

DISCLOSURE STATEMENT

MEDICAL MARIJUANA, INC.

AN OREGON CORPORATION

2384 La Mirada Drive, Vista, CA 92081
(866) 273-8502

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

For the Quarter ending September 30, 2023



Outstanding Shares

Common Stock

The number of shares outstanding of our Common Stock was:

4,885,853,913 Shares as of September 30, 2023

4,636,235,290 Shares as of December 31, 2022

Preferred Stock

The total number of shares outstanding of our Preferred Stock was:

1,150,000 Shares as of September 30, 2023

1,170,000 Shares as of December 31, 2022

The number of shares outstanding of our Series A Redeemable Preferred Stock was:

1,000,000 Shares as of September 30, 2023

1,000,000 Shares as of December 31, 2022

The number of shares outstanding of our Series B Preferred Stock was:

150,000 Shares as of September 30, 2023

170,000 Shares as of December 31, 2022

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934): Medical Marijuana, Inc. is not now, nor has it ever been, a “shell company.”

Yes ☐ No ☒

Indicate by check mark whether the company’s shell status has changed since the previous reporting period:

Yes ☐ No ☒

Change in Control

Indicate by check mark whether a Change in Control of the company has occurred over this reporting period:

Yes ☐ No ☒

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 OTC Markets 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

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

The Company is 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 since inception:

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

Our principal executive office and principal place of business are the same address located at:

2384 La Mirada Drive, Vista, CA 92081

Has the issuer or any of its Predecessors ever been in bankruptcy, receivership, or any similar proceeding in the past five years:	Yes ☐ No ☒
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2. SECURITY INFORMATION

Transfer Agent:

Securities Transfer Corporation
2901 N. Dallas Parkway, Suite 380
Plano, TX 75093
Phone (469) 633-0101
info@stctransfer.com
www.stctransfer.com

Public Quoted or Traded Securities:

As of Date:	September 30, 2023
Trading Symbol:	MJNA
Exact title and class of securities outstanding:	Common Stock
CUSIP:	58463A105
Par or Stated Value:	\$.01 per share
Common Stock	
Total shares authorized:	5,000,000,000
Total shares outstanding:	4,885,853,913
Number of shares in the public float:	4,250,368,870
Total number of shareholders of record:	1,350 ⁽¹⁾
Preferred Stock	
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:	150,000

⁽¹⁾ This number is an estimate and 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.

Securities Description:

The Company's authorized capital stock consists of 5,000,000,000 shares of common stock, par value \$0.01 per share, and 50,000,000 shares of preferred stock, par value \$0.01.

1. Common Stock

Holders of common stock shall have one vote in respect to each share of stock held by such holder on the records of the books of the Company on all matters submitted to a vote of the shareholders of the Company for which the holders of Common Stock are entitled to vote. The common stock has no cumulative voting rights with respect to the election of directors or preemptive voting rights. Holders of common stock have equal ratable rights to dividends from funds legally available therefor, when, as and if declared by the Board of Directors of the Company. The Company does not anticipate paying dividends in the near future.

2. Preferred Stock

The Preferred Stock of the Company may be issued in one or more series at such time or times and for such consideration as the Board of Directors may determine. Each series shall be so designated as to distinguish the shares thereof from the shares of all other series and classes. The Board of Directors is expressly authorized, subject to the limitations prescribed by law and the provisions of the Company's Restated Articles, to provide for the issuance of all or any shares of the Preferred Stock in one or more series, each with such designations, rights, preferences, voting powers (or no voting powers), relative, participating, optional or other special rights and privileges and such qualifications, limitations or restrictions thereof as shall be stated in the resolution or resolutions adopted by the Board of Directors to create such series.

a. Series A Redeemable Preferred Stock. 1,000,000 shares of the Company's Preferred Stock has been designated as Series A Redeemable Preferred Stock ("Series A") of which 1,000,000 shares are issued and outstanding. Nontransferable: The Series A is nontransferable without the consent of the Board of Directors of the Company. Redemption: At any time after February 15, 2024, the Corporation shall have the option, but not the obligation, to redeem all, but not less than all, of the shares of Series A out of funds lawfully available therefor at a price per share equal to Ten Cents (\$0.10). Conversion: Each share of Series A is convertible at any time at the discretion of the holder into fifty (50) shares of the Company's common stock; provided however, such conversion must be for all shares of the Series A and conversion is not permitted in part. Voting: Each share of Series A shall be entitled to Five Thousand (5,000) votes for all matters that are presented to the Company's shareholders for a vote, whether by shareholder meeting (annual or special) or by written consent, including those matters where voting is specifically required by the Oregon Business Corporation Act. As to all matters for which voting by class is specifically required by the Oregon Business Corporation Act, each outstanding share of Series A shall be entitled to Five Thousand (5,000) votes. Ownership: All 1,000,000 shares of the Series A are owned by Juniper & Ivy Corporation. Juniper & Ivy is one third owned by each of AXIM Biotechnologies, Inc. (OTCMarkets: AXIM), Neuropathix, Inc., and John W. Huemoeller II, the Chief Executive Officer of AXIM.

b. Series B Preferred Stock. 230,000 shares of the Company's Preferred Stock has been designated as Series B Preferred Stock ("Series B") of which 150,000 shares are issued and outstanding. Non-voting: Each share of Series is non-voting, non-redeemable, and has no liquidation preference or dividend rights or preferences. Conversion. Each share of Series B Preferred Stock shall be convertible, at any time at the option of the holder of the Series B Preferred Stock, into one thousand (1,000) fully paid and nonassessable 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. All 230,000 authorized shares of Series B Preferred stock have been issued and 150,000 shares remain outstanding.

The information regarding the Company's securities contained herein does not constitute a complete legal description of the securities and is qualified in all material respects by the provisions of the Company's Certificate of Incorporation (as amended); Bylaws (as amended) and Certificates of Designation for its preferred stock.

3. Material Modifications to the Rights of the Holders of the Company's Securities

No material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.

3. ISSUANCE HISTORY

A. Changes to the Number of Outstanding Shares

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years.	Yes ☒ No ☐
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The Table describing the Changes to the Number of Outstanding Shares is attached as **Exhibit A** to this Disclosure Statement and incorporated herein by reference thereto.

B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities:	Yes ☒ No ☐
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The Table describing the any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments is attached as **Exhibit B** to this Disclosure Statement and incorporated herein by reference thereto.

4. ISSUER'S BUSINESS, PRODUCTS AND SERVICES

A. Summarize the issuer's business operations.

Medical Marijuana, Inc. (OTCMarkets: MJNA) manufactures and distributes natural health, beauty and hemp-derived cannabidiol (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 federal and state legal 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® CEO Raul Elizalde addressed the *World Health Organization* at its hearings on CBD – with favorable outcomes for the CBD movement.

B. List any subsidiaries, parent company or affiliated companies.

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.

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

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 its operations.

2. HempMeds®

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

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

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

RSHO® 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.

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 Natural Health and CBD products worldwide, including, but not limited to the US, Europe, and Asia.

In September 2022, Kannaway purchased the assets of Mfinity Global LLC, a direct-selling organization focused on promoting Natural Health products. On June 12, 2023, Kannaway purchased the assets of eXfuze, LLC, dba KZ1, a direct-selling organization focused on promoting Natural Health drink products in Japan. Kannaway has now added the Mfinity and KZ1 products to its line of products.

4. Manufacturing and Production Facility

The Company's manufacturing, production and distribution facility is located in Vista, California. The facility is registered with the FDA and the State of California Department of Public Health and has been issued a Good Manufacturing Practice (GMP) certificate.

Our manufacturing facility provides small-to-large scale Manufacturing, Logistics, Bottle Filling, Kitting, Assembly, Warehousing and Storage for all the Company's divisions except in Europe. The facility specializes in one-stop skin care, hair care and dietary supplement manufacturing and production services.

In addition to manufacturing our own products, our manufacturing facility offers White Label, private production services, and formulation and production of custom natural health and CBD products made to the customer's unique specifications.

Investment Portfolio

The Company maintains an investment portfolio consisting of Neuropathix, Inc. and AXIM Biotechnologies, Inc. a public company (OTCQB: AXIM).

1. Neuropathix, Inc. ("Neuropathix") 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. Neuropathix's lead candidate KLS-13019 is a viable non-opioid solution for treating Chemotherapy Induced Peripheral Neuropathy ("CIPN"). It's wholly owned subsidiary, Dermique Incorporated, now holds all the IP for LEA, its patented compound that is simply better than CBD for treating topical skin disorders. The Company currently owns approximately 23.4% of Neuropathix's issued and outstanding shares of common stock.

2. AXIM[®] Biotechnologies, Inc., a Nevada corporation ("AXIM") (OTCQB: AXIM). Founded in 2014, AXIM[®] is a leading developer of diagnostic healthcare solutions serving to enhance the health of people. Through the development of diagnostic solutions that quickly and accurately diagnose various diseases, AXIM's products allow healthcare workers to quickly test and treat at the point-of-care, which leads to improved patient outcomes and provides numerous economic benefits to the healthcare system. Axim's core competencies include development of rapid lateral flow immunoassays, reagents and monoclonal antibody development for such assays. AXIM's current products fall into these categories: (i) Eye Health, wherein AXIM acquired two FDA cleared 510(k) tests for dye eye disease and has internally developed a third assay; (ii) SARS-CoV-2 neutralizing antibody tests; and (iii) A new fentanyl neutralizing antibody test in collaboration with new vaccines under development. Following the acquisition of two FDA cleared 510(k) tests for dye eye disease, AXIM's product focus has been primarily in the area of Eye Health. AXIM continues to maintain the products and assays developed in connection with SARS-CoV-2 neutralizing antibody tests should a commercialization opportunity present itself in the future. AXIM is developing a new rapid diagnostic test to collaborate with leading universities to stop the deadly opioid crisis with new fentanyl vaccines. The Company currently: (i) owns approximately 10% of AXIM's issued and outstanding shares of common stock; and (ii) holds a \$4 million convertible note issued by AXIM which is convertible into an additional 53.8 million shares of AXIM's common stock.

5. ISSUER'S FACILITIES

We lease the following office and warehouse spaces:

17,819 square feet of mixed industrial space in Vista, California. The mixed space includes office, warehouse, manufacturing and distribution facilities. The lease commenced on December 1, 2022, and extends through until March 31, 3033. The total minimum lease payment is \$3,464,126.

150 square meters of office space in Monterrey Mexico. The lease terminates in May 2024. Future minimum obligation on the lease totals 408,000 MXN (approximately \$24,000 US Dollars).

Three (3) small office spaces in Sao Paolo, Brazil, consisting of 122 sq meters. The leases term runs through December 2023. Future minimum obligation on the leases totals 184,834 reais (approximately \$37,644 US Dollars).

259 square meters of office space in Johannesburg, South Africa. The initial lease runs through November 30, 2023. Future minimum obligation on the lease totals \$133,772 ZAR (approximately \$7,200 US Dollars).

6. OFFICERS, DIRECTORS, AND CONTROL PERSONS

Beneficial Ownership

The following table indicates the Beneficial Ownership of our Officers, Directors and Shareholders of 5% or more our common stock based upon 4,885,853,913 shares outstanding as of September 30, 2023.

Name	Affiliation	Address	# Shares	Type	%
Timothy R. Scott, PhD (5)	CEO President Chairman	2384 La Mirada Drive Vista, CA 92081	1,000,000	Common	(1)
Robert A. Wells, Jr. (5)	CFO	2384 La Mirada Drive Vista, CA 92081	0	Common	(1)
Michael L. Corrigan	Secretary	2384 La Mirada Drive Vista, CA 92081	3,000,000	Common	(1)
Robert L. Cunningham	Director	2384 La Mirada Drive Vista, CA 92081	250,000	Common	(1)
Chris Prine	Director	2384 La Mirada Drive Vista, CA 92081	250,000	Common	(1)
Michelle Sides, Esq. (2)(3)(5)(6)	5% Holder	7317 El Cajon Blvd., #239 La Mesa, CA 91942	134,045,352	Common	2.7%
Columbia & Beech Corporation (4)	5% Holder	7317 El Cajon Blvd., #239 La Mesa, CA 91942	348,047,389	Common	7.1%

(1) Less than 1%.

(2) Does not include 348,047,389 shares held by Columbia & Beech Corporation of which Ms. Sides holds a 100% ownership interest.

(3) Does not include 70,000 shares of Series B Preferred Stock held by MLS Advisors, LLC, which are convertible into 70 million shares of common stock, subject to an aggregate 9.9% blocking provision applicable to Ms. Sides and her affiliates, of which Ms. Sides is the sole member.

(4) Does not include 134,045,352 shares held by Ms. Sides personally or 70,000 shares of Series B Preferred Stock held by MLS Advisors, LLC, which are convertible into 70 million shares of common stock, subject to an aggregate 9.9% blocking provision applicable to Ms. Sides and her affiliates, of which Ms. Sides is the sole member.

(5) On February 22, 2023, Timothy R. Scott PhD. was appointed as the Company's Chairman of the Board, Chief Executive Officer and President. On March 3, 2023, Ms. Michelle Sides resigned as a Director and Chief Legal Officer of the Company. On June 1, 2023, Mr. Wells was appointed as the Company's Chief Financial Officer.

(6) Ms. Sides shares are aggregated with the shares held by Columbia & Beech Corporation and MLS Advisors, LLC for purposes of identifying her as a 5% shareholder.

Timothy R. Scott, PhD – CEO, President and Chairman

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 September 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. (Dr. Scott was appointed as the Company's Chairman of the Board, Chief Executive Officer and President on February 22, 2023).

Robert A. Wells, Jr. – CFO

Mr. Wells is a financial professional with 26 years of experience as a Chief Financial Officer. Mr. Wells has held the position of CFO with the San Diego Padres, Anthony Robbins Companies, DoorTech and DC Labs. Most recently, Mr. Wells served as Vice President of Finance & Accounting for the company. In addition, Mr. Wells was President of Randall International, a beauty care contract manufacturer. His experience includes working in such industries as banking, manufacturing, professional sports, international business, personal care products, software development and eCommerce. Mr. Wells received his bachelor's degree from Chico State University and his Master of Business Administration from Oregon State University.

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.

Robert L. Cunningham – Director

Robert Cunningham has served as a Director since May 18, 2017. Mr. Cunningham has over 40 years of executive management in financial services and venture capital. From 1985 to the present Mr. Cunningham has been the Founder/CEO of Placer Financial, a nationwide mortgage and real estate development firm. He has served as Receiver/Trustee for the U.S. Department of Justice, and board member for numerous firms including Allied Commercial Corporation, Vermillion Development, Pacific Building Industries, and Bond Hospitality Group. From March 2015 to present Mr. Cunningham has served on the Board of Directors of Medical Marijuana, Inc.

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.

7. LEGAL/DISCIPLINARY HISTORY

A. 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 6 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.

8. THIRD PARTY SERVICE PROVIDERS.

Securities Counsel:	Transfer Agent:	Investor Relations:
Law Offices of Michael L. Corrigan Michael L. Corrigan, Esq. 2384 La Mirada Drive Vista, CA 92081	Securities Transfer Corporation 2901 N. Dallas Parkway, Suite 380 Plano, TX 75093 (469) 633-0101 info@stctransfer.com www.stctransfer.com	CMW Media 1501 India Street, Suite 103-167 San Diego, CA 92101 (858) 221-8001 www.cmwmedia.com

Other means of Investor Communication:

Twitter: https://twitter.com/mjna_inc

Facebook: facebook.com/MJNAInc.

Linkedin: <https://www.linkedin.com/company/medical-marijuana-inc-/>

Instagram: https://www.instagram.com/mjna_inc

9. FINANCIAL STATEMENTS.

A. The financial statements presented with this Disclosure Statement were prepared in accordance with:

- ☒ U.S. GAAP
☐ IFRS

B. The financial statements presented with this Disclosure Statement were prepared by:

Robert Wells, Jr., Chief Financial Officer

Describe the qualifications of the person or persons who prepared the financial statements:

Mr. Wells earned a Bachelor of Science degree in Finance and an MBA from Oregon State University. Mr. Wells held the position of Chief Financial Officer for a combined 26 years.

C. Medical Marijuana, Inc.'s Balance Sheet; Statement of Income; Statement of Cash Flows; and Statement of Retained Earnings (Statement of Changes in Stockholders' Equity) for the period ended September 30, 2023, are attached hereto as Exhibit C.

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 16, 2023

/s/ Timothy R. Scott

By: Timothy R. Scott
Its: Chief Executive Officer
Its: Chairman of the Board of Directors

/s/ Robert A. Wells, Jr.

By: Robert A. Wells, Jr.
Its: Chief Financial Officer

Exhibit A
Changes to the Number of Outstanding Shares

Shares Outstanding as of the Second Most Recent Fiscal Year End Date: 6/30/2021 Opening Balance: Common: 4,357,240,587 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
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)
10/19/2021	New	60,000,000	C	0.0070	Y	Stuart W. Titus	Stock Conversion	R	4(a)(2)
10/19/2021	Converted	(60,000)	P	7.0000	Y	SWT Advisors, LLC - TL-66/James Arabia	Conversion	R	4(a)(2)
12/6/2021	New	26,827,632	C	0.0149	Y	Atlas Sciences, LLC - John Fife	Debt Conversion	No	4(a)(2)
1/3/2022	New	32,528,259	C	0.0123	Y	Atlas Sciences, LLC - John Fife	Debt Conversion	No	4(a)(2)
1/11/2022	New	10,000,000	C	0.0100	Y	Todd J. Morrow	Purchase	R	4(a)(2)
2/10/2022	New	33,669,424	C	0.0113	Y	Atlas Sciences, LLC - John Fife	Debt Conversion	No	4(a)(2)
11/18/2022	Cancelled	(1,666,666)	C	0.0301	N	Aleksay Grapov	Cancelled	R	4(a)(2)
2/8/2023	Cancelled	(50,000,000)	C	0.0100	N	Blake N. Schroeder	Cancelled	R	4(a)(2)
3/15/2023	New	20,000,000	C	N/A	N	BNS Advisors, LLC -Blake N. Schroeder	Conversion	No	4(a)(2)
3/15/2023	Converted	(20,000)	P	7.0000	N	BNS Advisors, LLC -Blake N. Schroeder	Conversion	No	4(a)(2)
4/10/2023	Converted	279,617,993	C	0.0028	Y	General Hemp	Conversion	No	4(a)(2)
Shares Outstanding on Date of This Report: 9/30/2023 Ending Balance: Common: 4,885,853,913 Preferred (A): 1,000,000 Preferred (B): 150,000									

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.)
12/31/2018	\$568,983	\$500,000	\$68,983	12/31/2024	Conversion price fixed at \$0.0747	General Hemp - Robert Malasek / Krista Llamas	Consulting Fees
2/8/2023	\$28,685	\$28,132	\$553	2/8/2033	Conversion price equal to the lesser of \$0.0036 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	Blake N. Schroeder	Expense Reimbursement
2/22/2023	\$121,199	\$119,000	\$2,199	2/22/2033	Conversion price equal to the lesser of \$0.002 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	Stuart W. Titus	Consulting Fees
3/9/2023	\$551,639	\$540,000	\$11,639	3/9/2033	Conversion price equal to the lesser of \$0.002 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	General Hemp - Robert Malasek / Krista Llamas	Consulting Fees
3/9/2023	\$561,849	\$550,000	\$11,849	3/9/2033	Conversion price equal to the lesser of \$0.002 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	General Hemp - Robert Malasek / Krista Llamas	Sale in exchange for 6.6% in Hempmeds Brazil
3/9/2023	\$510,677	\$500,000	\$10,677	3/9/2033	Conversion price equal to the lesser of \$0.002 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	Columbia & Beech Corporation / Michelle Sides	Consulting Fees
3/9/2023	\$102,104	\$100,000	2104	3/9/2033	Conversion price equal to the lesser of \$0.002 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	Timothy Scott	Sale in exchange for \$100k promissory note
3/9/2023	\$102,104	\$100,000	\$2,104	3/9/2033	Conversion price equal to the lesser of \$0.002 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	Timothy Scott	Sale in exchange for \$100k promissory note
3/9/2023	\$40,842	\$40,000	\$842	3/9/2033	Conversion price equal to the lesser of \$0.002 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	William Andreoli	Sale in exchange for \$40k promissory note
3/9/2023	\$40,842	\$40,000	\$842	3/9/2033	Conversion price equal to the lesser of \$0.002 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	William Andreoli	Sale in exchange for \$40k promissory note
3/9/2023	\$40,842	\$40,000	\$842	3/9/2033	Conversion price equal to the lesser of \$0.002 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	William Andreoli	Sale in exchange for \$40k promissory note
3/9/2023	\$10,210	\$10,000	\$210	3/9/2033	Conversion price equal to the lesser of \$0.002 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	Peter Dale	Sale in exchange for \$10k promissory note
3/9/2023	\$10,210	\$10,000	\$210	3/9/2033	Conversion price equal to the lesser of \$0.002 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	Peter Dale	Sale in exchange for \$10k promissory note
3/9/2023	\$10,210	\$10,000	\$210	3/9/2033	Conversion price equal to the lesser of \$0.002 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	Peter Dale	Sale in exchange for \$10k promissory note
3/9/2023	\$508,355	\$500,000	\$8,355	3/9/2033	Conversion price equal to the lesser of \$0.002 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	TL66 LLC / James Arabia	Sale in exchange for \$620k senior secured note
3/9/2023	\$122,005	\$120,000	\$2,005	3/9/2033	Conversion price equal to the lesser of \$0.002 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	TL66 LLC / James Arabia	Sale in exchange for \$620k senior secured note
3/31/2023	\$153,431	\$150,000	\$3,431	3/31/2033	Conversion price equal to the lesser of \$0.002 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	Columbia & Beech Corporation / Michelle Sides	Sale in exchange for \$15k cash and \$135k promissory note
6/16/2023	\$50,589	\$50,000	\$589	6/16/2033	Conversion price equal to the lesser of \$0.00175 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	General Hemp - Robert Malasek / Krista Llamas	Purchase of Assets
7/11/2023	\$132,639	\$131,456	\$1,183	7/11/2033	Conversion price equal to the lesser of \$0.0017 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	General Hemp - Robert Malasek / Krista Llamas	Purchase of Assets

Medical Marijuana, Inc.
Consolidated Balance Sheet

	September 30, 2023	September 30, 2022
<u>ASSETS</u>		
Current Assets		
Cash	1,097,037	1,410,553
Accounts Receivable	682,294	577,329
Other Current Assets		
Prepaid Assets	1,065,849	502,224
Inventory	2,258,580	3,511,316
Merchant Account Reserves	39,063	234,051
Notes and Loans Receivable	4,191,117	3,212,472
Deposits	170,211	55,858
Deferred Taxes	1,968,002	1,882,073
Total Other Current Assets	9,692,821	9,397,994
Total Current Assets	11,472,152	11,385,876
Fixed Assets Net of Depreciation		
	842,430	3,369,671
Other Assets		
Other Asset		
Convertible Discount Asset	-	200,000
Notes and Loans Receivable	407,990	
Convertible Notes Receivable	4,106,167	5,547,494
Goodwill	45,366,733	45,366,733
Right of Use Lease Asset	2,757,870	
Other Intangible Assets	6,622,202	
Investments	1,199,802	2,554,381
Total Other Assets	60,460,765	53,668,608
TOTAL ASSETS	72,775,347	68,424,155
<u>LIABILITIES & EQUITY</u>		
Current Liabilities		
Accounts Payable	3,072,418	2,573,138
Accrued Liabilities	84,256	508,502
Sales Tax Payable	174,803	1,296,583
Other Current Liability	5,451,490	4,004,088
Total Payables	8,782,967	8,382,311
Convertible Notes	121,199	-
Convertible Notes- Related Party	1,291,692	1,314,396
Senior Secured Convertible Notes	630,360	
Senior Secured Convertible Notes- Related Party	1,624,165	
Long Term Liability	9,231,482	2,154,651
Total Long Term Liabilities	12,898,899	3,469,047
Total Liabilities	21,681,866	11,851,358
Equity		
Unrealized Accumulated Comprehensive		
Common Stock	49,263,124	46,333,611
Pref Stock - Series A	10,000	10,000
Pref Stock - Series B	1,500	1,700
Additional Paid in Capital	159,448,665	162,274,834
Retained Equity		(100,562,021)
Retained Earnings	(157,629,807)	(152,047,349)
Total Equity	51,093,482	56,572,796
TOTAL LIABILITIES & EQUITY	72,775,347	68,424,154

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 9/30/2023

	Three Months Ending September 30, 2023	Three Months Ending September 30, 2022
Ordinary Income/(Expense)		
Total Revenue	4,775,940	4,917,360
Total COGS	957,737	879,565
Gross Profit	3,818,202	4,037,795
 Expense		
Sales & Marketing	1,319,671	1,480,981
General & Administrative	2,415,672	2,763,723
Total Expense	3,735,344	4,244,704
Net Ordinary Income/(Loss)	82,859	(206,909)
 Interest Income	67,545	64,789
Interest Expense	(35,108)	(17,566)
Other Income	35,143	659,468
Other Expense	(726,697)	(857,134)
Gain/(Loss) on Investments	(272,866)	(1,832,653)
Total Other Income or Expense Gain/(Loss)	(931,982)	(1,983,096)
Net Income/(Loss)	(849,123)	(2,190,005)

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

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

	September 30, 2023	September 30, 2022
OPERATING ACTIVITIES		
Net Income/(Loss)	(849,124)	(2,190,006)
Adjustments to reconcile Net Income to net cash provided by operations:		
Depreciation	150,761	108,620
Inventories Adjustment	-	(2,828)
Changes in operating assets and liabilities:		
Inventories	(79,391)	(1,102,737)
Accounts Receivable	(85,426)	(35,410)
Prepaid Expenses	331,776	(66,084)
Merchant Account Reserve	(1,367)	(197,802)
Deposits	45,318	783
Non-Cash Lease Asset	64,358	(69,548)
Deferred Tax	(958,079)	190,025
Accounts Payable	770,839	-
Deferred Taxes	23,324	(201,196)
Accrued Liabilities	(359,657)	144,099
Other Current Liability	530,886	1,107,254
Net Cash Provided (Used) by Operating Activities	433,342	(230,616)
INVESTING ACTIVITIES		
Gain/Loss on Investments	407,715	1,838,274
Investments		-
Mfinity Asset Purchase		(2,205,228)
eXfuze (KZ1) Asset Purchase	(4,369,206)	-
Net Capital Purchases	-	(290,293)
Net Cash Provided (Used) by Investing Activities	(3,961,491)	(657,247)
FINANCING ACTIVITIES		
Notes Receivable	(31,767)	1,267,240
Convertible Notes Receivable	(35,778)	(533,115)
Convertible Notes Payable	5,511	-
Conv Note - Rlated Pty LT	159,795	9,960
Long Term Liability	4,394,974	616,925
Other Comprehensive Income		225,196
Net Cash Provided (Used) by Financing Activities	4,492,735	1,586,206
Net Cash Increase (Decrease) for the Period	115,461	(1,385,868)
Cash At Beginning of Period	981,575	2,796,421
Cash at End of Period	1,097,036	1,410,553

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 Defecit	Total
	Shares	Amount	Shares	Amount	Shares	Amount				
Balance at Dec 31, 2021	4,561,704,903	\$45,571,634	1,000,000	\$10,000	170,000	\$1,700	\$162,156,582	\$0	(\$138,605,700)	\$69,134,215
Common stock issued in redemption of note	76,197,683	\$761,977					\$118,252			\$880,229
Series B conversion to Common										\$0
Cumulative Translation Adjustment									(\$35,189)	(\$35,189)
Net Income									(\$12,476)	(\$12,476)
Balance at Mar 31, 2022	4,637,902,586	\$46,333,611	1,000,000	\$10,000	170,000	\$1,700	\$162,274,834	\$0	(\$138,653,365)	\$69,966,779
Common stock issued in redemption of note										\$0
Series B conversion to Common										\$0
Cumulative Translation Adjustment									(\$274,038)	(\$274,038)
Net Income									(\$11,155,137)	(\$11,155,137)
Balance at June 30, 2022	4,637,902,586	\$46,333,611	1,000,000	\$10,000	170,000	\$1,700	\$162,274,834	\$0	(\$150,082,540)	\$58,537,604
Common stock issued in redemption of note										\$0
Series B conversion to Common										\$0
Cumulative Translation Adjustment									\$225,198	\$225,198
Net Income									(\$2,190,006)	(\$2,190,006)
Balance at September 30, 2022	4,637,902,586	\$46,333,611	1,000,000	\$10,000	170,000	\$1,700	\$162,274,834	\$0	(\$152,047,348)	\$56,572,796
Common stock cancelled for debt forgiveness	(1,666,666)	(16,667)					(153,333)			(170,000)
Cumulative Translation Adjustment									\$184,910	\$184,910
Net Income									(\$3,991,756)	(\$3,991,756)
Balance at December 31, 2022	4,636,235,920	\$46,316,944	1,000,000	\$10,000	170,000	\$1,700	\$162,121,500	\$0	(\$155,854,194)	\$52,595,951
Common stock cancelled for debt forgiveness	(50,000,000)	(500,000)								(\$500,000)
Series B conversion to Common	20,000,000	200,000			(20,000)	(200)	(199,800)			\$0
Cumulative Translation Adjustment									\$59,258	\$59,258
Adjust to Common Paid in Capital		45,415					(45,415)			\$0
Net Income									(\$1,526,119)	(\$1,526,119)
Balance at March 31, 2023	4,606,235,920	\$46,062,359	1,000,000	\$10,000	150,000	\$1,500	\$161,876,285	\$0	(\$157,321,055)	\$50,629,090
Common stock cancelled for debt forgiveness		-								\$0
Common stock issued in redemption of note	279,617,993	\$2,796,180					-\$2,023,036			\$773,144
Cumulative Translation Adjustment									\$1	\$1
Adjust to Common Paid in Capital		404,585					(404,585)			\$0
Net Income									\$405,523	\$405,523
Balance at June 30, 2023	4,885,853,913	\$49,263,124	1,000,000	\$10,000	150,000	\$1,500	\$159,448,664	\$0	(\$156,915,531)	\$51,807,758
Cumulative Translation Adjustment									\$134,848	\$134,848
Net Income									(\$849,124)	(\$849,124)
Balance at September 30, 2023	4,885,853,913	\$49,263,124	1,000,000	\$10,000	150,000	\$1,500	\$159,448,664	\$0	(\$157,629,807)	\$51,093,482

MEDICAL MARIJUANA, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2023

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.

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.

Leases: ASC 842 requires long-term operating leases to be recorded as an asset and liability on the balance sheet. The objective of ASC 842 is to increase transparency and comparability among organizations by recognizing a right-of-use ("ROU") asset and a lease liability on the balance sheet and disclosing key information about leasing arrangements. The Company has recorded the lease for the new office in Vista, CA in accordance with this regulation.

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 period ending September 30, 2023, 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 authorized shares of common stock, \$0.01 par value. As of September 30, 2023, there are 4,885,853,913 issued and outstanding shares of common stock, of which 635,485,043 shares are restricted. (See also Footnote 11- "Stock Issuances")

Preferred Stock

The Company has 50,000,000 authorized shares of Preferred Stock. As of September 30, 2023, there are 1,000,000 outstanding shares of Series A Redeemable Preferred Stock, of which

1,000,000 shares are restricted, and 150,000 outstanding shares of Series B Preferred Stock, of which 150,000 shares are restricted.

The Series A Redeemable Preferred Stock is nontransferable without the consent of the Board of Directors of the Company and redeemable by the Company at any time after February 15, 2024 at a price of \$.10 per share. Each share of Series A Preferred Stock is convertible at any time at the discretion of the holder into fifty (50) shares of the Company's common stock; provided however, such conversion must be for all shares of the Series A Preferred and conversion is not permitted in part. 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. 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, 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. All 230,000 authorized shares of Series B Preferred stock have been issued and 150,000 shares remain outstanding.

Note 5: Notes Payable

Convertible Notes Payable Related Party - Long Term

Long term related-party convertible notes having a balance due of \$1,291,692 at September 30, 2023, including aggregate interest accrued thereon of \$82,106, consist of the following:

(i) Two convertible notes issued to General Hemp, face value of \$250,000 each, having an aggregate balance due of \$568,983 at September 30, 2023, including interest accrued thereon of \$68,983. The convertible notes were issued on December 31, 2018 and December 31, 2019, respectively, and each; (a) pay semi-annual interest at the rate of 3.0% per annum beginning on June 30, 2019 and June 30, 2020, respectively, and each December 31 and June 30 thereafter (b) are convertible at any time at the option of the holder into the Company's common stock at a conversion price equal to \$0.0747, (c) contain a blocking provision for conversions into common stock, which prevent the holder from converting the note if after giving effect to such conversion the holder, along with their affiliates, would own more than 9.99% of the Company's common stock, and (d) mature on December 31, 2023 and December 24, 2024 respectively. The convertible notes are in default for non-payment of interest, and have accrued interest since their respective issuance dates, and the Company and the holder are in negotiations to remedy the defaults (see also Footnote 8 - "Related Party Transactions")

(ii) A convertible note issued to Blake N. Schroeder, former Chairman and CEO of the Company, face value \$28,132, having a balance due of \$28,685 at September 30, 2023, including interest accrued thereon of \$553. The convertible note; (a) bears interest at the rate of 3% per annum, payable annually beginning in February 2024, (b) is convertible at any time at the option of the holder into the Company's common stock at a conversion price equal to the lesser of \$0.0036 or 70% of the average of the two lowest closing prices of the Company's common stock

in the ten (10) trading days prior to any conversion, (c) contains a blocking provision for conversions into common stock, which prevent the holder from converting the note if after giving effect to such conversion the holder, along with their affiliates, would own more than 9.99% of the Company's common stock, and (d) matures in February 2033. (see also Footnote 8 - "Related Party Transactions")

(iii) Two (2) convertible notes issued to Dr. Timothy R. Scott, the Company's Chairman and CEO, face value of \$100,000 each, having an aggregate balance due of \$204,208 at September 30, 2023, including interest accrued thereon of \$4,208. The convertible notes each; (a) bear interest at the rate of 3.75% per annum which accrues until maturity in March of 2033, (b) are convertible at any time at the option of the holder into the Company's common stock at a conversion price equal to the lesser of \$0.002 or 70% of the average of the two lowest closing prices of the Company's common stock in the ten (10) trading days prior to any conversion, (c) contain a blocking provision for conversions into common stock, which prevent the holder from converting the note if after giving effect to such conversion the holder, along with their affiliates, would own more than 9.99% of the Company's common stock, and (d) matures in March 2033. (see also Footnote 7 - "Notes and Loans Receivable" and Footnote 8 - "Related Party Transactions")

(iv) Three (3) convertible notes issued to William Andreoli, President of the Company's wholly-owned subsidiary Kannaway, face value of \$40,000 each, having an aggregate balance due of \$122,525 at September 30, 2023, including interest accrued thereon of \$2,525. The convertible notes each; (a) bear interest at the rate of 3.75% per annum which accrues until maturity in March of 2033, (b) are convertible at any time at the option of the holder into the Company's common stock at a conversion price equal to the lesser of \$0.002 or 70% of the average of the two lowest closing prices of the Company's common stock in the ten (10) trading days prior to any conversion, (c) contain a blocking provision for conversions into common stock, which prevent the holder from converting the note if after giving effect to such conversion the holder, along with their affiliates, would own more than 9.99% of the Company's common stock, and (d) matures in March 2033. (see also Footnote 7 - "Notes and Loans Receivable" and Footnote 8 - "Related Party Transactions")

(v) Three (3) convertible notes issued to Peter Dale, Vice President of Kannaway's wholly-owned subsidiary Kannaway Japan, face value of \$10,000 each, having an aggregate balance due of \$30,631 at September 20, 2023, including interest accrued thereon of \$631. The convertible notes each; (a) bear interest at the rate of 3.75% per annum which accrues until maturity in March of 2033, (b) are convertible at any time at the option of the holder into the Company's common stock at a conversion price equal to the lesser of \$0.002 or 70% of the average of the two lowest closing prices of the Company's common stock in the ten (10) trading days prior to any conversion, (c) contain a blocking provision for conversions into common stock, which prevent the holder from converting the note if after giving effect to such conversion the holder, along with their affiliates, would own more than 9.99% of the Company's common stock, and (d) matures in March 2033. (see also Footnote 7 - "Notes and Loans Receivable" and Footnote 8 - "Related Party Transactions")

(vi) A convertible note issued to Columbia & Beech Corporation, face value \$150,000, having a balance due of \$153,431 at September 30, 2023, including interest accrued thereon of \$3,431. The convertible note; (a) bears interest at the rate of 4.5% per annum, payable annually beginning in March of 2024, (b) is convertible at any time at the option of the holder into the Company's common stock at a conversion price equal to the lesser of \$0.002 or 70% of the average of the two lowest closing prices of the Company's common stock in the ten (10) trading

days prior to any conversion, (c) contains a blocking provision for conversions into common stock, which prevent the holder from converting the note if after giving effect to such conversion the holder, along with their affiliates, would own more than 9.99% of the Company's common stock, and (d) matures in March 2033. (see also Footnote 8 - "Related Party Transactions")

(vii) A convertible note issued to General Hemp, face value of \$50,000, having a balance of \$50,589 at September 30, 2023, including interest accrued thereon of \$589. The convertible note: (a) bears interest at the rate of 4% per annum, payable annually beginning June of 2024, (b) is convertible at any time at the option of the holder into the Company's common stock at a conversion price equal to the lesser of \$0.00175 or 70% of the average of the two lowest closing prices of the Company's common stock in the ten (10) trading days prior to any conversion, (c) contains a blocking provision for conversions into common stock, which prevent the holder from converting the note if after giving effect to such conversion the holder, along with their affiliates, would own more than 9.99% of the Company's common stock, and (d) matures in June 2033. (see also Footnote 8 – "Related Party Transactions" and Footnote 9 – "Acquisition of Assets")

(vii) A convertible note issued to General Hemp, face value of \$131,455.87, having a balance of \$132,639 at September 30, 2023, including interest accrued thereon of \$1,183. The convertible note: (a) bears interest at the rate of 4% per annum, payable annually beginning July of 2024, (b) is convertible at any time at the option of the holder into the Company's common stock at a conversion price equal to the lesser of \$0.0017 or 70% of the average of the two lowest closing prices of the Company's common stock in the ten (10) trading days prior to any conversion, (c) contains a blocking provision for the conversions into common stock, which prevent the holder from converting the note if after giving effect to such conversion the holder, along with their affiliates, would own more than 9.9% of the Company's common stock, and (d) matures in July 2034. (see also Footnote 8 – "Related Party Transactions" and Footnote 9 – "Acquisition of Assets")

Convertible Notes Payable - Long Term

(viii) Convertible notes payable consists of a convertible note, face value \$119,000, having a balance due of \$121,199 at September 30, 2023, including interest thereon of \$2,199. The convertible note; (a) bears interest at the rate of 3% per annum (payable annually beginning in February 2024), (b) is convertible at any time at the option of the holder into the Company's common stock at a conversion price equal to the lesser of \$0.002 or 70% of the average of the two lowest closing prices of the Company's common stock in the ten (10) trading days prior to any conversion, (c) contains a blocking provision for conversions into common stock, which prevent the holder from converting the note if after giving effect to such conversion the holder, along with their affiliates, would own more than 9.99% of the Company's common stock, and (d) matures in February 2033. The convertible note was issued to Dr. Stuart W. Titus in exchange for a \$119,000 reduction of cash payments under his current consulting agreement. Dr. Titus provides spokesperson services for the Company under the consulting agreement and was formerly the Company's Chairman and CEO. (see also Footnote 10 - "Contingencies")

Senior Secured Convertible Notes Payable Related Party - Long Term

Related-party senior secured convertible notes having a balance due of \$1,624,165 at September 30, 2023, including aggregate interest accrued thereon of \$34,165, consist of the following:

(ix) A senior secured convertible note issued to Columbia & Beech Corporation ("C&B"), face value \$500,000, having a balance due of \$410,677 at September 30, 2023, including interest accrued thereon of \$10,677. The secured convertible note; (a) bears interest at the rate of 3.75% per annum, payable annually beginning in March of 2024, (b) is convertible at any time at the option of the holder into the Company's common stock at a conversion price equal to the lesser of \$0.002 or 70% of the average of the two lowest closing prices of the Company's common stock in the ten (10) trading days prior to any conversion, (c) contains a blocking provision for conversions into common stock, which prevent the holder from converting the note if after giving effect to such conversion the holder, along with their affiliates, would own more than 9.99% of the Company's common stock, (d) is secured by a first lien on the Company's assets, and (e) matures in March 2033. (see also Footnote 8 - "Related Party Transactions")

(x) A senior secured convertible note issued to General Hemp, face value \$540,000, having a balance due of \$551,639 at September 30, 2023, including interest accrued thereon of \$11,639. The secured convertible note; (a) bears interest at the rate of 3.75% per annum, payable annually beginning in March of 2024, (b) is convertible at any time at the option of the holder into the Company's common stock at a conversion price equal to the lesser of \$0.002 or 70% of the average of the two lowest closing prices of the Company's common stock in the ten (10) trading days prior to any conversion, (c) contains a blocking provision for conversions into common stock, which prevent the holder from converting the note if after giving effect to such conversion the holder, along with their affiliates, would own more than 9.99% of the Company's common stock, (d) is secured by a first lien on the Company's assets, and (e) matures in March 2033. (see also Footnote 8 - "Related Party Transactions")

(xi) A senior secured convertible note issued to General Hemp, face value \$550,000, having a balance due of \$561,849 at September 30, 2023, including interest accrued thereon of \$11,849. The secured convertible note; (a) bears interest at the rate of 3.75% per annum, payable annually beginning in March of 2024, (b) is convertible at any time at the option of the holder into the Company's common stock at a conversion price equal to the lesser of \$0.002 or 70% of the average of the two lowest closing prices of the Company's common stock in the ten (10) trading days prior to any conversion, (c) contains a blocking provision for conversions into common stock, which prevent the holder from converting the note if after giving effect to such conversion the holder, along with their affiliates, would own more than 9.99% of the Company's common stock, (d) is secured by a first lien on the Company's assets, and (e) matures in March 2033. (see also Footnote 8 - "Related Party Transactions" and Footnote 9 - "Acquisition of Assets")

Senior Secured Convertible Notes Payable - Long Term

(xii) Senior secured convertible notes having a balance due of \$630,360 at September 30, 2023, including interest accrued thereon of \$10,360, consists of two (2) convertible notes, face value of \$520,000 and \$100,000 respectively. The convertible notes; (a) bear interest at the rate of 3% per annum, payable annually beginning in March of 2024, (b) are convertible at any time at the option of the holder into the Company's common stock at a conversion price equal to the lesser of \$0.002 or 70% of the average of the two lowest closing prices of the Company's common stock in the ten (10) trading days prior to any conversion, (c) contain a blocking provision for conversions into common stock, which prevent the holder from converting the note if after giving effect to such conversion the holder, along with their affiliates, would own more than 9.99% of the Company's common stock, and (d) mature in March 2033. The convertible notes were issued in exchange for a senior secured note owned by a third-party investor, face value \$620,000, issued by Kannalife Sciences, Inc., a 99.7% owned subsidiary of Neuropathix, Inc. (SYMBOL: NPTX). (see also Footnote 9 - "Acquisition of Assets")

Intercreditor Agreement

All of the Company's senior secured convertible note holders (the "Senior lenders") have entered into an Intercreditor Agreement. Among other things, the Intercreditor Agreement (a) defines and sets forth the conditions of becoming a Senior Lender, (b) insures that all Senior Lenders have first priority on the Company's assets and are equal in rank with one another regardless of the time that they became Senior Lenders, (c) allows for additional Senior Lenders subject to the conditions set forth in the Intercreditor Agreement, (d) grants to the Senior Lenders a first lien on all of the Company's assets (the "Collateral"), (e) generally requires the consent of a majority of the Senior Lenders prior to taking any action to protect the Collateral, and (f) requires the consent of a majority of the Senior Lenders before taking any action to foreclose upon or obtain a judgment against the Collateral.

Note 6: Back Tax Installment Loans

At September 30, 2023, included in Other Current Liability are back taxes totaling \$1,556,458 that are covered under payment plans with the IRS and California Franchise Tax Board ("FTB"). Of the \$1,731,255, \$1,491,206 is owed to the IRS and \$65,252 is owed to the FTB. Under current payment plan arrangements, the Company pays aggregate monthly payments totaling \$19,100. The Company is actively negotiating a reduction or elimination of penalties associated with the past due taxes.

Note 7: Notes and Loans Receivable

Notes and Loans Receivable having a balance due of \$8,654,653 at September 30, 2023, including aggregate interest accrued thereon of \$506,231, consist of the following:

Notes and Loans Receivable - Short Term - Related Party

(i) A demand note receivable from General Hemp ("General Hemp"), face value \$200,000, having a balance due of \$240,354 at September 30, 2023, including interest accrued thereon of \$40,354. The note accrues interest at the rate of 3% per annum (see also Footnote 8 - "Related Party Transactions").

(ii) A promissory note receivable (the "Note") from General Hemp, face value of \$2,314,043, having a balance of \$2,586,182 at September 30, 2023, including interest accrued thereon of \$272,139. The Note accrues interest at a rate of 3.5% per annum and required six (6) monthly installments of interest and principal beginning on August 15, 2019, until maturity on January 15, 2020. General Hemp is in default on the scheduled payment terms under the Note 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 to the parties. (see also Footnote 8 – "Related Party Transactions").

(iii) A promissory note receivable from Columbia & Beech Corporation, face value \$135,000, having a balance of \$138,038 at September 30, 2023, including interest accrued thereon of \$3,038. The Note accrues interest at a rate of 4.5% per annum and requires eight (8) monthly payments from Columbia & Beech of \$15,000 and a ninth monthly payment of \$17,582 at maturity of December 31, 2023. (see also Footnote 8 – "Related Party Transactions")

(iv) A promissory note receivable from Juniper & Ivy Corporation dated February 20, 2019, face value of \$435,000, having a balance of \$499,543 at September 30, 2023, including interest accrued thereon of \$64,543. 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.

Notes and Loans Receivable - Short Term

(v) A promissory note receivable from Neuropathix, Inc.'s CEO, face value \$75,000, having a balance due of \$75,000 at September 30, 2023, including interest accrued thereon of \$12,000. The note accrues interest at a rate of 3% per annum and matures on October 1, 2023

(vi) A loan receivable of \$20,000 from the Company's former CEO, Dr. Stuart Titus. The loan is automatically forgiven if Dr. Titus remains as a Company spokesperson pursuant to his consulting agreement through June of 2024.

(vii) A senior secured note receivable from Kannalife Sciences, Inc. (a 99.6% owned subsidiary of Neuropathix, Inc. - Symbol: NPTX), dated June 29, 2018, face value \$620,000 (the "Note"), The Note has accrued interest at the rate of 8% per annum since its issuance and was scheduled to mature on July 1, 2020. Kannalife is in default on the scheduled payment terms under the Note and it and the Company are in discussions to reach a resolution on the default. Since its issuance the Note has accrued interest of approximately \$274,000, however, because the Company is unsure of the likelihood of collecting the accrued interest it carries the Note at cost of \$620,000. 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. The Note has a security interest in all of Kannalife's assets.

Notes and Loans Receivable - Long Term - Related Party

(viii) A promissory note receivable from Todd J. Morrow, the Company's former President and CFO face value \$25,000, dated February 10, 2022 (the "Note"), having a balance due of \$25,313 at September 30, 2023, including interest accrued thereon of \$313. The Note is a full recourse obligation of Mr. Morrow's and accrues interest of 0.75% per annum until maturity on February 10, 2025. (see also Footnote 8 - "Related Party Transactions")

(ix) A promissory note receivable from Michelle L. Sides, a former Company director, face value \$25,000, dated February 10, 2022 (the "Note"), having a balance due of \$25,313 at September 30, 2023, including interest accrued thereon of \$313. The Note is a full recourse obligation of Ms. Sides and accrues interest of 0.75% per annum until maturity on February 10, 2025. (see also Footnote 8 - "Related Party Transactions")

(x) Two promissory notes receivable from Timothy R. Scott, the Company's Chairman, CEO and President, face value of \$100,000 each, dated March 9, 2023 (the "Notes"), having an aggregate balance due of \$204,208 at September 30, 2023, including interest accrued thereon of \$4,208. The Notes accrued interest at the rate of 3.75% per annum until maturity at March 9, 2033. Dr. Scott issued the Notes in exchange for two convertible notes issued to him by the Company of equal amount. (see Footnote 5 - "Notes Payable", Section (iv)) The first \$100,000 Note is secured by a deed of trust (the "Deed") against Dr. Scott's residence in California and will

be forgiven in full if Dr. Scott remains in the continuous employ of the Company until March 2024. The second Note of \$100,000 shall be secured by the Deed upon forgiveness of the first \$100,000 Note and will be forgiven in full if Dr. Scott remains in the continuous employ of the Company until March 2025. (see also Footnote 8 - "Related Party Transactions")

(xi) Three promissory notes receivable from William Andreoli, former president of Kannaway, face value of \$40,000 each, dated March 9, 2023 (the "Notes"), having an aggregate balance due of \$122,525 at September 30, 2023, including interest accrued thereon of \$2,525. The Notes accrued interest at the rate of 3.75% per annum until maturity at March 9, 2033. Mr. Andreoli issued the Notes in exchange for three convertible notes issued to him by the Company of equal amount. (see Footnote 5 - "Notes Payable") The first \$40,000 Note is secured by a deed of trust (the "Deed") against Mr. Andreoli's residence in New Hampshire and will be forgiven in full if Mr. Andreoli remains in the continuous employ of Kannaway until March 2024. The second Note of \$40,000 shall be secured by the Deed upon forgiveness of the first \$40,000 Note and will be forgiven in full if Mr. Andreoli remains in the continuous employ of Kannaway until March 2025. The third Note of \$40,000 shall be secured by the Deed upon forgiveness of the second \$40,000 Note and will be forgiven in full if Mr. Andreoli remains in the continuous employ of Kannaway until March 2026. (see also Footnote 8 - "Related Party Transactions")

(xii) Three promissory notes receivable from Pater Dale, Vice President of Kannaway Japan ("KJP"), face value of \$10,000 each, dated March 9, 2023 (the "Notes"), having an aggregate balance due of \$30,631 at September 30, 2023, including interest accrued thereon of \$631. The Notes accrued interest at the rate of 3.75% per annum until maturity at March 9, 2033. Mr. Dale issued the Notes in exchange for three convertible notes issued to him by the Company of equal amount. (see Footnote 5 - "Notes Payable") The first \$10,000 Note is secured by a security deposit held by a third-party (the "Security Deposit") and will be forgiven in full if Mr. Dale remains in the continuous employ of KJP until March 2024. The second Note of \$10,000 shall be secured by the Security Deposit upon forgiveness of the first \$10,000 Note and will be forgiven in full if Mr. Dale remains in the continuous employ of KJP until March 2025. The third Note of \$10,000 shall be secured by the Security Deposit upon forgiveness of the second \$10,000 Note and will be forgiven in full if Mr. Dale remains in the continuous employ of KJP until March 2026. (see also Footnote 8 - "Related Party Transactions")

Notes and Loans Receivable - Long Term

(xiii) A convertible note receivable from Axim Biotechnologies, Inc., face value \$4,000,000 (the "Note"), having a balance due of \$4,106,167 at September 30, 2023, including interest accrued thereon of \$106,167. In January 2023, the Company entered into a Modification and Default Waiver Agreement (the "Agreement") regarding the Note. Under the terms of the Agreement the Company agreed to waive and forfeit all interest accrued on the Note through December 31, 2022, in the aggregate amount of \$261,536.96, and to waive all prior defaults on the Note through the Effective Date of January 23, 2023. Interest shall accrue on the Note beginning January 1, 2023 at the original rate of 3.5% per annum through June 30, 2023, and shall be payable on that date. Thereafter, interest will be payable on a monthly basis beginning on August 1, 2023 until maturity of November 1, 2026. In addition, the Conversion Price for the Note was reduced from \$0.25 to \$0.075 (increasing the number of common shares of AXIM that the Note converts into by 37,333,333 shares).

Note 8: Related Party Transactions

(i) In December of 2018 the Company issued a convertible note, face value \$250,000, to General Hemp in exchange for management and consulting services rendered by General Hemp to the Company in the fiscal year ending December 31, 2018. (see also Footnote 5 – “Notes Payable” for a description of the convertible note)

(ii) In February of 2019 the Company received a promissory note, face value \$435,000, from Juniper & Ivy Corporation. The note was received in exchange for partial payment of a purchase of 500 shares of Series C Preferred Stock of Axim Biotechnologies, Inc. that was owned by the Company. Juniper & Ivy owns all 1,000,000 shares of the Company's Series A Preferred Stock. (see also Footnote 4 - "Capital Stock", a for a description of the Series A Preferred, and Footnote 7 - "Notes and Loans Receivable" for a description of the promissory note)

(iii) In July of 2019, the Company received a promissory note from General Hemp, face value \$2,314,043, 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. (see also Footnote 7 – “Notes and Loans Receivable” for a description of the promissory note)

(iv) In December of 2019 the Company issued a convertible note, face value \$250,000, to General Hemp in exchange for management and consulting services rendered by General Hemp to the Company in the fiscal year ending December 31, 2019. (see also Footnote 5 – “Notes Payable”).

(v) In February of 2022, notes payable were issued to the Company by Todd J. Morrow, the Company's former President and Chief Financial Officer, and Michelle L. Sides, the Company's former Director and CLO. Both notes are dated February 10, 2022; face value \$25,000 and are full recourse obligations of Mr. Morrow and Ms. Sides. (see also Footnote 7 - "Notes and Loans Receivable" for a description of the notes).

(vi) In February of 2023 the Company issued a convertible note, face value \$28,132, to Blake N. Schroeder, former Chairman and CEO of the Company, as reimbursement of unpaid business expenses that Mr. Schroeder incurred on behalf of the Company in 2022. (see also Footnote 5 – “Notes Payable” for a description of the convertible note)

(vii) In March of 2023, the Company issued a senior secured convertible note to General Hemp, face value \$540,000, as payment for a two-year consulting agreement. It is anticipated that by entering into the consulting agreement the Company will receive needed services valued at \$566,000 that the Company would otherwise pay for in cash. (see also Footnote 5 – “Notes Payable” for a description of the convertible note)

(viii) In March of 2023, the Company agreed to guarantee the payment of monthly consulting fees under a two (2) year consulting agreement between General Hemp and Mr. Schroeder. Under a revised agreement entered into in June of 2023, Mr. Schroeder is entitled to a final \$75,000 payment payable over 12 payments of \$6,250 per month beginning on July 15, 2023, which payments are guaranteed by the Company. If the Company makes any payments under the guaranty of Mr. Schroeder's payments, the Company will be entitled to offset such

guaranty payments against the senior secured convertible note mentioned in (xii) above. (see also Footnote 10 - "Contingencies")

(ix) In March of 2023, the Company acquired the remaining 6.6% of HempMeds Brazil, LLC (the Company already owned 93.4% of HempMeds Brazil, LLC prior to the acquisition) from General Hemp for the purchase price of \$550,000. Payment of the purchase price was made by issuing to General Hemp a senior secured convertible note, face value \$550,000. (see also Footnote 5 – "Notes Payable", for a description of the convertible note, and Footnote 9 - "Asset Acquisitions")

(x) In March of 2023, the Company issued a senior secured convertible note to Columbia & Beech Corporation ("C&B"), face value \$500,000, as payment for an 18 month consulting agreement. It is anticipated that by entering into the consulting agreement the Company will receive needed services valued at \$466,000 that the Company would otherwise pay for in cash. In addition, (see also Footnote 5 – "Notes Payable" for a description of the convertible note)

(xi) In March of 2023, the Company agreed to guarantee the payment of monthly consulting fees under a 17 month consulting agreement between C&B and Dr. Stuart Titus (former CEO and current spokesperson for the Company) and an 18 month consulting agreement between C&B and Michelle Sides, former director of the Company (the "C&B Consulting Agreements"). Under the C&B Consulting Agreements, Dr. Titus and Ms. Sides are entitled to aggregate monthly fees of \$25,000 (\$10,000 for Dr. Titus and \$15,000 for Ms. Sides) for the first 17 months and Ms. Sides is entitled to a final payment in the 18th month of \$15,000. If the Company makes any payments under the guaranty of the C&B Consulting Agreements, the Company will be entitled to offset such guaranty payments against the senior secured convertible note mentioned in (xiv) above. (see also Footnote 10 - "Contingencies")

(xii) In March of 2023, the Company issued two (2) convertible notes to Dr. Timothy R. Scott (the Company's new Chairman and CEO as of February 22, 2023), face value of \$100,000 each. Dr. Scott purchased the convertible notes by issuing to the Company two promissory notes each having a face amount of \$100,000 (\$200,000 total). The first of the promissory notes issued by Dr. Scott to the Company will be forgiven if he remains in the continuous employ of the Company until March 2024 and the second promissory note will be forgiven if Dr. Scott remains in the continuous employ of the Company until March 2025. (see also Footnote 5 - "Notes Payable", for a description of the convertible notes, and Footnote 7 - "Notes and Loans Receivable" for a description of the promissory notes)

(xiii) In March of 2023, the Company issued three (3) convertible notes to William Andreoli, former President of the Company's wholly-owned subsidiary, Kannaway, face value of \$40,000 each (\$120,000 total). Mr. Andreoli purchased the convertible notes by issuing to the Company three promissory notes each having a face amount of \$40,000 (\$120,000 total) each and two additional promissory notes each having a face amount of \$40,000 (\$80,000 total). The first of the promissory notes issued by Mr. Andreoli to the Company will be forgiven if he remains in the continuous employ of Kannaway until March 2024, the second promissory note will be forgiven if Mr. Andreoli remains in the continuous employ of Kannaway until March 2025, and the third promissory note will be forgiven if Mr. Andreoli remains in the continuous employ of Kannaway until March 2026. (see also Footnote 5 - "Notes Payable", for a description of the convertible notes, and Footnote 7 - "Notes and Loans Receivable" for a description of the promissory notes)

(xiv) In March of 2023, the Company issued three (3) convertible notes to Peter Dale, Vice President of Kannaway's wholly-owned subsidiary, Kannaway Japan ("KJP"), face value of \$10,000 each (\$30,000 total). Mr. Dale purchased the convertible notes by issuing to the Company three promissory notes each having a face amount of \$10,000 (\$30,000 total) each and two additional promissory notes each having a face amount of \$40,000 (\$80,000 total). The first of the promissory notes issued by Mr. Dale to the Company will be forgiven if he remains in the continuous employ of KJP until March 2024, the second promissory note will be forgiven if Mr. Dale remains in the continuous employ of KJP until March 2025, and the third promissory note will be forgiven if Mr. Dale remains in the continuous employ of KJP until March 2026. (see also Footnote 5 - "Notes Payable", for a description of the convertible notes, and Footnote 7 - "Notes and Loans Receivable" for a description of the promissory notes)

(xv) In March of 2023, the Company sold a \$150,000 convertible note to Columbia & Beech Corporation in exchange for \$15,000 cash and a 9-month promissory note, face value \$135,000. (see also Footnote 5 - "Notes Payable", for a description of the convertible note, and Footnote 7 - "Notes and Loans Receivable" for a description of the promissory note)

(xvi) In June 2023, the Company issued a \$50,000 convertible note to General Hemp in exchange for \$50,000 in cash (see also Footnote 5 – "Notes Payable", for a description of the convertible note)

(xvii) In July 2023, the Company issued a \$131,456 convertible note to General Hemp in exchange for \$131,456 in cash (see also Footnote 5 – "Note Payable", for a description of the convertible note)

Note 9: Asset Acquisitions

In September of 2022 the Company's wholly-owned subsidiary, Kannaway USA, LLC ("Kannaway") purchased the assets of Mfinity Global, LLC ("Mfinity") for \$2,204,048, including inventory of \$62,826 (Mfinity is a direct-selling organization focused on promoting Natural Health products). The purchase price is paid through royalties totaling 10% of the sales of products made by Mfinity sales affiliates that signed on as brand ambassadors of Kannaway. Mfinity has no other recourse for payment of the purchase price. Accordingly, the Company records the purchase price in long term liabilities, net of estimated royalty payments payable within 12 months. At September 30, 2023 the long term outstanding Mfinity purchase price liability was \$2,077,219. The Company records the Mfinity asset at cost, net of inventory, in intangible assets.

In March of 2023 the Company acquired a senior secured note issued by Kannalife Sciences, Inc., a 99.6% owned subsidiary of Neuropathix, Inc. (Symbol: NPTX), in exchange for a \$620,000 convertible note issued by the Company to the third-party seller of the NPTX secured note. The Company carries the NPTX \$620,000 secured note as a current asset at cost under notes and loans receivable. (see also Footnote 5 - "Notes Payable")

In March of 2023 the Company acquired the remaining 6.6% of HempMeds Brazil, LLC (the Company already owned 93.4% of HempMeds Brazil, LLC) from General Hemp for the purchase price of \$550,000. Payment of the purchase price was made by issuing to General Hemp a senior secured convertible note, face value of \$550,000. The Company records the asset at cost in Investments. (see also Footnote 5 - "Notes Payable" for a description of the convertible note)

In July of 2023 the Company acquired from eXfuzer, LLC all its rights, title and interest in eXfuzer's assets and properties used in the KZ1 Japanese business. eXfuzer is a direct-selling organization which sold the FOCUS and Resonance brands in Japan. The purchase included all of eXfuzer's inventory of FOCUS products, valued at \$31,456, and Resonance inventory valued at \$618,495. The purchase price of \$5,031,456 was made by issuing to General Hemp two secured convertible notes, face value of \$181,456. The balance of the purchase price will be paid through royalties of 10% of product sales made by KZ1 and Kannaway Brand Ambassadors. Accordingly, the Company records the purchase price in long-term liabilities, net of estimated royalties payments payable within 12 months. At September 30, 2023 the long term outstanding eXfuzer, LLC purchase price liability was \$4,376,291. The Company records the Mfinity asset at cost, net of inventory, in intangible assets. (see also Footnote 5 – "Notes Payable" for a description of the convertible notes)

Note 10: Contingencies

The Company records its future long term lease payment obligations under Long Term Liabilities. At September 30, 2023, the Company's long term lease payment obligations over the next approximately 9 years totaled \$32,801,232.

In March of 2023, the Company agreed to guarantee the payment of monthly consulting fees under a two (2) year consulting agreement between General Hemp and Blake Schroeder, the former CEO of the Company. The agreement was revised in June of 2023, and under the revised agreement Mr. Schroeder is entitled to a final \$75,000 payment payable over 12 payments at \$6,250 per month beginning on July 15, 2023, which payments are guaranteed by the Company. If the Company makes any payments under the guaranty, it will be entitled to offset such guaranty payments against a senior secured convertible note, face value \$540,000, issued to General Hemp. At September 30, 2023 Mr. Schroeder had \$56,250 of future fees due under the revised agreement with General Hemp. (see also Footnote 5 - "Notes Payable", for a description of the convertible note, and Footnote 8 - "Related Party Transactions")

In March of 2023, the Company agreed to guarantee the payment of monthly consulting fees under a 17-month consulting agreement between Columbia & Beech Corporation ("C&B") and Dr. Stuart Titus (former CEO and current spokesperson for the Company) and an 18-month consulting agreement between C&B and Michelle Sides, former director of the Company (the "C&B Consulting Agreements"). Under the C&B Consulting Agreements, Dr. Titus and Ms. Sides are entitled to aggregate monthly fees of \$25,000 (\$10,000 for Dr. Titus and \$15,000 for Ms. Sides) for the first 17 months and Ms. Sides is entitled to a final payment in the 18th month of \$15,000. If the Company makes any payments under the guaranty of the C&B Consulting Agreements, the Company will be entitled to offset such guaranty payments against a senior secured convertible note, face value \$500,000, issued to C&B. At September 30, 2023 Dr. Titus and Ms. Sides had an aggregate of \$265,000 of future consulting fees due under the C&B Consulting Agreements. (see also Footnote 5 - "Notes Payable", for a description of the convertible note, and Footnote 8 - "Related Party Transactions")

Note 11: Stock Issuances

Common Stock

None.

Preferred Stock

None.

Note 12: 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 13: Other Income/Expense

For the period ended September 30, 2023, the Company recorded a net loss of \$931,983 under Total Other Income/(Loss), which includes: (i) \$67,545 of interest income, (ii) \$35,108 of interest expense, (iii) other income of \$35,143, (iv) other expense of \$726,697 (of which \$221,039 are unrealized foreign exchange gains), and (v) a net loss on investments of \$272,866 which consists of a non-cash item that represents changes in the fair value of investments held by the Company (Neuropathix, Inc. - Symbol: NPTX and Axim Biotechnologies, Inc. - Symbol: AXIM).

Note 14: Subsequent Events

None.