

DISCLOSURE STATEMENT

MEDICAL MARIJUANA, INC.

AN OREGON CORPORATION

13831 Danielson, Poway, CA 92064
(866) 273-8502

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



As of December 31, 2018, the number of shares outstanding of our Common Stock was: 3,562,197,168

As of September 30, 2018, the number of shares outstanding of our Common Stock was: 3,464,827,406

Indicate by check mark whether the company is a shell company (as defined by Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934).

Yes No

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

Yes No

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

Yes No

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

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

FORWARD LOOKING STATEMENTS

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

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

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 OF THE ISSUER AND ITS PREDECESSORS (IF ANY)

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

Has the issuer or any of its Predecessors ever been in bankruptcy, receivership, or any similar proceeding in the past five years: Yes No

2. SECURITY INFORMATION

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	As of December 31, 2018
Total shares outstanding:	3,562,197,168	As of December 31, 2018
Number of shares in the public float:	2,148,156,858	As of December 31, 2018
Total number of shareholders of record:	919 ⁽¹⁾	As of December 31, 2018

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

Transfer Agent

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

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

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

None

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

None

3. ISSUANCE HISTORY

A. Changes to the Number of Outstanding Shares

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods:

The Changes to the Number of Outstanding Shares is attached as Exhibit A to this Disclosure Statement.

B. Debt Securities, Including Promissory and Convertible Notes

Check this box if there are no outstanding promissory, convertible notes or debt arrangements:

The Debt Securities, Including Promissory and Convertible Notes is attached as Exhibit B to this Disclosure Statement.

4. FINANCIAL STATEMENTS

Our Financial Statements are attached as Exhibit C to this Disclosure Statement.

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

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

5. ISSUER'S BUSINESS, PRODUCTS AND SERVICES

A. Business Operations.

1. Medical Marijuana Inc. (OTC Pink Sheets; MJNA) is the first publicly held company vested in the cannabis and industrial hemp space in America. Through our subsidiaries and investment holdings we focus 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"). Our products are formulated for the pharmaceutical, nutraceutical and cosmeceutical industries, including dietary supplements, prescription-based hemp oil for sale in countries that have legalized our hemp oil for the treatment of various illnesses and conditions (such as Brazil and Mexico) and skin care products. We are not in the business of selling or dispensing either recreational or medical marijuana, directly or indirectly, so long as marijuana remains a federally controlled substance. However, we are poised and consider ourselves well-positioned for eventual cannabis legalization. Our products contain only those substances that are derived from the part of the cannabis plant that is excluded from the definition of marijuana under the Controlled Substances Act and are both federally legal and outside of the purview of the Drug Enforcement Administration).

2. We are not now, nor have we ever been, a "shell company."

3. 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 us to have to take serious corrective actions, changes in business plan, or even close or stop its business practices and/or operations.

4. We, on a consolidated basis, have approximately 90 employees (including subsidiaries) as of the date of this Disclosure Statement.

B. Subsidiaries, Parents, or Affiliated Companies.

1. Direct Internet Presence.

Medical Marijuana, Inc. maintains an online presence to provide investor relations and educational information and news relating to medical marijuana and the cannabis industry. The company also maintains an ecommerce website for sales of quality cannabidiol and ancillary products.

2. Subsidiary Operations. We have operations through the following subsidiaries:

Kannaway[®], LLC (100% owned)

Kannaway[®], LLC is a direct selling company which distributes quality cannabidiol (“CBD”) hemp oil-based products for the entire family, including pets, that promote a healthy lifestyle. As the first Cannabis based direct selling company, Kannaway[®] has become what is termed as a “Category Creator”. Kannaway[®] markets its products in the United States and the European Union and will look to expand in Canada and Mexico in the near future.

Kannaway[®] DE Mexico S.A. DE C.V. (100% owned)

Kannaway[®] DE Mexico S.A DE C.V. is Kannaway[®]'s Mexican based subsidiary which operates Kannaway[®]'s Mexico operations.

Kannaway[®] Europe B.V. (100% owned)

Kannaway[®] Europe B.V. is Kannaway's European based subsidiary which is located in The Netherlands and operates Kannaway[®]'s European operations. A Polish subsidiary has also been established by Kannaway[®] to provide customer support, marketing and logistics for European operations.

HempMeds[®] Mexico S.A. DE C.V. (100% owned)

HempMeds[®] Mexico S.A. DE C.V. is our Mexico based subsidiary which focuses on providing non-psychoactive cannabidiol products to the Mexican people. HempMeds[®] Mexico was the first company to have a medical cannabis product approved for import into Mexico which is in the process of restructuring national policies regarding cannabis.

HempMeds[®] Mexico supports patients as they navigate the process of approval for HempMeds[®] RSHO-X[™], product which is currently available with a prescription. The HempMeds[®] Mexico team assists patients in applying for a certificate for import and allows approved patients to order RSHO-X[™] directly from its website.

HempMeds[®] Mexico facilitates the process for all qualifying patients who are interested in accessing CBD hemp oil. Medical Marijuana, Inc. and HempMeds[®] Mexico are also working with partners and health organizations in Mexico to improve the approval process that applications must go through, so patients can become approved for RSHO-X[™] more easily and efficiently.

HempMeds[®] PX, LLC (100% owned)

HempMeds[®] PX, LLC is our primary distributor, operating through our other subsidiaries and affiliates to distribute our portfolio of products.

Real Scientific Hemp Oil[®]

HempMeds[®]PX 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[®]CBD hemp oil supplements contain from 10-30% CBD content, and is offered in 3 varieties. Our RSHO[®] Blue Label is the most popular version of our CBD hemp oil products, going through a decarboxylation process before being made ready for consumption. RSHO[®] Gold Label is decarboxylated like our Blue Label product, then goes through an additional filtration process, creating a golden oil with great taste and smoother consistency.

RSHO® Green Label 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.

HempMeds® Brazil, LLC (93.4% owned)

HempMeds® Brazil currently has three cannabis 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.

CanChew® Biotechnologies, LLC (50% owned)

CanChew® Biotechnologies, LLC ("CanChew® Biotech") focuses on the treatment of pain and other medical disorders with the application of chewing gum-based cannabis/cannabinoid medical products. CanChew® Biotech is focused on the R&D and execution of their clinical development plan and the out-licensing of their technology. Patents related to the chewing gum technology held by CanChew® Biotech include U.S. Patent No. 9,023,322 and 9,433,601. Clinical development focuses on the R&D of the formulation, production and the development of chewing gum-based products for the treatment of issues like pain, nausea and vomiting, anorexia, spasticity and various other medical issues.

In May of 2015, CanChew® Biotech entered into a 50 year, worldwide, exclusive intellectual property licensing agreement ("Agreement") with AXIM® Biotechnologies, Inc. (OTCQB: AXIM) whereby it licensed all of its intellectual properties to AXIM®, including its proprietary CanChew® formulation of gum-based oral mucosal delivery system. AXIM® is required to pay CanChew® Biotech a royalty fee of approximately 2-3% of all gross sales derived from products produced by AXIM® under the Agreement. Should AXIM® remain in compliance with the Agreement, it has the option to purchase the licensed intellectual property after 5 years at a purchase price equal to fifty percent (50%) of the annual royalty fee paid.

Phyto Animal Health, LLC (100% Owned)

Phyto Animal Health provides plant-based, non-GMO pet products for health & wellness, play & wear, and environmentally-friendly supplies. Phyto Animal Health is dedicated to providing an all-natural alternative to the harsh chemical-based products often given to pets and hemp-based CBD supplements and chemical-free hemp animal bedding and litter are designed specifically to promote the health and wellness of the animal members of your family.

3. Investment Holdings. We have the following investment holdings.

i. Kannalife, Inc. (Approximate 26% common equity ownership)

Kannalife™ Sciences, Inc. ("Kannalife"™) is a bio-pharmaceutical and phyto-medical company involved in the research and development of novel new therapeutic agents designed to reduce oxidative stress, and act as immuno-modulators and neuroprotectants. Kannalife™ currently holds two licenses with National Institutes of Health – Office of Technology Transfer for the Commercialization of U.S. Patent #6630507, "Cannabinoids as Antioxidants and Neuroprotectants". The first license, issued in June 2012, is an exclusive license to develop commercial drug candidates for the treatment of Hepatic Encephalopathy ("HE"). The second license, issued in July 2014, is a license to develop commercial drug candidates for the treatment of Chronic Traumatic Encephalopathy ("CTE"). Kannlife™ is currently conducting research and development at the Bucks County Pennsylvania Biotechnology Center in Doylestown, PA, and has filed its first PCT ("Patent Cooperation Treaty") application with the United States Patent and Trademark Office (the "USPTO")

as the receiving office for an international phase entry patent application covering Kannalife™'s novel cannabidiol-like target drug candidates for the treatment of certain neurological disorders and as a novel neuroprotectant for the treatment of HE and CTE. HE and CTE are both neurodegenerative and oxidative stress related diseases that affects the hippocampus which controls cognitive and behavioral functions in humans.

ii. AXIM® Biotechnologies, Inc. (Approximate 38% common equity ownership)

AXIM® Biotechnologies, Inc. (“AXIM®” - OTCBB: AXIM). AXIM® is an innovative biotechnology company working on the treatment of pain, spasticity, anxiety and other medical disorders with the application of cannabinoids based products as well as focusing on research, development and production of pharmaceutical, nutraceutical, oral health and cosmetic products as well as procurement of genetically and nano-controlled active ingredients. AXIM® intends to broaden its current operations to include pharmaceutical products, manufacturing facilities, genetically controlled botanical products, extraction and purification of biomaterials technologies.

C. Principal products or services and their markets:

Medical Marijuana, Inc. is comprised of a diversified portfolio of products, services, technology and businesses solely focused on the Legal Hemp industry. Our services include development of cannabinoid based health and wellness products, and the development of medical grade compounds as further discussed below.

6. ISSUER'S FACILITIES

We lease a 14,274 square foot facility in Poway, California which includes, executive offices, warehouse and a distribution center. We lease an additional 18,500 square feet of office space in San Diego, California.

7. OFFICERS, DIRECTORS, AND CONTROL PERSONS

Beneficial Ownership

The following table indicates the Beneficial Ownership of our Officers, Directors and Shareholders of 5% or more based upon 3,562,197,168 shares outstanding as of December 31, 2018.

Name	Affiliation	Address	# Shares	Type	%
Stuart W. Titus (1)	Chairman CEO President Acting CFO	13831 Danielson Poway, CA 92064	68,000,000	Common	1.91%
Blake N. Schroeder	COO	13831 Danielson Poway, CA 92064	40,000,000	Common	1.12%
Michael L. Corrigan	SEC	13831 Danielson Poway, CA 92064	500,000	Common	(3)
Michelle Sides, Esq. (2)	Director	13831 Danielson Poway, CA 92064	89,283,877	Common	2.51%
Timothy R. Scott, PhD	Director	13831 Danielson Poway, CA 92064	750,000	Common	(3)
Robert L. Cunningham	Director	13831 Danielson Poway, CA 92064	750,000	Common	(3)
Chris Prine	Director	13831 Danielson Poway, CA 92064	750,000	Common	(3)
Columbia & Beech Corporation	Affiliate	550 West C Street Suite 2040 San Diego, CA 92121	463,994,614	Common	13.03%
General Hemp, LLC (4)	Affiliate	550 West C Street Suite 2040 San Diego, CA 92101	662,828,203	Common	18.61%

- (1) Does not include any shares held by General Hemp, LLC ("GH") of which Dr. Titus is a 9.42% owner and member of a three-person Executive Committee that manages the affairs of GH (GH has a two-member Special Committee having sole voting and dispositive authority over GH's investments in the Company. Dr. Titus is not a member of the Special Committee).
- (2) Does not include any shares held by Columbia & Beech Corporation (formerly known as Hemp Deposit and Distribution Corporation), of which Ms. Sides claims a 50% ownership interest.
- (3) Less than 1%.
- (4) Does not include the 68,000,000 shares shown owned by Dr. Titus individually.

Professional Background of our Officers and Directors

Stuart W. Titus, PhD - Chairman of the Board, CEO, President, Acting CFO

Dr. Titus began his association with our family of companies in 2009, playing a pivotal role in raising capital among several other duties. Dr. Titus' expertise in finance was forged on Wall Street, where he worked as a bond trader for eleven years, managing a trading and underwriting department as a V.P. for CS First Boston Corp. Dr. Titus is a graduate of Rollins College in Winter Park, Florida, where he majored in Economics and minored in Business Administration. He earned his PhD degree from the Open International University which is a World Health Organization (WHO) chartered affiliate.

Following his work on Wall Street Dr. Titus worked as a British Physiotherapist for over 15 years having run clinics that specialized in integrative pain management and injury rehabilitation. Dr. Titus remains active in the medical community with specific interest in electro-physiotherapy as well as in anti-aging medicine. He holds a Fellowship with the American Academy of Pain Management and clinical association with the American Association of Integrative Medicine. Dr. Titus has unique first-hand experience with hemp oil products as nutritional supplements, having found great relief from a nerve-related disorder after beginning a regimen of high-concentration CBD therapeutic hemp products combined with hemp oil (health food store).

Blake N. Schroeder, J.D. - Chief Operating Officer

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

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

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

Michelle Sides, J.D. - Director

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

Timothy R. Scott, PhD – Director

From September 2001 to May 2008, Dr. Scott served on the Board of Directors of Naturewell, Incorporated, a publicly traded company engaged in the nutraceutical and homeopathic drug business. From April 1998 to June 2000, Dr. Scott served as a member of the Board of Directors of ICH Corporation, an American Stock Exchange listed company which owned 265 fast food and family dining restaurants having approximately \$265 million in revenues and 7,800 employees, and as a member of ICH's compensation committee. Dr. Scott currently serves as Chairman of the Board of Directors, President and Senior Pastor of a 1,200-member church located in San Diego, California and as Chairman and President of Project Reach World, Inc., a 501(c)(3) charitable organization. Dr. Scott received his Ph.D. in theology from Christian University in 1981 and served as a professor of philosophy and religion at Pacific International College from 1981 to 1985.

Robert L. Cunningham – Director

Robert “Bob” Cunningham has over 40 years of executive management experience in financial services and venture capital. He currently is the Chief Executive Officer of Preferred Dealer Programs LLC, a venture funded firm developing electronic payment technologies for banks. Prior to joining PDP he was the founding partner in Placer Financial Group, a nationwide mortgage and real estate development company. Mr. Cunningham also served as Trustee for the U.S. Department of Justice, and as a member of the board for numerous firms, including Allied Commercial Corporation, Vermillion Development, Pacific Building Industries Corporation and Bond HD Hospitality Group.

Chris Prine - Director

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

8. Legal/Disciplinary History

No Disciplinary History

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

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

Legal Proceedings

In the ordinary course of business, we vigorously defend against and prosecutes various legal actions. The following is a summary of outstanding, potentially material, legal actions we are a party to.

1. *Medical Marijuana, Inc. & HempMeds® PX, LLC v. CannLabs, Inc.* San Diego Superior Court Case No. 37-2014-00036039-CU-DF-CTL (Complaint filed October 22, 2014). Medical Marijuana, Inc. and HempMeds PX, LLC have filed a \$100,000,000 California Superior Court libel action against Project CBD.com, Aaron Miguel Cantu and Martin Lee for damages resulting from false and libelous statements made by the defendants in regard to HempMeds® PX, LLC's RSHO® product.

9. THIRD PARTY PROVIDERS.

Securities Counsel:

Law Offices of Michael L. Corrigan
Michael L. Corrigan, Esq.
10525 Vista Sorrento Parkway, #210
San Diego, CA, 92121

Shareholder Inquires:

Please call (888) 764-0700

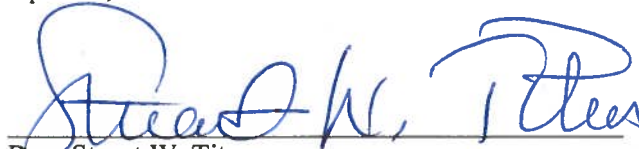
10. ISSUER CERTIFICATION

Principal Executive Officer and Principal Financial Officer

I, Stuart W. Titus, 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.

April 16, 2019



By: Stuart W. Titus

Its: Chief Executive Officer and Principal Financial Officer

Its: Director

Exhibit A
Changes to the Number of Outstanding Shares

Number of shares outstanding as of 12/31/16 3,125,187,381	Opening Balance Common: 3,125,187,381 Preferred: 0								
	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)	Exemption or Registration Type?
1/4/2017	New	6,063,546	C	0.0825	Y	Chicago Ventures Partners-John Fife	Debt Conversion	NO	4(a)(2)
1/18/2017	New	500,000	C	0.1700	N	Thompson Burton PLLC - Kevin Thompson	Compensation	R	4(a)(2)
2/6/2017	New	4,741,898	C	0.1054	Y	Chicago Ventures Partners-John Fife	Debt Conversion	NO	4(a)(2)
2/15/2017	New	9,701,493	C	0.0387	Y	TL-66, LLC -James Arabia	Debt Conversion	NO	4(a)(2)
3/17/2017	New	9,368,527	C	0.0400	Y	TL-66, LLC -James Arabia	Debt Conversion	NO	4(a)(2)
4/21/2017	New	6,317,359	C	0.0791	Y	Chicago Ventures Partners-John Fife	Debt Conversion	NO	4(a)(2)
6/6/2017	New	20,692,652	C	0.0362	Y	TL-66, LLC -James Arabia	Debt Conversion	NO	4(a)(2)
8/14/2017	New	8,680,544	C	0.0432	Y	TL-66, LLC -James Arabia	Debt Conversion	NO	4(a)(2)
8/14/2017	New	9,326,619	C	0.0402	Y	TL-66, LLC -James Arabia	Debt Conversion	NO	4(a)(2)
8/14/2017	New	100,000	C	0.0877	N	Jeff Lessard	Compensation	R	4(a)(2)
8/14/2017	New	200,000	C	0.0877	N	Jeff Lessard	Compensation	R	4(a)(2)
8/14/2017	New	400,000	C	0.0877	N	Jeff Lessard	Compensation	R	4(a)(2)
8/14/2017	New	100,000	C	0.0877	N	Valerie Aloisio	Compensation	R	4(a)(2)
8/14/2017	New	100,000	C	0.0877	N	Randy Schroeder	Compensation	R	4(a)(2)
8/14/2017	New	200,000	C	0.0877	N	Randy Schroeder	Compensation	R	4(a)(2)
8/14/2017	New	100,000	C	0.0877	N	George Todd Richie	Compensation	R	4(a)(2)
8/14/2017	New	100,000	C	0.0877	N	Dana Neubert	Compensation	R	4(a)(2)
8/14/2017	New	100,000	C	0.0877	N	Nicole Neubert	Compensation	R	4(a)(2)
8/14/2017	New	100,000	C	0.0877	N	Damian Callais	Compensation	R	4(a)(2)
9/8/2017	New	700,000	C	0.0877	N	Jeff Lessard	Compensation	R	4(a)(2)
9/8/2017	New	100,000	C	0.0877	N	Samantha Schroeder	Compensation	R	4(a)(2)
9/8/2017	New	200,000	C	0.0877	N	Damian Callais	Compensation	R	4(a)(2)
9/8/2017	New	200,000	C	0.0877	N	George Todd Richie	Compensation	R	4(a)(2)
9/8/2017	New	200,000	C	0.0877	N	Valerie Aloisio	Compensation	R	4(a)(2)
9/8/2017	New	400,000	C	0.0877	N	Valerie Aloisio	Compensation	R	4(a)(2)
9/8/2017	New	400,000	C	0.0877	N	Randy Schroeder	Compensation	R	4(a)(2)
9/8/2017	New	100,000	C	0.0877	N	Karen Miles Lucas	Compensation	R	4(a)(2)
9/8/2017	New	100,000	C	0.0877	N	Juraj Mojzis	Compensation	R	4(a)(2)
10/1/2017	New	750,000	C	0.0100	Y	Tim Scott	Purchase	R	4(a)(2)
10/1/2017	New	750,000	C	0.0100	Y	Bob Cunninham	Purchase	R	4(a)(2)
10/1/2017	New	750,000	C	0.0100	Y	Chris Prine	Purchase	R	4(a)(2)
10/9/2017	New	7,139,925	C	0.0056	Y	Chicago Ventures Partners-John Fife	Debt Conversion	NO	4(a)(2)
10/27/2017	New	2,260,696	C	0.0495	Y	George E. Anastassov	Debt Conversion	NO	4(a)(2)
10/27/2017	New	2,260,696	C	0.0495	Y	Lekhrum Changoer	Debt Conversion	NO	4(a)(2)
10/27/2017	New	2,260,696	C	0.0495	Y	Philippus Ann Van Dam	Debt Conversion	NO	4(a)(2)
11/9/2017	New	7,751,609	C	0.0047	Y	Chicago Ventures Partners-John Fife	Debt Conversion	NO	4(a)(2)
11/10/2017	New	8,652,711	C	0.0433	Y	TL-66, LLC -James Arabia	Debt Conversion	NO	4(a)(2)
11/10/2017	New	8,747,905	C	0.0429	Y	TL-66, LLC -James Arabia	Debt Conversion	NO	4(a)(2)
12/6/2017	New	6,430,145	C	0.0622	Y	Chicago Ventures Partners-John Fife	Debt Conversion	NO	4(a)(2)
12/20/2017	New	3,167,564	C	0.0631	Y	Chicago Ventures Partners-John Fife	Debt Conversion	NO	4(a)(2)
12/29/2017	New	9,723,844	C	0.0617	N	TL-66, LLC -James Arabia	Debt Conversion	NO	4(a)(2)
12/29/2017	New	5,531,192	C	0.0678	N	TL-66, LLC -James Arabia	Debt Conversion	NO	4(a)(2)
1/4/2018	New	3,000,000	C	0.0686	N	Chicago Ventures Partners-John Fife	Debt Conversion	NO	4(a)(2)
1/4/2018	New	2,826,912	C	0.0586	N	Chicago Ventures Partners-John Fife	Debt Conversion	NO	4(a)(2)
1/4/2018	New	4,000,000	C	0.0700	N	Chicago Ventures Partners-John Fife	Debt Conversion	NO	4(a)(2)
1/4/2018	New	3,140,511	C	0.0700	N	Chicago Ventures Partners-John Fife	Debt Conversion	NO	4(a)(2)
1/9/2018	New	1,000,000	C	0.1000	N	Michael Coleman	Compensation	R	4(a)(2)
1/17/2018	New	5,457,140	C	0.0712	N	Chicago Ventures Partners-John Fife	Debt Conversion	NO	4(a)(2)
1/17/2018	New	5,457,140	C	0.0712	N	Chicago Ventures Partners-John Fife	Debt Conversion	NO	4(a)(2)
1/19/2018	New	100,000	C	0.1100	N	Melissa Marie Temple	Compensation	R	4(a)(2)
1/19/2018	New	100,000	C	0.1100	N	Rafel Lopatka	Compensation	R	4(a)(2)
2/16/2018	New	50,000,000	C	0.0100	Y	Stuart W. Titus	Purchase	R	4(a)(2)
2/16/2018	New	40,000,000	C	0.0100	Y	Blake N. Schroeder	Purchase	R	4(a)(2)
2/16/2018	New	10,000,000	C	0.0100	Y	Michelle L. Sides	Purchase	R	4(a)(2)
2/21/2018	New	100,000	C	0.1100	N	Melissa Marie Temple	Compensation	R	4(a)(2)
2/21/2018	New	1,000,000	C	0.1100	N	Randy Schroeder	Compensation	R	4(a)(2)
2/21/2018	New	200,000	C	0.1100	N	Samantha Schroeder	Compensation	R	4(a)(2)
3/13/2018	New	1,333,333	C	0.0999	N	Mauricio J. Gatto	Compensation	R	4(a)(2)
3/20/2018	New	400,000	C	0.1000	N	Samantha Schroeder	Compensation	R	4(a)(2)
3/20/2018	New	200,000	C	0.1000	N	Rafel Lopatka	Compensation	R	4(a)(2)
3/20/2018	New	100,000	C	0.1000	N	Beate Emmer	Compensation	R	4(a)(2)
3/21/2018	New	400,000	C	0.1000	N	Juraj Mojzis	Compensation	R	4(a)(2)
4/6/2018	New	100,000	C	0.1000	N	Kimberlee Sheppard	Compensation	R	4(a)(2)
4/23/2018	New	4,500,000	C	0.0652	N	Chicago Ventures Partners-John Fife	Debt Conversion	NO	4(a)(2)
4/23/2018	New	4,703,442	C	0.0652	N	Chicago Ventures Partners-John Fife	Debt Conversion	NO	4(a)(2)
5/18/2018	New	4,156,852	C	0.0722	N	Chicago Ventures Partners-John Fife	Debt Conversion	NO	4(a)(2)
5/24/2018	New	4,168,983	C	0.0720	N	Chicago Ventures Partners-John Fife	Debt Conversion	NO	4(a)(2)
5/31/2018	New	1,666,667	C	0.1020	N	Aleksay Grapov	Compensation	R	4(a)(2)
6/8/2018	New	5,558,644	C	0.0072	N	Chicago Ventures Partners-John Fife	Debt Conversion	NO	4(a)(2)
6/12/2018	New	5,587,290	C	0.0671	N	TL-66, LLC -James Arabia	Debt Conversion	NO	4(a)(2)

Exhibit A
Changes to the Number of Outstanding Shares

6/20/2018	New	2,789,284	C	0.0072	N	Chicago Ventures Partners-John Fife	Debt Conversion	NO	4(a)(2)
6/30/2018	New	1,666,667	C	0.1010	N	James Gibson	Compensation	R	4(a)(2)
6/30/2018	New	10,000,000	C	0.0010	Y	Brad J. Tayles	Purchase	R	4(a)(2)
7/6/2018	New	4,277,160	C	0.0701	N	Chicago Ventures Partners-John Fife	Debt Conversion	NO	4(a)(2)
7/11/2018	New	200,000	C	0.0990	N	Beate Emmer	Compensation	R	4(a)(2)
7/11/2018	New	100,000	C	0.0990	N	Renita Brannan	Compensation	R	4(a)(2)
8/6/2018	New	5,106,122	C	0.0588	N	Chicago Ventures Partners-John Fife	Debt Conversion	R	4(a)(2)
8/21/2018	New	700,000	C	0.1027	N	Juraj Mojzis	Compensation	R	4(a)(2)
8/21/2018	New	200,000	C	0.1027	N	Beate Emmer	Compensation	R	4(a)(2)
8/21/2018	New	100,000	C	0.1027	N	Renita Brannan	Compensation	R	4(a)(2)
8/21/2018	New	100,000	C	0.1027	N	Franz & Hana Pollak	Compensation	R	4(a)(2)
9/7/2018	New	1,000,000	C	0.0909	N	Jeff Lessard	Compensation	R	4(a)(2)
9/7/2018	New	1,000,000	C	0.0909	N	Valerie Aloisio	Compensation	R	4(a)(2)
9/7/2018	New	200,000	C	0.0909	N	Franz & Hana Pollak	Compensation	R	4(a)(2)
9/7/2018	New	100,000	C	0.0909	N	Karen Boger	Compensation	R	4(a)(2)
9/7/2018	New	100,000	C	0.0909	N	Jill Levine	Compensation	R	4(a)(2)
9/10/2018	New	4,774,257	C	0.0628	N	Chicago Ventures Partners-John Fife	Debt Conversion	NO	4(a)(2)
9/27/2018	New	500,000	C	0.0909	N	Peter and Diane Woodward	Compensation	R	4(a)(2)
9/27/2018	New	2,000,000	C	0.0909	N	Dion Markgraaff	Compensation	R	4(a)(2)
10/1/2018	New	100,000	C	0.0652	N	Melissa Marie Temple	Compensation	R	4(a)(2)
10/1/2018	New	500,000	C	0.0888	N	Levan Darjania	Compensation	R	4(a)(2)
10/1/2018	New	100,000	C	0.0888	N	Bill Wilkinson	Compensation	R	4(a)(2)
10/1/2018	New	700,000	C	0.0969	N	Randy Schroeder	Compensation	R	4(a)(2)
10/1/2018	New	200,000	C	0.0969	N	Juraj Mojzis	Compensation	R	4(a)(2)
10/1/2018	New	700,000	C	0.1035	N	Valerie Aloisio	Compensation	R	4(a)(2)
10/3/2018	New	4,804,612	C	0.0624	N	Chicago Ventures Partners-John Fife	Debt Conversion	NO	4(a)(2)
10/31/2018	New	5,146,945	C	0.0583	N	Chicago Ventures Partners-John Fife	Debt Conversion	NO	4(a)(2)
11/6/2018	New	100,000	C	0.1081	N	Lene West	Compensation	R	4(a)(2)
11/7/2018	Cancel	(200,000)	C	0.1027	N	Beate Emmer	Compensation	R	4(a)(2)
11/14/2018	New	1,666,667	C	0.0800	N	Stephen Jones	Compensation	R	4(a)(2)
11/14/2018	New	1,250,000	C	0.0800	N	Brooke Beers	Compensation	R	4(a)(2)
11/14/2018	New	416,667	C	0.0800	N	Mary Suzane Thibodeau	Compensation	R	4(a)(2)
11/14/2018	New	666,667	C	0.0800	N	Robert Brannin	Compensation	R	4(a)(2)
11/16/2018	New	100,000	C	0.9400	N	Csaba Devenyi	Compensation	R	4(a)(2)
11/16/2018	New	5,585,240	C	0.0537	N	Chicago Ventures Partners-John Fife	Debt Conversion	NO	4(a)(2)
12/4/2018	New	6,593,407	C	0.0455	N	Chicago Ventures Partners-John Fife	Debt Conversion	NO	4(a)(2)
11/7/2018	Cancel	(100,000)	C	0.1027	N	Renita Brannan	Compensation	R	4(a)(2)
12/7/2018	New	700,000	C	0.1055	N	Samantha Schroeder	Compensation	R	4(a)(2)
12/13/2018	New	100,000	C	0.1090	N	Lajos Farkas	Compensation	R	4(a)(2)
12/13/2018	New	400,000	C	0.1090	N	Franz & Hana Pollak	Compensation	R	4(a)(2)
12/13/2018	New	1,000,000	C	0.1090	N	Juraj Mojzis	Compensation	R	4(a)(2)
12/18/2018	New	8,900,757	C	0.0449	N	Chicago Ventures Partners-John Fife	Debt Conversion	NO	4(a)(2)
12/31/2018	New	57,938,800	C	-	N	Michelle L. Sides	Compensation	R	4(a)(2)

Number of shares outstanding as of 12/31/18 3,562,197,168	Ending Balance	
	Common: 3,562,197,168 Preferred: 0	

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.)
3/29/2017	\$2,006,050	\$5,500,000	\$553,269	7/31/2019	70% of the average three (3) lowest closing bid prices in the 20-days prior to conversion	Chicago Venture Partners, L.P. - John Fife	Working Capital
12/11/2017	\$5,575,177	\$5,500,000	\$303,205	4/12/2020	70% of the average three (3) lowest closing bid prices in the 20-days prior to conversion	Chicago Venture Partners, L.P. - John Fife	Working Capital
11/28/2018	\$8,800,000	\$8,841,468	\$31,468	8/29/2021	70% of the average three (3) lowest closing bid prices in the 20-days prior to conversion	Atlas Sciences, LLC - John Fife	Working Capital
12/31/2018	\$250,000	\$250,000	\$0	12/31/2021	Fixed rate of \$0.0747 per share	General Hemp, LLC. - Stuart Titus, Timothy Scott, John Humuller II	Magement Fees

Exhibit C

Medical Marijuana, Inc.
Consolidated Balance Sheet
As of : December 31, 2018

ASSETS**Current Assets**

Cash	4,290,815
Accounts Receivable	369,532
Other Current Assets	
Prepaid Assets	1,775,278
Inventory	4,477,519
Merchant Account Reserves	1,064,958
Notes and Loans Receivable	8,749,648
Deposits	68,947
Deferred Taxes	521,097
Total Other Current Assets	<u>16,657,447</u>
Total Current Assets	<u>21,317,795</u>

Total Fixed Assets Net of Depreciation	<u>634,735</u>
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Other Assets

Other Asset	
Convertible Discount Asset	300,000
Goodwill	45,367,477
Investments - Equity Securit	25,340,046
Total Other Assets	<u>71,007,524</u>
TOTAL ASSETS	<u>92,960,053</u>

LIABILITIES & EQUITY**Current Liabilities**

Accounts Payable	1,734,320
Accrued Liabilities	2,753,616
Deferred Revenue	2,991,957
Total Payables	<u>7,479,894</u>

Convertible Notes	16,958,792
Total Long Term Liabilities	<u>16,958,792</u>
Total Liabilities	<u>24,438,685</u>

Equity

Common Stock	35,582,085
Additional Paid in Capital	156,316,951
Retained Earnings	(123,377,669)
Total Equity	<u>68,521,368</u>
TOTAL LIABILITIES & EQUITY	<u>92,960,053</u>

Exhibit C

Medical Marijuana, Inc.
Consolidated Statement of Operations
For the Twelve Months Ending December 31, 2018

Ordinary Income/(Expense)	
Total Income	59,825,450
Total COGS	19,485,919
Gross Profit	40,339,531
Expense	
Sales & Marketing	33,879,959
General & Administrative	14,477,323
Total Expense	48,357,281
Net Ordinary Income/(Loss)	(8,017,750)
Interest Income	
Interest Income	(208,401)
Interest Expense	1,823,707
Other Expense	399,872
Bad Debt	1,523,782
Litigation Expense	1,100,293
(Gain)/Loss on Investments	189,973,542
Total Other Income or Expense	194,612,794
Net Income/(Loss)	(202,630,544)

Exhibit C

Medical Marijuana, Inc.
Consolidated Statement of Cash Flows
For the Twelve Months Ending December 31, 2018

OPERATING ACTIVITIES

Net Income/(Loss)	(202,630,544)
Adjustments to reconcile Net Income to net cash provided by operations:	
Depreciation	124,419
Stock Compensation Expense	4,370,977
Inventories Adjustment	(1,100,234)
Changes in operating assets and liabilities:	
Inventories	(1,140,113)
Accounts Receivable	(286,680)
Prepaid Expenses	(1,775,278)
Merchant Account Reserve	(1,034,959)
Deposits	(51,209)
Deferred Tax	(16,081)
Accounts Payable	231,067
Deferred Revenue	2,991,957
Deferred Taxes	(505,016)
Accrued Liabilities	2,260,443
Net Cash Provided (Used) by Operating Activities	674,131

INVESTING ACTIVITIES

Gain/Loss on Investments	189,925,030
Convertible Notes	6,587,372
Capital Purchases	(315,270)
Net Cash Provided (Used) by Investing Activities	196,197,131

FINANCING ACTIVITIES

Notes Receivable	(940,014)
Proceeds from Sale of Common Stock	5,300,618
Net Cash Provided (Used) by Financing Activities	4,360,604
Net Cash Increase (Decrease) for the Period	1,996,484
Cash At Beginning of Period	2,294,331
Cash at End of Period	4,290,815

Exhibit C

Medical Marijuana, Inc.
Segmented Balance Sheet
As of December 31, 2018

	US Operations	HempMeds	Kannaway	Total
ASSETS				
Current Assets				
Cash	1,776,352	236,370	2,278,093	4,290,815
Accounts Receivable	75,399	411,250		369,532
Other Current Assets				
Prepaid Assets	988,946	38,873	747,460	1,775,278
Inventory	2,352,400		2,125,119	4,477,519
Merchant Account Reserves		156,768	908,190	1,064,958
Notes and Loans Receivable	8,749,648			8,749,648
Deposits	57,585		11,361	68,947
Deferred Taxes	88,929	332,439	99,729	521,097
Inter-Company	50,531,061	12,778,804	31,230,708	94,540,573
Total Other Current Assets	62,768,569	13,306,883	35,122,567	111,198,020
Total Current Assets	64,620,320	13,954,503	37,400,660	115,858,367
Total Fixed Assets Net of Depreciation	215,387	225,666	193,682	634,735
Other Assets				
Other Asset				
Convertible Discount Asset	300,000			300,000
Goodwill	9,259,348	10,671,099	25,437,030	45,367,477
Investments - Equity Securities	25,326,904		13,142	25,340,046
Total Other Assets	34,886,252	10,671,099	25,450,172	71,007,524
TOTAL ASSETS	99,721,959	24,851,269	63,044,515	187,500,626
LIABILITIES & EQUITY				
Current Liabilities				
Accounts Payable	249,652	79,043	1,405,625	1,734,320
Accrued Liabilities	662,974	72,276	2,135,483	2,753,616
Deferred Revenue	59,006	49,967	2,882,984	2,991,957
Total Payables	971,632	201,286	6,424,093	7,479,894
Convertible Notes	16,958,792			16,958,792
Inter-Company	43,079,724	17,795,056	33,665,792	94,540,573
Total Long Term Liabilities	60,038,516	17,795,056	33,665,792	111,499,364
Total Liabilities	61,010,148	17,996,342	40,089,885	118,979,258
Equity				
Common Stock	35,582,085			35,582,085
Additional Paid in Capital	119,097,808	10,671,099	26,548,044	156,316,951
Retained Earnings	(115,970,643)	(3,816,173)	(3,655,945)	(123,442,761)
Total Equity	38,711,812	6,854,927	22,954,630	68,521,368
TOTAL LIABILITIES & EQUITY	99,721,959	24,851,269	63,044,515	187,500,626

Exhibit C

Medical Marijuana, Inc.
Segmented Statement of Operations
For the Twelve Months Ending December 31, 2018

Ordinary Income/(Expense)	US Operations	HempMeds	Kannaway	Total
Total Income	6,877,502	6,137,431	46,810,517	59,825,450
Total COGS	3,301,030	2,353,764	13,831,124	19,485,919
Gross Profit	3,576,471	3,783,667	32,979,393	40,339,531
Expense				
Sales & Marketing	3,695,204	2,398,568	27,786,187	33,879,959
General & Administrative	4,979,457	1,449,105	8,048,761	14,477,323
Total Expense	8,674,661	3,847,673	35,834,947	48,357,281
Net Ordinary Income/(Loss)	(5,098,190)	(64,006)	(2,855,554)	(8,017,750)
Other Income	(208,401)			(208,401)
Bad Debt Expense	1,814,131	173	9,403	1,823,707
Other Expense	(40,600)	(29,556)	470,028	399,872
Bad Debt Expense	1,444,338	54,885	24,559	1,523,782
Litigation Expense	1,096,706		3,587	1,100,293
(Gain)/Loss on Investments	190,032,550		(59,008)	189,973,542
Total Other Income or Expense	194,138,725	25,501	448,568	194,612,794
Net Income/(Loss)	(199,236,915)	(89,507)	(3,304,122)	(202,630,544)

Exhibit C

Medical Marijuana, Inc.
Segmented Statement of Cash Flows
For the Twelve Months Ending December 31, 2018

	US Operations	HempMeds	Kannaway	Total
OPERATING ACTIVITIES				
Net Income/(Loss)	(199,236,915)	(89,507)	(3,304,122)	(202,630,544)
Adjustments to reconcile Net Income to net cash provided by operations:				
Depreciation	202,361	(64,216)	(13,727)	124,419
Stock Compensation Expense	4,618,286		(247,309)	4,370,977
Inventories Adjustment	(1,100,233)			(1,100,233)
Changes in operating assets and liabilities:				
Inventories	(2,685,123)	2,406,947	(861,936)	(1,140,113)
Accounts Receivable	(120,926)	(229,105)	63,350	(286,680)
Prepaid Epxenses	(857,071)	(38,873)	(879,335)	(1,775,278)
Merchant Account Reserve	(117,457)	(95,598)	(821,904)	(1,034,959)
Deposits	(57,586)	11,238	(4,861)	(51,209)
Deferred Tax	(16,081)			(16,081)
Accounts Payable	(1,507,443)	91,157	1,647,353	231,067
Deferred Revenue	59,006	49,967	2,882,984	2,991,957
Defered Tax Asset	(72,848)	(332,439)	(99,729)	(505,016)
Accrued Liabilities	561,718	(47,675)	1,746,400	2,260,443
Accounts Receivable I/C	(35,291,244)	(9,098,931)	(27,383,944)	(71,774,119)
Accounts Payable I/C	35,596,819	7,142,142	29,035,158	71,774,119
Net Cash Provided (Used) by Operating Activitie:	(4,508,235)	(141,170)	5,323,536	674,131
INVESTING ACTIVITIES				
Gain/Loss on Investments	189,938,172		(13,142)	189,925,030
Convertible Notes	6,587,372			6,587,372
Capital Purchases	(218,443)	59,171	(155,999)	(315,270)
Net Cash Provided (Used) by Investing Activities	196,307,100	59,171	(169,140)	196,197,131
FINANCING ACTIVITIES				
Notes Receivable	(940,014)			(940,014)
Proceeds from Sale of Common Stock	4,979,648	307,806	13,164	5,300,618
Net Cash Provided (Used) by Financing Activities	4,039,634	307,806	13,164	4,360,604
Net Cash Increase (Decrease) for the Period	451,895	107,702	1,436,887	1,996,484
Cash At Beginning of Period	2,294,331			2,294,331
Cash at End of period	2,746,226	107,702	1,436,887	4,290,815

MEDICAL MARIJUANA, INC.

Notes to Financial Statements

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 is not in the business of selling or dispensing either recreational or medical marijuana, directly or indirectly, so long as marijuana remains a federally controlled substance (the Company's products contain only those substances that are derived from the part of the cannabis plant that is excluded from the definition of marijuana under the Controlled Substances Act and are both federally legal and outside of the purview of the Drug Enforcement Administration). Finally, MJNA services include the licensing of its proprietary testing, genetics, labeling, and packaging, tracking, production and standardization methods for the medicinal cannabinoid industry.

Basis of Financial Statement Presentation. The accompanying financial statements have been prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Cash Equivalents. Holdings of highly liquid investments with maturities of three months or less when purchased are considered to be cash equivalents.

Marketable Securities. Management classifies all 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 March of 2018.

Inventories. Inventories are valued at cost. Inventory consists of finished goods and raw materials.

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.

Supplementary Information. A breakdown of consolidating balance sheet by subsidiary has been included along with consolidating statements of income and cash flow.

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

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.

Note 2: Inventories

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

Note 3: Warrants, Options and Stock-Based Compensation.

For the quarter ending December 31, 2018 the Company had no warrants or options outstanding and incurred (i) \$822,857 of stock based compensation expense related to the expiration of repurchase rights of common shares from executives or directors of the Company, (ii) \$459,167 related to the vesting of restricted shares of common stock, (iii) \$367,010 of bonus compensation, and (iv) \$44,400 for services rendered.

For the fiscal year ending December 31, 2018 the Company had no warrants or options outstanding and incurred (i) \$2,328,968 of stock based compensation expense related to the expiration of repurchase rights of common shares from executives or directors of the Company, (ii) \$530,000 related to the vesting of restricted shares of common stock, (iii) \$1,007,159 of bonus compensation, and (iv) \$504,850 of bonus compensation.

Note 4: Common Stock

The Company has 5,000,000,000 authorized shares of common stock. As of December 31, 2018, there are 3,562,197,168 shares outstanding of common stock, of which 1,411,790,310 shares are restricted.

Note 5: Notes Payable – Long Term Convertible Notes

At December 31, 2018, long term convertible notes payable totaling \$16,958,792 consists of three convertible notes issued to a third-party lender including interest accrued thereon, and one convertible note issued to a related party including interest thereon. Each of the third party notes is unsecured, pays interest of 8% per annum, and is convertible at holder's option at any time at a conversion price equal to 70% of the average of the three (3) lowest closing bid prices in the 20-days prior to conversion, however, conversions under the note are subject to a "blocking provision", which restricts conversion of the notes if such conversion(s) would result in holder and its affiliates owning more than 9.99% of the Company's common stock in the aggregate. The notes are as follows:

- a. A third-party convertible note having a balance due of \$2,292,146 at December 31, 2018 that matures on July 31, 2019, which is limited by to a maximum monthly conversion amount of \$300,000 in addition to the 9.99% blocking provision.
- b. A third-party convertible note having a balance due of \$5,575,178 at December 31, 2018 that matures on April 12, 2020, which is limited to a maximum monthly conversion amount of \$400,000 in addition to the 9.99% blocking provision.
- c. A third-party convertible note having a balance due of \$8,841,468 at December 31, 2018 that matures on July 21, 2021, which is limited to a maximum monthly conversion amount of \$400,000 in addition to the 9.99% blocking provision.
- d. A related-party convertible note having a balance due of \$250,000 at December 31, 2018 that matures on December 31, 2023, accrues interest at the rate of 3% per annum an is convertible at a fixed rate of \$0.0747 per common share (see also Footnote 7 - "Related Party Transactions").

Note 6: Notes and Loans Receivable

Notes and loans receivable totaling \$8,749,648 consisting of the following:

- (i) A demand note totaling \$1,253,023, including interest accrued thereon, payable by Axim Biotechnologies, Inc. (OTCB B: AXIM) to Canchew® Biotechnologies, LLC ("Canchew"), a subsidiary of which the Company owns 50% (accordingly, the Company records 50% of the demand notes which total \$2,499,392). The Notes accrue interest at the average rate of 3% per annum until payable upon demand.
- (ii) A demand note for \$60,000 (50% of a \$120,000 demand note held by Canchew) owed to Canchew by the CEO of Axim Biotechnologies, Inc., which accrues interest at the rate of 3% per annum beginning on January 1, 2017 (see also Footnote 7 - "Related Party Transactions").
- (iii) \$3,022,356 of note receivable from a third-party borrower (which party is the lender on a convertible note issued to the Company having a balance of \$8,841,468 as of December 31, 2018 which is described further in Footnote 5 - "Long term - Notes Payable", Section (c).
- (iv) A \$4,000,000 convertible note receivable from Axim Biotechnologies, Inc. which accrues interest at a rate of 3.5% per annum and is convertible at any time into shares of common stock at a purchase price of \$1.50 per share, however, conversions under the note are subject to a "blocking provision", which restricts conversion of the notes if such conversion(s) would result in holder and its affiliates owning more than 4.9% of Axim Biotechnologies, Inc.'s common stock in the aggregate. (se also Footnote 7 – "Related Party Transactions").
- (v) A demand note receivable from General Hemp, LLC in the amount of \$208,054 which accrues interest at the rate of 3% per annum (see also Footnote 7 - "Related Party Transactions").
- (vi) Three secured promissory notes, each having a face value of \$7,500 which accrues at 2.25% non-compounding per annum, issued to the Company by its three independent directors, totaling \$23,104 including interest thereon (see also Footnote 7 - "Related Party Transactions").
- (vii) A promissory note totaling \$106,611 including interest accrued thereon, payable by the Company's CEO. The note accrues interest at a rate of 2% per annum and matures on March 30, 2023 (see also Footnote 7 - "Related Party Transactions").
- (viii) A promissory note totaling \$76,500 including interest accrued thereon, payable by Kannalife Sciences, Inc.'s CEO. The note accrues interest at a rate of 3% per annum and matures on October 1, 2023 (see also Footnote 7 – "Related Party Transactions").

Note 7: Related Party Transactions

The Company has a demand note receivable from General Hemp, LLC in the amount of \$208,054. The Company terminated an Agreement with General Hemp, LLC effective November 30, 2018. As part of the final settlement and cancellation of this agreement the Company recognized bad debt of \$1,034,256 related to an existing Note Receivable.

The Company received management and consulting services rendered by General Hemp, LLC for the fiscal year ending December 31, 2018 in exchange for a \$250,000 convertible promissory note issued December 31, 2018 (see also Footnote 5 – “Notes Payable – Long Term Convertible Notes”).

The Company received a convertible note receivable from Axim Biotechnologies, Inc. as payment from a third-party borrower (which party is the lender on a convertible note issued to the Company having a balance of \$8,841,468 as of December 31, 2018 which is described further in Footnote 5 - "Long term - Notes Payable", Section (c).

Canchew® Biotechnologies, LLC loaned \$120,000 to its Chief Executive Officer in the form of a demand note. The Company is a 50% owner of Canchew and accordingly records one half of the \$120,000 (\$60,000) as a note receivable.

In the period ending December 31, 2018 the Company loaned \$75,000 to the Chief Executive Officer of Kannalife Sciences, Inc. in the form of a demand note. The demand note accrues interest at a rate of 3% per annum and matures October 1, 2023.

In the period ending June 30, 2018 the Company issued 10 million restricted shares of common stock to an affiliate of the Company in exchange for \$100,000 in cash. The Company retains the right to re-acquire all of the shares purchased at a purchase price of \$.01 per share, provided however, such right is decreased by one-third of the number of shares subject to re-acquisition from for every 14 months of continuous service by the affiliate.

In the period ending March 31, 2018 the Company issued 100 million restricted shares of common stock to three individuals who are employees, officers and/or directors of the Company in exchange for \$1,000,000 in cash (50 million shares to Stuart W. Titus Chairman and CEO of the Company, 40 million shares to Blake Schroeder, COO of the Company and 10 million shares to Michelle Sides, a member of the board of directors of the Company). The Company retains the right to re-acquire all of the shares purchased by each individual at a purchase price of \$.01 per share, provided however, such right is decreased by one-third of the number of shares subject to re-acquisition from each individual for every 14 months of continuous employment/service by the individual.

The Company has an unsecured promissory note receivable from Stuart W. Titus, Chairman and CEO of the Company with a principal balance of \$105,000. The note accrued interest at a rate of 2% per annum and matures of March 30, 2023.

In the year ended December 31, 2017, each of the Company's three independent directors, (Messrs. Scott, Cunningham and Prine) issued a secured promissory note to the Company, each having a face value of \$7,500 (\$22,500 in the aggregate), in exchange for the purchase of 750,000 shares of restricted common stock (2,250,000 shares in the aggregate).

Note 8: Stock Issuances

For the quarter ended December 31, 2018 the Company issued 97,369,762 shares of common stock as follows:

- (i) 31,090,961 shares issued for the conversion of \$1,600,000 face value of convertible notes, plus interest accrued thereon,
- (ii) 3,900,000 restricted shares issued as \$367,010 of bonus compensation,
- (iii) 4,000,000 restricted shares issued to managers (other than officers or directors) of the Company totaling \$459,167 of stock-based compensation expense,
- (iv) 500,000 restricted shares issued for \$44,400 of services rendered,
- (v) At December 31, 2018 the Company adjusted its outstanding common share count by increasing it by 57,938,800 common shares in order to reflect shares that were issued and expensed in prior periods (during 2013 and 2014) but were previously inadvertently excluded from the outstanding share count. Accordingly, for the period ending December 31, 2018 the Company reduced additional paid in capital by \$579,388 and increased common stock by the same amount to reflect the adjustment. There was no other impact on the Company's December 31, 2018 balance sheet. The adjustment is non-cash and has no impact on the Company's cash flow or profit and loss statement for the period ending December 31, 2018.

For the year ended December 31, 2018 the Company issued 291,540,166 shares of common stock as follows:

- (i) 100,534,698 shares issued for the conversion of \$6,351,988 face value of convertible notes, plus interest accrued thereon,
- (ii) 11,733,333 restricted shares issued as \$1,156,000 of bonus compensation,
- (iii) 7,333,333 restricted shares issued to managers (other than officers or directors) of the Company totaling \$586,667 of stock-based compensation expense tied to a 12-month vesting schedule,
- (iv) 110,000,000 restricted shares issued in exchange for cash of \$1,100,000 (see also Footnote 7 – “Related Party Transactions”).
- (v) 4,000,000 restricted shares issued for \$416,650 of services rendered.
- (vi) At December 31, 2018 the Company adjusted its outstanding common share count by increasing it by 57,938,800 common shares in order to reflect shares that were issued and expensed in prior periods (during 2013 and 2014) but were previously inadvertently excluded from the outstanding share count. Accordingly, for the period ending December 31, 2018 the Company reduced additional paid in capital by \$579,388 and increased common stock by the same amount to reflect the adjustment. There was no other impact on the Company's December 31, 2018 balance sheet. The adjustment is non-cash and has no impact on the Company's cash flow or profit and loss statement for the period ending December 31, 2018.

Note 9: Litigation

In the ordinary course of business, the Company defends against and prosecutes various legal actions. The following is a summary of outstanding, potentially material, legal actions the Company is a party to.

Medical Marijuana, Inc. & HempMeds PX, LLC v. CannLabs, Inc. Medical Marijuana, Inc. has filed a \$100,000,000 California Superior Court libel action against CannLabs, Inc., Rifle Mountain, LLC, Genifer Murray, Jason Cranford, Project CBD.com, Aaron Miguel Cantu and Martin Lee for damages resulting from false and libelous statements made by the defendants regarding HempMeds PX, LLC's RSHO product.

The Company intends to vigorously defend and prosecute all actions.

Note 10: Other Income/Expense

In the period ending December 31, 2018 the Company recorded a net loss of \$194,57,755 under Other Income/Expense. Primarily such expenses are non-cash items, totaling \$189,973,542, that are comprised of changes in the fair value of publicly traded equity investments held by the Company. Under prior applicable accounting standards, the Company previously reported such changes in fair value as comprehensive income (loss) and accumulated and unrealized comprehensive income (loss) in its shareholder equity section of the balance sheet. The Comprehensive Income reported at December 31, 2017 was \$204,574,404, which is now recognized in retained earnings as is the net loss for the period ending December 31, 2018.

Note 11: Subsequent Events:

On February 7, 2019, as recommended by our Board of Directors (the "Board") and approved by a majority of the Company's shareholders, the Company filed restated articles of incorporation which authorized 50,000,000 shares of "blank check" preferred stock par value \$.01 per share. On February 19, 2019, pursuant to authority expressly granted to the Board under the restated articles of incorporation, the Company created 1,000,000 shares of Series A Redeemable Preferred Stock and set forth the rights, privileges and preferences of the Series A Preferred in the amendment to the articles of incorporation that effected the creation of the Series A Preferred. The Series A Redeemable Preferred Stock is non-convertible, non-transferable without the consent of the Board of Directors of the Company, redeemable by the Company at any time after February 15, 2023 at a price of \$.10 per share and the holders of the Series A Preferred are entitled to cast 5,000 votes per share on any matter that is presented to the shareholders of the Company for a vote.

On February 19, 2019 the Company sold 1,000,000 shares of the Series A Redeemable Preferred Stock to Juniper & Ivy Corporation for \$100,000 (\$.10 per share). Juniper & Ivy is one third owned by each of Axim Biotechnologies, Inc. (Symbol: AXIM - OTCQB), Kannalife, Inc. (Symbol: KLFE - Pinksheets) and John W. Huemoeller II, the Chief Executive Officer of AXIM.