20,263,425	C	0.0099	Y	Chicago Venture Partners-John Fife	Debt Conversion	No	4(a)(2)
10/1/2020	New	20,703,934	C	0.0097	Y	Chicago Venture Partners-John Fife	Debt Conversion	No	4(a)(2)
10/19/2020	New	11,389,311	C	0.0092	Y	Chicago Venture Partners-John Fife	Debt Conversion	No	4(a)(2)
11/9/2020	New	43,070,959	C	0.0093	Y	Atlas Sciences, LLC - John Fife	Debt Conversion	No	4(a)(2)
12/1/2020	New	41,810,390	C	0.0096	Y	Atlas Sciences, LLC - John Fife	Debt Conversion	No	4(a)(2)
12/1/2020	New	37,428,652	C	0.0107	Y	Atlas Sciences, LLC - John Fife	Debt Conversion	No	4(a)(2)
12/8/2020	New	1,666,667	C	0.0217	Y	Jim Gibson	Compensation	R	4(a)(2)
12/8/2020	New	1,666,667	C	0.0217	Y	Stephen Jones	Compensation	R	4(a)(2)
12/8/2020	New	1,666,667	C	0.0217	Y	Brooke Beers	Compensation	R	4(a)(2)
12/8/2020	New	666,667	C	0.0217	Y	Robert Brannin	Compensation	R	4(a)(2)
1/4/2021	New	32,043,579	C	0.0125	Y	Atlas Sciences, LLC - John Fife	Debt Conversion	No	4(a)(2)
1/15/2021	New	32,043,579	C	0.0125	Y	Atlas Sciences, LLC - John Fife	Debt Conversion	No	4(a)(2)
2/1/2021	New	31,225,605	C	0.0128	Y	Atlas Sciences, LLC - John Fife	Debt Conversion	No	4(a)(2)
2/5/2021	New	28,288,543	C	0.0141	Y	Atlas Sciences, LLC - John Fife	Debt Conversion	No	4(a)(2)
3/2/2021	New	34,389,374	C	0.0233	Y	Atlas Sciences, LLC - John Fife	Debt Conversion	No	4(a)(2)
3/30/2021	New	70,000	P	7.0000	Y	MLS Advisors, LLC - TL-66/James Arabia	Purchase	R	4(a)(2)
3/30/2021	New	90,000	P	7.0000	Y	SWT Advisors, LLC - TL-66/James Arabia	Purchase	R	4(a)(2)
3/30/2021	New	70,000	P	7.0000	Y	BNS Advisors, LLC - TL-66/James Arabia	Purchase	R	4(a)(2)
3/30/2021	New	55,714,286	C	0.0070	Y	TL-66, LLC/James Arabia	Purchase	R	4(a)(2)
4/05/2021	New	22,335,762	C	0.0358	Y	Atlas Sciences, LLC - John Fife	Debt Conversion	No	4(a)(2)
5/4/2021	New	12,485,564	C	0.0320	Y	Atlas Sciences, LLC - John Fife	Debt Conversion	No	4(a)(2)
5/13/2021	New	13,858,573	C	0.0289	Y	Atlas Sciences, LLC - John Fife	Debt Conversion	No	4(a)(2)
6/1/2021	New	14,179,369	C	0.0282	Y	Atlas Sciences, LLC - John Fife	Debt Conversion	No	4(a)(2)
6/9/2021	New	14,179,369	C	0.0282	Y	Atlas Sciences, LLC - John Fife	Debt Conversion	No	4(a)(2)
7/7/2021	New	17,636,684	C	0.0227	Y	Atlas Sciences, LLC - John Fife	Debt Conversion	No	4(a)(2)
7/19/2021	New	100,000,000	C	0.0100	Y	Blake N. Schroeder	Purchase	R	4(a)(2)

Shares Outstanding on Date of This Report: Date : 9/30/2021									
<b>Ending Balance:</b>									
Common: 4,474,877,271									
Preferred (A): 1,000,000									
Preferred (B): 230,000									

Exhibit B  
Debt Securities, Including Promissory and Convertible Notes

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder	Reason for Issuance (e.g. Loan, Services, etc.)
11/28/2018	\$3,258,396	\$8,810,000	\$21,334	1/31/2022	70% of the average three (3) lowest closing bid prices in the 20-days prior to conversion	Atlas Sciences, LLC - John Fife	Working Capital
12/31/2018	\$535,443	\$500,000	\$35,443	12/31/2021	Fixed rate of \$0.0747 per share	General Hemp, LLC. - John Huemoeller	Management Fees
5/24/2021	\$1,379,532	\$1,374,598	\$4,934	9/8/2022	1% interest deferred for six (6) months - eligible for forgiveness under SBA Payment Protection Program	Esquire Bank, N.A.	Working Capital

**Medical Marijuana, Inc.**  
**Consolidated Balance Sheet**

	September 30, 2021	September 30, 2020
<b><u>ASSETS</u></b>		
<b>Current Assets</b>		
Cash	5,686,135	3,852,636
Accounts Receivable	924,579	502,083
Other Current Assets		
Prepaid Assets	1,774,576	1,173,960
Inventory	3,095,396	4,654,954
Merchant Account Reserves	652,417	467,897
Notes and Loans Receivable	6,178,220	4,829,213
Investment in Joint Venture	27,490	27,490
Deposits	76,516	80,892
Deferred Taxes	622,502	764,457
Total Other Current Assets	12,427,118	11,998,864
<b>Total Current Assets</b>	<b>19,037,832</b>	<b>16,353,583</b>
Total Fixed Assets Net of Depreciation	820,037	1,329,450
<b>Other Assets</b>		
Convertible Discount Asset	200,000	200,000
Convertible Notes Receivable	4,986,859	4,839,882
Goodwill	45,366,733	45,366,733
Investments	16,428,485	29,358,278
Total Other Assets	66,982,077	79,764,893
<b>TOTAL ASSETS</b>	<b>86,839,946</b>	<b>97,447,925</b>
<b><u>LIABILITIES &amp; EQUITY</u></b>		
<b>Current Liabilities</b>		
Accounts Payable	2,545,616	2,400,000
Accrued Liabilities	6,764	203,172
Sales Tax Payable	1,309,167	845,025
Other Current Liability	5,120,976	4,274,039
Total Payables	8,982,523	7,722,236
Convertible Notes	3,258,396	9,656,343
Convertible Notes- Related Party	535,443	519,422
Long Term Liability	1,522,921	1,380,261
Total Long Term Liabilities	5,316,761	11,556,026
<b>Total Liabilities</b>	<b>14,299,284</b>	<b>19,278,262</b>
<b>Equity</b>		
Common Stock	44,703,358	39,018,696
Pref Stock - Series A	10,000	10,000
Pref Stock - Series B	2,300	-
Additional Paid in Capital	162,624,258	158,538,597
Retained Earnings	(134,799,254)	(119,397,629)
<b>Total Equity</b>	<b>72,540,663</b>	<b>78,169,664</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>86,839,946</b>	<b>97,447,926</b>

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

**Medical Marijuana, Inc.**  
**Consolidated Statement of Operations**  
**For the Three Months Ending September 30, 2021**

	September 30, 2021	September 30, 2020
<b>Ordinary Income/(Expense)</b>		
Total Revenue	9,225,440	12,221,945
Total COGS	2,495,257	3,084,020
<b>Gross Profit</b>	<b>6,730,183</b>	<b>9,137,926</b>
Expense		
Sales & Marketing	4,059,528	6,029,363
General & Administrative	3,312,093	3,902,114
Research & Development	-	63,998
<b>Total Expense</b>	<b>7,371,621</b>	<b>9,995,475</b>
<b>Net Ordinary Income/(Loss)</b>	<b>(641,438)</b>	<b>(857,549)</b>
Interest Income	112,235	101,400
Interest Expense	(32,776)	(267,177)
Other Income	31,913	33,840
Other Expense	(1,628,177)	(661,041)
Bad Debt		11,650
Gain/(Loss) on Investments	(9,611,149)	1,532,164
<b>Total Other Income or Expense Gain/(Loss)</b>	<b>(11,127,954)</b>	<b>750,836</b>
<b>Net Income/(Loss)</b>	<b>(11,769,392)</b>	<b>(106,713)</b>

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

Exhibit C

**Medical Marijuana, Inc.**  
**Consolidated Statement of Cash Flows**  
**For the Three Months Ending September 30**

	September 30, 2021	September 30, 2020
<b>OPERATING ACTIVITIES</b>		
Net Income/(Loss)	(11,769,392)	(106,713)
Adjustments to reconcile Net Income to net cash provided by operations:		
Depreciation	126,008	116,711
Stock Compensation Expense	-	3,075
Inventories Adjustment	104,523	635,857
Changes in operating assets and liabilities:		
Inventories	599,294	(315,944)
Accounts Receivable	592,949	387,685
Prepaid Expenses	19,827	2,296,589
Merchant Account Reserve	43,320	(90,424)
Deposits	126	19,517
Deferred Tax	262,974	(13,423)
Accounts Payable	(746,954)	(1,708,344)
Deferred Revenue	-	(1,254,904)
Deferred Taxes	(379,019)	103,297
Accrued Liabilities	(584,719)	(251,034)
Other Current Liability	1,367,130	401,795
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>1,174,927</b>	<b>(425,191)</b>
<b>INVESTING ACTIVITIES</b>		
Gain/Loss on Investments	9,611,149	(1,530,966)
Capital Purchases	(36,544)	6,465
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>9,574,605</b>	<b>(1,524,501)</b>
<b>FINANCING ACTIVITIES</b>		
Notes Receivable	(1,063,258)	37,350
Convertible Notes Receivable	(51,494)	(47,740)
Conv Note - Rlated Pty LT	4,084	7,778
Convertible Notes	(376,022)	(246,747)
Long Term Liability	(9,234)	3,485
Proceeds from Sale of Stock	1,400,000	746,202
<b>Net Cash Provided (Used) by Financing Activities</b>	<b>(95,924)</b>	<b>500,327</b>
Net Cash Increase (Decrease) for the Period	(885,254)	(800,434)
Cash At Beginning of Period	6,571,129	4,653,070
<b>Cash at End of Period</b>	<b>5,685,875</b>	<b>3,852,636</b>

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

**Exhibit C**

**Medical Marijuana, Inc.  
Consolidated Statement of Stockholders' Deficit**

	Common Stock		Series A Redeemable Preferred Stock		Series B Redeemable Preferred Stock		Additional Paid in Capital	Other Comprehensive Income	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount	Shares	Amount				
<b>Balance at December 31, 2020</b>	<b>4,066,496,984</b>	<b>\$40,622,201</b>	<b>1,000,000</b>	<b>\$10,000</b>	<b>0</b>	<b>\$0</b>	<b>\$158,510,362</b>	<b>\$0</b>	<b>(\$133,823,023)</b>	<b>\$65,319,539</b>
Common stock issued in redemption of note	157,990,680	\$1,577,261					\$652,950	\$0		\$2,230,211
Common stock sold	55,714,286	\$557,143								\$557,143
Issuance of Series B Redeemable Preferred Stock					230,000	\$ 2,300	\$1,607,700			\$1,610,000
Cumulative Translation Adjustment									(\$18,867)	(\$18,867)
Net Income									\$3,778,356	\$3,778,356
<b>Balance at March 31, 2021</b>	<b>4,280,201,950</b>	<b>\$42,756,605</b>	<b>1,000,000</b>	<b>\$10,000</b>	<b>230,000</b>	<b>\$2,300</b>	<b>\$160,771,012</b>	<b>\$0</b>	<b>(\$130,063,534)</b>	<b>\$73,476,382</b>
Common stock issued in redemption of note	77,038,637	\$770,386					\$1,629,613			\$2,399,999
Cumulative Translation Adjustment									-\$65,778	-\$65,778
Net Income									\$7,056,703	\$7,056,703
<b>Balance at June 30, 2021</b>	<b>4,357,240,587</b>	<b>\$43,526,991</b>	<b>1,000,000</b>	<b>\$10,000</b>	<b>230,000</b>	<b>\$2,300</b>	<b>\$162,400,625</b>	<b>\$0</b>	<b>(\$123,072,609)</b>	<b>\$82,867,306</b>
Common stock issued in redemption of note	117,636,684	\$1,176,367					\$223,633			\$1,400,000
Cumulative Translation Adjustment									\$42,747	\$42,747
Net Income									-\$11,769,392	(\$11,769,392)
<b>Balance at Sept 30, 2021</b>	<b>4,474,877,271</b>	<b>\$44,703,358</b>	<b>1,000,000</b>	<b>\$10,000</b>	<b>230,000</b>	<b>\$2,300</b>	<b>\$162,624,258</b>	<b>\$0</b>	<b>(\$134,799,254)</b>	<b>\$72,540,661</b>

**MEDICAL MARIJUANA, INC.**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**  
**September 30, 2021**

**Note 1: Summary of Significant Accounting Policies**

Nature of Operations.

Medical Marijuana, Inc. ("MJNA" or "Company") is an Oregon corporation, which through its subsidiaries and investment holdings, focuses on the development, sale and distribution of hemp oil that contains naturally occurring cannabinoids, including Cannabidiol ("CBD") and other products containing CBD-rich hemp oil ("Legal Hemp"). Company products are formulated for the pharmaceutical, nutraceutical and cosmeceutical industries, including dietary supplements, skin care products and prescription-based hemp oil for sale in countries (such as Brazil and Mexico) that have approved, by doctor prescription, the Company's flagship hemp oil product, RSHO™, for the treatment of various illnesses and conditions. The Company does not sell or dispense recreational or medical marijuana, directly or indirectly. The Company's products are derived from the parts of the cannabis plant which are excluded from the definition of marijuana under the Controlled Substances Act.

Basis of Financial Statement Presentation. The accompanying unaudited condensed financial statements have been prepared in accordance with United States generally accepted accounting principles. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Cash Equivalents. Holdings of highly liquid investments with maturities of three months or less when purchased are considered to be cash equivalents. Cash equivalents are stated at cost, which approximates quoted market value and includes amounts held in money market funds.

Marketable Securities. Management classifies all equity investments at fair value and recognizes any changes in fair value in net income pursuant to ASU 2016-01 which went into effect in 2018.

Property, Plant, and Equipment. Property, plant, and equipment are recorded at cost less depreciation and amortization. Depreciation and amortization are primarily accounted for on the straight-line method based on estimated useful lives. The amortization of leasehold improvements is based on the shorter of the lease term or the life of the improvement. Betterments and large renewals which extend the life of the asset are capitalized whereas maintenance and repairs and small renewals are expensed as incurred.

Revenue Recognition. Revenue is recognized in the financial statements (and the customer billed) either when materials are shipped from stock or when the vendor bills the Company for the order. Net sales are arrived at by deducting discounts, and sales taxes from gross sales.

Estimates. The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Examples of significant estimates include plant and equipment, the recoverability of intangible assets and other long-lived assets, fair value measurements, including those related to financial instruments, goodwill, and intangible assets, unrecognized tax benefits, contingencies and identification and valuation of assets acquired and liabilities assumed in connection with business combinations.

Goodwill. The fair market value of the Company's investments in its subsidiaries that is in excess of the Company's consolidated tangible assets is recorded as goodwill. The Company tests goodwill for impairment on an annual basis. Impairment testing for goodwill is performed annually in the fourth fiscal quarter or more frequently if impairment indicators are present.

Income Taxes: Our effective tax rate is based on pre-tax income, statutory tax rates, tax laws and regulations and tax planning strategies available to us in the various jurisdictions in which we operate. Significant management judgment is required in evaluating our tax positions and in determining our effective tax rate. Income tax reserves are established to recognize the liability of prior year tax obligations.

Deferred income taxes are provided for temporary differences in the basis between financial statement and income tax assets and liabilities. Deferred income taxes are recalculated annually at tax rates in effect for the years in which those tax assets and liabilities are expected to be realized or settled. We record valuation allowances to reduce our deferred tax assets to the amount that is more likely than not to be realized.

## **Note 2: Inventories**

Inventories are comprised of hemp-based raw materials and finished goods held for sales, which is carried at the lower of cost or net realizable value.

## **Note 3: Warrants, Options and Stock-Based Compensation**

For the quarter ending September 30, 2021, the Company had no warrants or options outstanding and incurred no stock-based compensation.

## **Note 4: Capital Stock**

### Common Stock

The Company has 5,000,000,000, \$0.01 par value, authorized shares of common stock. As of September 30, 2021, there are 4,474,877,271 outstanding shares of common stock, of which 939,961,771 shares are restricted. (See also Footnote 9 - "Stock Issuances")

### Preferred Stock

The Company has 50,000,000 authorized shares of Preferred Stock. As of September 30, 2021, there are 1,000,000 outstanding shares of Series A Redeemable Preferred Stock, of which 1,000,000 shares are restricted, and 230,000 outstanding shares of Series B Preferred Stock, of which 230,000 shares are restricted.

The Series A Redeemable Preferred Stock is non-convertible, nontransferable without the consent of the Board of Directors of the Company, redeemable by the Company at any time after February 15, 2023 at a price of \$.10 per share and the holders of the Series A Preferred are entitled to cast 5,000 votes per share on any matter that is presented to the shareholders of the Company for a vote. All 1,000,000 shares of the Series A Preferred is owned by Juniper & Ivy Corporation. Juniper & Ivy is one third owned by each of Axim Biotechnologies, Inc. (Symbol: AXIM), Neuropathix, Inc. (Symbol: NPTX) and John W. Huemoeller II, the Chief Executive Officer of AXIM.

The Series B Preferred Stock is convertible into common stock, non-voting, non-redeemable, nontransferable without the consent of the Board of Directors of the Company, and has no liquidation preference or dividend rights or preferences. Each share of Series B Preferred Stock is convertible at any time at the discretion of the holder into one thousand (1,000) shares of the Company's common stock; provided however, such conversion would not be permitted if it would result in the converting holder, and its affiliates, having a combined beneficial ownership of more than 9.9% of the Company's outstanding common stock as of the date of conversion. (See also Footnote 9 - "Stock Issuances"). All 230,000 authorized shares of Series B Preferred stock are issued and outstanding. 70,000 shares are held by MLS Advisors, LLC, 70,000 shares are held by BNS Advisors, LLC, 30,000 shares are held by SWT Advisors, LLC and 60,000 shares are held by Stuart W. Titus, the former Chairman and CEO of the Company.

#### **Note 5: Notes Payable – Long Term**

##### Convertible Notes Payable

At September 30, 2021, a long-term convertible note payable issued to a third party lender totaled \$3,258,396, including interest accrued thereon. The third party note is unsecured, pays interest of 8% per annum, and is convertible at holder's option at any time at a conversion price equal to 70% of the average of the three (3) lowest closing bid prices in the 20-days prior to conversion, however, conversions under the note are subject to a "blocking provision", which restricts conversion of the notes if such conversion(s) would result in holder and its affiliates owning more than 9.99% of the Company's common stock in the aggregate. The parties mutually agreed to extend the maturity date of the note to January 31, 2022.

##### Convertible Notes Payable Related Party

Related-party convertible notes having a balance due of \$535,443 at September 30, 2021 consist of one note that matures on December 31, 2024, accrues interest at the rate of 3% per annum is convertible at a fixed rate of \$0.0747 per common share (see also Footnote 7 - "Related Party Transactions").

##### Notes Payable

On May 27, 2021, the Company received total forgiveness on the long term note payable, which consisted of one note payable from a wholly owned subsidiary of the Company payable to a lender under the Small Business Administration's ("SBA") Paycheck Protection Program ("PPP") provisions set forth in Section 1102 of the Corona Virus Aid Relief, and Economic Security Act with a principal balance of \$1,374,598. The same wholly owned subsidiary qualified for and received a second note payable totaling \$1,374,598 payable to a lender under the Small Business Administration's ("SBA") Paycheck Protection Program ("PPP") provisions set forth in Section

1102 of the Corona Virus Aid Relief and Economic Security Act. The second PPP loan matures on September 8, 2022 and accrues interest at a rate of 1%. Current balance of the note payable plus accrued interest is \$1,379,532. Repayment of the note is deferred for six months and is then payable over eighteen (18) consecutive monthly payments. The Company will seek forgiveness of all of the loan, pursuant to the PPP.

#### **Note 6: Notes and Loans Receivable**

Current Notes and Loans Receivable – Totaling \$6,178,220 consisting of the following:

- (i) A note receivable having a balance of \$2,454,575 from a third-party borrower (which party is the lender on a convertible note issued to the Company having a balance of \$3,258,396 as of September 30, 2021 which is described further in Footnote 5 - "Notes Payable - Long Term."
- (ii) A demand note receivable from General Hemp, LLC ("General Hemp") in the amount of \$226,186 as of September 30, 2021, which accrues interest at a rate of 3% per annum (see also Footnote 7 - "Related Party Transactions").
- (iii) A subordinated secured promissory note receivable (the "Note") from General Hemp, face value of \$2,314,043, having a balance of \$2,496,951, including interest accrued thereon of \$182,908. The Note, dated July 10, 2019, was received as reimbursement for legal expenses advanced by the Company on behalf of General Hemp. and interest and other financing costs incurred by the Company that were related to the advancement of the legal expenses. The Note accrues interest at a rate of 3.5% per annum and requires six (6) monthly installments of interest and principal beginning on August 15, 2019 until maturity on January 15, 2020. The Note has a subordinated security interest in all of General Hemp's assets, including common shares issued to General Hemp by the Company. General Hemp has not made any of the scheduled payments and it and the Company are in discussions to reach a resolution on the default. There can be no assurance that the Company will be able to reach a resolution that is acceptable and may at some point need to foreclose upon the assets that are pledged as security for the note. (see also Footnote 7 – "Related Party Transactions").
- (iv) A secured promissory note receivable from Blake N. Schroeder, the Company's Chairman, CEO and President, face value \$500,000, dated July 19, 2021 (the "Secured Note"), which was issued to the Company as payment for 50 million restricted shares of its common stock. The Secured Note is a full recourse obligation of Mr. Schroeder's and is secured by a Deed of Trust against Mr. Schroeder's home in Rancho Santa Fe, California and accrues interest of 0.25% per annum until maturity on July 29, 2024. As of September 30, 2021, the unpaid principal and interest totals \$500,254. If Mr. Schroeder remains in the continuous employ of the Company until July 19, 2022, the unpaid principal and interest on the Secured Note shall be automatically forgiven and waived effective as of July 19, 2022. See also Footnote 7 - "Related Party Transactions" and Footnote 9 - "Stock Issuances".
- (v) A promissory note receivable from Blake N. Schroeder, the Company's Chairman, CEO and President, face value \$500,000, dated July 19, 2021 (the "Note"), which was issued to the Company as payment for 50 million restricted shares of its common stock. The Note is full recourse obligation of Mr. Schroeder's and accrues interest of 0.25% per annum until maturity on July 29, 2024. As of September 30, 2021, the unpaid principal and interest totals \$500,254. If Mr. Schroeder remains in the continuous employ of the Company until July 19, 2023, the unpaid principal and

interest on the Note shall be automatically forgiven and waived effective as of July 19, 2023. In addition, if the Secured Note discussed in (iv) above is forgiven and waived as discussed above, Mr. Schroeder shall provide collateral at that time to secure the Note. See also Footnote 7 - "Related Party Transactions" and Footnote 9 - "Stock Issuances".

Long-Term Notes and Loans Receivable – Totaling \$4,986,859 consisting of the following:

- (i) A promissory note receivable from Juniper & Ivy Corporation dated February 20, 2019, face value of \$435,000, having a balance of \$470,448. The note was received in exchange for partial payment of a purchase of 500 shares of Series C Preferred Stock of Axim Biotechnologies, Inc. The note accrues interest at a rate of 3% per annum and matures on February 20, 2024. The note is unsecured, however John W. Huemoeller II, the CEO of Axim Biotechnologies, provided a personal guarantee for payment of the note. The Company has no recourse against the Series C Preferred Stock or the assets of Juniper & Ivy Corporation.
- (ii) A \$4,000,000 convertible note receivable from Axim Biotechnologies, Inc. dated November 20, 2018, having a balance of \$4,275,397. In June 2020 the Company entered into an addendum that modifies the note as follows: (1) interest on the Note will accrued at 3.5% from May 1, 2019 until November 1, 2022, at which time it will thereafter be paid on a semi-annual basis, (ii) the maturity date of the Note was extended from November 1, 2021 to November 1, 2026 and (iii) the Conversion Price for the Note was reduced from \$1.50 to \$0.25 (see also Footnote 7 – “Related Party Transactions”).
- (iii) A promissory note totaling \$82,688, including interest accrued thereon, payable by Neuropathix, Inc.’s CEO. The note accrues interest at a rate of 3% per annum and matures on October 1, 2023 (see also Footnote 7 – “Related Party Transactions”).
- (iv) Promissory notes from certain members of the Company’s management team dated April 11, 2019 having an aggregate balance of \$158,326 including interest thereon. The notes accrue interest at a rate of 3% per annum and mature on 4/30/2022. (see also Footnote 7 – “related Party Transaction”).

#### **Note 7: Related Party Transactions**

On October 20, 2020 the Company entered into a Term Sheet whereby it agreed to sell between \$1.5 million and \$2.5 million of convertible securities to a third-party investor (the "Transaction") for the purpose of providing funds to the Company to be used to invest in General Hemp, the Company's 2nd largest shareholder. This investment by the Company in General Hemp was intended to facilitate the settlement of litigation related to the Probate Estate of the Company's deceased founder, Michael Llamas, who was the majority holder of General Hemp prior to his death (the "Settlement"). The Term Sheet for the Transaction was to expire on January 31, 2021, unless extended by the parties.

Effective January 5, 2021, the Term Sheet was extended to March 31, 2021 and the Company agreed to other amendments to the Term Sheet as follows: (i) the closing of the Transaction could close at any time between January 5, 2021 and the "Closing" of the Settlement (as that term is defined in the Settlement) as opposed to concurrent with the Closing of the Settlement, (ii) if, after

a closing of the Transaction, the Settlement does not Close for any reason, the third-party investor shall have the right to rescind the Transaction, in whole or in part, and (iii) assuming the funds received by the Company from the Transaction are used to fund the Settlement (the "Settlement Funds"), the Company would have the flexibility to provide the Settlement Funds as either (a) an investment into General Hemp upon terms mutually acceptable to General Hemp, the Company and the third-party investor, (b) an acquisition of assets from the Probate Estate of Michael Llamas upon terms mutually acceptable to General Hemp, the Company and the third-party investor, or (c) to another party, and upon terms, that are mutually acceptable to the Company, General Hemp and the third-party investor.

On March 9, 2021 the Company entered into the Settlement, along with the Estate of Michael Llamas, General Hemp, the third-party investor and a number of other parties not related to the Transaction. The Settlement was subject to probate court approval in the case of the Estate of Michael Robert Llamas in the San Diego Superior Court, Probate Division, and was approved by the Probate Court on May 6, 2021.

On March 30, 2021 the Company issued and sold 55,714,286 restricted shares of common stock and 230,000 restricted shares of Series B Preferred Stock in exchange for an aggregate total of \$2.0 million of "Settlement Funds," which the Company used to fund the Settlement. As a result of the Closing of the Settlement, the Company owns a 49.9% interest in General Hemp for its \$2.0 million investment. It is estimated that the major assets held by General Hemp consist of approximately 275 million shares of the Company's common stock, 6 million shares of Neuropathix, Inc. (fka, Kannalife, Inc. - "NPTX") and 2.7 million shares of Axim Biotechnologies, Inc. ("AXIM"). In addition to its 49.9% ownership stake, the Company is also a creditor of General Hemp in the amount of approximately \$2.4 million. Under the terms of the Settlement, the Company has agreed to sell its ownership stake in General Hemp for \$1,000 to a trust formed for the benefit of the sole heir of Michael Llamas, after it has received \$2 million (i.e., 100% of the principal amount of the Company's investment) in distributions and/or disbursements in connection with its 49.9% ownership stake. See also Footnote 6 - "Notes and Loans Receivable".

On July 19, 2021 the Company sold 50 million restricted shares of its common stock for \$0.01 per share to Blake N. Schroeder, the Chairman, CEO and President of the Company. Mr. Schroeder paid for the 50 million shares by issuing to the Company a Secured Note, face value \$500,000. The Secured Note is a full recourse obligation of Mr. Schroeder's and is secured by a Deed of Trust against Mr. Schroeder's home in Rancho Santa Fe, California and accrues interest of 0.25% per annum until maturity on July 29, 2024. If Mr. Schroeder remains in the continuous employ of the Company until July 19, 2022, the unpaid principal and interest on the Secured Note shall be automatically forgiven and waived effective as of July 19, 2022. As of September 30, 2021, the unpaid principal and interest totals \$500,254. If for any reason, other than death or disability, Mr. Schroeder does not remain in the continuous employ of the Company until July 19, 2022, the Company shall have the right to reacquire the 50 million shares from Mr. Schroeder for \$0.01 per share and shall be further entitled to use any amount due under the Secured Note as an offset against the payment to repurchase the 50 million shares. If Mr. Schroeder dies or becomes disabled prior to July 19, 2022, he (or his estate) shall have the right, but not the obligation, to put back to the Company an amount of the 50 million shares that is equal in value to the amount due under the Secured Note (the "Put Shares"). The value of the Put Shares for purposes of determining how many shares are needed to repay the Secured Note shall be equal to the greater of the closing price of the Company's common stock as of the date that Mr. Schroeder (or his estate) exercises his right to repay the Secured Note using Put Shares, or \$0.01 per share. See also Footnote 6 - "Notes and Loans Receivable" and Footnote 9 - "Stock Issuances".

On July 19, 2021, the Company sold an additional 50 million restricted shares of its common stock for \$0.01 per share to Blake N. Schroeder, the Chairman, CEO and President of the Company. Mr. Schroeder paid for the 50 million shares by issuing to the Company a promissory Note, face value \$500,000. The Note is a full recourse obligation of Mr. Schroeder's and accrues interest of 0.25% per annum until maturity on July 29, 2024. If Mr. Schroeder remains in the continuous employ of the Company until July 19, 2023, the unpaid principal and interest on the Note shall be automatically forgiven and waived effective as of July 19, 2023. As of September 30, 2021, the unpaid principal and interest totals \$500,254. If for any reason, other than death or disability, Mr. Schroeder does not remain in the continuous employ of the Company until July 19, 2023, the Company shall have the right to reacquire the 50 million shares from Mr. Schroeder for \$0.01 per share and shall be further entitled to use any amount due under the Note as an offset against the payment to repurchase the 50 million shares. If Mr. Schroeder dies or becomes disabled prior to July 19, 2023 he (or his estate) shall have the right, but not the obligation, to put back to the Company an amount of the 50 million shares that is equal in value to the amount due under the Note (the "Put Shares"). The value of the Put Shares for purposes of determining how many shares are needed to repay the Note shall be equal to the greater of the closing price of the Company's common stock as of the date that Mr. Schroeder (or his estate) exercises his right to repay the Note using Put Shares, or \$0.01 per share. In addition, if the Secured Note discussed in the preceding paragraph above is forgiven and waived as discussed above, Mr. Schroeder shall provide collateral at that time to secure the Note. See also Footnote 6 - "Notes and Loans Receivable" and Footnote 9 - "Stock Issuances".

#### Notes Payable:

The Company received management and consulting services rendered by General Hemp for the fiscal years ending December 31, 2018 and December 31, 2019 in exchange for a \$250,000 convertible promissory notes issued December 31, 2018 and December 31, 2019, \$535,443 in aggregate, including interest accrued thereon. (see also Footnote 5 – “Notes Payable – Long Term”)

#### Notes Receivables:

The Company has a demand note receivable from General Hemp having a balance of \$226,186. (see also subsection (ii) of Footnote 6 – “Notes and Loans Receivable”)

The Company has a promissory note receivable from General Hemp having a balance of \$2,496,951 that was received as reimbursement of legal costs, interest and other financing costs incurred. (see also subsection (iii) of Footnote 6 – “Notes and Loans Receivable ”)

The Company received a \$4,000,000 convertible note receivable from Axim Biotechnologies, Inc., which has a balance outstanding of \$2,454,575 including interest accrued thereon, as payment from a third-party borrower (which party is the lender on a convertible note issued to the Company having a balance of \$3,258,396 as of September 30, 2021) which is described further in Footnote 5 - "Notes Payable - Long-Term and in subsection (ii) of Footnote 6 - "Notes and Loans Receivable".

In the period ending December 31, 2018 the Company loaned \$75,000 to the Chief Executive Officer of Neuropathix, Inc. in the form of a demand note. The demand note accrues interest at a rate of 3% per annum and matures October 1, 2023. (see also subsection (iii) of Footnote 6 “Notes and Loans Receivable”)

The Company has unsecured promissory notes receivable from certain members of the management team having a balance of \$158,326. The notes, dated April 11, 2019, accrue interest at a rate of 3.0% per annum and mature on April 30, 2022. The notes may collectively be drawn to an amount of \$300,000. (see also subsection (iv) of Footnote 6 – “Notes and Loans Receivable”)

In June of 2020, the Company entered into: (1) an Agreement with Axim Biotechnologies, Inc. and its subsidiaries (collectively, "AXIM"), and the three Series B Directors of AXIM along with their affiliates (the "Agreement"), and (2) an addendum to a \$4,000,000 convertible note issued to the Company by AXIM (the "Addendum"), which has a balance outstanding of \$4,275,397, including accrued thereon.

Pursuant to the Addendum, the \$4,000,000 convertible note issued to the Company by AXIM (the "Note") was modified as follows: (i) interest on the Note will accrue from May 1, 2019 until November 1, 2022, at which time it will thereafter be paid on a semi-annual basis, (ii) the maturity date of the Note was extended from November 1, 2021 to November 1, 2026, and (iii) the Conversion Price for the Note was reduced from \$1.50 to \$0.25. (see also subsection (ii) of Footnote 6 - "Notes and Loans Receivable" for further discussion of the Note).

#### **Note 8: Investment in Third Party**

On July 12, 2019, the Company entered into an operating agreement as 1/3 member of KAM Industries, LLC, a Wyoming Limited Company. KAM Industries, LLC entered into a Joint Venture Agreement to receive a percentage of the industrial hemp harvest yield on a parcel of land in Wayne County, North Carolina owned by FarmShare, LLC with whom KAM contracted to purchase a percentage of the hemp harvest for the 2019 growing season. The hemp was grown and harvested and is in the process of being further processed or sold. The Company will receive a 1/3 share of any proceeds at no additional cost to the Company. The Joint Venture Agreement expired in 2020 and was not renewed. The Company paid 33.3% of the KAM Industries, LLC payments due and has recorded \$27,490 as current assets as of September 30, 2021.

#### **Note 9: Stock Issuances**

##### Common Stock

For the quarter ended September 30, 2021 the Company issued 117,636,684 shares of common stock as follows: 17,636,684 shares of common stock for conversion of \$400,000 face value convertible notes, plus interest accrued thereon, and 100 million shares in exchange for a \$500,000 Secured Note and a \$500,000 unsecured Note. See also Footnote 6 - "Notes and Loans Receivable" and Footnote 7 - "Related Party Transactions".

##### Preferred Stock

None.

**Note 10: Litigation**

In the ordinary course of business, the Company defends against and prosecutes various legal actions. Currently the Company believes that it is not involved in any litigation that might have a material adverse effect upon the Company.

**Note 11: Other Income/Expense**

For the quarter ending September 30, 2021, the Company recorded a net loss of \$11,127,954 under Total Other Income or (Expense), which includes; (i) \$112,235 of interest income, (ii) \$32,776 of interest expense, (iii) \$1,628,177 of other expense, (iv) \$31,913 of other income, and (iv) a net loss on investments of \$9,611,149 which is a non-cash item that represents changes in the fair value of publicly traded equity investments held by the Company (a) a net loss of \$8,330,903 related to Axim Biotechnologies, Inc (OTCB: AXIM) and (b) a net loss of \$1,280,246 related to Neuropathix, Inc. (OTCB: NPTX).