U. S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT C

For the fiscal year ended **December 31, 2016**

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE A

For the transition period from ___________ to _____________

Commission File Number: 000-54296

AXIM BIOTECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

Nevada	**27-409298**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employ Identification N

45 Rockefeller Plaza
20^{th} Floor, Suite 83
New York, NY 10111

(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: **(212) 751-0001**

Securities registered pursuant to Section 12(b) of the Act: **None**

Securities registered pursuant to Section 12(g) of the Act: **Common stock, $.0001 par value**

Indicate by check mark whether the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities A

Indicate by check mark whether the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of th

Note – Checking in the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) c obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) ha requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether registrant has submitted electronically and posted on its corporate Web site, if any required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the pre shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this cha and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorpora this Form 10-K or any amendment of this Form 10-K. Yes ☐ No ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth c Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐	Non-accelerated filer ☐ (Do not check if smaller reporting company)	Smaller reporting company ☒	E C

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition p new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). No ☒

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by refer common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of completed fiscal quarter: $1,331,679 based upon the June 30, 2016, closing price of $.37 as quoted on Yahoo/Finance.co

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS

Indicate by check mark whether the registrant filed all documents and reports required to be filed by Section 12, 13, or 1934 after the distribution of securities under a plan confirmed by a court. Yes ☐ No ☐

(APPLICABLE ONLY TO CORPORATE REGISTRANTS)

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable dat were 52,566,441 shares of our common stock were issued and outstanding.

DOCUMENTS INCORPORATE BY REFERENCE: None

PART I

PART II

Item 1. Business

Description of Business

We were incorporated in the State of Nevada on November 18, 2010, as AXIM International, Inc. (Inception). On Ju name to AXIM Biotechnologies, Inc. to better reflect our business operations. On August 7, 2014, we incorpora subsidiary named Axim Holdings, Inc. This subsidiary will be used to help facilitate the anticipated activities listed b office is located at 45 Rockefeller Plaza 20th Floor, Suite 83, New York, NY 10111.

In early 2014, we discontinued our organic waste marketable by-product business to focus on our anticipated new bus biotechnology company working on the treatment of pain, spasticity, anxiety and other medical disorders with the app products as well as focusing on research, development and production of pharmaceutical, nutraceutical, oral health and procurement of genetically and nano-controlled active ingredients.

Current Operations

The operations of the Company include: the research and development of pharmaceutical products, genetically cont extraction and purification of cannabinoids technologies. Over the next 12 months, we anticipated the following activitie

1. Conducting a clinical trial at the Free University of Amsterdam, The Netherlands in collaboration with the U well as an academic center in the USA for a novel, patented controlled-release delivery form of cannabinoids for t spasticity in patients with multiple sclerosis. The anticipated duration of the trials prior to FDA/ EMA registration is 1

2. Conducting clinical trials at the university of Wageningen, The Netherlands on patients with irritable bowel s disease, ulcerative colitis and Crohn’s disease using innovative, (patented and patent pending technologies) delivery n cannabinoids.

3. Conducting a clinical trial at the University of British Columbia, Canada on patients suffering of illicit innovative, (patented) delivery mechanisms containing cannabinoids. This trial is awaiting approval by Health Canada a

4. Completing a proof of concept clinical trial at the Dermatological Center Maurits Clinic The Hague, The psoriasis and atopic dermatitis using innovative, (patent pending and patented) delivery mechanisms containing unique c

5. Development of novel (patent pending) pharmaceutical cannabinoid and opioid-agonist/ anatagonist-base formulations for tobacco, opioid and cannabis dependence treatment.

6. Development of novel (patent pending) antibacterial “Cannocyn ™” and anti fungal ”Cannonych ™” p cannabinoids.

7. Development and commercialization of oral healthcare products, “Oraximax™”, based on cannabigerol (patent

8. Development and commercialization of cosmetic care line “Renecann™” (patent pending).

9. Development of ophthalmological pharmaceutical ”CannBleph ™” and OTC ”OphthoCann ™” preparations of cannabinoids (patent pending).

10. Preparations and Development of Axim’ pipeline of pharmaceutical products for the following indication Dementia, Restless leg syndrome and Parkinson’s disease

11. Completion of contractual agreements for production and export of over 20 novel, trademark-protected f Europe, Israel and South and North America.

12. Production of novel pharmaceutical formulations for pharmaceutical companies from the US and Israel. On designated as an orphan disease. The other is for production of pharmaceutical product based on our proprietary deliver cannabinoids.

13. Development of new active pharmaceutical ingredient molecules including, prodrug formulations.

14. Completion of a land purchase in the city of Almere, in the province of Flevoland, The Netherlands for extraction/ purification facility as well as a factory for pharmaceutical, nutriceutical and consumer products preparati environmentally-friendly; "box in a box"-design center for R&D and manufacturing for AXIM as well as third parties. T integration of the company.

15. Importation from Italy, and the Netherlands of pharmaceutical grade hemp oil to Europe and North America. S converted by AXIM from lipophilic to hydrophilic forms based on proprietary process (patent pending).

16. Development of sustainable biofuel compositions derived fromindustrial hemp by-products, such as our h "CannaCoal™."

During the next twelve months we anticipate incurring costs related to: (i) filing Exchange Act reports, (ii) contractual and (iv) land purchase.

We believe we will be able to meet these costs through use of funds in our treasury, through deferral of fees by certain se amounts, as necessary, to be loaned to or invested in us by our stockholders, management or other investors. As of the this report, we have limited cash. There are no assurances that we will be able to secure any additional funding as ne ability to continue as a going concern is dependent upon our ability to generate future profitable operations and/or to obt meet our obligations and repay our liabilities arising from normal business operations when they come due. Managem additional funds by equity financing and/or related party advances; however there is no assurance of additional funding b

We are in our early stages of development and growth, without established records of sales or earnings. We will be subje in the business and operations of financially unstable and early stage or potential emerging growth companies.

CanChew™ License Agreement

On May 11, 2015, we entered into a 50 year, worldwide, exclusive intellectual property licensing agreement (" Biotechnologies, LLC ("CanChew"). As compensation for the Agreement, CanChew received 5,826,706 restricted shar stock and a royalty fee of approximately 2-3% of all gross sales derived from products produced under the Agre compliance with the Agreement, we have the option to purchase the licensed intellectual property after 5 years at a percent (50%) of the annual royalty fee paid.

Manufacturing Capabilities

On November 15, 2014, the Company entered into Reservation Agreement with the City of Almere, The Netherlands granted an option to purchase 5,328 square meters of land in the City of Almere. The Company intends to construct featuring: a clean laboratory zone, storage areas, office and technical rooms as well as manufacturing facility furnishin compliant with GMP, GLP, FDA, EMA and ISO regulations. The purchase price for the land is 985,680 Euros. reservation fees for options to purchase the property. The most recent reservation fee of 57,742 Euros was paid on Octo option to purchase until October 20, 2017. Should the Company purchase the property by October 20, 2017, the 23, reservation fee will be applied to the against the purchase price of the property. The total land surface of the property 6,000 square meters due to payment of the previous reservation fees which cannot be applied to the purchase price.

The Industry

Hemp – An Overview

Hemp is a cousin to cannabis as both are classified under the same botanical category of *Cannabis sativa* L. The major that recreational cannabis has significant amounts of tetrahydrocannabinol (THC) (5–20%), a psychotropic cannabino CBD (cannabidiol) and CBG (cannabigerol), which have no psychotropic properties; whereas industrial hemp has virtua This 0.3% THC in industrial hemp is not enough to provide psychotropic effects, which renders industrial hemp useless Canada, China and the United Kingdom are examples of major industrialized countries that have grown industrial hemp r economic benefits from its cultivation.

Hemp is a plant easy to cultivate, with predictable harvests and produces overall negative carbon print compared to othe production of biodiesels among other uses.

Industrial hemp is reach in proteins and essential amino acids, which may render it as a preferred source of food and anin

Importation of Hemp Finished Products

Despite classification of cannabis under Schedule I, hemp finished products, or certain parts of the plant *Cannabis s* definition of marijuana and are considered legal to import since 1937. Under 21 U.S.C. § 802(16), the seeds (incapable c stalks of the *Cannabis sativa* plant, together with products made from these parts, are exempted from the definition of commonly known as "hemp finished products", and can be a variety of products as outlined above. Importation of processing into the United States continues legally, which fuels a hemp market inside the United States. The United importer of hemp-based products in the world.

Market, Customers and Distribution Methods

To understand the market and consumers as well as distribution methods, we have studied all the uses of hemp and its abroad. There are more than 25,000 known uses for hemp based products, most of which were used in the past a petroleum\oil, concrete, corn and soybeans. We believe the market potentially represents trillions of dollars in worldwid on the products our management feels will have the greatest positive environmental impact, profitability and ease to m innovative products as well as the replacement of existing raw base materials for products that exist today, such as p plastics, fuel, textiles, and medical delivery devices.

Our focus is on the development of innovative pharmaceutical, nutriceutical and cosmetic products focusing on disea currently there are no known efficient therapeutic ingredients or delivery systems for known active pharmaceuti knowledge regarding therapeutic use of cannabinoid-based formulations is steadily increasing. We plan to be an a biosciences with our extensive R&D and pipeline of innovative products.

Our target customers are first and foremost end consumers via Internet sales, direct-to-consumer health and wellness sto affiliate sales and master distributors. Secondarily, we are targeting manufactures of products that can readily replace the materials, making the products more environmentally friendly and sustainable. Next, we will target retail stores with who have preexisting relationships with major retail chain stores. As we continue to develop our business, these prioritized or eliminated as management responds to consumer and regulatory developments.

Competition

There are many developers of hemp-based consumer products, many of which are under-capitalized which we con targets. We are currently in early-stage negotiations to purchase existing product lines, sources of industrial-hemp-de assets from certain competing companies. There are also large, well-funded companies that currently do not offer hemp-l in the future.

Intellectual Property

Currently, our intellectually property includes 9 pending patent applications and 18 trademark applications.

Our 9 patent applications include oral care, ophthalmic, sugar alcohol kneading method, antimicrobial, extractior dependence treatment gum, opioid dependence treatment gum, and suppositories. Six (6) of our patent applications hav in the U.S. and international stage and one (1) licensed patent (chewing gum containing cannabinoids, covering all cann are in the process of developing and filing more patent applications.

We have 18 trademark applications some of which are registered trademarks, received Notices of Allowance, or are p States Patent and Trademark Office: Axim, A Axim Biotech, CanChui, Cannonich, Cannanimals, Oraximax, C SuppoCann, OpthoCann, CannBelph, Cannocyn, ReneCann, Clean CannaCoal, CanChew Hemp CBD Gum, Corresponding trademark applications have been filed in other jurisdictions for some of the marks and have received regi

Research and Development

We are continuing our research and development at the Free University of Amsterdam with our novel (patent pending) of patients with pain and spasticity as a sequence of Multiple Sclerosis. This study will include also the University of centers in the US. The study is conducted in strict compliance with FDA/ EMA guidelines and is supervised by QPS as a pharmaceutical, functional chewing gum containing equal parts of THC and CBD. With our proprietary technology cannabinoid' water-insolubility due to its lipophilic nature, bypass of first-pass liver metabolism and direct delivery intc been resolved.

Clinical studies will commence at the University of Wageningen, The Netherlands testing a new (patent pending) cannabinoids for treatment of patients with IBS, IBD and Crohn's disease. A new direct as well as controlled slow-rel methods will be investigated based on our proprietary IP'.

New, patent pending cannabinoid extraction techniques as well as pure, water soluble, freeze-dried cannabinoids are b with Syncom, BV, The Netherlands, which practically solves the issue with very poor absorption of currently available,

There are numerous other R&D projects being considered involving our proprietary intellectual property. These depending on availability of funds to carry on.

Source and Availability of Raw Materials

The Company currently has arrangements with multiple reputable suppliers which are expected to meet the project upcoming year.

Government Regulation

For the first time since 1937, industrial hemp has been decriminalized at the federal level and can be grown legally i limited basis. A landmark provision in the recently passed Agricultural Act of 2014 recognizes hemp as distinct from Federal law now exempts industrial hemp from U.S. drug laws in order to allow for crop research by universities, departments. The new federal law, written by U.S. Rep. Jared Polis (D-CO) and U.S. Sen. Mitch McConnell (R-KY programs for industrial hemp "in states that permit the growth or cultivation of hemp."

Employees

As of April 15, 2017 we have 6 full-time employees and 4 part-time employees. We allow and utilize the services of ind be considering the conversion of some of our part-time employees to full-time positions. We are currently in discussion engage them for positions in sales and marketing, research and development, and operations. Management belie relationships with its employees.

Costs and effects of compliance with environmental laws

The expense of complying with environmental regulations is of minimal consequence.

Item 1A. Risk Factors

As a small reporting company, we are not required to provide the information required by this item.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

Real Property

At present, we do not own any property.

We are in the process of purchasing property to build the Company's manufacturing facility at the industrial estate Stick The Netherlands. We intend to construct an office building on the site featuring: a clean laboratory zone, storage areas, well as manufacturing facility furnishings. Our future high-tech, state-of-the-art factory will be located on the corn Blauwkapel.

We receive rent free, the use of our office space located in New York City, starting March 2017 the company leased spac month to month basis the monthly rent is 6,635. The rent expense for our warehouse space located in the Netherlands December 31, 2016.

North American Address:

45 Rockefeller Plaza 20th Floor, Suite 83
New York, NY 10111

European Address:

Boelewerf 32, Unit 3
2987 VD Ridderkerk, The Netherlands

Item 3. Legal Proceedings

Not applicable to a "smaller reporting company" as defined in Item 10(f)(1) of Regulation S-K.

Item 4. Mine Safety Disclosure

Not applicable to a "smaller reporting company" as defined in Item 10(f)(1) of Regulation S-K.

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters and Issuer Purchases of Equ

Our common stock is traded on over the counter market under trading symbol "AXIM." There has been a very limited a The price of our stock and an active public market for our common stock may not develop or be sustained. Trading Bulletin Board is often sporadic and investors may have difficulty buying and selling or obtaining market quotations. Sin closing price of our common stock has been between $10.00 and $0.30, with limited or no volume.

We plan to uplist to Nasdaq or NYSE when the requirements for listing are met.

The following table sets forth the reported high and low closing bid prices for our common stock as reported on the OT end December 31, 2016 and December 31, 2015. These prices do not include retail mark-ups, markdowns or commiss represent actual transactions. The information is derived from Yahoo/Finance.com. No closing bid prices are reported pri

	High ($)	L
Quarter ended 12/31/16	10.00	0.
Quarter ended 9/30/16	0.39	0.
Quarter ended 6/30/16	0.59	0.
Quarter ended 3/31/16	1.01	0.
Quarter ended 12/31/15	1.26	0.
Quarter ended 9/30/15	0.95	0.
Quarter ended 06/30/15	1.30	0.
Quarter ended 3/31/15	10.00	1.

As of December 31, 2016, there are approximately 50 holders of record of our common stock.

We have never declared or paid cash dividends on our common stock. We anticipate that in the future we will retain any business. Accordingly, we do not anticipate declaring or paying any cash dividends in the foreseeable future.

Securities Authorized for Issuance Under Equity Compensation Plans

Effective May 29, 2015 the company adopted a stock incentive plan under which eligible persons or vendors whom p may be afforded an opportunity to acquire an equity interest in the company in exchange for those services provided 10,000,000 shares of its common stock for issuance under this plan.

Unregistered Sales of Equity Securities and Use of Proceeds

On July 1, 2016, the Company issued 500,000 shares of common stock valued at $38,971 in exchange for the convers note.

On June 30, 2016, the Company issued 1,540,000 shares of common stock valued at $120,029 in exchange for the convertible note.

On December 29, 2016 the Company issued 500,000 shares of common stock valued at $50,000 in exchange for th convertible note including accrued interest of 20,100.

The issuance of securities described above were deemed to be exempt from registration under the Securities Act in r Securities Act of 1933 and Regulation D as transactions by an issuer not involving any public offering. The recipie transaction represented their intention to acquire the securities for investment only and not with a view to or for distribution thereof, and appropriate legends were affixed to the share certificates and other instruments issued in such t securities were made without general solicitation or advertising.

The Company intends to use the proceeds from sale of the securities for the operations, research and development a capital.

There were no underwritten offerings employed in connection with any of the transactions set forth above.

Defaults Upon Senior Securities

None.

Item 6. Selected Financial Data.

Not applicable to a "smaller reporting company" as defined in Item 10(f)(1) of SEC Regulation S-K.

Item 7 Management's Discussion and Analysis of Financial Condition and Results of Operations.

Forward Looking Statement Notice

Certain statements made in this Quarterly Report on Form 10-K are "forward-looking statements" (within the mea Litigation Reform Act of 1995) regarding the plans and objectives of management for future operations. Such statements risks, uncertainties and other factors that may cause actual results, performance or achievements of AXIM Biotechnolog the "Company") to be materially different from any future results, performance or achievements expressed or imp statements. The forward-looking statements included herein are based on current expectations that involve numerous Company's plans and objectives are based, in part, on assumptions involving the continued expansion of business. foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions a all of which are difficult or impossible to predict accurately and many of which are beyond the control of the Comp believes its assumptions underlying the forward-looking statements are reasonable, any of the assumptions could pr there can be no assurance the forward-looking statements included in this Quarterly Report will prove to be accura uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not b by the Company or any other person that the objectives and plans of the Company will be achieved.

Liquidity and Capital Resources

We are in our early stages of development and growth, without established records of sales or earnings. We will be subje in the business and operations of financially unstable and early stage or potential emerging growth companies.

Our cash requirements for the next twelve months are $12,800,000.

R&D	S
Other Consulting Fees	
Audit and Accounting	
Miscellaneous	
Total	$

We estimate that our audit and accounting costs to be $80,000 however this amount may vary.

We can provide no assurance that the Company can continue to satisfy its cash requirements for at least the next twelve

We expect to obtain financing through shareholder loans and private placements. Shareholder loans will be without s interest. We will not consider taking on any long-term or short-term debt from financial institutions in the immediate fu be granted from time to time as required to meet current working capital needs. We have no formal agreement that ens loans. We may exhaust this source of funding at any time.

We are dependent upon certain related parties to provide continued funding and capital resources. If continued func unavailable at reasonable terms, we may not be able to implement our plan of operations. These loans may include terr to existing shareholders.

Sources of Capital

We expect to sustain our working capital needs through shareholder loans and private placements. Shareholder loans w repayment or interest. We will not consider taking on any long-term or short-term debt from financial instituti Shareholders loans may be granted from time to time as required to meet current working capital needs. We have no form we will receive such loans. We may exhaust this source of funding at any time.

During the next twelve months we anticipate incurring costs related to:

(i) filing Exchange Act reports, and
(ii) contractual obligations

We believe we will be able to meet these costs through use of funds in our treasury, through deferral of fees by certain se amounts, as necessary, to be loaned to or invested in us by our stockholders, management or other investors. As of the this report, we have limited cash. There are no assurances that we will be able to secure any additional funding as ne ability to continue as a going concern is dependent upon our ability to generate future profitable operations and/or to obt meet our obligations and repay our liabilities arising from normal business operations when they come due. Managem additional funds by equity financing and/or related party advances; however there is no assurance of additional funding b

Going Concern

The Company's financial statements have been presented assuming that the Company will continue as a going conce statements, the Company has negative working capital of $1,643,129, has an accumulated deficit of $18,069,636, has ca of $1,294,141 and presently does not have the resources to accomplish its objectives during the next twelve mo substantial doubt about the ability of the Company to continue as a going concern. The financial statements do not inclu the recoverability of assets and classification of liabilities that might be necessary should the Company be unable to cont

The Company intends to raise additional capital through private placements of debt and equity securities, but there c funds will be available on terms acceptable to the Company, or will be sufficient to enable the Company to fully comp or sustain operations. If the Company is unable to raise sufficient additional funds, it will have to develop and imple payables, reduce overhead, or scale back its current business plan until sufficient additional capital is raised to support be no assurance that such a plan will be successful.

Results of Operations

Comparison of the year ended December 31, 2016 and 2015.

Revenue

For the year ended December 31, 2016, we had revenue of $47,059 from sales of our products, as compared to revenue December 31, 2015. This is primarily due to our start up business operations and our change in business operations in e

Cost of Revenue

For the year ended December 31, 2016, we had cost of revenue of $154,130 from sales of our products, as compared to the year ended December 31, 2015. This is primarily due to our start up business operations and our change in business

Operating Expenses

Research and Development Expenses

For the year ended December 31, 2016 our research and development expenses were $235,579 as compared to $571,45 31, 2015. Variance was result of funding not received till later in year. Company deferred some activities until funding re

Selling, General and Administrative Expenses

Our Selling, General and Administrative expenses for the years ending in 2016 and 2015 were $3,413,456 and $9,475,7 result of funding not received till later in year. Company deferred some activities until funding received.

Depreciation Expenses

For the year ended December 31, 2016 our depreciation expenses were $3,356 as compared to $1,119 for the year ended

Other Income and Expenses

Our interest expenses for the years ending in 2016 and 2015 were $275,733 and $43,221 respectively. Variance was res later in year which incurred interest expense .Loss on extinguishment of debt for the years ending in 2016 and 2(respectively. Loss on change in fair value of derivative liability for the years ending in 2016 and 2015 were 211,921 anc of debt discount was 25712 and $0 respectively.

Loss on settlement of liability for the years ending in 2016 and 2015 were 152,077 and $0 respectively. Variances w terms, respective amortization and issuance of stock in payment of some liabilities to conserve cash.

<u>For the Year Ended December 31, 2016 and 2015</u>

<u>Net Cash Provided by/Used in Operating Activities</u>

Net cash used in operating activities was $1,294,141 for the year ended December 31, 2016, as compared to net cash us ended December 31, 2015. The increase is primarily attributable to our net loss from operations of $5,809,906 and balances of operating assets and liabilities and by amortization of prepaid services, amortization of prepaid insurance, s loss on extinguishment of debt.

<u>Net Cash Used in Investing Activities</u>

Net cash used by investing activities during the year ended December 31, 2016 was $0 compared to $16,780 for the sam

<u>Net Cash Provided by Financing Activities</u>

Net cash provided by financing activities during the year ended December 31, 2016, was $1,873,317 compared to $1,0 2015. Cash provided by financing activities were primarily a result of issuance of convertible notes, advances from r convertible preferred stock.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future eff changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital investors.

Contractual Obligations

As a “smaller reporting company” as defined by Item 10 of Regulation S-K, the Company is not required to provide this

Critical Accounting Policies

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates anc reported amount of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts o the reported periods. The more critical accounting estimates include estimates related to revenue recognition and accou also have other key accounting policies, which involve the use of estimates, judgments and assumptions that are sig results, which are described in Note 3 to our consolidated financial statements.

Recently Issued Accounting Standards

Note 3 to our audited consolidated financial statements appearing elsewhere in this report includes Recently Issued Acc

Foreign Currency Transactions

None.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

As a “smaller reporting company” as defined by Item 10 of Regulation S-K, the Company is not required to provide Item.

Item 8. Financial Statement and Supplementary Data

Our financial statements and related explanatory notes can be found on the “F” Pages at the end of this Report.

Item 9. Changes In and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules, and that such information is accumulated and communicated to our principal executive officer and principal financial of timely decisions regarding required disclosure.

As of December 31, 2016, we carried out an evaluation, under the supervision and with the participation of our princ principal financial officer of the effectiveness of the design and operation of our disclosure controls and procedures. principal executive officer and our principal financial officer concluded that our disclosure controls and procedures were the period covered by this report.

Management’s Annual Report on Internal Control over Financial Reporting

The Company’s management is responsible for establishing and maintaining adequate internal control over financial rep in rule 13a-15(f) of the Exchange Act. The Company’s internal control system is designed to provide reasonable management and Board of Directors regarding the reliability of financial reporting and the preparation of financial stater accordance with GAAP. The Company’s internal control over financial reporting includes those policies and procedures

-Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dis Company;

-Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements i that receipts and expenditures of the Company are being made only in accordance with authorizations of management a and

-Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition could have a material effect on the financial statements.

Because of its inherent limitation, internal control over financial reporting may not prevent or detect misstatemer evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of cha degree of compliance with the policies or procedures may deteriorate.

An evaluation was performed under the supervision and with the participation of the Company’s management of the e operation of the Company’s procedures and internal control over financial reporting as of December 31, 2016. In Company used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission Integrated Framework of 1992. Based on that evaluation, the Company’s management concluded that the Company’s i reporting were not effective in that there were material weaknesses as of December 31, 2016. See, Inherent Limitat discussion of material weaknesses

A material weakness is a deficiency or combination of deficiencies in internal control over financial reporting, su
possibility that a material misstatement of the annual or interim financial statements will not be prevented or detec
Company's internal controls.

Attestation Report of the Registered Public Accounting Firm

This annual report does not include an attestation report of our registered public accounting firm regarding internal co
Management's report was not subject to attestation by the Company's registered public accounting firm pursuant t
Reform and Consumer Protection Act, wherein non-accelerated filers are exempt from Sarbanes-Oxley internal control a

Changes In Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting identified in connection with our evaluation that occu
ended December 31, 2016, that have materially affected, or are reasonably likely to materially affect, our internal control

Inherent Limitations of Internal Controls

There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the p
the circumvention and overriding of controls and procedures. A control system, no matter how well conceived an
reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of the contro
that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the
effective control system, misstatements due to error fraud may occur and not be detected. These inherent limitati
judgments in decision-making can be faulty, and that breakdowns can occur due to human error or mistake. Additionally
designed, could be circumvented by the individual acts of specific persons within the organization. The design of any sy
in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any desig
stated objectives under all potential future conditions.

Management is aware that there is a lack of segregation of duties and accounting personnel with appropriate qualificatio
small number of employees dealing with general administrative and financial matters. This constitutes a deficie
Management intends to rectify these deficiencies by implementing proper controls and hiring additional personnel with
properly segregate duties.

Item 9B. Other Information.

Employment Agreements

On September 1, 2016, the Company entered into an amended and restated employment agreement with Dr. George A
Officer, Chief Financial Officer and Secretary. The agreement does not have a set term and may be terminated at any
Anastassov with proper notice. Under the agreement, Dr. Anastassov receives an annual base compensation of $240,00
2,000,000 shares of the Company's common stock due upon execution of the agreement. Upon the one year anni
Company has the direction to grant additional equity awards to Dr. Anastassov. On April 1, 2016 the Company w
restricted shares of the Company's common stock pursuant to the terms of the June 13, 2014, employment agreement.

On September 1, 2016, the Company entered into an amended and restated employment agreement with Mr. Lekhram C
Officer. The agreement does not have a set term and may be terminated at any time by the Company or Mr. Changoer
agreement Mr. Changoer receives an annual base compensation of $240,000 and an incentive payment of 2,000,000 shar
stock due upon execution of the agreement. Upon the one year anniversary of the agreement, the Company has the direc
awards to Mr. Changoer.

On September 15, 2016, the Company entered into an employment agreement with Dr. Philip Van A. Damme, it
agreement does not have a set term and may be terminated at any time by the Company or Dr. Van A. Damme w
agreement Dr. Van A. Damme receives an annual base compensation of $24,000 and an incentive payment of 200,0
common stock due upon execution of the agreement. Upon the one year anniversary of the agreement, the Compan
additional equity awards to Dr. Van A. Damme.

On August 3, 2016, all AXIM affiliates, as such term is defined by the Securities Act of 1933, as amended (the "Ac whereby each affiliate agreed to be prohibited from selling any Company securities pursuant to Rule 144 of the Act un months from the date of the agreement; or (ii) twelve (12) months from the date of acquisition of the securities.

On or about June 29, 2016, Robert Malasek was appointed as the Company's Chief Financial Officer and Secreta employment agreement between the Company and Mr. Malasek.

PART III

Financing

On September 16, 2016, the Company entered into a convertible note purchase agreement (the "Convertible N "Agreement") with a third-party investor. Under the terms of Convertible Note Purchase Agreement the investor may convertible notes from the Company, with various closings, under terms acceptable to the Company and the investor Pursuant to the Agreement, on September 16, 2016 the investor provided the Company with $850,000 secured converti four (4) Secured Convertible Promissory Notes (the "Notes"). Each of the Notes mature on October 1, 2029, and pa paid bi-annually. The Notes are secured by the assets of the Company, may not be pre-paid without the consent of the the option of the holder into shares of the Company's common stock at a fixed conversion price equal to $0.2201.

On October 20, 2016 a third-party investor provided the Company with $1,000,000 secured convertible note financing Convertible Promissory Notes (the "Notes"). Each of the Notes mature on October 1, 2029, and pay 3.5% compour The Notes are secured by the assets of the Company, may not be pre-paid without the consent of the holder, and are c holder into shares of the Company's common stock at a fixed conversion price equal to $0.2201. The investor paid ca Notes and issued to the Company two (2) secured promissory notes of $250,000 each for two (2) Convertible Note secured promissory notes issued by the investor (totaling $500,000) as payment for two (2) secured Notes totaling $5 2017 ($250,000) and March 1, 2017 ($250,000), bear interest at the rate of 1% per annum, are full recourse and additi shares of Medical Marijuana, Inc. (Pink Sheets symbol: MJNA) and were valued at $858,828 based upon the closing p 2016. The Company received $250,000 on February 1, 2017 and $250,000 on March 2, 2017 against the note receivable

In connection with this convertible note, the Company recorded a $499,318 discount on debt, related to the beneficial to be amortized over the life of the note or until the note is converted or repaid. As of December 31, 2016 this note has r

During the year ended December 31, 2016 the Company amortized the debt discount on all the notes of $25,712 to oper

Item 10. Directors, Executive Officers and Corporate Governance

Our executive officers, key employees and directors are listed in the below table. There are no arrangements, agreemen non-management security holders and management under which non-management security holders may directly o influence the management of our affairs. There are no arrangements or understandings between any director and any ot any director or executive officer was or is to be selected as a director or executive officer, as applicable. There currently during the past ten years there have been no legal proceedings, that are material to the evaluation of the ability or integ director nominees.

NAME	AGE	POSITION
Dr. George E. Anastassov	53	Chairman, Chief Executive Officer, President
Dr. Philip A. Van Damme	63	Director, Chief Scientific Officer
Lekhram Changoer	50	Director, Chief Technology Officer

The background of our executive officers, key employees and director is as follows:

Dr. George E. Anastassov - Chairman of the Board, Chief Executive Officer. President

Dr. George E. Anastassov is the Chief Executive Officer, Chief Financial Officer and the Secretary of AXIM Biotechno Prior to that Dr. Anastassov was one of the founders and the CEO of CanChew Biotechnologies, LLC in 2012. Dr. A founders and a Board Member and a general partner of Sanammad Foundation and Sanammad Pharmaceuticals; bot located in The Netherlands since 2009 and 2014, respectively. He is one of the developers of the first-in-the-world can gum-based delivery system. Dr. Anastassov possesses Medical and Dental Doctorates as well as an Executive MB recognized in "Who's Who in Medicine" as well as "Who's Who in Business Professionals" numerous times. He is the r and international professional and humanitarian awards. Dr. Anastassov has been actively involved in Research and D Biotechnologies since 1987.

Dr. Philip A. Van Damme, DMD MD PhD - Director, Chief Scientific Officer

Dr. Philip. A. Van Damme is Chief Scientific/Medical Officer of AXIM Biotechnologies Inc., as of May 2014. Prior t one of the founders and CSO of CanChew Biotechnologies LLC, in 2012. He is also one of the founders and Pres Foundation and Sanammad Pharmaceuticals, both originated and located in The Netherlands since 2009 and 2014, re developers of the first-in-the-world cannabinoid-containing chewing gum-based delivery systems. Dr. Van Damme po Doctorates as well as a PhD in Medical Sciences, and has been actively involved in Research and Development Biotechnologies since 1983.

Lekhram Changoer - Director, Chief Technology Officer

Lekhram Changoer is the Chief Technology Officer of AXIM Biotechnologies, Inc. as of May 2014. He hol Analytical/Organic Chemistry and a Master's Degree in Organic Chemistry. He was one of the founders of CanChew B and is board member and partner of Sanammad Foundation and Sanammad Pharmaceuticals BV; both companies or Netherlands since 2009 and 2014, respectively. He is the originator of multiple patents including patent-pending t compositions comprising cannabinoids, together with his Sanammad partners. He has over 20 years of experience in th R&D, product development, and quality assurance of technical, consumer healthcare and pharmaceutical products - all s international markets. During his career he has co-founded different intellectual property-based pharmaceutical and d stages from clinical development to the global sales of registered products.

CORPORATE GOVERNANCE

General

We believe that good corporate governance is important to ensure that the Company is managed for the long-term bene section describes key corporate governance practices that we have adopted.

Committees: Meetings of the Board

The Company does not have a separate Compensation Committee, Audit Committee or Nominating Committee. These the Board of Directors meeting as a whole. The Company's Board of Directors held both in person meetings and re meetings during the fiscal year ended December 31, 2016. All corporate actions by the Board of Directors were either c Directors or were agreed to unanimously at a meeting where proper notice had been given and a quorum was present.

Audit Committee

The board of directors has not established an audit committee. The functions of the audit committee are currently perf directors. The Company is under no legal obligation to establish an audit committee and has elected not to do so at this and expense of identifying independent directors willing to serve on the audit committee. The Company may establis future if the board determines it to be advisable or we are otherwise required to do so by applicable law, rule or regulatio

As the board of directors does not have an audit committee, it therefore has no "audit committee financial expert" withi (5) of Regulation S-K except its chief financial officer. In general, an "audit committee financial expert" is an indi committee who:

- understands generally accepted accounting principles and financial statements,
- is able to assess the general application of such principles in connection with accounting for estimates, accruals
- as experience preparing, auditing, analyzing or evaluating financial statements comparable to the breadth and statements,
- understands internal controls over financial reporting, and
- understands audit committee functions.

Director Nominees

The Company does not have a nominating committee. The board of directors, sitting as a board, selects those individ members of our board. Since the board of directors does not include a majority of independent directors, the decisior nominees is made by persons who have an interest in the outcome of the determination. The board will consider candi by security holders, although no formal procedures for submitting candidates have been adopted. Until otherwise deter prior to the next annual board of directors' meeting at which the slate of board nominees is adopted, the board accep include the name, address and telephone number of the proposed nominee, along with a brief statement of the candidate director and a statement of why the shareholder submitting the name of the proposed nominee believes that the nom interests of shareholders. If the proposed nominee is not the security holder submitting the name of the candidate, agreeing to the submission of his or her name for consideration should be provided at the time of submission. The letter resume supporting the nominee's qualifications to serve on the board of directors, as well as a list of references.

The board identifies director nominees through a combination of referrals, including by management, existing board me where warranted. Once a candidate has been identified the board reviews the individual's experience and background, an nominee with the source of the recommendation. If the board believes it to be appropriate, board members may meet before making a final determination whether to include the proposed nominee as a member of management's slate of dire shareholders for election to the board.

Among the factors that the board considers when evaluating proposed nominees are their experience in the inforr knowledge of and experience with and knowledge of and experience in business matters, finance, capital markets and m board may request additional information from the candidate prior to reaching a determination. The board is under no ob to all recommendations, although as a matter of practice, it will endeavor to do so.

Security Holder Communications with our Board of Directors

The Company provides an informal process for security holders to send communications to our board of directors. S contact the board of directors or any of its members may do so by writing to: AXIM Biotechnologies, Inc., 45 Rocke 83, New York, NY 10111. Correspondence directed to an individual board member is referred, unopened, to that m directed to a particular board member is referred, unopened, to the President and CEO.

Code of Ethics

Under the Sarbanes-Oxley Act of 2002 and the Securities and Exchange Commission's related rules, the Company is re has adopted a code of ethics that applies to the Company's principal executive officer, principal financial officer, pr controller or persons performing similar functions. The Company has not adopted a code of ethics at this time but inten

Compliance with Section 16(a) of Securities Exchange Act of 1934

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires the registrant's officers and directors, and p 10% of a registered class of the registrant's equity securities, to file reports of ownership and changes in ownershi Registrant with the Securities and Exchange Commission. Officers, directors and greater-than-10% shareholders are re Exchange Commission regulation to furnish the registrant with copies of all Section 16(a) forms that they file. Based so 3 and 4 and amendments thereto furnished to us during our most recent fiscal year and Forms 5 and amendments t respect to our most recent fiscal year, to the best of our knowledge, all executive officers, directors and persons hold issued and outstanding stock have filed the required reports in a timely manner during fiscal 2016.

Family Relationships

There is no family relationship between any Director, executive or person nominated or chosen by the Company to be officer.

Advisory Board

On October 15, 2014, our Board of Directors created an Advisory Board to advise the Board on certain matters and de Company's Advisory Board will serve at the pleasure of the Board. Also, on October 15, 2014, the Board appointed MD, PhD and Renger Witkamp, PhD to our Advisory Board. On December 11, 2014, the Board appointed Dr. Arno H C. Hutchins and Dr. Murad A. Sunalp, MD, BM, BCh, MBA our Advisory Board. On March 18, 2015, the Board app F. Meis, MD, PhD to our Advisory Board. On June 18, 2015 the Board appointed Mr. Marvin Washington to our Advi

Item 11. Executive Compensation

The following table sets forth the cash compensation paid to our officers and directors for services rendered, and to be re

Name and Principal Position	Year	Salary	Bonus	Stock Awards	Warrant Option Awards	Non-Equity Incentive Plan Compensation	Nonqualified Deferred Compensation Earnings	All Other Compensation	Total
Dr. George E. Anastassov	2016	240,000	0	0	0	0	0	715,625	$955,625
Chairman, Chief Executive Officer	2015	240.000	0	0	0	0	0	606,625	$846,625
Dr. Philip A. Van Damme	2016	6,000	0	0	0	0	0	48,000	54,000
Director, Chief Scientific Officer	2015	0	0	0	0	0	0	1,500	$1,500
Lekhram Changoer	2016	160,000	0	0	0	0	0	658,200	818,200
Director, Chief Technology Officer	2015	120,000	0	0	0	0	0	15,000	$135,000

Employment Agreements

On June 13, 2014, we entered into a 12 month employment agreement, at a compensation rate of $240,000 annually, wi to serve as our Chairman, Chief Executive Officer, President, Chief Financial Officer and Secretary. The agreement a additional 12 month term unless terminated earlier by ether party. Following 12 months of continuous employment, either; at the sole option of the Company, 500,000 restricted shares of Company common stock; or the financial equiva average 10 day closing price as of the Company's common stock immediately preceding the grant date, as quoted on Ya 15 months of continuous employment, and every three (3) months thereafter, Dr. Anastassov will receive either, at the s 125,000 restricted shares of Company common stock; or the financial equivalent in cash, based upon the average 10 Company's commons stock immediately preceding the grant date, as quoted on Yahoo Finance.com.

Effective January 1, 2016, we entered into a 12 month employment agreement, at a compensation rate of $126,0 Changoer to serve as our Chief Technology Officer. Following 3 months of continuous employment, and every tl Changoer will receive either; at the sole option of the Company, 120,000 restricted shares of Company common stock; cash, based upon the average 10 day closing price as of the Company's common stock immediately preceding the gra Finance.com.

On September 1, 2016, the Company entered into an amended and restated employment agreement with Dr. George A Officer. The agreement does not have a set term and may be terminated at any time by the Company or Dr. Anastassov agreement, Dr. Anastassov receives an annual base agreement. Upon the one year anniversary of the agreement, the C grant additional equity awards to Dr. Anastassov. On April 1, 2016 the Company was obligated to issue 120,000 restri common stock pursuant to the terms of the June 13, 2014, employment agreement. On September 1, 2016, the Cor 2,000,000 restricted shares of the Company's common stock pursuant to the terms of the September 1, 2016, emp Anastassov. The shares were issued in the 4th quarter 2016. At the year end December 31, 2016 the Company reco expense in the accompanying consolidated financial statements to account for the required issuance of the incentive share

On April 1, 2016 the Company was obligated to issue 120,000 restricted shares of the Company's common stock employment agreement with Mr. Changoer. The shares were issued in the 4th quarter 2016.At the year end December 31 $58,200 of compensation expenses in the accompanying consolidated financial statements to account for the required iss

On September 1, 2016, the Company entered into an amended and restated employment agreement with Mr. Lekhram C Officer. The agreement does not have a set term and may be terminated at any time by the Company or Mr. Changoer agreement Mr. Changoer receives an annual base compensation of $240,000 and an incentive payment of 2,000,000 shar stock due upon execution of the agreement. Upon the one year anniversary of the agreement, the Company has the equity awards to Mr. Changoer. On September 1, 2016, the Company was obligated to issue 2,000,000 restricted share stock pursuant to the terms of the September 1, 2016, employment agreement with Mr. Changoer. The shares were issu the year end December 31, 2016 the Company recorded $600,000 of compensation expense in the accompanying conso account for the required issuance of the incentive shares.

On September 15, 2016, the Company entered into an employment agreement with Dr., Philip Van A. Damme, it agreement does not have a set term and may be terminated at any time by the Company or Dr. Van A. Damme w agreement Dr. Van A. Damme receives an annual base compensation of $24,000 and an incentive payment of 200,0 common stock due upon execution of the agreement. Upon the one year anniversary of the agreement, the Compan additional equity awards to Dr. Van A. Damme. On September 15, 2016, the Company was obligated to issue 20(Company's common stock pursuant to the terms of the September 1, 2016, employment agreement with Dr. Van A. Da in the 4th quarter 2016. At the year end December 31, 2016 the Company recorded $48,000 of compensation e consolidated financial statements to account for the required issuance of the incentive shares. The ongoing base cor mutual consent of the Company and Dr. Philip Van A. Damme at December 15, 2016.

Compensation of Directors and Advisory Board Members

Our Directors are compensated at a rate of $1,000 every 90 days. Our Advisory Board Members are compensated at a Both, our Directors and Advisory Board Members are reimbursed for reasonable out-of-pocket expenses related to meetings and for promoting our business. In the future, we may compensate our Directors and Advisory Board Mem other compensation. From time to time we may request certain members of the board of directors to perform services we will compensate the directors for their services at rates no more favorable than could be obtained from unaffiliated pa

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table sets forth certain information regarding our common stock beneficially owned as of December 31, 20

(i) each stockholder known by us to be the beneficial owner of five (5%) percent or more of our outstanding co
(ii) each of our officers and directors; and
(iii) all executive officers and directors as a group.

This information as to beneficial ownership was furnished to the Company by or on behalf of each person named. As
were 52,506,441 shares of our common stock issued and outstanding.

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership
Common Stock	Dr. George E. Anastassov[1]	(5)
Common Stock	Dr. Philip A. Van Damme[2]	(6)
Common Stock	Lekhram Changoer[3]	(8)
Common Stock	SANAMMAD Foundation	18,240,356[7]
Common Stock	MJNA Investment Holdings LLC	17,443,650[9]
Common Stock	All Directors and Officers as a Group	18,240,356

(1) The address is: 45 Rockefeller Plaza 20th Floor, Suite 83, New York, NY 10111.

(2) The address is: 12255 Crosthwaite Circle, Poway, CA 92064.

(3) The address is: Bijleveldsingel 89, Nijmegen, 6521AP, Netherlands.

(4) Sanammad Foundation holds 18,240,356 shares of our common stock.

(5) Mr. Anastassov is a 1/3 owner and control person of Sanammad Foundation which holds 18,240,356 shar
500,000 shares of Series B preferred stock.

(6) Mr. Van Damme is a 1/3 owner and control person of Sanammad Foundation which holds 18,240,356 shar
500,000 shares of Series B preferred stock.

(7) The address is: 560 Sylvan Avenue, 3rd Floor, Englewood Cliffs, NJ 07632.

(8) Mr. Changoer is a 1/3 owner and control person of Sanammad Foundation which holds 18,240,356 shares of ou
shares of Series B preferred stock

(9) MJNA Investment Holdings, LLC holds 17,443,650 shares of our common stock

Beneficial ownership is determined in accordance with the rules and regulations of the SEC. The number of shares an
owned by each individual listed above include shares that are subject to options held by that individual that are
exercisable within 60 days from the date of this Report and the number of shares and the percentage beneficially owned
as a group includes shares subject to options held by all officers and directors as a group that are immediately exercis
days from the date of this Report.

Item 13. Certain Relationships and Related Transactions, and Director Independence

On August 8, 2014 the Company entered into a Promissory Note Agreement with CanChew Biotechnologies, LLC
owners of CCB also own 90% of the outstanding shares of the Company), under which it borrowed $1,000,000 to fund
a demand note which bears interest at a rate of 7% annually. The Promissory Note Agreement was amended effective Ja
Promissory Note bears an annual interest rate of 3%. All other terms and conditions shall remain in full force and effec
principal payment of $120,000 was made. The total outstanding at December 31, 2016, is $880,000.

On May 21, 2014, the Company President advanced an additional $5,000 to the Company to fund working capital need

On June 25, 2014, the Company received a non interest bearing advance from CanChew Biotechnologies, LLC (CCB) (
payment on its D & O liability insurance. In addition the Company during 2014 was advanced an additional $35,
principally for the owner's salary. For the years ended December 31, 2016 and 2015, the Company received additiona
$1,020,135, respectively for operation expenses. The advance is non-interest bearing and is due on demand. The tota
party as of December 31, 2016 and 2015 is $1,619,067 and $1,085,910, respectively.

Board of Directors Independence

None of the Company's directors is "independent" within the meaning of definitions established by the Securities and E
self-regulatory organization. The Company is not currently subject to any law, rule or regulation requiring that all or
directors include "independent" directors.

Item 14. Principal Accountant Fees and Services.

Audit Fees

RBSM, LLP, billed us $60,000 and $34,500 in audit fees during the years ended December 31, 2016 and 2015.

Audit-Related Fees

We did not pay any fees to any of our primary auditors, for assurance and related services that are not reported under A
fiscal years ended December 31, 2016 and 2015.

Tax and All Other Fees

We did not pay any fees to any of our primary auditors for tax compliance, tax advice, tax planning or other work d
December 31, 2016 and 2015.

Pre-Approval Policies and Procedures

With respect to the audit of our financial statements as of December 31, 2016 and 2015, and for the years then ended, n
on any of our primary auditor's engagement to audit those financial statements were attributed to work by person
auditor's full- time, permanent employees.

Item 15. Exhibits.

Statements

Consolidated Balance Sheets as of December 31, 2016 and 2015.
Consolidated Statements of Operations for the year ended December 31 2016 and 2015.
Consolidated Statements of Changes in Shareholders' Deficit for the year ended December 31, 2016.
Consolidated Statements of Cash Flows for the year ended December 31, 2016 and 2015.
Notes to Consolidated Financial Statements

Schedules

All schedules are omitted because they are not applicable or the required information is shown in the Financial Statements or notes thereto.

Exhibits	**Exhibit #**	**Incorporated by Reference (Form Type)**	**Filing Date**	**Filed with This Report**
Articles of Incorporation, as filed with the Nevada Secretary of State on November 18, 2010.	3.1	10-Q	11/14/2014	
Certificate of Amendment, as filed with the Nevada Secretary of State on July 24, 2014.	3.2	10-Q	11/14/2014	
Amended and Restated (As of August 17, 2016) Bylaws of AXIM Biotechnologies, Inc.	3.3	10-Q	8/22/2016	
Certificate of Designation of Series B Preferred Stock	3.4	10-Q	8/22/2016	
Certificate of Designation of Series C Preferred Stock	3.5	10-Q	8/22/2016	
Amended and Restated Employment Agreement effective September 1, 2016, by and between AXIM International, Inc. and Dr. George E. Anastassov	10.1	10-Q	11/21/2016	
Amended and Restated Employment Agreement effective September 1, 2016, by and between AXIM International, Inc. and Lekhram Changoer	10.2	10Q	11/21/2016	
Employment Agreement effective September 1, 2016, by and between AXIM International, Inc. and Dr. Philip A. Van Damme.	10.3	10-Q	11/21/2016	
Consent of Experts	23.1			X
Certification of Principal Executive Officer pursuant to Rule 13a-14 and Rule 15d-14(a), promulgated under the Securities and Exchange Act of 1934, as amended	31.1			X
Certification of Principal Financial Officer pursuant to Rule 13a-14 and Rule 15d 14(a), promulgated under the Securities and Exchange Act of 1934, as amended	31.2			X
XBRL Instance Document	101.INS			X
XBRL Taxonomy Extension Schema Document	101.SCH			X
XBRL Taxonomy Extension Calculation Linkbase Document	101.CAL			X
XBRL Taxonomy Extension Definition Linkbase Document	101.DEF			X
XBRL Taxonomy Extension Label Linkbase Document	101.LAB			X
XBRL Taxonomy Extension Presentation Linkbase Document	101.PRE			X

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to b undersigned thereunto duly authorized.

AXIM BIOTECHNOLOGIES, INC.

Dated: April 17, 2017	By:	/s/ *Dr. George Anastassov*
		Dr. George Anastassov President and Director Principal Executive Officer
Dated: April 17, 2017	By:	/s/ *Robert Malasek*
		Robert Malasek Principal Financial Officer
Dated April 17, 2017		*/s/ Lekhram Changoer*
		Lekhram Changoer Director
Dated April 17, 2017		*/s/ Dr. Philip A. Van Damme*
		Dr. Philip A. Van Damme Director

AXIM BIOTECHNOLOGIES, INC.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of
Axim Biotechnologies, Inc.

We have audited the accompanying consolidated balance sheets of Axim Biotechnologies, Inc. (the "Company"), as of and the related consolidated statements of operations, stockholders' deficit and cash flows for each of the two years in t 2016. These consolidated financial statements are the responsibility of the Company's management. Our responsibilit these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (Un require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are The company is not required to have, nor were we engaged to perform an audit of the Company's internal control over included consideration of internal control over financial reporting as a basis for designing audit procedures that are app but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financi express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts an statements, assessing the accounting principles used and significant estimates made by management, as well as e statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the con Axim Biotechnologies, Inc. as of December 31, 2016 and 2015, and the results of its operations and its cash flows fo period ended December 31, 2016, in conformity with accounting principles generally accepted in the United States of A

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. A accompanying financial statements, the Company has suffered recurring losses from operations, generated negativ activities, and has an accumulated deficit as of December 31, 2016, which raises substantial doubt about its ability t Management's plans in regard to this matter are described in Note 14. The financial statements do not include any adjus the outcome of this uncertainty.

//s// RBSM, LLP

April 17, 2017
New York, New York

AXIM BIOTECHNOLOGIES, INC.

Consolidated Balance Sheets

		December 31, 2016		**December 31, 2015**
ASSETS				
Current assets:				
Cash	$	713,346	$	134,170
Inventory		38,446		200,784
Reservation fee deposit		76,155		65,170
Prepaid expenses		40,753		777,657
Loan receivable		505,000		5,000
Total current assets		1,373,700		1,182,781
Property and equipment, net of accumulated depreciation of $4,474 and $1,119, respectively.		12,305		15,661
Other Assets:				
Acquired intangible asset - intellectual property licensing agreement, net		63,167		63,167
Total other assets		63,167		63,167
TOTAL ASSETS	$	1,449,172	$	1,261,609
LIABILITIES AND STOCKHOLDERS' DEFICIT				
Current liabilities:				
Accounts payable and accrued liabilities	$	401,220	$	324,015
Due to shareholder		5,000		5,000
Convertible loan		-		50,000
Due to first insurance funding		22,978		22,963
Derivative liability (see note 9)		-		-
Due to related party		1,619,067		1,085,910
Promissory note - related party (including accrued interest of $88,564 and $57,726 respectively)		968,564		1,057,726
Total current liabilities		3,016,829		2,545,614
Long-term liabilities:				
Convertible notes payable due to shareholder including accrued interest of $793 and $0, respectively		45,793		-
Convertible note payable (including accrued interest of $15,646 and 11,197 respectively) net of unamortized debt discount of $1,323,606 and $0, respectively (see note 9)		758,140		411,197
Total long-term liabilities		803,933		411,197
TOTAL LIABILITIES		3,820,762		2,956,811
STOCKHOLDERS' DEFICIT				
Preferred stock, $0.0001 par value, 5,000,000 shares authorized;				
Series A Convertible Preferred stock, $0.0001 par value, -0- and 1,000,000 shares designated respectively, -0- and 1,000,000 shares issued and outstanding; respectively		-		100
Undesignated Preferred stock, $0.0001 par value, 4,000,000 shares authorized, 0- and 1,000,000 shares issued and outstanding, respectively		-		100
Series B Convertible Preferred Stock, $0.0001 par value 500,000 shares designated, 500,000 and -0- shares issued and outstanding, respectively		50		-
Series C Convertible Preferred Stock, $0.0001 par value 500,000 shares designated, 500,000 and -0- shares issued and outstanding, respectively		50		-
Common stock, $0.0001 par value, 300,000,000 shares authorized 52,506,441 and 39,633,706 shares issued and outstanding, respectively;		5,251		3,963
Additional paid in capital		15,672,631		9,032,865
Common stock to be issued		20,064		52,500
Accumulated deficit		(18,069,636)		(10,784,730)
TOTAL STOCKHOLDERS' DEFICIT		(2,371,590)		(1,695,202)

TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 1,449,172	$ 1,261,609

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

AXIM BIOTECHNOLOGIES, INC.

Consolidated Statement of Operations

		For the Year ended December 31, 2016
Revenues	$	47,059
Cost of goods sold		154,130
Gross loss		(107,071)
Operating expenses:		
Research and development expenses		235,579
Selling, general and administrative		3,413,456
Depreciation		3,356
Total operating expenses		3,652,391
Loss from operations		(3,759,462)
Other (Income) expenses:		
Amortization of Debt Discount		25,712
Loss on extinguishment of debt		1,385,000
Loss on change in fair value of derivative liability		211,921
Loss on settlement of liability		152,077
Interest expense		275,734
Total other expense		2,050,444
Loss before provision of income tax		(5,809,906)
Provision for income tax		-
NET LOSS	$	(5,809,906)
Less: Dividend on preferred stocks		(1,475,000)
NET LOSS ATTRIBUTABLE TO COMMON SHAREHOLDERS	$	(7,284,906)
Loss per common share - basic and diluted	$	(0.17)
Weighted average common shares outstanding - basic and diluted		41,732,306

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

Axim Biotechnologies, Inc.
Consolidated Statement of Stockholders Deficit
For the Years Ended December 31, 2016 and 2015

	Preferred Stock		Series A Convertible Preferred Stock		Series B Convertible Preferred Stock		Series C Convertible Preferred Stock		Common Stock		Common Stock to be issued	Additional Paid in Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount				
Balance, December 31, 2014	**1,000,000**	**$ 100**	**-**	**$ -**	**-**	**$ -**	**-**	**$ -**	**33,000,000**	**$ 3,300**	**$ -**	**$ 107,841**	**$ (691,964)**	**$ (580,723)**
Common stock issued for consulting services	-	-	-	-	-	-	-	-	162,000	16	-	122,384	-	122,400
Common stock issued for acquisition of intangible assets and inventory	-	-	-	-	-	-	-	-	5,826,706	582	-	982,680	-	983,262
Common stock issued for officer's compensation	-	-	-	-	-	-	-	-	625,000	63	-	550,062	-	550,125
Fair value of convertible note for consulting services over the value of note	-	-	-	-	-	-	-	-	-		-	2,000,000	-	2,000,000
Fair value of series "A" convertible preferred stock issued for consulting services	-	-	1,000,000	100	-	-	-	-	-		-	5,249,900	-	5,250,000
Common stock issued for cash	-	-	-	-	-	-	-	-	20,000	2	-	19,998	-	20,000
Common stock to be issued for officer's compensation	-	-	-	-	-	-	-	-	-		52,500	-	-	52,500
Net loss	-	-	-	-	-	-	-	-	-	-	-	-	(10,092,766)	(10,092,766)
Balance, December 31, 2015	**1,000,000**	**$ 100**	**1,000,000**	**$ 100**	**-**	**$ -**	**-**	**$ -**	**39,633,706**	**$ 3,963**	**$ 52,500**	**$ 9,032,865**	**$(10,784,730)**	**$ (1,695,202)**
Common stock issued against common stock to be issued	-	-	-	-	-	-	-	-	125,000	13	(52,500)	52,487	-	-
Common stock issued for officer's compensation	-	-	-	-	-	-	-	-	2,250,000	225	-	715,400	-	715,625
Common stock issued for consultancy services	-	-	-	-	-	-	-	-	2,440,000	244	-	705,956	-	706,200
Common stock issued for consulting services	-	-	-	-	-	-	-	-	10,815	1	-	6,120	-	6,121
Common stock to be issued for consultancy services	-	-	-	-	-	-	-	-	-	-	20,064	-	-	20,064
Common stock issued in exchange for debt	-	-	-	-	-	-	-	-	2,540,000	254	-	208,746	-	209,000

Fair value of convertible note over the face value of note	-	-	-	-	-	-	-	-	-	-	-	1,385,000	-	1,385,000
Cancellation/Rescission of the Series "A" convertible preferred stock issued in 2015	-	-	(1,000,000)	(100)	-	-	-	-	-	-	-	100	-	-
Issuance of Series B convertible preferred stock for cash	-	-	-	-	500,000	50	-	-	-	-	-	49,950	-	50,000
Issuance of Series C convertible preferred stock for cash	-	-	-	-	-	-	500,000	50	-	-	-	64,950	-	65,000
Issuance of Series A convertible preferred stock on conversion of preferred stock	(1,000,000)	(100)	1,000,000	100	-	-	-	-	-	-	-	-	-	-
Issuance of common stock on conversion of Series A preferred stock	-	-	(1,000,000)	(100)	-	-	-	-	5,000,000	500	-	1,474,600	-	1,475,000
Issuance of common stock against settlement of liabilities	-	-	-	-	-	-	-	-	506,920	51	-	202,717	-	202,768
Extinguishment of derivative liability upon modification of convertible debt	-	-	-	-	-	-	-	-	-	-	-	1,274,422	-	1,274,422
Beneficial conversion feature on convertible note	-	-	-	-	-	-	-	-	-	-	-	499,318	-	499,318
Preferred stock dividend	-	-	-	-	-	-	-	-	-	-	-	-	(1,475,000)	(1,475,000)
Net loss	-	-	-	-	-	-	-	-	-	-	-	-	(5,809,906)	(5,809,906)
Balance, December 31, 2016	**-**	**$ -**	**-**	**$ -**	**500,000**	**$ 50**	**500,000**	**$ 50**	**52,506,441**	**$5,251**	**$ 20,064**	**$15,672,631**	**$(18,069,636)**	**$ (2,371,590)**

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

Axim Biotechnologies, Inc.
Consolidated Statement of Cash Flow

		For the years endec December 31 2016
Cash flow from operating activities:		
Net loss	$	(5,809,
Adjustment to reconcile net loss to cash provided by (used in) in operating activities		
Expenses incurred by related party on behalf of Company, net		
Depreciation		3
Stock based compensation		1,448
Inventory written off		9
Amortization of prepaid services		736
Amortization of prepaid insurance		41
Amortization of debt discount		25
Loss on extinguishment of debt		1,385
Non-cash interest expense		212
Loss on change in fair value of derivative liability		211
Loss on settlement of liabilities		152
Impairment loss		
Changes in operating assets & liabilities:		
Increase in reservation fee deposit		(10,
Increase in prepaid insurance		(40,
Decrease in inventory		152
Increase in due to first insurance funding		
Increase in accounts payable and accrued expenses		188
Net cash used in operating activities		(1,294,
Cash flow from Investing Activities:		
Purchase of equipment		
Net cash used in investing activities		
Cash flow from Financing Activities:		
Proceeds from issuance of Series B and C convertible preferred stock		115
Proceeds from due to related party		533
Repayment of loans		(124,
Proceeds from convertible notes		1,350
Issuance of common stock for cash		
Net cash provided by financing activities		1,873
Net increase in cash and cash equivalents		579
Comprehensive income (loss)		
Cash and cash equivalents at Beginning of period		134
Cash and cash equivalents at End of period	$	713

Supplemental Disclosure of Cash Flow Information	
Interest	$ 5
Income Tax	$
Non-cash investing and financing activities:	
Common stock issued against common stock to be issued	$ 52
Convertible note exchanged for related party convertible note	$ 50
Common stock issued against conversion of debt and interest	$ 209
Rescission of series A convertible preferred shares	$
Exchange of preferred stock against series A preferred stock	$
Conversion of series A convertible preferred stock into common stock	$
Debt discount and initial derivative liability at issuance of note	$ 1,062
Issuance of shares to settle accounts payable	$ 50
Derivative liability extinguished upon modification of convertible debt	$ 1,274
Issued convertible note against promissory note receivable	$ 500
Initial beneficial conversion feature expense	$ 499
Preferred dividend against common stock to be issued on conversion of series A convertible preferred stock	$ 1,475
Excess fair value of convertible note issued for prepaid services	$
Convertible Series A preferred stock issued for consulting services	$
Acquisition of Intellectual property through subsidiary acquisition	$
Convertible Note issued for prepaid services	$

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

NOTE 1: ORGANIZATION

The Company was originally incorporated in Nevada on November 18, 2010, as Axim International Inc. On July 24, 2(name to AXIM Biotechnologies, Inc. to better reflect its business operations. The Company's principal executive offi Plaza 20th Floor, Suite 83, New York, NY 10111. On August 7, 2014, the Company formed a wholly owned Ne Holdings, Inc. This subsidiary will be used to help facilitate the anticipated activities planned by the Company. On acquired a 100% interest in Can Chew License Company a Nevada incorporated licensing Company, through the excha common stock.

NOTE 2: BASIS OF PRESENTATION:

The consolidated financial statements of AXIM Biotechnologies, Inc. (formerly Axim International, Inc.) as of Decem been prepared in accordance with United States generally accepted accounting principles ("US GAAP").

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the Unite management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclo liabilities at the date of the financial statements as well as the reported amounts of revenue and expenses during reportin differ from these estimates.

Cash equivalents

The Company considers all highly liquid investments with original maturities of three months or less at the time of purcl

Inventory

Inventory consists of finished goods available for sale and raw materials owned by the Company and are stated at the lo the year ended December 31, 2016, the Company wrote off finished goods inventory worth $9,753. As of Decembe inventory totaled $38,446 and the shelf life of the finished goods inventory is set to expire on April 6, 2017.

Property and equipment

Property and equipment are carried at cost less accumulated depreciation. Depreciation is computed using straight-li useful life. New assets and expenditures that extend the useful life of property or equipment are capitalized and ordinary repairs and maintenance are charged to operations as incurred. For the year ended December 31, 2016 and $3,356 and $1,118, respectively, of depreciation expense.

Intangible Assets

As required by generally accepted accounting principles, trademarks and patents are not amortized since they have an i tested annually for impairment. Intangible assets as of December 31, 2016 and 2015 amounted to $63,167 net of accu $652,265.

Revenue Recognition

The Company recognizes revenue on four basic criteria that must be met before revenue can be recognized: (1) persuasi exists; (2) delivery has occurred or services have been rendered; (3) the fee is fixed or determinable; and (4) collect Determination of criteria (3) and (4) are based on management's judgments regarding the fixed nature of the fee char products delivered and the collectability of those fees. Revenue is generally recognized upon shipment.

Revenues from continuing operations recognized for the year ended December 31, 2016 and 2015 amounted to $47,059 a

Principles of Consolidation

The consolidated financial statements include the accounts of Axim Biotechnologies, Inc. and its wholly owned subsidi Can Chew License Company as of December 31, 2016 and 2015. All significant intercompany transactions and bala consolidation.

Derivative Liabilities

The Company assessed the classification of its derivative financial instruments as of December 31, 2016, which cons and rights to shares of the Company's common stock, and determined that such derivatives meet the criteria for liability

ASC 815 generally provides three criteria that, if met, require companies to bifurcate conversion options from their hos them as free standing derivative financial instruments. These three criteria include circumstances in which (a) the econor the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair valu generally accepted accounting principles with changes in fair value reported in earnings as they occur and (c) a separ terms as the embedded derivative instrument would be considered a derivative instrument subject to the requirement provides an exception to this rule when the host instrument is deemed to be conventional, as described.

Fair value of Financial Instruments

Effective January 1, 2008, the Company adopted FASB ASC 820-Fair Value Measurements and Disclosures, or ASC measured at fair value on a recurring basis. ASC 820 establishes a common definition for fair value to be applied t accounting principles that require the use of fair value measurements established a framework for measuring fair value such fair value measurements. The adoption of ASC 820 did not have an impact the Company's financial position or op certain disclosures.

ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer liability in an orderl participants at the measurement date. Additionally, ASC 820 requires the use of valuation techniques that maximize the minimize the use of unobservable inputs. These inputs are prioritized below:

Level 1: Observable inputs such as quoted market prices in active markets for identical assets or liabilities

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market date

Level 3: Unobservable inputs for which there is little or no market data, which require the use of the reporting entity's o

The company did not have any Level 2 or Level 3 assets or liabilities as of December 31, 2016, with the exception of and derivative liability. The carrying amounts of these liabilities at December 31, 2016 approximate their respec Company's incremental borrowing rate.

Cash is considered to be highly liquid and easily tradable as of December 31, 2016 and therefore classified as Level 1 wit

In addition, FASB ASC 825-10-25 Fair Value Option, or ASC 825-10-25, was effective for January 1, 2008. ASC 825 to use fair value measurements in financial reporting and permits entities to choose to measure many financial instrume fair value. The Company did not elect the fair value options for any of its qualifying financial instruments.

Convertible Instruments

The Company evaluates and accounts for conversion options embedded in its convertible instruments in accordance w "Accounting for Derivative Instruments and Hedging Activities".

Professional standards generally provides three criteria that, if met, require companies to bifurcate conversion options fr account for them as free standing derivative financial instruments. These three criteria include circumstances in which (a and risks of the embedded derivative instruments are not clearly and closely related to the economic characteristics and the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured applicable generally accepted accounting principles with changes in fair value reported in earnings as they occur and (c) a same terms as the embedded derivative instrument would be considered a derivative instrument. Professional standards this rule when the host instrument is deemed to be conventional as defined under professional standards as "Th Convertible Debt Instrument".

The Company accounts for convertible instruments (when it has determined that the embedded conversion options s their host instruments) in accordance with professional standards when "Accounting for Convertible Securities with Be as those professional standards pertain to "Certain Convertible Instruments." Accordingly, the Company records, convertible notes for the intrinsic value of conversion options embedded in debt instruments based upon the differences underlying common stock at the commitment date of the note transaction and the effective conversion price embedde under these arrangements are amortized over the term of the related debt to their earliest date of redemption. The necessary deemed dividends for the intrinsic value of conversion options embedded in preferred shares based upon th value of the underlying common stock at the commitment date of the note transaction and the effective conversion price

ASC 815-40 provides that, among other things, generally, if an event is not within the entity's control could or require contract shall be classified as an asset or a liability.

Income Taxes

The Company follows Section 740-10, Income tax ("ASC 740-10") Fair Value Measurements and Disclosures of the Codification, which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of e in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are based on the diff statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are tax assets are reduced by a valuation allowance to the extent management concludes it is more likely than not that th Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the yea differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in Statements of Operations in the period that includes the enactment date.

The Company recognizes deferred tax assets to the extent that the Company believes that these assets are more like making such a determination, the Company considers all available positive and negative evidence, including reversals of a differences, projected future taxable income, tax planning strategies, and the results of recent operations. If the Compan able to realize a deferred tax asset in the future in excess of any recorded amount, the Company would make an adjust valuation allowance, which would reduce the provision for income taxes.

The Company adopted section 740-10-25 of the FASB Accounting Standards Codification (“Section 740-10-25”). Sec determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financ 740-10-25, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than no sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefit statements from such a position should be measured based on the largest benefit that has a greater than fifty percent (50' upon ultimate settlement. Section 740-10-25 also provides guidance on de-recognition, classification, interest anc accounting in interim periods and requires increased disclosures. The Company had no liabilities for unrecognized incom provisions of Section 740-10-25.

Concentrations of Credit Risk

Financial instruments and related items, which potentially subject the Company to concentrations of credit risk, consi equivalents. The Company places its cash and temporary cash investments with credit quality institutions. At times, su of the FDIC insurance limit. The Company does not have accounts receivable and allowance for doubtful accounts at De

Net Loss per Common Share

Net loss per common share is computed pursuant to section 260-10-45 Earnings Per Share (“ASC 260-10”) of the Codification. Basic net loss per share is computed by dividing net loss by the weighted average number of shares of com the period. Diluted net loss per share is computed by dividing net loss by the weighted average number of shares of co the member potentially outstanding during each period. In periods when a net loss is experienced, only basic net loss per do otherwise would be anti-dilutive.

There were 67,572,711 common share equivalents at December 31, 2016 and 39,758,706 at December 31, 2015. For 2016 and 2015 these potential shares were excluded from the shares used to calculate diluted earnings per share as the loss per share.

Stock Based Compensation

All stock-based payments to employees and to nonemployee directors for their services as directors, including any stock options, are measured at fair value on the grant date and recognized in the statements of operations as compensat relevant service period. Stock-based payments to nonemployees are recognized as an expense over the period of per measured at fair value at the earlier of the date a performance commitment is reached or the date performance is comp that vest immediately and are non-forfeitable the measurement date is the date the award is issued.

Cost of Sales

Cost of sales includes the purchase cost of products sold and all costs associated with getting the products to the cu transportation costs.

Research and Development

The Company accounts for research and development costs in accordance with the Accounting Standards Codification s Development (“ASC 730-10”). Under ASC 730-10, all research and development costs must be charged to expense as i research and development costs are expensed as incurred. Third-party research and development costs are expensed v been performed or as milestone results have been achieved. Company-sponsored research and development costs relat products are expensed in the period incurred. The Company incurred research and development expenses of $235,5' ended December 31, 2016 and 2015, respectively.

Shipping Costs

Shipping and handling costs billed to customers are recorded in sales. Shipping costs incurred by the company administrative expenses.

Recently Issued Accounting Standards

In January 2017, the FASB issued ASU No. 2017-01, Business Combinations (Topic 805): Clarifying the Definition of a clarifies the definition of a business and provides a screen to determine when an integrated set of assets and activities requires that when substantially all of the fair value of the gross assets acquired (or disposed of) is concentrated in a sing of similar identifiable assets, the set is not a business. This new standard will be effective for the Company on Jan adoption is permitted with prospective application to any business development transaction.

In January 2017, the FASB issued ASU 2017-04, *Intangibles – Goodwill and Other (Topic 350)* that will eliminate th implied fair value of goodwill to measure a goodwill impairment charge. Instead, impairment charge will be based on tl carrying amount over its fair value. The guidance is effective for the Company in the first quarter of fiscal 2023. Earl Company does not anticipate the adoption of this guidance to have a material impact on its consolidated financial sta impairment.

In August 2014, the FASB issued ASU 2014-15 requiring management to evaluate whether there are conditions or event that raise substantial doubt about the entity's ability to continue as a going concern, which is currently perforn Management will be required to perform this assessment for both interim and annual reporting periods and must concludes that substantial doubt exists. This ASU is effective for annual periods, and interim periods within those ar after December 15, 2016. The adoption of this guidance is not expected to have a material effect on our financial stateme

In October 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") Entity Transfers of Assets Other Than Inventory. ASU 2016-16 will require the tax effects of intercompany trar inventory, to be recognized currently, eliminating an exception under current GAAP in which the tax effects of intra-ent until the transferred asset is sold to a third party or otherwise recovered through use. The guidance will be effective for 2019 fiscal year, with early adoption permitted.

In August 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update "Classification of Certain Cash Receipts and Cash Payments" ("ASU 2016-15"). ASU 2016-15 provides guidance certain items within the statement of cash flows. ASU 2016-15 is effective for annual periods beginning after December permitted.

In connection with its financial instruments project, the FASB issued ASU 2016-13- Financial Instruments – Credit L Losses on Financial Instruments in June 2016 and ASU 2016-01 – Financial Instruments – Overall: Recognition and Me and Financial Liabilities in January 2016.

* ASU 2016-13 introduces a new impairment model for most financial assets and certain other instruments. F held-to-maturity debt securities, loans and other instruments, entities will be required to use a forward-looki will replace the current "incurred loss" model and generally will result in earlier recognition of allowances fo effective for the first interim period of our 2021 fiscal year, with early adoption in fiscal year 2020 permitted.

* ASU 2016-01 addresses certain aspect of recognition, measurement, presentation, and disclosure of financ provisions, the new guidance requires the fair value measurement of investments in certain equity securit readily determinable fair values, entities have the option to either measure these investments at fair value or a observable prices minus impairment. All changes in measurement will be recognized in net income. The guid first interim period of our 2019 fiscal year. Early adoption is not permitted, except for certain provisions relati

In April 2016, the Financial Accounting Standards Board (FASB) issued an Accounting Standards Update (ASU) "A Contract with Customers: identifying Performance Obligations and Licensing". The amendments in this Update clarify contracts with customers to transfer goods and services in exchange for consideration and (b) determining whether a license provides a customer with either a right to use the entity's intellectual property (which is satisfied at a point in entity's intellectual property (which is satisfied over time). The amendments in this Update are intended to reduce the to comply with Topic 606. This guidance has no effective date as yet. The Company is currently evaluating the impact

In March 2016, the Financial Accounting Standards Board (FASB) issued an Accounting Standards Update (ASU) "ASU
Employee Share-Based Payment Accounting" which is intended to improve the accounting for employee share-based p
several aspects of the accounting for share-based payment award transactions, including; the income tax consequence
either equity or liabilities, and the classification on the statement of cash flows. The new standard is effective for fis
beginning after December 15, 2016, and upon adoption, an entity should apply the amendments by means of a cumul
balance sheet at the beginning of the first reporting period in which the guidance is effective. Early adoption is permitte
evaluating the impact of adopting this guidance.

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update (ASU)
guidance in U.S. GAAP on accounting for operating leases, a lessee will be required to recognize assets and liabilities f
terms of more than 12 months on the balance sheet. The new standard is effective for fiscal years and interim periods
2018, and upon adoption, an entity should apply the amendments by means of a cumulative-effect adjustment to the ba
the first reporting period in which the guidance is effective. Early adoption is not permitted. The Company is curre
adopting this guidance.

In January 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update (ASU)
guidance in U.S. GAAP on the classification and measurement of financial instruments. Changes to the current g
accounting for equity investments, financial liabilities under the fair value option, and the presentation and disclosu
instruments. In addition, the ASU clarifies guidance related to the valuation allowance assessment when recognizing def
unrealized losses on available-for-sale debt securities. The new standard is effective for fiscal years and interim periods
2017, and upon adoption, an entity should apply the amendments by means of a cumulative-effect adjustment to the ba
the first reporting period in which the guidance is effective. Early adoption is not permitted except for the provision to
financial liabilities under the fair value option resulting from instrument-specific credit risk in other comprehensive incon
evaluating the impact of adopting this guidance.

The amendments also clarify that the guidance in Topic 275, Risks and Uncertainties, is applicable to entities that l
principal operations.

Other recent accounting pronouncements issued by the FASB and the SEC did not or are not believed by management to
Company's present or future consolidated financial statements.

NOTE 4: PREPAID EXPENSES

Prepaid expenses consist of the following as of December 31, 2016 and 2015:

	December 31, 2016	
Prepaid service contract	$ -	$
Prepaid insurance contract	40,753	
	$ 40,753	$

For the year ended December 31, 2016 and 2015 the Company recognized amortization of prepaid expense of $777,657

NOTE 5: RESERVATION FEE DEPOSIT

The Company entered into a reservation agreement with the Municipality of Almere in the Netherlands. In October reservation fee in the amount of $65,170.The reservation fee deposit gives the Company an exclusive right to pur purchase price of €1,110,000. Starting in October 2015 the second reservation period was extended for a period of September 2016. Starting in October 2016 the second reservation period was extended to October 20, 2017 by paying the same terms as the previous period. The Company amortized the earlier deposit of $65,170 during the year end Company proceeds to purchase the building land the reservation fee of $76,155 will be offset against the purchase price. to a refund of the reservation fee if the current agreement is terminated by the Company in the event of insolvency or a assignment of rights or in the event of a failure to notify or notify on time. The agreement is not transferable. The agreement cannot be assigned. The municipality is entitled to terminate the agreement by means of a registered letter if compelling objections exist or arise, or through the insolvency of the Company.

NOTE 6: PROMISSORY NOTE - RELATED PARTY

On August 8, 2014 the Company entered into a Promissory Note Agreement with CanChew Biotechnologies, LLC owners of CCB also own a majority of the outstanding shares of the Company), under which it borrowed $1,000,000 original loan was a demand note bearing interest at the rate of 7% per annum, which amount, along with principal, wa demand note was amended effective January 1, 2015 to reduce the annual interest rate to 3%. All other terms and condi and effect. The Company is in discussions to have the demand note modified or exchanged for a longer term, fixed matur

The following table summarizes promissory note payable as of December 31, 2016 and December 31, 2015:

	December 31, 2016	
Promissory note payable, due on demand, interest at 3%.	$ 880,000	$
Accrued interest	88,564	
	$ 968,564	$

For the year ended December 31, 2016 and 2015 the Company recognized interest expense of $30,838 and $29,673, resp

NOTE 7: RELATED PARTY TRANSACTIONS

The Company has received working capital advances from CCB totaling $1,619,067 as of December 31, 2016, whic during the year ended December 31, 2016. The advances currently bear no interest and are payable on demand. The have the advances reduced to a longer term, fixed maturity note.

The Company owes $5,000 to the president of the Company for a working capital advance of $5,000 made in May of 2

On August 15, 2016 the Company issued 1,000,000 shares of its Series A Convertible Preferred Stock in exchang Undesignated Preferred Stock (see Footnote 12 - "Preferred Stock" for a discussion of the Company's preferred stock Stock was held by Sanammad Foundation and MJNA Investment Holdings, LLC (500,000 shares each), which parties t common stock of the Company. Under the terms of the exchange, the 1,000,000 shares of Series A Convertible Preferred immediately converted into 5,000,0000 restricted shares of the Company's common stock (2,500,000 shares for each MJNA Investment Holdings, LLC). As a result, the Series A Convertible Preferred Stock is retired and no longer avai three members of the Sanammad Foundation also serve as the current three directors of the Company and Sanammad, Holdings, LLC, hold a majority of the outstanding stock of the Company.

On August 18, 2016 the Company issued all 500,000 shares of its newly designated Series B Convertible Preferred Stoc exchange for cash of $50,000. As the holders of the Series B Preferred Stock, Sanammad has designated the curr Anastassov, Dr. Philip A. Van Damme and Mr. Lekhram Changoer as their three Series B Directors.

On August 18, 2016 the Company issued all 500,000 shares of its newly designated Series C Convertible Preferred Holdings, LLC in exchange for cash of $65,000. At this time the holders of the Series C Convertible Preferred Stock Series C Directors.

NOTE 8: DUE TO FIRST INSURANCE FUNDING

During the year ended December 31, 2016 and 2015, the Company financed $68,000 from First Insurance Funding for fi policy. Under the terms of the insurance financing, payments of $7,730, which include interest at the rate of 5.5% per a nine months commencing on July 25, 2016 and July 25, 2015; respectively. The total outstanding due to First Insuranc 2016 and 2015 is $22,978 and $22,963; respectively.

NOTE 9: CONVERTIBLE NOTES PAYABLE

The following table summarizes convertible note payable- shareholder as of December 31, 2016 and 2015:

		December 31, 2016
Convertible note payable, due on July 1, 2028, interest at 3.5%.	$	45,(
Accrued interest		7
	$	45,7

On November 26, 2012, the Company entered into an interest free $50,000 convertible loan payable maturing on Dece convertible into the Company's common stock at a conversion price of $0.10 per share. The Company was unable to r 31, 2014, and obtained multiple extensions until December 31, 2015. The Company had paid no interest or other c extensions of the loan. Unable to obtain further extension of the maturity date, on June 29, 2016, the Company e Agreement with the note holder whereby the Company exchange the note having a balance due of $50,000 as of Decen convertible note in the amount of $50,000. The new Convertible Note ("Note") bears interest at the rate of 3.5% beginning on July 1, 2017, and matures on July 1, 2028. The Note is convertible, in whole or in part at any time at the Company's common stock at a conversion price of $0.01, provided however, the holder of the Note is not permitted Note that would result in the holder and its affiliates owning more than 4.9% of the Company's outstanding co determined fair value of new debt $1,435,000 and as result was recorded $1,385,000 as a loss on debt extinguishment 2016. On June 30, 2016, the holder of the Note converted $5,000 face value into 500,000 shares of the Company's comi Note as of December 31, 2016 is $45,793, including interest accrued thereon of $793.

The following table summarizes convertible note payable as of December 31, 2016 and 2015:

		December 31 2016
Convertible note payable, due on April 21, 2025, interest at 4%.	$	216.
Convertible note payable, due on October 1, 2029, interest at 3.5%.		850.
Convertible note payable, due on October 1, 2029, interest at 3.5%.		1,000.
Accrued interest		15.
Total		2,081.
Less unamortized debt discount		(1,323,(
Convertible note payable, net		758.
Less current portion		
Long term portion	$	758.

The Company has outstanding convertible note payable having a balance due of $216,100 and $400,000 as of D respectively. The Note bears interest at the rate of 4% per annum which accrues until maturity at April 21, 2025. Th 2015 to a third-party as a non-refundable payment for consultancy services to be provided to the Company for a pe Note is convertible, in whole or in part at any time at the option of the holder, into shares of the Company's common $0.10, provided however, the holder of the Note is not permitted to convert an amount of the Note that would result owning more than 4.9% of the Company's outstanding common stock. During the year ended December 31, 2016, tl cash. Also during the year ended December 31, 2016 the holder of the Note converted $179,060 principal balance due u $24,940, into 2,040,000 shares of the Company's common stock.. The balance on the Note as of December 31, 2016 i accrued thereon of $-0-.

On September 16, 2016, we entered into a convertible note purchase agreement (the "Convertible Note Purchase Agreei third-party investor. Under the terms of the Convertible Note Purchase Agreement the investor may acquire up to $5 from the Company. With various closings, under terms acceptable to the Company and the investor as of the time of Agreement, on September 16, 2016 the investor provided the Company with $850,000 secured convertible note fi Secured Convertible Promissory Notes (the "Notes"). Each of the Notes mature on October 1, 2029, and pay 3.5% annually. The Note are secured by the assets of the Company, may not be pre-paid without the consent of the holc option of the holder into shares of the Company common stock at a conversion price equal to $(i) 0.2201 or (ii) Company's common stock as of the date of conversion. At the inception of the Convertible Promissory Note, the Cor of $1,062,500 of the embedded derivative. On October 20, 2016, the terms of a above Convertible note was modified in conversion price of $0.2201. The derivative liability balance on the Note as of modified date is $1,274,422 re-classed int

On October 20, 2016 a third-party investor provided the Company with $1,000,000 secured convertible note financing Convertible Promissory Notes (the "Notes"). Each of the Notes mature on October 1, 2029, and pay 3.5% compour The Notes are secured by the assets of the Company, may not be pre-paid without the consent of the holder, and are c holder into shares of the Company's common stock at a fixed conversion price equal to $(i) 0.2201 or (ii) 80% of cl common stock as of the date of conversion.. The investor paid cash of $500,000 for one of the Notes and issued to t promissory notes of $250,000 each for two (2) Convertible Notes of $250,000 each. The two secured promissory (totaling $500,000) as payment for two (2) secured Notes totaling $500,000 mature on February 1, 2017 ($250,000) ar bear interest at the rate of 1% per annum, are full recourse and additionally secured by 10,486,303 shares of Medical symbol: MJNA) and were valued at $858,828 based upon the closing price of MJNA on October 20, 2016. On Oct above Convertible note was modified into convertible note with fixed conversion price of $0.2201. Since the modificati the note was treated to have fixed conversion price and accordingly debt discount was recorded related to beneficial conv received $250,000 on February 1, 2017 and $250,000 on March 2, 2017 against the note receivable of $500,000.

In connection with this convertible note, the Company recorded a $499,318 discount on debt, related to the beneficial to be amortized over the life of the note or until the note is converted or repaid. As of December 31, 2016 this note has r

During the year ended December 31, 2016 the Company amortized the debt discount on all the notes of $25,712 to oper

NOTE 10: DERIVATIVE LIABILITIES

The Company applies the provisions of ASC Topic 815-40, Contracts in Entity's Own Equity ("ASC Topic 815-4 instruments, which contain terms that protect holders from declines in the stock price (reset provisions), may nc accounting treatment. As a result, embedded conversion options in convertible debt are recorded as a liability and are reporting date. If the fair value of the note exceeds the face value of the related debt, the excess is recorded as change in issuance date.

The Company identified embedded derivatives related to the Convertible Promissory Notes. These embedded derivativ features. The accounting treatment of derivative financial instruments requires that the Company record the fair valu inception date of the Convertible Promissory Note and to adjust the fair value as of each subsequent balance sheet Convertible Promissory Note, the Company determined a fair value of $1,062,500 of the embedded derivative. Th derivative was determined using the Black Scholes Model based on the following assumptions:

Dividend yield:
Volatility
Risk free rate:

The initial fair values of the embedded debt derivative $850,000 was allocated as a debt discount up to the proceeds o $212,500 was charged to current year operations as interest expense.

On October 20, 2016, the Company modified the terms of the note to remove the reset provision for its conversion pric
the fair value of the embedded derivative on above convertible note payable was valued at $1,274,422, which was deter
Model with the following assumptions:

Dividend yield:
Volatility
Risk free rate:

The Company recorded change in fair value of the derivative liability on debt to market resulting in non-cash, non-oper
year ended December 31, 2016. During the year ended December 31, 2016 the Company re-classed the derivative liabili
paid in capital on modification of convertible note payable.

The following table provides a summary of changes in fair value of the Company's Level 3 derivative liabilities for the y

Balance, beginning of the year :
Additions
Mark-to-market at modification date
Reclassified to additional paid in capital upon modification of term
Balance, December 31, 2016
Net loss due to change in fair value for the year included in statement of operation

NOTE 11: STOCK INCENTIVE PLAN

On May 29, 2015 the Company adopted its 2015 Stock Incentive Plan. Under the Plan the Company may issue up
officers, employees, directors or consultants for services rendered to the Company or its affiliates or to incentivize such
services. S-8 shares are registered immediately upon the filing of the Plan and are unrestricted shares that are free-tradi
9,856,000 shares available for issuance under the Plan as of December 31, 2016.

NOTE 12: STOCKHOLDERS' DEFICIT

Preferred Stock

The Company has authorized 5,000,000 shares of preferred stock, with a par value of $0.0001 per share. Of the 5,
shares, 4,000,000 are undesignated "blank check" preferred stock. The Company may issue such preferred shares and
and preferences of such shares at the time of designation and issuance. As of December 31, 2016 and December 31, 20
shares of undesignated preferred shares issued and outstanding, respectively.

Series A Convertible Preferred Stock

The Company also has authorized 1,000,000 shares of Series A Convertible Preferred Stock, which had been pre
Foundation and subsequently assigned and transferred by Sanammad to Treo Holdings, LLC ("Treo"). On June 28, 20
and Treo agreed that the issuance of the Series A Convertible Preferred be rescinded and that such share issuance
accounted this cancelation of preferred stock as equity transaction and accordingly the par value of preferred stock adju
capital account.

Each share of the Series A Convertible Preferred Stock is convertible into five (5) shares of the Company's common stoc
of the holder. The Series A Convertible Preferred Stock provides for a liquidation preference as follows; In the event of
winding up of the Company, whether voluntary or involuntary (a "Liquidation"), the assets of the Company av
stockholders shall be distributed as follows. The holders of the Series A Convertible Preferred Stock shall be entitled to
the other series of preferred stock, if any, and prior and in preference to any distribution of the assets or surplus funds c
of any other shares of stock of the Company by reason of their ownership of such stock: (i) all shares of common s
Company which are held by the Company: and (ii) an amount equal to $1.00 per share with respect to each share of S
stock, plus all declared but unpaid dividends with respect to such share. The Series A Convertible Preferred Stock also c
rights and a number of protective covenants. As of December 31, 2016 and 2015 there are 0 and 1,000,000 Series A
issued and outstanding; respectively.

On August 15, 2016 the Company issued 1,000,000 shares of its Series A Convertible Preferred Stock in exchang Undesignated Preferred Stock. The Undesignated Preferred Stock was held by Sanammad Foundation and MJNA Invest shares each), which parties together own a majority of the common stock of the Company. Under the terms of the excl Series A Convertible Preferred received in the exchange were immediately converted into 5,000,0000 restricted share stock (2,500,000 shares for each of Sanammad Foundation and MJNA Investment Holdings, LLC). As a result, the S Stock is retired and no longer available for future issuance. The three members of the Sanammad Foundation also serve a the Company and Sanammad, along with MJNA Investment Holdings, LLC, hold a majority of the outstanding stock twelve months ended December 31, 2016, the Company recorded preferred dividend of $1,475,000.

<u>Series B Convertible Preferred Stock</u>

On August 17, 2016 the Company designated up to 500,000 shares of a new Series B Convertible Preferred Stock (S holders of the Series B Preferred Stock are entitled to elect three members to the Company's board of directors and are share on all other matters presented to the shareholders for a vote. Each share of Series B Convertible Preferred Stock i the Company's common stock. The Series B Convertible Preferred designation contains a number of protective and res the Company from taking a number of actions without the prior approval of the holders of the Series B Preferred Stoc three Series B Directors.

On August 18, 2016 the Company issued all 500,000 shares of its newly designated Series B Preferred Stock to Sana for cash of $50,000. As the holders of the Series B Preferred Stock, Sanammad has designated the current directors, I Phillip A. Van Damme and Mr. Lekhram Changoer as their three Series B Directors.

<u>Series C Convertible Preferred Stock</u>

On August 17, 2016 the Company designated up to 500,000 shares of a new Series C Convertible Preferred Stock (S holders of the Series C Preferred Stock are entitled to elect four members to the Company's board of directors and are share on all other matters presented to the shareholders for a vote. Each share of Series C Convertible Preferred Stock i the Company's common stock. The Series C Convertible Preferred Stock designation contains a number of protective restrict the Company from taking a number of actions without the prior approval of the holders of the Series C Preferre of all four Series C Directors. If at any time there are four Series C Directors, one such director must be independent Series C designation. Any challenge to the independence of a Series C Director is a right conferred only upon the holde Preferred Stock and may only be made by the holders of the Series B Convertible Preferred Stock.

On August 18, 2016 the Company issued all 500,000 shares of its newly designated Series C Preferred Stock to MJNA exchange for cash of $65,000. At this time the holders of the Series C Preferred Stock have decided not to elect any Serie

<u>Amended and Restated Bylaws</u>

On August 17, 2016 the Company amended its Bylaws to achieve the following: (i) to fix the number of authorized dir of three (3) seats authorized for Series B Directors and four (4) seats authorized for Series C Directors, (ii)) to set fo Series C Directors, one such director shall be independent as such term is defined in the certificate of designation Preferred Stock and to set forth that the term, conditions and procedures for electing, determining and challenging s governed by the certificate of designation for the Series C Convertible Preferred Stock, (iii) to set forth that the holde Preferred Stock and the holders of the Series C Convertible Preferred Stock have the right at any time without a meeti elect their respective Series B and Series C Directors, (iv) that the holders of two-thirds (2/3) of the Series B or Series have the right at any time without a meeting and without prior notice to remove their respective Series B and Series number of directors needed to constitute a quorum to a majority of the directors then in office, (vi) to subject the rig form a committee to the rights of the holders of the Series B and Series C Convertible Preferred Stock (and to eli provision that might conflict with the rights of the Series B and Series C holders), and (vii) to clarify and set forth that r than the holders of the Series B and Series C Convertible Preferred Stock) nor the board of directors has the right to r without the prior consent of the holders of both the Series B Convertible Preferred Stock and the holders of the Series C

Common Stock

The Company has authorized 300,000,000 shares of common stock, with a par value of $0.0001 per share. As of Dec Company had 52,506,441 and 39,633,706 shares of common stock issued and outstanding, respectively.

On June 13, 2014, the Company entered into an employment agreement with Dr. George Anastassov, its Chief Exec Officer and Secretary. On September 13, 2015 following fifteen (15) months of continuous employment, and every Company was obligated to issue 125,000 restricted shares of the Company's common stock based upon the avera immediately preceding the grant date, as quoted on Yahoo.com. During the period ended March 31, 2016, the Comp common stock towards common stock to be issued against expenses incurred worth $52,500 in prior year. On March 13 Company was obligated to issue 125,000 restricted shares; respectively, of the Company's common stock based u closing price immediately preceding the grant date, as quoted on Yahoo.com. As of December 31, 2016, the Company ha of the Common stock valued at $115,625.

On September 1, 2016, the Company entered into an amended and restated employment agreement with Dr. George A Officer. The agreement does not have a set term and may be terminated at any time by the Company or Dr. Anastassov agreement, Dr. Anastassov receives an annual base agreement. Upon the one year anniversary of the agreement, the C grant additional equity awards to Dr. Anastassov. On September 1, 2016, the Company was obligated to issue 2,00 Company's common stock pursuant to the terms of the September 1, 2016, employment agreement with Dr. Anastass the 4th quarter 2016. At the year end December 31, 2016 the Company recorded $600,000 compensation expense in th financial statements to account for the required issuance of the incentive shares.

On July 1, 2016 the Company was obligated to issue 240,000 restricted shares of the Company's common stock employment agreement with Mr. Changoer. The shares were issued in the 4th quarter 2016.At the year end December 31 $58,200 of compensation expenses in the accompanying consolidated financial statements to account for the required iss

On September 1, 2016, the Company entered into an amended and restated employment agreement with Mr. Lekhram C Officer. The agreement does not have a set term and may be terminated at any time by the Company or Mr. Changoer agreement Mr. Changoer receives an annual base compensation of $240,000 and an incentive payment of 2,000,000 shar stock due upon execution of the agreement. Upon the one year anniversary of the agreement, the Company has the equity awards to Mr. Changoer. On September 1, 2016, the Company was obligated to issue 2,000,000 restricted share stock pursuant to the terms of the September 1, 2016, employment agreement with Mr. Changoer. The shares were issu the year end December 31, 2016 the Company recorded $600,000 of compensation expense in the accompanying conso account for the required issuance of the incentive shares.

On September 15, 2016, the Company entered into an employment agreement with Dr., Philip Van A. Damme, it agreement does not have a set term and may be terminated at any time by the Company or Dr. Van A. Damme w agreement Dr. Van A. Damme receives an annual base compensation of $24,000 and an incentive payment of 200,0 common stock due upon execution of the agreement. Upon the one year anniversary of the agreement, the Compan additional equity awards to Dr. Van A. Damme. On September 15, 2016, the Company was obligated to issue 200 Company's common stock pursuant to the terms of the September 1, 2016, employment agreement with Dr. Van A. Da in the 4th quarter 2016. At the year end December 31, 2016 the Company recorded $48,000 of compensation e consolidated financial statements to account for the required issuance of the incentive shares. The ongoing base co mutual consent of the Company and Dr. Philip Van A. Damme at December 15, 2016.

On March 17, 2016, the Company issued 3,953 restricted shares of common stock as payment for consultant services valued at $3,123.

During the year ended December 31, 2016, the Company issued 500,000 restricted shares of its common stock in e $5,000 of a convertible note payable.

During the year ended December 31, 2016, the Company issued 2,040,000 unrestricted shares in exchange for the convertible note payable and $24,940 of accrued interest.

During the year ended December 31, 2016, the Company issued 175,000 shares of common stock for settlement o
$70,001.

During the year ended December 31, 2016, the Company issued 331,920 shares of common stock for settlement o
$132,768.

During the year ended December 31, 2016, the Company issued 6,862 shares of common stock as payment for consult
Company valued at $2,998.

During the year ended December 31, 2016, the Company is committed to issue 60,000 shares of common stock as pa
performed for the Company valued at $20,064.

2015 Issuance:

On January 15, 2015, the Company issued 18,000 shares of common stock as compensation for services performed directors of the Company. The fair value of the underlying stock on the date of issuance was at $2.00 per share. The value of the common stock was more readily determinable than the fair value of the services rendered. For the year e Company recorded $36,000 of compensation expense in the accompanying consolidated financial statements.

On June 13, 2014, the Company entered into an employment agreement with Dr. George Anastassov, its Chief Exec Officer and Secretary. On June 13, 2015, following twelve (12) months of continuous employment the Company issue the Company's common stock based upon the average ten (10) day closing price immediately preceding the grant date, the year ended December 31, 2015, the Company recorded $473,000 of compensation expense in the accompanying con On September 13, 2015 following fifteen (15) months of continuous employment, and every three months thereafter, t issue 125,000 restricted shares of the Company's common stock based upon the average ten (10) day closing price im date, as quoted on Yahoo.com. On October 28, 2015 the board of directors approved the issuance of the stock grant. company recorded $77,125 of compensation expense in the accompanying consolidated statement of operations. Company was obligated to issue 125,000 restricted shares of the Company's common stock based upon the avera immediately preceding the grant date, as quoted on Yahoo.com. As of December 31, 2015 the Company accrued $52,50 the accompanying consolidated financial statements, the shares were issued subsequently.

On May 1, 2015 the Canchew License Company entered into a licensing agreement with CanChew Biotechnolo agreement provides that in exchange for its' intellectual property and inventory, Canchew will receive 5,826,706 restr common stock and sliding scale royalties based on gross receipts. Management has determined the cost of the licensi inventory of $267,830 on the basis of lower of cost incurred or market value. For the year ended December 31, 20 impairment loss of $652,265.

On July 14, 2015 the Board of Directors of the Company approved the issuance of 20,000 restricted common stock pu Purchase Agreement "Agreement" which is selling, on a best efforts basis, up to $3,000,000 worth of the Company com at a purchase price of $1.00 per share. The purchase price of the underlying stock on the date of issuance was $1.00 pe December 31, 2015 the Company received $20,000 from the investor in exchange for 20,000 restricted common shares o

On December 29, 2015 the Board of Directors of the Company approved the issuance of 144,000 unrestricted compensation for services performed for the Company by certain consultants of the Company. The fair value of the u issuance was at $0.60 per share. The Company determined the fair value of the common stock was more readily dete the services rendered. For the year ended December 31, 2015, the Company recorded $86,400 of compensation e consolidated financial statements.

NOTE 13: COMMITMENT AND CONTINGENCIES

On June 13, 2014, the Company entered into an employment agreement with Dr. George Anastassov, its Chief Execut 2015 following fifteen (15) months of continuous employment, and every three months thereafter, the Company w restricted shares of the Company's common stock based upon the average ten (10) day closing price immediately prece on Yahoo.com. During the period ended March 31, 2016, the Company issued 125,000 shares of common stock towar against expenses incurred worth $52,500 in prior year. On March 13, 2016 and June 13, 2016, the Company was obliga shares; respectively, of the Company's common stock based upon the average ten (10) day closing price immediatel quoted on Yahoo.com. As of December 31, 2016, the Company has issued these shares. At the year end December 31, $115,625 of compensation expense in the accompanying consolidated financial statements, to record for the required issu

On August 3rd 2016, a term sheet was signed by the Board which was obligated to pay Robert Malasek, its Chief Fina restricted stock but subsequently this was cancelled and hence no accounting effect was given.

Under the terms of Settlement Agreement with Midtown Partners, which rescinded the July 8, 2016 letter of engageme Company is obligated to issue 60,000 restricted shares of its stock and $20,000 in cash in full settlement of the rescissio At the year end December 31, 2016 the Company accrued $20,064 of consulting fees in the accompanying consoli account for the required issuance of the incentive shares.

On September 1, 2016, the Company entered into an amended and restated employment agreement with Dr. George A Officer, Chief Financial Officer and Secretary. The agreement does not have a set term and may be terminated at any Anastassov with proper notice. Under the agreement, Dr. Anastassov receives an annual base compensation of $240,00 2,000,000 shares of the Company's common stock due upon execution of the agreement. Upon the one year anni Company has the direction to grant additional equity awards to Dr. Anastassov. On April 1, 2016 the Company w restricted shares of the Company's common stock pursuant to the terms of the June 13, 2014, employment agreemen Company was obligated to issue 2,000,000 restricted shares of the Company's common stock pursuant to the tern employment agreement with Dr. Anastassov. The shares were issued in the 4th quarter 2016. At the year end Dece recorded $600,000 of compensation expense in the accompanying consolidated financial statements to account for incentive shares.

On April 1, 2016 the Company was obligated to issue 240,000 restricted shares of the Company's common stock employment agreement with Mr. Changoer. The shares were issued in the 4th quarter 2016. At the year end Dece recorded $58,200 of compensation expense in the accompanying the consolidated financial statements to account fo incentive shares.

On September 1, 2016, the Company entered into an amended and restated employment agreement with Mr. Lekharm C Officer. The agreement does not have a set term and may be terminated at any time by the Company or Mr. Changoer agreement Mr. Changoer receives an annual base compensation of $240,000 and an incentive payment of 2,000,000 shar stock due upon execution of the agreement. Upon the one year anniversary of the agreement, the Company has the equity awards to Mr. Changoer. On September 1, 2016, the Company was obligated to issue 2,000,000 restricted shar stock pursuant to the terms of the September 1, 2016, employment agreement with Mr. Changoer. The shares were issu the year end December 31, 2016 the Company recorded $600,000 of compensation expense in the accompanying conso account for the required issuance of the incentive shares.

On September 15, 2016 The company entered into an employment agreement with Philip A. Van Damme, its Chief M does not have a set term and may be terminated at any time by the Company or D. Van A. Damme with proper notice. A. Damme. The shares were issued in the 4th quarter 2016. At the year end December 31, 2016 the Company recor expense in the accompanying consolidated financial statements to account for the required issuance of the incentive shar

The Company entered into a reservation agreement with the Municipality of Almere in the Netherlands. In October reservation fee in the amount of $65,170.The reservation fee deposit gives the Company an exclusive right to pur purchase price of €1,110,000. Starting in October 2016 the second reservation period was extended for a period of October 2017 by paying $76,155 for extension, under the same terms as the previous period. The Company amortized during the year ended December 31, 2016. The Company may not have the ability to acquire the land prior to tl reservation term. Therefore, in that case, the Company intends to seek another extension of the reservation period, howe that the municipality will agree to such an extension in which case the reservation fee would be forfeited.

<u>Operating lease</u>

The Company leased space at 45 Rockefeller Plaza, New York, NY on a month to month basis starting in March 2017. T

Litigation

As of December 31, 2016 and this report issuing date, the Company is not a party to any pending material legal pro management, no federal, state or local governmental agency is presently contemplating any proceeding against the Cc management, no director, executive officer or affiliate of the Company, any owner of record or beneficially of m Company's Common Stock is a party adverse to the Company or has a material interest adverse to the Company in any

NOTE 14: GOING CONCERN

The Company's consolidated financial statements have been presented assuming that the Company will continue as a g consolidated financial statements, the Company has negative working capital of $1,643,129, has an accumulated deficit in operating activities of $1,294,141 and presently does not have the resources to accomplish its objectives during tl conditions raise substantial doubt about the ability of the Company to continue as a going concern. The audited consol not include any adjustments related to the recoverability of assets and classification of liabilities that might be neces unable to continue in operation.

The Company intends to raise additional capital through private placements of debt and equity securities, but there c funds will be available on terms acceptable to the Company, or will be sufficient to enable the Company to fully comp or sustain operations. If the Company is unable to raise sufficient additional funds, it will have to develop and imple payables, reduce overhead, or scale back its current business plan until sufficient additional capital is raised to support be no assurance that such a plan will be successful.

NOTE 15: INCOME TAXES

The Company utilizes ASC 740 "Income Taxes", which requires the recognition of deferred tax liabilities and asset consequences of events that have been included in the financial statement or tax returns. Under this method, deferre determined based on the difference between financial statements and tax bases of assets and liabilities using enacted tax which the differences are expected to reverse.

For the year ended December 31, 2016, the Company had available for U.S federal income tax purposes net approximately $5,900,000, which will expire on various dates in the next twenty (20) years. The net operating loss limitations under Internal Revenue Code section 382, due to significant changes in the Company's ownership.

The provision for income taxes differ from the amount of income tax determined by applying the applicable U.S st income tax expense for the period ended December 31, 2016 and 2015 as follows:

	201
Statutory federal income tax rate	
Statutory state and local income tax rate (8.25%), net of federal benefit	
Change in valuation allowance	
Effective tax rate	

Deferred income taxes result from temporary differences in the recognition of income and expenses for financial re purposes. The tax effect of these temporary differences representing deferred tax asset result principally from the follow

		2016
Deferred tax assets :		
Net operating loss carry forward	$	2,402,333
Less: valuation allowance		(2,402,333)
Net deferred tax asset	$	-

The valuation allowance for deferred tax assets as of December 31, 2016 and 2015 was $2,402,333 and $1,443,800, recovery of the deferred tax assets, management considers whether it is more likely than not that some portion or all of t be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income temporary differences become deductible. Management considers the scheduled reversals of future deferred tax liabil income, and tax planning strategies in making this assessment. The Company will continue to monitor the potential ut factors and evidence change to aid in this assessment, a potential adjustment to the valuation allowance in future per believes it is more likely than not that the Differed tax asset will not be realized, so a 100% Valuation Reserve has bee 2016.

NOTE 16: SUBSEQUENT EVENTS

The Company leased space at 45 Rockefeller Plaza, New York, NY on a month to month basis starting in March 2017. T