

INFORMATION AND DISCLOSURE STATEMENT

Pursuant to Rule 15c2-(11)(a)(5) under the Securities Exchange Act of 1934

Period Ending
June 30, 2013



Medical Marijuana, Inc.

2665 Ariane Drive
Suite 207
San Diego, CA 92117

CUSIP: 58463A105
Trading Symbol: MJNA

INFORMATION AND DISCLOSURE STATEMENT PURSUANT TO RULE 15c2-(11)(a)(5)

All information contained in this Information and Disclosure Statement has been compiled to fulfill the disclosure requirements of Rule 15c211 (a)(5) promulgated under the Securities Exchange Act of 1934, as amended. The enumerated captions contained herein correspond to the sequential format as set forth in the rule.

FORWARD LOOKING STATEMENTS

This Quarterly Report 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.

FOOD AND DRUG ADMINISTRATION DISCLOSURE (FDA)

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 OF ISSUER AND ITS PREDECESSORS (IF ANY)

Medical Marijuana, Inc. (the “Company”, “we”, “our”, “us”, “MJNA”)

The Company was originally incorporated as Berkshire Collection, Inc., in Canada in 2003. On May 23, 2005, the Company was incorporated in the State of Oregon. The Company changed its name to Mynewpedia Corp. on January 31, 2007. On May 21, 2008 the Company, with the consent of the majority shareholder of Mynewpedia, agreed to issue common stock of Mynewpedia, Corp. (MYNW) to the shareholders of Club Vivanet (Florida) in exchange for all issued and outstanding common shares of the stock of Club Vivanet, totaling 9,300,000 common shares by way of an exchange of one (1) share of Club Vivanet for twelve (12) shares of Mynewpedia, Inc.. Club Vivanet Inc., formed in August 2006 as a Florida C Corporation, is currently a wholly owned subsidiary of the Company. Total outstanding shares of the Company after the acquisition were 221,176,840. The Company subsequently changed its name to Club Vivanet, Inc. on May 22, 2008, and on August 28, 2008, the Company effected a 20:1 reverse split which resulted in 11,058,842 total issued and outstanding shares of common stock of the Company. On March 23, 2009, the Company resolved to change its name to Medical Marijuana, Inc.; this name change became effective April 28, 2009. On April, 27, 2009, the then-current directors/officers of the company resigned and appointed new Officers/Directors. On April 28, 2009, the Company issued a total of 40,000,000 shares to the new CEO. These actions effected a change in and control of the company. Upon the effective date of the name change, the Company’s trading symbol was changed to MJNA. On the date of the name change of the Company to Medical Marijuana, Inc., the Company spun off its wholly owned subsidiaries: Club Vivanet, a Florida corporation and Mynewpedia Corp. On March 23, 2011, an equity/asset exchange was affected between Hemp Deposit and Distribution Corp., a Delaware corporation (“HDDC”), and the Company. The equity/asset exchange called for the Company to issue 260,000,000 shares of common stock to HDDC which required an increase in the authorized share capital from 300,000,000 shares to 600,000,000 shares. The increase was declared effective on March 28, 2011. The issuance of the 260,000,000 shares was effected on March 31, 2011, which then effected a change in and control of the Company. As of June 27, 2013, new management found various misfilings that pertain to authorized shares from former management in which legal counsel was retained to make corrective actions as part of its corporate measures to ensure complete compliance in all matters. These actions have been filed with the State of Oregon. The Company does not have any plans at this time to increase authorized shares beyond the stated amount.

2. ADDRESS OF ISSUER PRINCIPAL EXECUTIVE OFFICES

Company Headquarters:

Address: 2665 Ariane Drive, Suite 207, San Diego, CA 92117
New Address: 4901 Morena Boulevard, Suite 701, San Diego, CA 92117
Phone: (877) 770-3838
Email: info@medicalmarijuanainc.com
Website: www.medicalmarijuanainc.com

Investors Relations Contact:

SmallCapVoice.Com, Inc - Stuart Smith
Phone: (512) 267-2430
Email: ssmith@smallcapvoice.com
Website: www.smallcapvoice.com

Internal - Investor Relations Contact

Christopher Moreo
Phone: (858) 926-5588
investorrelations@medicalmarijuanainc.com

3. SECURITY INFORMATION

Trading Symbol: MJNA

Exact title and class of securities outstanding: Common Stock

CUSIP: 58463A105

Par or Stated Value: \$.001 per share of Common Stock

Total shares authorized Capped by Management: 950,000,000

Total shares outstanding: 946,575,818 (as of 06/30/13)

Transfer Agent:

First American Stock Transfer, Inc.
4747 N. 7th Street, Suite 170
Phoenix, AZ 85014
(602) 485-1346; (602) 788-0423 fax
<https://firstamericanstock.com>

First American Stock Transfer, Inc. is registered Under the Exchange Act with the Securities Exchange Commission as a Registrar and Transfer Agent

Is the Transfer Agent registered under the Exchange Act? ☒ Yes ☐ No

The Depository Trust Company (DTC) placed a chill on the stock as previously disclosed. The chill was placed on the Company due to questions regarding former management issuances. As a result, the Company provided supporting documentation, retained counsel who has significant experience working with the DTC, obtained opinion letters covering all issuances, and provided same. Counsel and the Company have provided all information requested and are awaiting the outcome determination of all information provided.

Describe any trading suspension orders issued by the SEC in the past 12 months:
NONE.

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.

4. ISSUANCE HISTORY

DATE OF ISSUE	DA	NATURE OF OFFERING (E.G., RULE 504, RULE 144, Intrastate etc)	SHARE AMOUNT OFFERED/S OLD		PPS	PRICE PAID TO ISSUER	TRADING STATUS	LEGEND W/ RESTRICTIONS INCLUDED
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SECOND QUARTER 2013							
4/1/2013	144	2,000,000	Loan Conversion	0.2545	0.15	144	144
5/21/2013	144	1,250,000	JV Financial Obligation	0.159	0.4	144	144

5. FINANCIAL STATEMENTS

- A. Balance Sheet;
- B. Statement of income;
- C. Statement of cash flows;
- D. Financial notes; and
- E. Audit letter

Medical Marijuana, Inc.**Balance Sheet**

As of June 30, 2013

	Jun 30, 13
ASSETS	
Current Assets	
Cash & Cash Equivalents	\$ 1,710,160
Other Current Assets	
Accounts Receivable	662,000
Inventory (Note 3)	951,852
Investments (Note 4)	17,390,171
Other Receivables	11,246
Receivable RDH (Note 5)	1,734,084
Total Other Current Assets	20,749,353
Total Current Assets	\$ 22,459,513
Other Assets	
Red Dice Holdings (Note 6)	1,450,000
CanChew Biotech (Note 7)	6,454,436
Research & Development (Note 8)	3,524,085
Fixed Assets (Note 9)	141,865
HempMeds PX	88,338
Kannalife	500,000
Total Other Assets	\$ 12,158,724
TOTAL ASSETS	\$ 34,618,237
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	\$ 579,250
Total Current Liabilities	579,250
Total Liabilities	\$ 579,250
Stockholders' Equity (Note 10)	
Class A Common Stock Issued 946,575,818	946,575
Additional Paid in Capital	12,405,045
Retained Earnings	20,687,367
Total Stokholders' Equity	\$ 34,038,987
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	\$ 34,618,237

The accompanying notes are an integral part to the financial statements

Medical Marijuana, Inc.
Statement of Income
April through June 2013

	<u>TOTAL</u>
Income	
Sales	\$ 834,627
Total Income	<u>834,627</u>
Cost of Goods Sold	
Direct Costs	596,704
Total Cost of Goods Sold	<u>596,704</u>
Gross Profit	\$ 237,923
Expense	
Auto and Truck Expenses	552
Bank Service Charges	2,229
Computer and Internet Expenses	3,728
Marketing and Advertising	86,517
Meals and Entertainment	2,931
Office Supplies	16,459
Payroll Expenses	166,739
Postage & Shipping	12,557
Professional Fees	243,831
Rent Expense	19,800
Telephone Expense	6,298
Travel Expense	15,852
Utilities	2,500
Total Expense	<u>579,994</u>
Income before Extraordinary Items	\$ (342,071)
Extraordinary Items (Note 11)	
Phytosphere Licensing & Inventory Sale	8,000,000
Less Amounts Due to HDDC	<u>1,600,000</u>
Net Income	<u><u>\$ 6,057,929</u></u>

The accompanying notes are an integral part to the financial statements

Medical Marijuana, Inc.
Statement of Cash Flows
April through June 2013

	<u>Apr - Jun 13</u>
OPERATING ACTIVITIES	
Net Income	\$ 6,057,929
Adjustments to reconcile Net Income to net cash provided by operations:	
Receivable RDH	(232,535)
Other Receivables:Oil Sales Receivable	(6,231)
Other Receivables:RSHO	(5,015)
Investments	(5,673,843)
Accounts Receivable	(662,000)
Accounts Payable	579,250
Net cash provided by Operating Activities	<u>\$ 57,555</u>
INVESTING ACTIVITIES	
CanChew Biotech	(504,436)
HempMeds PX	(63,338)
Kannalife	(500,000)
Fixed Assets	(126,938)
Net cash provided by Investing Activities	<u>\$ (1,194,712)</u>
FINANCING ACTIVITIES	
Common Stock	8,688
Additional Paid in Capital	491,312
Retained Earnings	473,948
Net cash provided by Financing Activities	<u>\$ 973,948</u>
Net cash increase for period	\$ (163,209)
Cash at beginning of period	<u>\$ 1,873,369</u>
Cash at end of period	<u><u>\$ 1,710,160</u></u>

The accompanying notes are an integral part to the financial statements

Medical Marijuana, Inc.
Supplemental Information
Statement of Income by Subsidiary
April through June 2013

	Total Apr - Jun 13	MJNA	Wellness Mgmt	CanChew 50%	RDH * 60%	Hemp Meds 80%	Phytosphere 80%
Income							
Sales	\$ 834,627		\$ 662,000	\$ 9,801	\$ 156,378	\$ 6,448	
Total Income	834,627	-	662,000	9,801	156,378	6,448	-
Cost of Goods Sold							
Direct Costs	596,704		579,250	17,454			
Total COGS	596,704		579,250	17,454			
Gross Profit	\$ 237,923		\$ 82,750	\$ (7,653)	\$ 156,378	\$ 6,448	
Expense							
Advertising & Marketing	86,517	15,000		71,517			
Auto and Truck Expenses	552	552					
Bank Service Charges	2,229	502	56	1,561	56	56	
Computer & IT Expenses	3,728	839	93	2,610	93	93	
Meals and Entertainment	2,931	659	73	2,052	73	73	
Office	16,459	3,703	411	11,521	411	411	
Payroll Expenses	166,739	37,516	4,168	116,717	4,168	4,168	
Postage	12,557			12,557			
Professional Fees	243,831	110,831	7,500	50,000	68,000	7,500	
Rent Expense	19,800	4,455	495	13,860	495	495	
Telephone Expense	6,298	1,417	157	4,409	157	157	
Travel Expense	15,852	3,567	396	11,096	396	396	
Utilities	2,500	563	63	1,750	63	63	
Total Expense	579,994	179,604	13,413	299,649	73,913	13,413	-
Income Before Extraordinary Items	\$ (342,071)	\$ (179,604)	\$ 69,337	\$ (307,302)	\$ 82,465	\$ (6,965)	
Extraordinary Items							
Phytosphere Licensing Sale	8,000,000						8,000,000
Less Amounts Due to HDDC	(1,600,000)						(1,600,000)
Net Income	\$ 6,057,929	\$ (179,604)	\$ 69,337	\$ (307,302)	\$ 82,465	\$ (6,965)	\$ 6,400,000

* The Company was unable to verify the financial information from RDH. The Income reported above was provided by third parties and the Expenses were allocated to RDH and paid directly by the Company on behalf of RDH.

This Supplementary Information is being Supplied to Illustrate Activity by Subsidiary

MEDICAL MARIJUANA, INC.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Nature of Operations.

Medical Marijuana Inc. (“MJNA”) is an Oregon Corporation vested in the medical marijuana and industrial hemp markets. The company is comprised of a diversified portfolio of products, services, technology and businesses solely focused on the cannabis and hemp industries.

These products range from patented and proprietary based cannabinoid products, to whole plant or isolated high value extracts specifically manufactured and formulated for the pharmaceutical, nutraceutical and cosmeceutical industries.

The Company’s services are extensive and varied, ranging from medical clinic management to the capitalization and development of existing industry business and product leaders. Services include development of cannabinoid based health and wellness products, and the development of medical grade compounds. MJNA provides over 80 proprietary and patented cannabinoid “delivery methods” that are more “socially and medically acceptable” than smoking. Finally, MJNA services include the licensing of its proprietary testing, genetics, labeling, and packaging, tracking, production and standardization methods for the medicinal herb industry.

Medical Marijuana Inc.’s patented and proprietary technologies include the only pharmaceutical grade vertical Bio-Technology Company specializing in the standardization, production and extraction of medicinal cannabinoids. MJNA’s PhytoSPHERE Systems and their advanced plant growth technologies save significantly on resources necessary for production of medical grade cannabis. In addition to providing a medical grade end product, extracts and compounds, PhytoSPHERE Systems also includes pre-and-post production tracking, germplasm references, packaging and processing to ensure consistency and genetic purity. Medical Marijuana Inc.

Basis of Financial Statement Presentation. The accompanying financial statements have been prepared on the accrual basis. 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.

Marketable Securities. Management classifies all investments as available-for-sale. Available-for-sale securities are carried at fair value.

Inventories. Inventories are valued at cost. Inventory consists of CanChew Gum extracted from industrial hemp plants and raw materials.

MEDICAL MARIJUANA, INC.

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, freight, and sales taxes from gross sales.

Supplementary Information. A breakdown of consolidating income by subsidiary has been included.

Estimates. The preparation of financial statements in conformity with 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. Actual results could differ from those estimates.

Subsidiaries and Corporate Investments

<u>Corporate Holdings</u>	<u>Ownership Percentage</u>
Wellness Managed Services	100%
Canipa Holdings	80%
HempMeds PX	80%
PhytoSPHERE Systems	80%
Red Dice Holdings	60%
CanChew Bio-technologies	50%
KannaLife Sciences	16.5%

(See exhibit 1)

Wellness Managed Services

Wellness Managed Services engages in the management, capitalization and development of Health and Wellness facilities, Medical Clinics and Cooperatives throughout North America.

Wellness Managed Services provides a comprehensive array of clinically supporting Health and Wellness products plus services which will attract patients while providing for a fully operational, profitable enterprise. We seek to provide facilities and patients alike

MEDICAL MARIJUANA, INC.

with the latest in quality products and support services that will serve the Health and Wellness community. Wellness Managed Services has actively been acquiring and developing its services. This subsidiary is in negotiations for several additional facilities in Canada, California, Colorado and Arizona at present and is looking to further expand throughout the US as well as develop an International Division.

Canipa Holdings

Canipa Holdings has been formed to assist Medical Marijuana Inc.'s expansion efforts in Europe, Middle East and Asia. Canipa Holdings focuses its efforts on obtaining product and marketing approvals as well as distribution partners for the entire line of Medical Marijuana Inc.'s portfolio of products.

HempMeds PX

HempMeds PX, is a subsidiary of Medical Marijuana Inc. that focuses on the online marketing and sales of our portfolio of products. Working with various industry companies HempMeds PX develops the content and presentations for the various ecommerce sites that promote the products.

PhytoSPHERE Systems

PhytoSPHERE Systems is a global phytocannabinoid biotechnology company that is one of the world's largest producers of natural hemp-based cannabinoids, terpenoids and flavonoids. The company handles all aspects of the production from seed to sale.

PhytoSPHERE builds and develops growing, packaging and extraction technologies which are deployed in self-contained highly efficient indoor facilities as well as in traditional hemp-based agricultural facilities. Headquartered in San Diego, California, the company utilizes advanced cultivation methods and specialty processing technology which produces pharmaceutical grade raw ingredients for the nutraceutical, cosmeceutical, food and pharmaceutical industries.

Red Dice Holdings

Red Dice Holdings, LLC is the owner of the "Dixie Brand" of products including "Dixie Botanicals". The company has over 70 unique consumer products and is one of the most recognizable cannabis and hemp brands in the world. The brands have been featured on 60 minutes, Forbes, Fortune Magazine and Fast Company to name a few.

The company sells direct to consumer products, looks to integrate additional brands into its distribution and manufacturing platform, as well as licenses its "Brand(s) and IP" to others looking to manufacture and distribute the products within their markets. Besides marketing, sales and licensing, the company has a full time team of researchers and product development specialists who are tasked with improving the products and developing additional delivery methods.

MEDICAL MARIJUANA, INC.

CanChew Bio-technologies

CanChew Bio-technologies focuses on the treatment of pain and other medical disorders with the application of chewing gum based cannabis/cannabinoids medical products through the development of MedChewRx. The company targets research and execution of their clinical development plan and subsequently out licensing of their technology. The development focuses on the R&D of the formulation, production and the development of chewing gum based products in their respective fields e.g.: for the treatment of numerous diseases like pain, nausea and vomiting, anorexia, spasticity and various other symptoms.

KannaLife

KannaLife Sciences (“KannaLife”), is a late stage bio-pharmaceutical and phyto-medical technology company that develops natural, phyto-medical products to be used in health and wellness regimens. KannaLife is also involved in the research and development of new therapeutic agents to be used as transport carriers for other compounds seeking to break the blood/brain barrier as well as the treatment and prevention of oxidative and neuro-toxic stresses born from a variety of ailments and illnesses.

Note 2: Related-Party Transactions

Hemp Deposit and Distribution Company

The Company has an agreement with Hemp Deposit and Distribution Company (HDDC) DBA: CannaBANK Inc. HDDC is the majority shareholder and acts as the merger, acquisition and due diligence arm for the Company. HDDC also provides working capital for the Company as needed or can and has provided capital or its equity in MJNA to invest in and purchase companies, products or services for MJNA. HDDC currently holds \$1,565,500 in free trading shares cash equivalent for the use of the Company.

Sale and Licensing of Certain Assets of PhytoSPHERE Systems, LLC

MJNA owns 80% of the interest in PhytoSPHERE Systems, LLC. In December 2012, PhytoSPHERE entered into an Agreement for the Sale of Assets with CannaVEST Corporation, a Texas corporation (CannaVEST), whereby the Company sold certain assets of PhytoSPHERE in exchange for an aggregate payment of \$35,000,000, payable in five (5) installments of either cash or common stock of the CannaVEST, in the sole discretion of CannaVEST. Pursuant to the Agreement, PhytoSPHERE sold to CannaVEST certain tangible assets, including equipment and inventory, all web domains of PhytoSPHERE, existing bank accounts with a total balance of \$50,774.55, phone numbers, e-mail addresses and postal addresses, vendor lists, permits, licenses and other approvals, and all existing and pending contracts. Notably, pursuant to the Purchase Agreement

MEDICAL MARIJUANA, INC.

PhytoSPHERE sold all of its rights, and surrendered all of its liabilities, under contracts with hemp production and processing facilities in three foreign countries, which allowed CannaVEST to secure raw product for the development and production of products. PhytoSPHERE also entered into an exclusive license of its brand name “PhytoSPHERE” and “PhytoSPHERE Systems” for use in the development and commercialization of hemp-based products.

The Sales Agreement requires payment as follows: (a) \$4,500,000 on or before January 31, 2013; (b) \$6,000,000 on or before March 31, 2013; (c) \$8,000,000 on or before June 30, 2013; (d) \$10,000,000 on or before September 30, 2013; and \$6,500,000 on or before December 31, 2013. For any installments paid by the issuance of stock, the number of shares of stock issuable by the Company is determined by reference the closing price of the common stock on the day prior to issuance. The price is subject to a “collar”, whereby in no event will the shares issuable pursuant to the Purchase Agreement be priced at more than \$6.00 per share, and in no event will the shares be priced at less than \$4.50 per share.

Michael Mona, Jr. is the Chief Executive Officer and on the Board of Directors of CannaVEST. Mr. Mona owns and/or controls approximately 37,337,000 shares of common stock of Medical Marijuana, Inc., which represents approximately 4% of the issued and outstanding shares of the capital stock of Medical Marijuana, Inc. as of February 11, 2013. Mr. Mona does not hold any management position with Medical Marijuana, Inc. or serve on its board of directors, nor has he held any such position previously. Mr. Mona neither owns shares in, nor serves Hemp Deposit and Distribution Corporation in any capacity, nor has he done so previously.

Edward A. Wilson Mr. Wilson is a Director and President of Wilson & Company, a professional certified public accounting firm in Las Vegas, Nevada. Mr. Wilson is a member of the American Institute of Certified Public Accountants and the Nevada Society of CPAs, and is a President’s Associate for the University of Nevada, Reno. Mr. Wilson began his accounting career with Price Waterhouse in San Francisco, California. Mr. Wilson’s extensive accounting background makes him a valuable addition to the Board.

Theodore R. Sobieski Mr. Sobieski recently retired from Morgan Stanley after more than 25 years with the firm. His title was Senior Vice President-Wealth Management, Financial Planning Specialist, Financial Advisor. Mr. Sobieski’s extensive business background makes him a valuable addition to the Board.

Bart P. Mackay, Mr. Mackay is an attorney licensed since 1984 with emphasis in corporate finance, technology and entrepreneurial legal matters. Mr. Mackay has extensive experience in establishing and developing new enterprises both from management and operational aspects, including the formation and growth of several of his own ventures. Mr. Mackay’s extensive business background makes him a valuable addition to the Board.

MEDICAL MARIJUANA, INC.

Note 3: Inventories

Inventories are comprised of Hemp based CanChew finished goods and raw materials. Inventory is valued at cost.

Note 4: Investments

The Company maintains a portfolio of equity securities.

Note 5: Receivable RDH

Red Dice Holdings (RDH) is a holding company, that owns the formulas, equipment, and extraction processes for cannabis based products. The RDH's revenue model is to continue to develop these products and license them to distributors throughout the world. The Company owns 60% of RDH. The Company has furnished RDH working capital for operations and inventory. As of June 30, 2013, it is estimated that RDH owes the Company \$1,734,084. This figure is based upon limited information supplied to the Company by RDH.

The Company has been unable to verify the wholesale sales, cost of goods sold, or any expenses. The actual amount owed to the Company by RDH cannot be determined until independent, audited financial information has been supplied to the Company.

On the listing of Supplemental Information, The Company has broken out sales by subsidiary. Under the heading "RDH", the schedule shows Income from RDH of \$156,378. This amount is on-line sales reported to the Company via Ultracart, their E-commerce provider. Various allocated costs totaled \$73,913.

As part of the obligation under the RDH Joint Venture, the Company utilized \$1,450,000 of its securities portfolio as part of its financing strategy to satisfy equity requirements for the transaction. The Company and its management anticipate but have not concluded offsetting a portion, or the entire debt of RDH, by transferring all or a portion of the \$1,450,000 worth of securities in its possession.

Note 6: Red Dice Holdings

The Company purchased Red Dice Holdings during 2012. Red Dice Holdings (RDH) is a holding company, that owns the formulas, equipment, and extraction processes for cannabis based products. The RDH's revenue model is to continue to develop these products and license them to distributors throughout the world. The Company owns 60% of RDH. RDH also has direct to consumer products on the market, such as Dixie Botanicals (CBD Product line) and has a Colorado based licensee that currently has products in 500 plus retail outlets.

As part of the obligation under the RDH Joint Venture, the Company utilized \$1,450,000 of its securities portfolio as part of its financing strategy to satisfy equity requirements for

MEDICAL MARIJUANA, INC.

the transaction. The Company and its management anticipate but not have concluded offsetting a portion or the entire debt of RDH by transferring a portion of the \$1,450,000 worth of securities in its possession.

Note 7: CanChew Biotech

The Company purchased CanChew Biotech during 2012. CanChew Biotech focuses on the treatment of pain and other medical disorders with the application of chewing gum based cannabis/cannabinoids medical products. The Company owns 50% of CanChew. During the course of its development, it has developed an over the counter product called CanChew Gum, and is also developing its Medical product named MedChewRX. The company issued 47,000,000 shares or (\$4,700,000 as of date of issuance) to CanChew Biotech for its use in the clinical development of MedChewRX and the launch of it's over the counter CanChew Gum. To date, none of these shares have been sold or collateralized.

Note 8: Research & Development

The Company incurred direct cost for developing their products and intellectual properties.

Note 9: Fixed Assets

Fixed assets are entirely comprised of office equipment. Fixed assets are shown net of depreciation.

Note 10: Stockholders' Equity

At June 30, 2013, the number of authorized and issued shares and the related par value:

Class A Common Stock Authorized:	950,000,000
Class A Common Stock Issued:	946,575,818
Par Value:	\$0.001

Note 11: Extraordinary Income

The Company sold certain assets of PhytoSPHERE Systems. The third installment payment of \$8,000, 000 as per the Phytosphere asset purchase agreement was paid as follows: \$7,250,000 was received in stock and \$750,000 in cash was received. The Company will distribute the 20% of the installment payment at their discretion. The shares were issued to the Company on July 23, 2013.

The Company is obligated to distribute 20% of the installment payment to Hemp Deposit and Distribution Corp (HDDC). HDDC has agreed to allow the Company to hold the

MEDICAL MARIJUANA, INC.

distribution for one year. At that time, the Company will re-assess their financial position and act in the best interest of the Company. Interest on the distribution will accrue at prime plus two percent per annum.

Note 12: Other Matters

On June 17, 2013, the Company received a letter from the Staff of the Division of Enforcement of the SEC informing the Company that it is conducting an informal inquiry and requesting that the Company provide certain documents and information relating to current and former management of the Company, communications between the Company and governmental agencies, operations of the Company and other matters referenced in the letter. The letter advised that the informal inquiry should not be construed as an indication by the SEC or its staff that any violations of law have occurred, or as an adverse reflection upon any person or security. The Company is fully cooperating with the SEC.

Independent Auditor's Report

To the Board of Directors and Stockholders of

Medical Marijuana, Inc.

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Medical Marijuana, Inc., which comprise the balance sheet as of June 30, 2013, and the related statements of income, and cash flows for the period April 1, 2013 through June 30, 2013, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to previously present fairly, in all material respects, the financial position of Medical Marijuana, Inc. as of June 30, 2013, and the results of its operations and its cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America.

Anthony W. Imbimbo, CPA & Associates

San Diego, California
July 23, 2013

6. DESCRIBE THE ISSUER'S BUSINESS, PRODUCTS AND SERVICES

A. A description of the issuer's business operations;

1. The Company is in the development stage.
2. To the best of our knowledge the Company is not, nor has ever been, a "shell company".

B. Date and State (or Jurisdiction) of Incorporation:

The issuer was originally incorporated in Canada as Berkshire Collection. On May 23, 2005, the Company was re-incorporated in the State of Oregon.

C. The issuer's primary and secondary SIC Codes: 7380, Miscellaneous Business Services.

D. The issuer's fiscal year end date: December 31st

E. Principal products or services and their markets:

The Company currently has the following divisions, subsidiaries and affiliates:

Divisions

1. The Hemp Network
2. CannaFuel
3. The Pet Hemp Emporium

Subsidiaries (Companies Owned 50% or more)

1. Wellness Managed Services
2. Ace Hydro
3. HempMedsPX (formerly HempMedsRX)
4. Red Dice Holdings (Dixie Brand)
5. PhytoSPHERE Systems
6. CanChew Biotechnologies
7. Canipa Holdings

Investment Holdings

1. KannaLife Sciences

Affiliates

CannaBANK, Inc. (Hemp Deposit and Distribution Corporation)

Government Regulation

The effect of existing or probable government regulations on the business of the Company is not known at this time. Due to the nature of the business of the Company, it is anticipated that there may be increasing regulation upon the business of the Company and 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.

Research and development activities commenced in April of 2009, and have increased in the quarter ending through June 30, 2013.

The total number of full time corporate employees is Fourteen (14). Our subsidiaries have employees and management not included in this figure. In total, we have thirty seven (37) team members—including part-time or contracted—within our corporate structure (including subsidiaries).

Prior to new management and the issuance of shares to Hemp Deposit and Distribution, the Company was involved in the following:

(The company's management is continuing its evaluation of the following divisions, strategies, partnerships, business and operational plans for productivity, profitability, marketability and to make sure it fits into the Company's business strategies. The following excerpts were taken directly from prior management's annual reports.)

Medical Marijuana, Inc. was to provide institutional-level financial services to local, state and federal governments, testing and certification services, education programs, as well as consulting and turn-key solutions to all levels of government and the medical marijuana industry. A division, The Hemp Network, established in June 2010, sold hemp-based products to consumers through a network of home-based sales representatives. The Hemp Network was established to make a real difference in the world by providing the highest quality hemp and hemp blended products to a wide marketplace with the use of network marketing to create massive distribution.

EDUCATIONAL SYMPOSIUM AND SEMINARS

The Company began its expanded seminars with its first education forum at the Los Angeles Convention Center on January 16-17, 2010. Shortly thereafter, the Company held its second seminar in April 2010 in San Diego at that city's convention center. The focus of these seminars was on educating entrepreneurs, existing industry operators, regulators, city officials, law enforcement officials and the general public on the benefits of a legitimate medical marijuana industry. Currently no symposium or seminars are planned pending evaluation of the business efficacy of this division.

FINANCIAL SOLUTIONS

Medical Marijuana, Inc. had a provisional patent pending for a tax remittance card, which in the early part of 2010 was upgraded and expanded to a utility patent. This would have provided local, state, and federal governments with a closed loop financial accounting system to monitor compliance and collect tax revenues in a near real-time environment. The Company looked to provide an integrated business system for medical marijuana industry participants, from growers to distributors to dispensaries. The Company's patent pending product was to ensure compliance with local, state and federal regulations where it concerns operations and taxation. This Stored Value Platform System would have provided verifiable solutions for an inter-agency approach to manage the difficult task of revenue and taxation collection for the emerging medical marijuana industry. The stored platform cards would be sold by master agents around the United States whereby commissions would have been paid on a per transaction basis. There was also a provisional patent for an inventory control tracking system that was also upgraded and expanded in the early part of 2010 to a utility patent. The Company was the first to step up into unknown territory and was the first U.S. public corporation to enter the medical marijuana industry. Much of the necessary infrastructure required to efficiently and effectively manage an industry of this magnitude simply does not exist. The Company's initial intent was to develop groundbreaking systems and applications to service this emerging industry. The Company is putting this product on hold for the time being to focus on other areas of the business.

UNDER NEW MANAGEMENT, FUTURE AREAS OF CONCENTRATION MAY INCLUDE BUT ARE NOT LIMITED TO THE FOLLOWING:

We are currently in discussions with multiple companies for testing, grading and general cannabinoid research.

Co-Op/Collective Management – As the market matures, we intend to provide outsourced management services to dispensaries under contract. We intend to standardize operations and product selection in its group of managed dispensaries.

Hemp Products – We are actively searching for a greatly expandable product line to increase network marketing production. The Hemp Network was established to make a real difference in the world by providing high quality hemp and hemp-blended products to a wide marketplace through the use of network marketing.

Medical Marijuana, Inc is currently developing the following divisions and subsidiaries:

1. The Hemp Network.

The Hemp Network's main objective is to educate the general population about the versatility and benefits of the hemp plant. By sharing the story of hemp with individuals across the country and around the world the network strives to raise awareness and ultimately change public perception about industrial hemp. In changing public perception, we can help support changes in the laws associated with the cultivation of industrial hemp and the domestic production of hemp-related products and services. The Hemp Network currently has associates signed up to sell hemp-based and related products in a multiple strategy sales program, from direct sales to affiliate, to network marketing. The Hemp Network strives to acquire, develop and sale these products consumers.

Additional Notes: Currently the Hemp Network has five products. Each product is being evaluated to maximize profitability and marketability. The Company is looking to expand its portfolio of products. The company recently met with industry executives from network marketing companies to evaluate the viability of a network marketing business within our industries. The results from those meetings have been positive; the company is evaluating several management options.

2. MMI Nutraceuticals.

MMI Nutraceuticals (MMIN) is a division of the Company that deals with all nutraceutical products including CBD (cannabidiol) and THC -free brands and products. The MMIN team handles the development, research, contracting, patents and sales of these products.

Additional Notes: The CBD nutraceutical product line is expected to generate attention in the United States and abroad because of its purported beneficial properties for humans and animals. Currently we are not aware of any other direct competitors in this marketplace. The Company will look for distributors to sell the future nutraceutical products, and will consider possibly selling through The Hemp Network (a division of Medical Marijuana, Inc.) as well as through the Company's other subsidiaries.

3. MMI Biotechnology

MMI Biotechnology is the division that will build and develop specialty equipment and technology for the medical, herbal, pharmaceutical and nutraceutical markets. The Company has put this focus on hold to concentrate its efforts on product launches and new product acquisitions with existing subsidiaries in the best interest of the Company

4. CannaFuel

CannaFuel, is a division of the Company that oversees and coordinates the research and development of hemp-based and other biomass-based fuels. Currently the company has put this focus on hold to concentrate its efforts on product launches and new product acquisitions with existing subsidiaries in the best interest of the Company.

5. The Pet Hemp Emporium

Pet Hemp Emporium is a division of the Company that has developed everyday pet products, consisting of everything from hemp leashes to hemp beds and hemp-based bio plastics that are much more suitable for pet use than conventional products that are petroleum (oil)-based. These products are not available to consumers yet. Instead, the Company is anticipating expanding into wholesale distribution and direct distribution to pet stores before investigating marketing these products directly to consumers.

Additional Notes: Currently, the Company can only supply the products in bulk. The Company continues to evaluate the possibility of selling direct to consumer.

Subsidiaries

6. Wellness Managed Services, LLC

Wellness Managed Services provides management support and services to cooperatives, collectives, health and wellness facilities, and medical clinics. The services offered range from management to product distribution.

Additional Notes: Wellness Managed Services has seen strong growth over the past few quarters and we expect that growth to continue through the acquisition and development of collectives, cooperatives, health and wellness facilities, and medical clinics. The Company will focus heavily on the development of this company for several reasons:

- a. The accounts will provide, in most cases, an immediate cash flow;
- b. In most cases, the account has shelf space for our products;
- c. In most cases, the accounts provide direct sales access for our products to end-consumers and, most importantly, to the individuals who recommend specific products;
- d. Because the accounts, in most cases, are established businesses, our operating costs are much lower because we aggregate the operating costs in administration, legal, accounting and marketing, giving the company a strategic advantage.

7. HempMedsPX (formerly HempMedsRX) (80% owned by the Company and 20% owned by Hemp Deposit and Distribution Corporation.)

HempMedsPX, LLC is the master distributor and contracted marketing company for the Medical Marijuana, Inc. portfolio of hemp-based CBD products.. This division is in the process of finalizing exclusive distribution agreements with internal subsidiaries as well as outside parties for a fixed percentage fee plus costs. At the present time, the distribution agreements will be with CanChew Biotechnologies for CanChew gum and CannaVest for Real Scientific Hemp Oil (RSHO). Other entities are being considered for exclusive agreements with HempMedsPX. The name was changed upon advice of our counsel due to our products being plant-based (PX) and not pharma-based (RX).

The company is in the process of evaluating several potential employees or new hires to run and further develop HempMedsPX. We have recently hired internal writers, marketing/sales managers, sales staff, distribution staff, a Director of Communications as well as various marketing, website management and product consultants.

8. Red Dice Holdings (60% owned by Medical Marijuana Inc.)

Red Dice Holdings, LLC owns the Dixie Botanical and Dixie Classic brands of consumable products. The Company utilizes PhytoSHERE Systems to provide all of the necessary hemp-based CBD oil to Red Dice Holdings brands. Their products range from a topical salve to the Dixie Dew Drops. The products can be found at retail locations throughout Colorado. The company intends to further develop its sales through several key areas:

1. Wholesale
2. Affiliated Marketing Sales
3. Retail

The Company is looking at expanding its wholesale sales into new markets through distribution contracts and key distribution partners on a state-by-state basis. Affiliated marketing sales will allow for the company to capture sales not directly from its efforts, but through the efforts of affiliates via online sales and marketing sites. A sale will be captured by the customer clicking his/her way back to our sales site through banner and sales ads on approved affiliated marketing company sales sites. The Company would then pay those affiliates a small fee per sale for the life of that client. Retail sales directly to consumers take place through a direct marketing effort. These sales take place through our online sales site, which the company completed in the third quarter of 2012. The Company plans on expending a significant amount of its reserves and operating cash flows to further bolster the marketing efforts for these products. Once brand awareness is further established through online and media presence, the company anticipates offers from national and international marketing and distribution companies, at which time the

company may need to re-evaluate and modify its sales and marketing strategies to conform to a more typical sales and distribution organization.

9. PhytoSPHERE Systems

PhytoSphere Systems, LLC (80% owned by the Company and 20% owned by Hemp Deposit and Distribution Corporation [“HDDC”]) entered into an agreement in December, 2012 to grant CannaVest Corp. a license to PhytoSPHERE Systems to sell its inventory and supply contracts, as well as certain other assets to CannaVest Corp., a hemp-based agricultural company specializing in the development and sales of hemp-based products. The terms of the Purchase Agreement require payment by CannaVEST to PhytoSPHERE of \$35 million in cash and/or stock. CannaVEST made its third payment consisting of \$726,157.00 in cash and \$7,273,843 value in shares of CannaVest common stock in which (80%) is distributed to the Company. The shares were not issued until July, which is after this reporting cycle.

NO OFFICER OR DIRECTOR OF MJNA HAS AN EQUITY INTEREST IN CANNAVEST. AS OF THIS DATE, PHYTOSPHERE SYSTEMS, LLC HOLDS 30.75% EQUITY INTEREST AS A RESULT OF THIS TRANSACTION.

This cash flow will enable the Company to focus on building its core business through the expansion of its branded products and acquisition of additional brands within our core competencies. In addition, the Company will continue to benefit from the solid supply chain relationships with CannaVest through partnering arrangements that are currently in discussions, with the goal of ensuring future purchases of high-value CBD oil at a significant cost savings.

10. CanChew Biotechnologies

CanChew Biotechnologies focuses on the treatment of pain and other medical disorders with the application of chewing gum-based cannabis/cannabinoid medical products. The company is focused on the R&D and execution of their clinical development plan and the out-licensing of their technology. Clinical development focuses on the R&D of the formulation, production and the development of chewing gum based products for the treatment of issues like pain, nausea and vomiting, anorexia, spasticity and various other medical issues.

Product Development

CanChew Biotech has a patented technology which comprises the inclusion of regulatory-acceptable active pharmaceutical ingredients [API] of the cannabinoid variety in a patented and proprietary chewing gum delivery formulation. CanChew® gum was brought to market first for over-the-counter use. MedChewRX® is being developed for medical

purposes, specifically pain treatment associated with a variety of long-term, chronic or degenerative diseases whereby cannabinoid therapy is finding increasing application in a global marketplace.

CanChew Advantage

The CanChew® formulation offers a unique, socially acceptable, patient-friendly, taste-masked and convenient delivery format for delivery of cannabidiol (CBD) via the oral mucosal membranes.

Advantages of Oral-Mucosal Delivery System:

- Bypass of the gastrointestinal tract and hepatic portal system, increasing the bioavailability of orally-administered drugs that otherwise undergo hepatic first-pass metabolism.
- Drug is protected from degradation due to pH and digestive enzymes of the middle gastrointestinal tract.
- Improved patient compliance due to the elimination of associated pain with injections.
- Sustained drug delivery.
- A relatively rapid onset of action can be achieved relative to the oral route.
- Oral mucosal systems exhibit a faster initiation and decline of delivery than do transdermal patches.
- The large contact surface of the oral cavity contributes to rapid and extensive drug absorption.

The Company is currently seeking a GMP pharmaceutical manufacturer for its MedChewRX® pharmaceutical drug, as well as a partner for clinical development and trials. The two require different GMP certifications. The pharmaceutical drug GMP certification is much more strenuous and is required for MedChewRX's clinical development. The company executed a soft launch in the fourth quarter 2012 and is continuing a hard launch of the CanChew product in the first half of 2013.

The Company anticipates starting its MedChewRX® clinical trials in Europe in late 2013, with the overall clinical development taking three to five years. The company has a significant strategic advantage to its product and the development of this business:

1. The company has already developed an over-the-counter product (CanChew) which is available for sale currently. Most companies developing a pharmaceutical drug do not also have a product for sale on the over-the-counter market. This gives CanChew Biotech the ability to fuel its own growth and the growth of its pharmaceutical unit.
3. Gum-based delivery have a much greater efficacy over traditional methods of consuming cannabinoid-based products.

4. The safety profile of MedChewRX's APIs allow for a more attractive sponsoring opportunities for research universities and doctors.

11. KannaLife Sciences

KannaLife Sciences ("KannaLife"), is a late-stage biopharmaceutical and phytomedical technology company. We were created to develop natural, phytomedical products to be used in health and wellness regimens. We are also involved in the research and development of novel new therapeutic agents to be used as transport carriers for other compounds seeking to break the blood/brain barrier. We are also developing our own compounds to be used for the treatment and prevention of oxidative and neurotoxic stresses borne from a variety of ailments and illnesses.

KannaLife's unique approach to drug development combines traditional and integrative healthcare practices with modern technology to create a pipeline of potential biopharmaceutical drug candidates for clinical development. Traditional healthcare dates back over 5,000 years. According to the World Health Organization, in some Asian and African countries traditional healthcare is the primary source of preventative medicine in approximately 80% of their populations.

The KannaLife scientific team is comprised of dedicated professionals, clinicians, and biochemists who have a strong background in phytopharmaceutical, biological and Ayurvedic sciences. This team brings a long track record of successfully developing drugs from plant sources that are complex in nature and structure. The team also has the requisite relationships with nationally-supported institutions of health as well as top academic food and science departments at several recognized universities in the United States.

KannaLife depends on the sustainability of plant life to create its products and practices environmentally-sound business practices. Our ultimate goal is to become a profitable and socially responsible company that seeks to improve the quality of life of the patients needing and using our products.

KannaLife Sciences, Inc.
363 West Hills Road
West Hills, NY 11743
Phone: (516) 669-3219
Fax: (516) 628-8282
URL: <http://www.kannalife.com>

General Inquiries

Email: info@kannalife.com

Public Relations

Email: media@kannalife.com

Medical Marijuana, Inc. is currently working with the following affiliates:

Hemp Deposit and Distribution Corporation (dba CannaBANK) performs mergers and acquisitions and acts as a conduit through which assets are transferred from Hemp Deposit and Distribution Corporation to the Company pursuant to the agreement dated March 23, 2011. CannaBANK is also financing the acquisitions and development of certain approved purchases, acquisitions, and products. CannaBANK is at the forefront of hemp-based investments. Through liquidation of its equity and financial raises, in which CannaBANK guaranteed said funding, CannaBANK provided in excess of \$4 million in financing for the acquisition and development of several pending transactions, including the Dixie Elixirs Brand, PhytoSPHERE Systems, CanChew Biotechnologies, several cannabinoid-based hemp delivery systems, the KannaLife Sciences transaction, and several Wellness Managed Services accounts. CannaBANK is expanding its funding resources for the Company.

The nature of products or services offered:

Currently the entire Company product and service portfolio is being evaluated by new management for marketability and profitability. The company has investments in other companies and brands which also have products and services.

7. DESCRIBE THE ISSUER'S FACILITIES

As of June 30, 2013, the Company relocated its corporate office to provide for expansion of personnel and to add warehouse/distribution capabilities. The new corporate office has approximately 7,000 square feet. The office has a call center, customer service center, shipping and receiving center and warehouse. The new corporate office is located at 4901 Morena Boulevard, Suite 701, San Diego, CA 92117.

8. OFFICERS, DIRECTORS AND CONTROL PERSONS

Board of Directors

The Company's Board of Directors is comprised of highly qualified and industry professionals. The Board assists the Management team in making appropriated decisions and taking effective action. Currently there are three members on the board:

Chairman:	Michelle Sides
Director:	Gideon Wolf
Director:	David Farrand

Advisors to the Board

The Company has an informal Advisory Board that is available to provide business advice and counseling to the Management Team of the Company. The Advisory Board is appointed by the President and/or other key executive members, and does not involve itself in any matters involving corporate governance of the Company. There are currently three Advisors to the Board:

Dr. Philip A. Van Damme
Dr. George Anastassov
Lekhram Changoer

Advisory Committees

Risk Management Committee

Vernon Darrimon

Agricultural Committee

Gideon Wolff
David Farrand

Management

Michelle Sides

Chairman of the Board, Chief Operating Officer
2665 Ariane Drive, Suite 207
San Diego, CA 92117

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. Member of the Florida State Bar Association. Holds a Bachelor of Science Degree from Palm Beach Atlantic College, majoring in Business and Organizational Management. Before joining the North American Team, Michelle spent six years as Board of Director, Executive Vice President and General Counsel for EH Building Group II, LLC which was nationally recognized as one

of the fast 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 of these positions focused mainly on corporate and real estate transactional law.

Ms. Sides is on the Board for Hemp Deposit and Distribution Corporation.

Ms. Sides owns shares of Medical Marijuana, Inc.

Dr. Philip A. Van Damme

Chief Scientific Officer, CanChew Biotechnologies

Kuyperstraat 5

3404 HL IJsselstein, Netherlands

Dr. Philip A. Van Damme, DMD MD PhD, was born in Yerseke, The Netherlands Dr. Van Damme is an oral & cranio-maxillofacial surgeon living and working in the Netherlands. Dr. Van Damme first studied dentistry at the Utrecht University Dental School (Rijksuniversiteit Utrecht, The Netherlands) from 1971 through February 1977. He then fulfilled his military duty in the Dutch Royal Navy from May 1977 through October 1978, as Lieutenant-Dentist. Dr. Van Damme studied medicine at the Utrecht University Medical School, the Netherlands from 1978 through January 1983. He trained in general surgery at the Joannes de Deo Stichting Hospital from July 1983 through April 1984, while taking the International ECFMG/VQE examinations in Paris, France. Dr. Van Damme was trained in Oral & Maxillofacial Surgery in the University Hospital Nijmegen, The Netherlands from May 1984 through May 1988.

His PhD Thesis titled: *Sub periosteal Palatal Soft Tissue Expansion* was submitted on December 6, 1996 at the Nijmegen University (Katholieke Universiteit Nijmegen). Dr. Van Damme has been Section Editor of the Journal of Cranio-Maxillo Facial Surgery, for the sections Research, Development and New Horizons, and Reviewer for different other scientific journals. There are more than 70 PubMed listed publications and he presented more than 100 times at national and international scientific meetings. In 2004, Dr. Van Damme had dual roles of being Visiting Professor in the Mount Sinai Hospital in New York, USA, and Visiting Surgeon in the Burdenko Institute in Moscow, Russia. In subsequent years he held numerous staff positions at several well respected medical clinics in the Netherlands. Together with Prof. George E. Anastassov MD DDS FAC, he has a patent application (US20110097283 – EP2280687 – CA2719830) on chewing gum compositions comprising cannabinoids.

In December 2007, he became Director-owner of Mareda Holding BV (Investment Company) and President-founder of Stichting Sanammad (intellectual property foundation) together with Lekhram Changoer MSc BSc).

Dr. Philip A. Van Damme owns shares of Medical Marijuana Inc.

Dr. George E. Anastassov

Chief Executive Officer, CanChew Biotechnologies

Kuyperstraat 5

3404 HL IJsselstein, Netherlands

Dr. Anastassov graduated with BA Degree in Fine Arts, followed by MD Degree and a DDS Degree, and currently is completing his Executive Physician MBA degree.

Dr. Anastassov is trained in Surgery, Oral and Maxillofacial Surgery, Plastic Surgery and Craniofacial and Base of the Skull Surgery both in the United States and Europe. His training was acquired at the following institutions: A Fellowship in Cranio-Maxillofacial Surgery (Prof. H.P.M. Freihofer), The Catholic University, St. Radboud Hospital, Nijmegen, the Netherlands, Residency at the Department of Oral and Maxillofacial Surgery, Montefiore Medical Centre, Albert Einstein College of Medicine, New York, Followed by a further Fellowship in Craniofacial and Base of Skull Surgery, at the department of Cranio-Maxillofacial and Plastic and Reconstructive Surgery (Prof. Dr. Dr. Dhc Ulrich Joos), Wilhelms University, Münster, Germany.

He has variety of clinical and administrative appointments including Associate Clinical Professor Maxillofacial Surgery, The Mount Sinai School of Medicine, Associate Director, Department of Maxillofacial Surgery, Elmhurst Hospital Centre, N.Y., Attending, Department of Maxillofacial Surgery, The Mount Sinai Hospital, New York. Consultant in Maxillofacial Surgery, Bronx VA Hospital Centre, N.Y., Attending Surgeon, Department of Otolaryngology/Head and Neck Surgery, Beth Israel Medical Centre, New York. He also is a Visiting Professor, Department of Cranio-Maxillofacial Surgery and Plastic and Reconstructive Surgery, Wilhelm's University, Munster, Germany.

He is the principal at Maxillofacial Surgery Services in New York City.

Editorially, Dr Anastassov is presently active as Editorial Consultant for 'Head and Face Medicine', 'Graefe's Archives for Clinical and Experimental Ophthalmology', 'Journal of Oral and Maxillofacial Surgery', 'The Journal of Oral Surgery, Oral Medicine, Oral Pathology and Radiology', 'Issues in Maxillofacial, Plastic and Reconstructive Surgery, Implantology and Clinical Stomatology' and 'Cranio-maxillofacial Trauma and Reconstruction'. He is on the Editorial Board of 'The International Journal of Oral and Maxillofacial Surgery' and 'Folia Medica'.

Dr. Anastassov holds 9 US & European Professional Society Memberships and is double board certified. Dr. Anastassov has published books and chapters in 3 professional textbooks as well as 46 peer-reviewed journal publications and has presented in as an invited guest lecturer on 104 national and international professional meetings.

Dr. Anastassov owns shares of Medical Marijuana Inc.

Lekhram Changoer

Chief Technology Officer, CanChew Biotechnologies

Kuyperstraat 5

3404 HL IJsselstein, Netherlands

Lekhram Changoer was born in Surinam (South America). Lekhram holds a Bachelor Degree in Analytical/Organic Chemistry and Masters Degree in Organic Chemistry. He has over 20 years of experience in the area of Sales & Marketing, R&D, product development, and quality assurance of technical, consumer healthcare and pharmaceutical products – all servicing European and other international markets.

In 1992, Lekhram first joined IWC Chemical products BV where he was responsible for the development of functional coatings and corrosion inhibitors for the chemical industry: Yara, Kemira, and others. In his second corporate role, Lekhram joined Scott Specialty Gases BV where he was responsible for managing the R&D, QC and QA of functional calibration gases for the petrochemical and automotive Industry for companies such as Mercedes Benz, Rolls Royce, Dera, Shell, Exxon, and General Electric.

In the area of consumer healthcare products, Lekhram worked on the development of cosmetics and medical device products for various retail chains and consumer healthcare companies. At Codi International BV he was responsible for managing product development in the field of wet wipes and successfully developed products for companies such as Proctor & Gamble, Sara Lee, Henkel and Reckitt Benckiser. In 1999 Lekhram's career took him to Royal Sanders BV with the position of R&D & QC manager – here, he was responsible for the development of cosmetics, medical devices and other healthcare products for clients: Sara Lee, Colgate Palmolive, Virgin Cosmetics, Keune Cosmetics and private labels for various retail chains: Ahold, AC Watson, DM and Rossmann.

In 2002, Lekhram joined the Ardoz/NGen group of companies as a Managing Director. During his tenure his achievements included the filing new patents in the field of active oxygen therapy. This incorporated the accreditation of the products by the Dutch Skin Foundation and the British Dental Health Foundation. He developed new oral healthcare drug applications for periodontitis, peri-implantitis / bone repair and oral mucositis. The OTC products with active oxygen, amongst others also a new chewing gum application (for Perfetti van Melle in Italy), were successfully launched under his directorship in markets at: Boots, Ahold and El Corte Ingles Pharmacy retail and pharmacy chains under the cosmetic 76/768/EEC and medical device 93/42/EEC directive.

In 2010, Lekhram co-founded APeT BV (www.apetholding.com) which focuses on a first of its kind patented therapy for psychiatric diseases like ADHD and Autism as a replacement for methylphenidate and analogs. This therapy involves an in-house developed diagnostic and treatment with the human body's own internal compound(s). The impact on national healthcare has been so important that he has been able to get the largest Dutch insurance company to fund the clinical trial, after which it will most

probably become the new standard of care. A new patented pharmacotherapy was filed, which will guarantee protection of the therapy as well as patient therapy loyalty.

In association with Prof. George E. Anastassov MD, DDS, FAC and Dr. Philip A. Van Damme, DMD, MD, PhD, the Sanammad Foundation (www.sanammad.com) was established in 2010 – the Sanammad Foundation holds internationally patented technology on chewing gum compositions comprising Cannabinoids.

Lekhram is also involved and co-founder in: CFM Pharma BV (www.cfmpharma.com) which holds patented technologies and focuses on the prevention of secondary injury in indications such as deep burn wounds, myocardial infarct and general trauma. GCP Dental BV (www.gcp-dental.com) has developed a 100% patented biocompatible material for restorative dental applications (where Glass Carbomer® Technology allows the tooth to heal itself) with a global market approach.

Mr. Changoer owns shares of Medical Marijuana Inc.

Tripp Keber

President, Red Dice Holdings

Tripp Keber is President of Left Bank, Inc., a Denver-based real estate investment firm with holdings in Aspen and Denver, Colorado, and Florida. Prior to Left Bank, Mr. Keber held several senior level positions in the telecommunications industry as General Manager of ICG Communications, Senior Vice President for Sales and Marketing at eLink Communications, Sales Director for National Accounts for Pathnet, and as Sales Manager for Winstar Telecommunications. He also served as the Director of Sales and Site Acquisition for Milliwave, LP, and spent three years in sales and sales management in the cable industry. Mr. Keber has a BS in Political Science from Villanova University and currently resides in both Aspen and Denver, CO with his family.

Chuck Smith

Chief Operating Officer, Red Dice Holdings

NOTE: *We are actively seeking experienced qualified professionals for executive positions as well as Board vacancies. Any interested party may submit their resume to the attention of Michelle Sides at HR@MedicalMarijuanaInc.com*

B. **Legal/Disciplinary History.**

None of the above named persons have been the subject of:

- A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding within the past five years
- 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.
- A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended or vacated or,
- 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.

C. **Beneficial Shareholders of 5% or more.**

<u>Name</u>	<u>Address</u>	<u>Shares or Controlled</u>	<u>Percent</u>
Hemp Deposit and Distribution Corp. And its affiliates: CanChew CannaBANK Management Investors	2665 Ariane Dr., Ste. 207 San Diego, CA 92117	411,900,000 Restricted/Affiliated	51%

9. **THIRD PARTY PROVIDERS.**

Security and Exchange Counsel

Securities Attorney
Law Offices of Michael Corrigan
Michael Corrigan, Esq.
Carmel Valley Centre II
11995 El Camino Real, Suite 301
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Auditor

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Investor Relations Consultant

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ssmith@smallcapvoice.com
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Internal - Investor Relations Contact

Christopher Moreo
Phone: (858) 926 5588
investorrelations@medicalmarijuanainc.com

Company Consultants

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Carmel Valley Center II
11995 El Camino Real, Suite 301
San Diego, CA 92130
(800) 953-3350
admin1@equititrend.com
www.equititrend.com

ADDITIONAL UPDATES:

Depository Trust Company ("DTC") Chill - As of July 15, 2013, our attorney representing us for the DTC matter is awaiting response to all information provided. We will continually keep the shareholders updated as news is received.

Corrective Actions - Various corrective actions were filed in this quarter with the State of Oregon. It was found that several filings from the former ownership were not accurately prepared. Our corporate counsel made the requisite corrective measures in order to bring the Company into full compliance with its filings.

2-Year Audit Status - As of June 30, 2013, the auditor has completed 9 of 24 months of audits. It is anticipated that all months will be completed by the 4th Quarter of 2013. In the meantime, we are actively seeking an SEC auditing firm that will review all audited financials upon completion to move forward as part of the uplisting requirements. This option was the chosen course of action to save significant cost to the Company—to have all quarters audited and then submitted together to an SEC firm to finalize.

Office Move - As of July 15, 2013, we have officially moved our corporate office to a new location. This move allows for significant current and future growth capabilities.

The Company will continually post updates on its website and through social media, and welcomes shareholders to visit these sites and post any comments and/or suggestions that may help us better keep you apprised of matters of interest.

Security Exchange Commission (SEC) Inquiry - On June 17, 2013, we received a letter from the Staff of the Division of Enforcement of the SEC informing the Company that it is conducting an informal inquiry and requesting that the Company provide certain documents and information relating to current and former management of the Company, communications between the Company and governmental agencies, operations of the Company, and other matters referenced in the letter. The letter advised that the informal inquiry should not be construed as an indication by the SEC or its staff that any violations of law have occurred, or as an adverse reflection upon any person or security. The Company is fully cooperating with the SEC.

Additional Departments Created and New Hires - As the Company grows, we will continue to add appropriate personnel to better market, sell, and distribute our products. As of June 30, 2013, the following departments were created:

Sales and Call Center – The staff for this department are comprised of trained sales professionals to implement sales strategies, follow-up calls, and customer/general public inquiries. The Sales and Call Center teams are supervised by the Director of Sales.

Marketing – In addition to hiring a Director of Communications to oversee all marketing and outreach initiatives, the new marketing staff currently includes graphic designers, copywriters, web developers, and other marketing professionals.

Social Media – This department is developing a complete social media presence for the Company and its subsidiaries. These team members report to the Director of Sales and the Director of Communications.

As more team members and departments are added, we will update shareholders and the general public via email and/or social media communications.

Company Product(s): See attached.

the story behind CBD* and CanChew™

CanChew™ gum is packed with cannabidiol (CBD*), a powerful antioxidant that derives from certain parts of the hemp plant. CanChew™ is the result of years of development by doctors and hemp industry experts. Starting with special hemp seed genetics, then selecting the best micro-climates for cultivation, the hemp grown is naturally high in CBD*. These crops are then sustainably harvested to make the CBD*-rich hemp oil used in CanChew™.

this is not your ordinary hemp!

Our CBD*-rich hemp oil provides significant health and wellness benefits for everyone who chews CanChew™. Our CBD* is naturally derived, which means you are getting a whole food (non-synthetic) source of CBD*. According to the US government's patent on CBD*, it promotes and supports the nutritional and dietary health of aging bodies**. We just make it easy to enjoy!

*Cannabidiol (CBD) is a natural constituent of hemp oil.



introducing...

gum that's good for you!

A first of its kind, CanChew™ chewing gum is now available to consumers! CanChew™ is made from all-natural ingredients and is considered Whole Foods compliant. Each piece of CanChew™ contains 50mg of CBD*-rich hemp oil and 10mg of CBD*. CanChew™ is a great-tasting gum that not only delivers CBD*, but also freshens breath and fights plaque, too!



experience
the CanChew™
difference!

the endocannabinoid system

http://en.wikipedia.org/wiki/Endocannabinoid_system

Within the human body is one of science's newest and most exciting discoveries: the endocannabinoid system. It has been shown to be the largest neurotransmitter system in the body, regulating relaxation, eating, sleeping and even cognitive function.

Therefore phytocannabinoids, or plant-based cannabinoids such as CBD*, can assist the body's health and wellness.

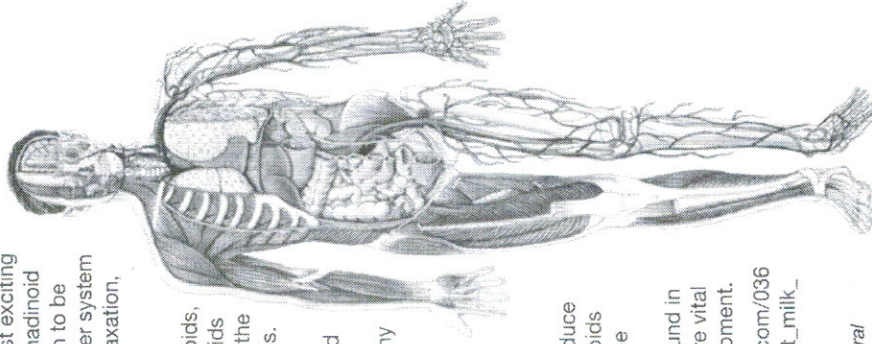
In fact, all mammals produce cannabinoids and have an endocannabinoid system that regulates many natural internal functions.

<http://csglobe.com/high-on-health-cannabinoids-in-the-food-supply/>

The human body will produce its own natural cannabinoids when undertaking extreme exercise. Interestingly, endocannabinoids are found in human breast milk and are vital for proper human development.

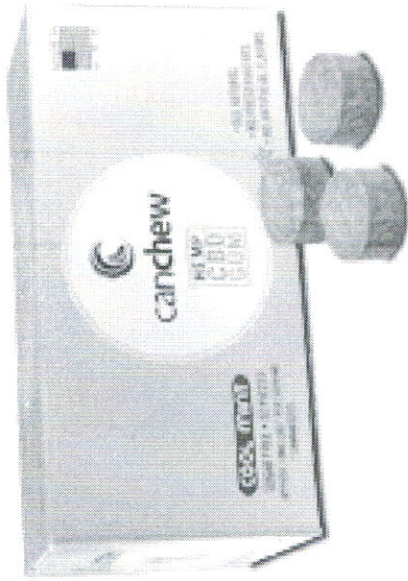
http://www.naturalnews.com/036526_cannabinoids_breast_milk_THC.html

*Cannabidiol (CBD) is a natural constituent of hemp oil.





finally...
gum
that's
good
for you!



Introducing CanChew™ gum — the first all-natural, fully legal cannabidiol (CBD) product on the market.

Seeking a CBD* chewing gum alternative without THC, a team of doctors developed CanChew™ — the world's only and most advanced delivery method for cannabinoids in the form of a "cool mint" flavored chewing gum.

THC is the past — CBD* is the future.

Until recently, it was only possible to obtain high-CBD* cannabis oil while simultaneously increasing the psychoactive THC levels. CanChew's™ CBD*-rich hemp oil is derived from specially cultivated hemp that is naturally low in THC. With CanChew™ gum, there's no THC and therefore no "high" — just a great tasting all-natural CBD*-only gum.

The quality and quantity of CBD* in CanChew™ is not available from any other company without THC. All of the ingredients in CanChew™ are of the highest purity. When absorbed directly into the bloodstream via the oral mucosa, the maximum amount of CBD* is retained. Most importantly, your patients will be getting a safe, legal, all-natural CBD* product that tastes great.

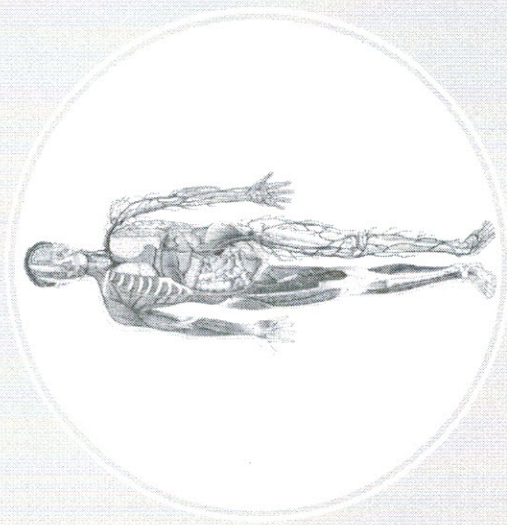
10mg of CBD* in each piece!

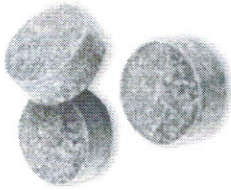
In order to get 10mg of CBD* from health food store hemp oil, one would have to consume about a half gallon of hemp seed oil.¹ In comparison, CanChew™ gum offers approx 10mg of CBD* from 50mg of CBD*-rich hemp oil — in each piece of CanChew™!

It's finally here... a gum that's good for you!

*Cannabidiol (CBD) is a natural constituent of hemp oil.

¹ http://www.dushenko.com/Pages/Botanicals/Leizer_2003.pdf, which shows 10mg of CBD in 1 kg of hemp oil—page 7.





a piece
a day
for a **better**
tomorrow!

8 key benefits:

- Approx. 10mg CBD* per serving
- Sugar Free
- Cool Mint - Breath Freshner
- All Natural, No Preservatives
- No Artificial Flavors or Sweetners
- With Xylitol to Fight Dental Plaque
- Kosher
- Non-GMO

NOT YOUR ORDINARY GUM...

Aside from having the perfect 3:1 ratio of Omega 3s & 6s and all the essential fatty acids, hemp oil contains all ten amino acids and is considered a complete protein. These essential nutrients need to come from dietary sources, and hemp offers this amazing nutrition.

Beyond this, hemp seed oil also contains key enzymes that assist digestion, plus minerals and vitamins that provide significant nutritional benefits. For more information on all the nutritional benefits of hemp seed oil, please see:

<http://www.drbranner.com/pdf/hempnutrition.pdf>

<http://www.allgreenrx.com/hempseedoil>

<http://www.livestrong.com/article/31903-hemp-seed-oil-benefits/#ixzz2UhY2XN4c>

a piece
a day
for a **healthier**
you!

www.canchewgum.com

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/CanChewGum



canchew™

**HEMP
CBD
GUM**

Have you had your CBD* today?



MADE IN
U. S. A.

10. ISSUER CERTIFICATION.

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other person with different titles, but having same responsibility).

The certification shall follow the format below.

I, Michelle L. Sides, Chairman and Chief Operating Officer, certify that:

1. I have reviewed this quarterly 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 auditor, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: 8/8/13

Chairman and COO Signature: _____

