AXIM BIOTECHNOLOGIES, INC.

A

NEVADA CORPORATION

6191 Cornerstone Court, E | Suite 114 | San Diego, CA 92121 | 858-923-4422

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www.aximbiotech.com | hello@aximbiotech.com

QUARTERLY REPORT

For the Quarter Ending September 30, 2024

Outstanding Shares as of September 30, 2024

Common Stock

The number of shares outstanding of our Common Stock was:	302,895,464

Total Preferred Stock

The total number of shares outstanding of our Preferred Stock was:	500,000

Series C Preferred Stock

The total number of shares outstanding of our Series C Preferred Stock was:	500,000

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):	Yes ☐ No ☑
Indicate by check mark whether the company's shell status has changed since the previous reporting period:	Yes ☐ No ☑

Change in Control

Indicate by check mark whether a Change in Control of the company has occurred over this reporting period:	Yes ☐ No ☑

FORWARD LOOKING STATEMENTS

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

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

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

Historical Business Operations

AXIM Biotechnologies, Inc. (the "Company," "we," "our," "us," "AXIM"). We were originally incorporated in the State of Nevada on November 18, 2010, under the name AXIM International, Inc. On July 24, 2014, we changed our name to AXIM Biotechnologies, Inc.

Acquisition of Sapphire Biotech, Inc.

In March 2020, we acquired Sapphire Biotech, Inc. ("Sapphire"), a diagnostic healthcare solutions company, changing our business operations. In exchange for 100% of the issued and outstanding shares of Sapphire, we issued an aggregate of 54,000,000 newly issued shares of Company common stock to Sapphire's existing stockholders (the "Share Exchange"). As a result of the Share Exchange, Sapphire became a wholly owned subsidiary of the Company, which has resulted in consolidated financial reporting by the Company to include the results of Sapphire.

Acquisition of Advanced Tear Diagnostics, LLC Technology

On August 26, 2021, we purchased certain eye disease diagnostic technology from Advanced Tear Diagnostics, LLC, a Delaware Limited Liability Company ("Advanced Tear"), consisting of worldwide exclusive licenses to manufacture, distribute and sell 510(k) cleared medical diagnostic devices already being marketed for Lactoferrin, a biomarker for dry eye disease and a 510(k) license for IgE, a biomarker for allergic ocular reaction and ownership of the two FDA registered 510(k) clearances (collectively, the "DED Licenses"). Pursuant to the agreement, AXIM became the FDA registered owner of the two 510(k)'s.

The purchase price for the technology licenses and the 510(k)'s was $4,270,000, which price was paid by issuing 7,000,000 restricted shares of Company common stock to Advanced Tear.

This asset purchase will prohibit another company from manufacturing the same devices under the 510(k)'s now owned by AXIM. Companies wishing to compete with AXIM by manufacturing the diagnostic devices acquired by AXIM must initiate a new 510(k) application and conduct costly clinical trials in support of the lengthy clearance process.

Also on August 26, 2021, we purchased technology and intellectual property relating to electrochemical impedance spectroscopy which included five pending patent applications, one of which has now been allowed by the US Patent & Trademark Office, from Advanced Tear for $250,000 (included assuming and paying $30,000 of the Advanced Tear liabilities). The bulk of the purchase price ($210,000) was in a note that requires seven equal monthly payments of $30,000, which payment started on September 3, 2021. The note has since been repaid in full.

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

The Company nor has not been subject to any trading suspension orders issued by the Securities and Exchange Commission.

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

None

Our principal executive office address is:

6191 Cornerstone Court, E, Suite 114, San Diego, CA 92121.

Our principal place of business address is:

☑ Check if principal executive office and principal place of business are the same address:

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

2. SECURITY INFORMATION

Transfer Agent:

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

Public Quoted or Traded Securities:

As of Date:	September 30, 2024
Trading Symbol:	AXIM
Exact title and class of securities outstanding:	Common Stock
CUSIP:	05463V100
Par or Stated Value:	$0.0001 per share
Common Stock	
Total shares authorized:	1,000,000,000
Total shares outstanding:	302,895,464
Number of shares in the public float:	146,246,420
Total number of shareholders of record:	109[(1)]
Preferred Stock	
Par or Stated Value:	$0.0001 per share
Total shares Preferred Stock authorized:	5,000,000
Total shares of Series C Preferred Stock authorized:	500,000
Total shares of Series C Preferred Stock outstanding:	500,000

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

Securities Description:

General

The Company's authorized capital stock consists of 1,000,000,000 shares of common stock, par value$0.0001 per share ("Common Stock"), and 5,000,000 shares of preferred stock, par value $0.0001.

Common Stock

Trading

Our common stock is traded on the OTC Markets under the symbol "AXIM."

Voting Rights

Each stockholder is entitled to one vote for each share of common stock held on all matters submitted to a vote of stockholders. Holders of our capital stock representing a majority of the voting power of our capital stock issued and outstanding and entitled to vote, represented in person or by proxy, are necessary to constitute a quorum at any meeting of our stockholders.

Except in the case of election of directors, when a quorum is present or represented at any meeting of stockholders, the vote of the holders of a majority of the stock having voting power present in person or represented by proxy shall decide any question brought before such meeting, unless otherwise required by applicable law. Directors are elected by a plurality of the votes cast at any meeting of stockholders at which directors are being elected.

Dividends

Subject to preferences that may be applicable to any then outstanding preferred stock, holders of common stock are entitled to dividends if declared by our Board of Directors ("Board") out of funds legally available for payment of dividends. The rights, preferences and privileges of holders of common stock are subject to and may be adversely affected by the rights of the holders of shares of any series of preferred stock that we may designate and issue in the future.

Liquidation Rights

Upon the liquidation, dissolution or winding up of the Company, the remaining assets legally available for distribution to stockholders, after payment of claims or creditors and payment of liquidation preferences, if any, on outstanding shares or any class of securities having preference over the common stock, are distributable ratably among the holders of common stock and any participating class of securities having preference over the common stock at that time. Each outstanding share of common stock is fully paid and non-assessable. The rights, preferences and privileges of holders of common stock are subject to and may be adversely affected by the rights of the holders of shares of any series of preferred stock that we may designate and issue in the future.

Other Rights

Our common stock is not subject to conversion or redemption rights, and there are no redemption or sinking funds provisions applicable to the common stock. The rights, preferences and privileges of the holders of our common stock will be subject to, and may be adversely affected by, the rights of the holders of shares of any series of our preferred stock that we may designate and issue in the future.

Preferred Stock

Under the terms of our Articles of Incorporation, our Board has the authority, without further action by our stockholders, to issue up to 5,000,000 shares of preferred stock, par value of $0.0001 per share, in one or more series, without stockholder approval. Our Board is authorized to establish from time to time the number of shares to be included in each series of preferred stock, and to fix the rights, preferences and privileges of the shares of each series of preferred stock and any of its qualifications, limitations or restrictions. Our Board can also increase or decrease the number of shares of any series of preferred stock, but not below the number of shares of that series of preferred stock then outstanding, without any further vote or action by the stockholders.

We have designated 500,000 shares of Series C Preferred Stock, of which 500,000 shares are issued and outstanding.

Series C Preferred Stock

We have designated 500,000 shares of preferred stock as Series C Preferred Stock of which 500,000 are issued and outstanding.

The Series C Preferred shares have the following rights and preferences:

- In any distributions, liquidation, dissolution, winding up, the right to receive assets of the Company pari passu and ratable with the holders of the Series C Preferred Stock, and senior to holders of Company common stock.
- Each Series C Preferred share is convertible into one share of the Company's common stock.
- The right to elect four directors to the Company's Board (each, a "Series C Director"). Any Series C Director seat shall be considered vacant whether such vacancy exists by reason of a Series C director having never been elected to any such authorized seat(s), death, resignation, disqualification, removal or otherwise. In the event that holders of shares of the Series C Preferred elect four Series C Directors, then at least one of the Series C Directors shall be deemed "Independent" (as defined in the Certificate of Designation for the Series C Preferred Stock).
- Each Series C Preferred share shall have 100 votes per share, and will vote as a single class along with the holders of all the Company's voting stock entitled to vote on such matters.
- So long as any of the Series C Preferred shares are outstanding, the Company cannot take the following actions without the consent of the majority vote of the Series C Preferred shares: amend, alter, waive or repeal, whether by merger consolidation, combination, reclassification or otherwise, the Articles of Incorporation or Bylaws; or create, authorize or issue any class, series or shares of any class of capital stock. The rights and preferences of the Series C Preferred stock cannot be amended without the majority vote of the holders of the Series C Preferred shares.

Warrants

There are currently warrants outstanding to acquire an aggregate of 519,247 shares of the Company's common stock at a weighted average exercise price of $0.15 per share.

Options

There are currently options outstanding to acquire an aggregate of 21,860,715 shares of the Company's common stock at a weighted average exercise price of $0.101 per share.

Anti-Takeover Effects of Nevada Law and Our Amended Certificate of Incorporation and Amended and Restated Bylaws

Some provisions of Nevada law, our Articles of Incorporation and our Bylaws contain provisions that could make the following transactions more difficult: an acquisition of us by means of a tender offer; an acquisition of us by means of a proxy contest or otherwise; or the removal of our incumbent officers and directors. It is possible that these provisions could make it more difficult to accomplish or could deter transactions that stockholders may otherwise consider to be in their best interests or in our best interests, including transactions which provide for payment of a premium over the market price for our shares.

These provisions, summarized below, are intended to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our Board. We believe that the benefits of the increased protection of our potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us outweigh the disadvantages of discouraging these proposals because negotiation of these proposals could result in an improvement of their terms.

Removal of Directors and Board Vacancies

Subject to any limitations imposed by applicable law, our Board is fixed at seven directors which is comprised of four Series C directors. Any Series C director seats shall be considered vacant whether such vacancy exists by reason of a Series C director having never been elected to any such authorized seat(s), death, resignation, disqualification, removal or otherwise. Any vacancy in the Series C director seats may only be filled by a majority of the holders of Series C Preferred Stock. There is no requirement to fill any vacant Series C director seat provided, however, that the Board must be comprised of one (1) director, whether or not such director is a Series C director.

Stockholders Not Entitled to Cumulative Voting

The holders of common stock are not entitled to cumulative voting rights, unless the Company is subject to Section 2115(b) of the California General Corporation Law ("CGCL"). In the event the Company is or becomes subject to Section 2115(b) of the CGCL, every stockholder entitled to vote at an election for directors may cumulate such stockholder's votes and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which such stockholder's shares are otherwise entitled, or distribute the stockholder's votes on the same principle among as many candidates as such stockholder thinks fit. No stockholder, however, shall be entitled to so cumulate such stockholder's votes unless (a) the names of such candidate or candidates have been placed in nomination prior to the voting and (b) the stockholder has given notice at the meeting, prior to the voting, of such stockholder's intention to cumulate such stockholder's votes. If any stockholder has given proper notice to cumulate votes, all stockholders may cumulate their votes for any candidates who have been properly placed in nomination. Under cumulative voting, the candidates receiving the highest number of votes, up to the number of directors to be elected, are elected.

While the foregoing provisions of our Certificate of Incorporation and applicable law may have an anti-takeover effect, these provisions are intended to enhance the likelihood of continuity and stability in the composition of our Board in the policies formulated by our Board, and to discourage certain types of transactions that may involve an actual or threatened change of control. In that regard, these provisions are designed to reduce our vulnerability to an unsolicited acquisition proposal. The provisions also are intended to discourage certain tactics that may be used in proxy fights. However, such provisions could have the effect of discouraging others from making tender offers for our shares and, as a consequence, they also may inhibit fluctuations in the market price of our common stock that could result from actual or rumored takeover attempts. Such provisions also may have the effect of preventing changes in our management.

Blank Check Preferred Stock

Our Board has the right to issue preferred stock in one or more series and to determine the designations, rights, preferences of such preferred stock without stockholder approval.

Stockholder Meetings

Our Bylaws provide that a special meeting of stockholders may be called only by a majority of our Board, our president, or by one or more stockholders holding shares in the aggregate entitled to cast not less than a majority of the votes at any such meeting, as well as provided by further provided in our Bylaws.

Nevada Control Share Law

As a Nevada corporation, we are subject to certain provisions of the NRS that have anti-takeover effects and may inhibit a non-negotiated merger or other business combination. These provisions are intended to encourage any person interested in acquiring us to negotiate with, and to obtain the approval of, our Board in connection with such a transaction. However, certain of these provisions may discourage a future acquisition of us, including an acquisition in which the stockholders might otherwise receive a premium for their shares. As a result, stockholders who might desire to participate in such a transaction may not have the opportunity to do so. The NRS provides that specified persons who, with or through their affiliates or associates, own, or affiliates and associates of the subject corporation at any time within two years own or did own, 10% or more of the outstanding voting stock of a corporation cannot engage in specified business combinations with the corporation for a period of two years after the date on which the person became an interested stockholder, unless the combination meets all of the requirements of the articles of incorporation of the company, and: (i) the combination or transaction by which such person first became an interested stockholder was approved by the Board before they first became an interested stockholder; or (ii) such combination is approved by: (x) the Board; and (y) at an annual or special meeting of the stockholders (not by written consent), the affirmative vote of stockholders representing at least 60% of the outstanding voting power not beneficially owned by such interested stockholder. The law defines the term "business combination" to encompass a wide variety of transactions with or caused by an interested stockholder, including mergers, asset sales and other transactions in which the interested stockholder receives or could receive a benefit on other than a pro rata basis with other stockholders.

The provisions of Nevada law and our Articles of Incorporation could have the effect of discouraging others from attempting hostile takeovers and, as a consequence, they may also inhibit temporary fluctuations in the market price of our common stock that often result from actual or rumored hostile takeover attempts. These provisions may also have the effect of preventing changes in the composition of our Board and management. It is possible that these provisions could make it more difficult to accomplish transactions that stockholders may otherwise deem to be in their best interests.

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

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

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

3. ISSUANCE HISTORY

A. Changes to the Number of Outstanding Shares

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed years:;	Yes ☑ No ☐

The Table describing the Changes to the Number of Outstanding Shares is attached as **Exhibit A** to this Disclosure Statement and incorporated herein by reference thereto.

B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities.	Yes ☑ No ☐

The Table describing the any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments is attached as **Exhibit B** to this Disclosure Statement and incorporated herein by reference thereto.

4. ISSUER'S BUSINESS, PRODUCTS AND SERVICES

A. Summarize the issuer's business operations.

Axim Biotechnologies, Inc., a Nevada corporation, is a leading developer of diagnostic healthcare solutions serving to enhance the health of people. Through the development of diagnostic solutions that quickly and accurately diagnose various diseases, our products allow healthcare workers to quickly test and treat at the point-of-care, which leads to improved patient outcomes and provides numerous economic benefits to the healthcare system.

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

Subsidiaries: Sapphire Biotech, Inc.

Parent Company: None

Affiliated Companies: None

C. Describe the issuers' principal products or services.

Axim's core competencies include development of rapid lateral flow immunoassays, reagents and monoclonal antibody development for such assays. Our current product portfolio falls under the Eye Health sector and consist of the two FDA cleared 510(k) tests we acquired for dry eye disease ("DED") and allergic conjunctivitis, both testing tears for these diseases . We have also internally developed an immunoassay for a potential third product which would measure MMP-9 in tears. MMP-9 is a biomarker for inflammation, and is an additional diagnostic tool for DED and other eye diseases.

Historical Business Operations

We were originally incorporated in the State of Nevada on November 18, 2010, under the name AXIM International, Inc. On July 24, 2014, we changed our name to AXIM Biotechnologies, Inc.

Acquisition of Sapphire Biotech, Inc.

On March 17, 2020, we entered into a Share Exchange Agreement with Sapphire Biotech, Inc. ("Sapphire"), and all of its stockholders, pursuant to which, upon closing of the transaction to acquire 100% of Sapphire's outstanding capital. As a result of the Share Exchange, Sapphire became a wholly owned subsidiary of the Company changing our business operations.

Acquisition of Advanced Tear Diagnostics, LLC Technology

On August 26, 2021, we purchased certain eye disease diagnostic technology from Advanced Tear Diagnostics, LLC, a Delaware Limited Liability Company ("Advanced Tear"), consisting of worldwide exclusive licenses to manufacture, distribute and sell 510(k) cleared medical diagnostic devices already being marketed for Lactoferrin, a biomarker for dry eye disease and a 510(k) license for IgE, a biomarker for allergic ocular reaction and ownership of the two FDA registered 510(k) clearances (collectively, the "DED Licenses"). Pursuant to the agreement, AXIM became the FDA registered owner of the two 510(k)'s. The purchase price for the technology licenses and the 510(k)'s was $4,270,000, which price was paid by issuing 7,000,000 restricted shares of Company common stock to Advanced Tear.

This asset purchase will prohibit another company from manufacturing the same devices under the 510(k)'s now owned by AXIM. Companies wishing to compete with AXIM by manufacturing the diagnostic devices acquired by AXIM must initiate a new 510(k) application and CLIA classification for IgE or, in the case of Lactoferrin, must at least apply for CLIA classification. Both the 510(k) and CLIA classification combined or individually require costly clinical trials in support of a potentially lengthy clearance process.

Also, on August 26, 2021, we purchased technology and intellectual property relating to electrochemical impedance spectroscopy ("EIS") which included five pending patent applications, one of which has now been allowed by the US Patent & Trademark Office, from Advanced Tear for $250,000 (included assuming and paying $30,000 of the Advanced Tear liabilities). The bulk of the purchase price ($210,000) was in a note that requires seven equal monthly payments of $30,000, which payment started on September 3, 2021. The note has since been repaid in full. This technology may provide a future opportunity to utilize an EIS platform for our products which have the potential to drastically reduce the processing time to obtain results from our eye tests.

Eye Health Overview

On August 26, 2021, we acquired the technology, intellectual property and the exclusive global rights to market two FDA cleared lateral flow assays which utilize a non-invasive, quantitative, point of care human tear test to aid in the diagnosis and selection of therapeutics for the treatment of eye diseases. With the acquisition, the Company became focused on improving the landscape for the diagnosis of ophthalmological conditions such as Dry Eye Disease (DED) through rapid diagnostic tests. The Company owns two of the only five FDA Cleared Diagnostic tests for Dry Eye Disease.

Currently, we have an FDA 510(k) clearance to test Lactoferrin (an aqueous deficiency biomarker) and IgE (a non-specific allergy biomarker). Our objective is to establish point of care testing for dry eye disease and to establish this modality as the new standard of care. The tests are quick, simple to use, and inexpensive to the clinic. The tests are CMS and private insurance reimbursable.

Low levels of Lactoferrin confirm inadequate glandular tear production (aqueous deficiency) and high levels of IgE indicate an active ocular allergy. If both biomarkers are normal, the cause of a patient's dry eye condition could be attributed to evaporative dry eye. So, by performing these two tests, an eye doctor

may now better assess the underlying cause of the tear film disorder, its severity and the appropriate treatment protocol to pursue. In addition, these tests are rapid, accurate, reimbursable, profitable and can be performed by a technician, which allows the physician to be more productive and attend to more patients.

While at one time the tests were sold in numerous eye doctors' locations, when the Company acquired the assays, they had been mothballed. The Company has had to redevelop the tests, reagents and select a quantitative reader. Since the acquisition of the technology, the Company has been successful in redevelopment and is launching sales.

We have signed a supply agreement with Barcelona-based IUL SA ("IUL") for our iPeak DED readers, which will be deployed for diagnostic testing with a focus on Lactoferrin and IgE levels. This state-of-the-art portable reader is a colorimetric lateral flow reader designed to hold different cassette sizes and can read cassettes of up to five strips and seven lines per strip at a time.

iPeak is equipped with "Flash Eye" technology based on the principles of machine vision illumination. Its camera captures the image of the test illuminated from LED lights situated in the most studied geometry to achieve a precise and uniform illumination and enhance the colors of any lateral flow test. The iPeak technology also allows for more sensitivity, which is the main success of its application.

We evaluated the iPeak readers in the lab against several other comparable products before deciding on IUL's state-of-the-art products. The Company's diagnostic testing process for DED, and specifically for Lactoferrin levels as a primary indicator, will include the use of reagent strip samples. The new readers are calibrated with the new test strips and will be distributed to ophthalmologists and optometrists at the point of care. The patients' tear sample will be obtained and applied to the strips and then an ophthalmologist or optometrist will run the strips through a reader to determine Lactoferrin levels and incidence and severity of DED.

On September 19, 2022 the Company announced that it had signed an exclusive global commercialization agreement with Verséa Ophthalmics, LLC, a business division of Verséa Holdings, Inc. ("Verséa"), is one of the fastest growing U.S. healthcare companies, specialized in the sale and distribution of diagnostic and therapeutic solutions.

The Clinical Laboratory Improvement Amendments ("CLIA) require certification for any facility that performs tests on human specimens for diagnosis, prevention or treatment. Our tests are considered moderately complex by CLIA, and, as such, the user of the test is required to obtain a CLIA certificate of compliance. This is done by filing a simple application with CMS (Form 116) and paying a fee. However, there are various lab requirements that must be in place first, and there is a considerable amount of ongoing record keeping that is required, which restricts potential growth of the business.

The FDA allows for CLIA waivers, and we intend to pursue a waiver for both current tests and all future product offerings. Our scientists have been diligently making proprietary improvements to the tests which will simplify use by the clinician and enhance likelihood of CLIA waiver approval. We plan to file for the waivers at the beginning of 2025 after conducting a fairly simple comparative clinical study. The objective will be to determine whether the AXIM Eye test system has equal or better simplicity than the other forms of diagnostic testing for DED, which we believe is the case. This study is a key component of the filing process with the FDA for a CLIA Certificate of Waiver. We believe that the acquisition of these FDA 510(k) cleared diagnostic products, a waiver and the distribution partnership we have with Versea will allow the business to grow at a rapid pace.

Dry Eye Market

An estimated 16 million Americans have been diagnosed with DED, but the actual number of Americans suffering from dry eye symptoms is likely much higher. Some reports indicate that nearly half of all U.S. adults experience dry eye signs and symptoms, and 33% of patients in eye care clinics present with complaints about dry eye.

DED, though widespread, is under-diagnosed, in part because symptoms do not always correlate with objective signs. It has a highly variable symptom profile at different stages of the disease, and there is often a discordance between signs and symptoms. A patient can have severe symptoms yet show no sign of ocular surface damage, while others have advanced ocular surface damage, yet report no symptoms. This lack of correlation between clinical signs and symptoms of DED makes diagnosing and treating patients a challenge. Often times, inflammation is present before the clinical signs of DED.

Currently, our eye business focuses exclusively on ophthalmology and optometry, in the United States, where there are 37,000 optometrists and 19,000 ophthalmologists performing approximately 400,000 medical (dilated) eye exams per day. Of this total, we believe that approximately 20% to 30% would present with symptoms where the Company's Lactoferrin and IgE tests would be indicated. It is estimated that total US market for our eye care systems could approach 50,000 systems (USA Only).

We have completed development of our immunoassay system, which includes an automated colorimetric photometer reader and two FDA market-cleared point-of-care (POC) quantitative diagnostic ophthalmic lab tests and are now manufacturing the tests. These are:

Ocular Lactoferrin Lf) CPT code 83520 2021 CMS reimbursement (average) $17.27/eye
Ocular Immunoglobulin E (IgE) CPT Code 83520 2021 CMS reimbursement (average) $16.46/eye

Studies indicate that in 2021, 16-49 million Americans had DED, representing 32 - 98 million potential use cases for our POC tests. These tests are not limited to DED diagnostics, but can also be used to determine the Lactoferrin and allergic components of tear film prior to:

- Contact lens fitting – approximately 45 million people wear contact lens in the US alone (2021).
- LASIK surgery- approximately 718,000 (2020).
- Cataract surgery with lens exchange - approximately 3.8 million (2018).

The barrier for entrance into the dry eye space is difficult and requires extensive clinical studies, large capital expense and FDA 510(k) clearance. This process alone can take several years and substantial investment, with no certainty that the product will receive FDA 510(k) clearance. For this reason, the Company determined that acquiring the two 510(k)'s would be a favorable strategic decision.

Business Model

Our eye business model utilizes a razor/razor blade model with the idea of placing as many readers into the field as possible and selling the disposable tests. It is anticipated that our gross profits will be generated from the manufacturing and sale of tests to our distribution partner who then resells the tests. Discounts will be offered to purchasing groups, corporate accounts, academic institutions engaged in research or training, and others as deemed appropriate. It is anticipated that the average price for the reader will be at

our acquisition cost so we can get as many "razors" in the field, while pricing of consumable diagnostic kits will be at roughly half of the CMS published reimbursement floor rate.

Market demand for the system is expected to be moderate to begin with until we are granted a waiver from CLIA. At which time we expect extremely high demand for our system and tests. We also expect very high demand for our recently developed MMP-9 quantitative test once we obtain an FDA 510(k) clearance. While we must compete with other capital equipment expenditures under consideration in any ophthalmic physician's office, we believe that no other ophthalmic device offers the combination of compelling clinical and financial benefits afforded by our system. The clinical utility of the tests offers important diagnostic precision, differentiation and treatment management direction. Inner-office efficiencies significantly improve the patient flow characteristics, reducing patients in office visit time and greatly reducing physicians chair time with each patient.

Financially, for every patient tested per day, the physician will receive, on average, $2 in reimbursement for every $1 expended on supplies. CMS and private insurance allow for physicians to retest their patients as often as deemed medically necessary.

Dry Eye Disease Market Competition

Currently there are five FDA approved tests for DED:

Biomarker	Company	Type	CLIA status
Lactoferrin	Axim	(quantitative analysis)	moderate complexity
IgE	Axim	(quantitative analysis)	moderate complexity
MMP9	Quidel	(qualitative only)	waived
Osmolarity	TearLab	(quantitative analysis)	waived
Ocular Adenovirus	Quidel	(qualitative only)	waived

The preferred clinical analysis is quantitative, giving us an advantage over the competition. Since our reader can interpret many different analytes other than Lf and IgE, it also opens the possibility of additional quantitative test development.

New Quantitative MMP-9 Test

On March 8, 2022, we announced that we had successfully developed what we believe to be the first-ever rapid quantitative tear test for MMP-9, an inflammatory biomarker for DED. Matrix metalloproteinase-9 (MMP-9), an inflammatory biomarker consistently elevated in the tears of dry eye patients, may accelerate early diagnosis when detected.

Ocular surface disease (OSD) and dry eye syndrome are often mistakenly considered synonymous. OSD occurs when there is damage to the front surface of the eyes, the cornea. The central role of inflammation in OSD is widely recognized, but the ability to measure this in the clinic has been limited to the Quidel InflammaDry test, which measures tear matrix MMP-9 levels and provides a positive/negative result around a threshold of 40ng/ml of MMP-9. This "yes or no" report has clinical value, but it is limited. Currently

available MMP-9 testing does not detect a reduction in tear MMP-9 levels until the concentration drops below 40ng/ml and, thus, may miss clinically significant improvement that did not reach that threshold.

The clinical benefits of our quantitative tear MMP-9 testing would be a significant advancement in the ability to measure the degree of inflammation affecting dry eye patients, allowing for more objective classification of their disease. Equally important would be the ability to measure improvement in control of inflammation that is the goal of many of our therapies for Ocular Surface Disease (OSD), including pharmaceuticals, thermal pulsation treatments and even light-based therapies.We intend to run a clinical study for MMP-9 in 3rd quarter of 2025. The distribution agreement we have with Versea calls for Versea to pay for half of the expense in return for a paid-up license to market the test after the 510(k) clearance is achieved.

We are also in the process of developing additional biomarker tests that will be used on the existing platform, without the constant need of the clinician to upgrade to a newer platform. The Lateral Flow test reader is software driven and can be programmed to interpret other biomarkers as they are clinically studied and FDA approved. Our tests use 1.0 microliter for Lactoferrin and 3.0 microliters for IgE of human tear fluid, that is applied to a disposable lateral flow cassette (one cassette per patient tested). The disposable single use cassette generates a substantial, recurring revenue stream for our eye business and our stakeholders.

CURRENT OPERATIONS FOLLOWING ACQUISITION OF SAPPHIRE AND ADVANCED TEAR DIAGNOSTICS ASSETS

Summary:

- AXIM's strategic focus is on commercializing FDA-cleared Dry Eye Disease (DED) diagnostic system
- Plans to address largely underserved DED diagnosis market with proprietary tear collection method and approved tests, supported by world-class DED management team
- Supply agreements in place to fulfill demand for DED readers and test strips, creating large revenue opportunity
- Company places emphasis on generating positive cash flow through DED program

The Company has been working diligently to further position AXIM for both immediate and long-term success. Since our acquisition of Sapphire Biotech and with the onset of the COVID-19 pandemic, we have been focused on three key areas specific to the diagnostic area: oncological, COVID-19, and most recently, dry eye disease (DED). Each of these provide strong upside potential for AXIM; however, each comes with its own set of regulatory and scientific hurdles that must be overcome. While the Company remains optimistic about each program, we believe it to be of the utmost importance to focus the most time and resources on the program with the ultimate potential for success, in the nearest term. While these other programs will not be abandoned, the Company recognizes that waiting on the painstakingly slow regulatory approvals needed to generate revenue is not the best strategy to further our mission and unlock shareholder value. As such, following an extensive analysis by our management team, board of directors, and expert consultants with an objective perspective, the Company determined our best path forward lies with DED. The DED initiative is an extremely large opportunity for our Company and has been gaining strong momentum in recent months. The Company believes it offers the most potential for rapid and immediate growth, which could lead to ultimate profitability for the organization.

Since the third quarter of 2021, we have acquired substantial assets, including already approved diagnostic tests, which complement the research we had been conducting to-date. Despite DED being the most

common ocular surface disorder, affecting approximately 350 million people worldwide—causing persistent eye irritation, blurred vision, pain and decreased quality of life—the sector has seen little innovation. There remains a desperate demand for better DED testing and diagnosis, especially at the point-of-care, and we believe we are well positioned to dominate this marketplace, while we actively work to develop and bring to market new solutions enabling us to offer comprehensive state-of-the-art suite of DED solutions.

Our next-generation solutions are unique in that they offer patients not only a fast and reliable answer as to why they are suffering, but offer a solution to physicians who are looking to help patients suffering from this overly common disease.

DED Business

It is important to underscore the rationale supporting the Company's decision to focus on DED. According to the American Academy of Ophthalmology, approximately 20 million people in the U.S. have DED and the number is growing in both young and old adults. It is imperative that clinicians determine how to best diagnose and treat DED.

Diagnosing DED is a particular challenge because of the multifactorial nature of the disease, with symptoms similar to other ocular surface conditions. There is often discordance between signs and symptoms, highlighting the need for more sensitive and accurate diagnostic tools. Figures from the American Journal of Ophthalmology corroborate this. As of July 2017, an estimated six million people reported DED symptoms without receiving a diagnosis.

The DED marketplace is massive, with analysts projecting the global market to grow at a CAGR of 6.6% from 2021 to 2026 and reach $6.1 billion by 2024.

Accordingly, in mid-2021, we started building the infrastructure and foundation needed to engage this large and dynamic market successfully. Our cutting-edge, next-generation solutions provide AXIM with far higher prospects of predictable growing revenue and earnings power.

On August 26, 2021, we signed an agreement to acquire two FDA-cleared 510(k)'s DED diagnostic testing technologies. The tests are part of a highly specialized point-of-care (POC) lab testing system explicitly designed to assist eye care physicians in detecting and quantifying various biomarkers associated with external ocular disorders. The tests are also approved for insurance and Medicare reimbursement. Both these tests are non-invasive, Rapid Lateral Flow Assays using tears.

The first is a rapid (10-minute) lateral flow diagnostic assay that tests for exact levels of Lactoferrin through the collection of 1.0 microliter in tears. The benefits of testing Lactoferrin Levels in the tear film include:

- Low Lactoferrin levels directly correlate to DED caused by aqueous deficiency
- The severity of DED can be determined by the Lactoferrin level
- Low Lactoferrin levels may represent increased surgical risk or contact lens intolerance
- Changes in Lactoferrin levels may show the efficacy of the prescribed treatment

The second test is for the measurement of Ocular Immunoglobulin E (IgE), a biomarker for allergies and a key biomarker primarily associated with Dry Eye Disease. The benefits of Testing IgE Levels in the Tear Film include:

- The presence of IgE indicates the diagnosis of allergic conjunctivitis

- Levels of IgE increase with the severity of the allergic response
- IgE testing can help differentiate allergic conjunctivitis from dry eye syndrome
- Allergic conjunctivitis is a contraindication for LASIK and other surgical procedures

Lactoferrin is a tear protein that protects the ocular surface through antimicrobial and anti-inflammatory properties. Lower concentrations of lactoferrin have been demonstrated in patients with dry eye, which is associated with decreased aqueous tear production. Ocular Immunoglobulin E (IgE) is a biomarker for allergies and a key biomarker primarily associated with allergic conjunctivitis. Mild allergic conjunctivitis is frequently challenging to clinically distinguish from dry eye. AXIM's diagnostic technology allows for eye doctors to not only identify and differentiate clinically overlapping conditions but also drive more targeted therapeutic interventions. The tests provide doctors with access to real-time quantitative results at the point-of-care, allowing them to better prescribe a therapy to patients, leading to overall improved personalized patient care.

On March 8, 2022, we announced that we had successfully developed what we believe to be the first-ever rapid quantitative tear test for MMP-9, an inflammatory biomarker for DED. Matrix metalloproteinase-9 (MMP-9) is an inflammatory biomarker consistently elevated in the tears of dry eye patients. The central role of inflammation in Ocular Surface Disease (OSD) is widely recognized, but the ability to measure this in the clinic has been limited to the Quidel InflammaDry test, which provides a positive/negative result. This "yes or no" report has clinical value, but it is limited. OSD occurs when there is damage to the front surface of the eyes, the cornea. OSD includes dry eye syndrome, but also refers to a number of other disorders that affect the surface of the eye and can cause significant issues with vision and quality of life.

The clinical benefits of our quantitative tear MMP-9 testing are a significant advance in the ability to measure the degree of inflammation affecting dry eye patients, allowing for more objective classification of their disease. Equally important would be the ability to measure improvement in control of inflammation that is the goal of many therapies for OSD, including pharmaceuticals, thermal pulsation treatments and even light-based therapies.

On July 12, 2023, AXIM announced that it had begun shipping revenue generating validation kits for Ocular Immunoglobulin E (IgE), a key biomarker primarily associated with non-specific, allergic conjunctivitis, which often mimics Dry Eye Disease. Since then, the Company has undertaken additional optimization of IgE and is planning a re-release of the product in the 4th quarter.

Key Diagnostic Device Supply Agreement

In February of 2023, we entered into a key supply agreement for DED test strip readers which will be deployed for diagnostic testing, focusing on lactoferrin levels. The readers, a point of care medical device, will be supplied by Barcelona, Spain-based IUL SA ("IUL"). We will be utilizing state-of-the-art portable iPeak readers that were tested against other comparable products. These readers are designed to hold different cassette sizes and are equipped with connectivity and can read cassettes of up to five strips and seven lines per strip at a time. iPeak is equipped with "Flash Eye" technology based on the principles of machine vision illumination.

We are also in the process of developing additional biomarker tests that will be performed on the existing platform, without the constant need of the clinician to upgrade to a newer platform. The Lateral Flow test reader is software-driven and can be programmed to interpret other biomarkers as they are clinically studied and FDA approved. The test uses 1.0 microliter for Lactoferrin or 3.0 microliters for IgE of human tear fluid that are applied to a disposable lateral flow cassette (one cassette per patient tested). The disposable single use cassette generates a substantial, recurring revenue stream for our eye business.

Exclusive Global Commercial Partnership

On September 19, 2022, the Company announced that it had signed an exclusive global commercialization agreement with Verséa Ophthalmics, LLC, a business division of Verséa Holdings, Inc. ("Verséa"), one of the fastest growing U.S. healthcare companies, specialized in the sale and distribution of ocular diagnostic and therapeutic solutions.

The agreement will provide Verséa with the exclusive commercial right to AXIM's proprietary portfolio of point-of-care (POC) lab testing readers and three key biomarker diagnostic tests designed specifically to assist eye-care physicians in detecting and quantifying biomarkers associated with aqueous deficient Dry Eye Disease and non-specific allergic conjunctivitis. AXIM's three key biomarker tests – the Ocular Immunoglobulin E (IgE) test, the Lactoferrin test, and the future MMP-9 test – require the collection of 1.0-3.0 microliters in tears and provide quantitative results in under 10 minutes, an industry-leading return time.

On September 30, 2022, Verséa launched the IgE and Lactoferrin tests at the 2022 American Academy of Ophthalmology (AAO) and American Academy of Optometry (AAOPT) conferences. The MMP-9 test is anticipated to follow in the 4th quarter 2025 upon FDA clearance. In recent months, AXIM has been preparing for the scaling of production of its tests in anticipation of significant new orders and is now prepared to support new orders associated with the Versea agreement and subsequent launch.

The commercial launch of the Company's IgE and Lactoferrin tests mark the evolution of AXIM as a development-stage biotech company to a revenue generating healthcare organization. Since the development of our novel ocular diagnostic tests and subsequent success in proving their effectiveness, the Company had been searching for a partner with a solid commercial infrastructure and a firm commitment to eye care, capable of bringing our tests to clinical offices on a global scale. With existing sales channels to support their human amniotic membrane therapeutics, Verséa has added our technology to their expanding portfolio of healthcare solutions. Our partner's mission aligns with that of the Company's—together, we aim to change the landscape of dry eye disease diagnosis.

On October 4, 2022, the Company announced that it had received an initial order of 19,000 point-of-care (POC) Lactoferrin diagnostic tests and 100 readers targeting ocular surface diseases through its exclusive global commercialization partner Verséa Ophthalmics, marking the Company's first large-scale revenue generating order. To date we have received an order for an additional 50 readers and have produced and delivered 15,400 Lactoferrin tests and a small number of tests (100) for evaluation of our next generation IgE diagnostic product.

Our distribution partner, Versea, has been steadily increasing the number of customer sites for our products. As of September 20, 2024, the active customer sites total 49, of which 25 are currently performing bi-annual Proficiency testing to satisfy moderate complexity laboratory standards.

On December 20, 2023, AXIM announced that the Company had signed an agreement with contract manufacturer Auer Precision for the production of its two FDA-cleared diagnostic assays designed for point-of-care diagnosis of Dry Eye Disease (DED). The partnership has enabled Axim to scale production quantities of the Lactoferrin diagnostic test. To date, Auer has successfully completed validation of the manufacturing process and continued to produce 5,000 Lactoferrin tests for internal testing and commercial use.

The order was part of the exclusive global commercialization agreement reached between Verséa and AXIM and was announced in order to support the commercial launch of sales at the 2022 American

Academy of Ophthalmology (AAO) conference in Chicago. The order represents the largest revenue-generating event in the history of the Company. AXIM is completing the manufacturing and is preparing the order for shipment from its laboratory facilities in San Diego, California as per Verséa's direction. The order includes both the tear-based tests for Lactoferrin and Immunoglobulin E (IgE) as well as 100 of the associated digital reader that allows for quantitative test results. The tests provide doctors with access to real-time quantitative results within 10 minutes, allowing them to more accurately diagnose and prescribe targeted therapy to patients, leading to overall improved personalized patient care. Both tests are FDA-cleared and have dedicated Medicare CPT codes that allow for rapid POC diagnosis of common ocular conditions such as dry eye disease (DED) and allergic conjunctivitis. On February 20, 2024 we announced that Verséa Ophthalmics placed an order for an additional 50 digital readers.

This large order through our agreement with Verséa Ophthalmics marks a pivotal point for AXIM, where we are revenue generating. This initial order through Versea also supports the Company's vision that our tests and readers will become available in clinics nationwide. While our readers can be used over and over again, our test strips are one-time use, and we expect to receive repeat orders from clinicians who have performed the tests. This will be a significant revenue additive to the growing new test demand.

The expectation with the Versea partnership is that the launch of the ocular surface disease testing platform is the beginning of a robust testing pipeline of future diagnostic test solutions that can be introduced on the same digital reader system. Eye care professionals have struggled with differentiating mild allergic conjunctivitis from dry eye disease as well as distinguishing between different causes of dry eye [aqueous deficient versus evaporative] which impacts clinical decision-making. The portfolio of rapid, tear-based, quantitative point of care tests allows for more specific diagnoses, targeted therapeutic intervention and the potential for therapeutic monitoring which is a true breakthrough for the industry.

CLIA Waiver Process

In the 1st quarter of 2025, the Company plans to conduct comparative clinical studies of both Lactoferrin and IgE, commencing with Lactoferrin. The objective will be to prove that the AXIM Eye test system has equal or better simplicity than the other forms of diagnostic testing for DED. This study is a key component of our filing process with the FDA for a Clinical Laboratory Improvement Amendment (CLIA) Certificate of Waiver. Initially, we will be targeting a waiver for the Lactoferrin diagnostic test, to be followed by the IgE diagnostic test. The testing is expected to prove that the products are simple to use with minimal risks of erroneous results. The expected timeline for filing and receiving a final CLIA decision is approximately three to six months.

Proprietary Tear Collection System

Tear fluid analysis contributes to the greater understanding of various ocular and systemic diseases. However, there is a pressing need for a better tear collection system. AXIM is developing a novel tear sample collector system that is extremely cost-effective to produce on a mass scale. It is soft, non-intimidating, and easy to use by untrained personnel. It features a simple indicator that appears on the strip when enough tear fluid has been absorbed.

AXIM 2025: Goals and Targeting Positive Cash Flow

Our DED business strategy is starting to take off. Looking ahead we plan to:

- Successfully complete our clinical trials to prove the accuracy and ease of use to achieve CLIA waivers for Lactoferrin and IgE .

- Generate positive, peer reviewed reviews by eye care professionals as to the performance and ease of use.
- Penetrate the ophthalmologist and optometrist marketplace through our partner with our industry-changing DED diagnostic technology.

- Grow our DED business to reach a positive cash flow run rate by mid-2025 and build its profitability beyond.

With our partnership with Versea, AXIM is now commercializing a healthcare solution that holds the potential to truly revolutionize the world. With the sales launch of AXIM's diagnostic platform, AXIM is executing on our vision of penetrating a market where DED impacts over 350 million people worldwide. This strategy will enable our business to grow revenues and increase our earnings power to enhance shareholder value.

Milestones to Date

On August 03, 2021, we announced that the Company has signed a Binding Term Sheet to acquire the technology for the testing of Dry Eye Disease (DED), including two FDA clearances for the commercial sale of two ophthalmic diagnostic lab tests. The transaction closed on August 26, 2021.

On March 8, 2022, we announced that we had successfully developed what we believe to be the first-ever rapid quantitative tear test for MMP-9, an inflammatory biomarker for Dry Eye Disease. Matrix metalloproteinase-9 (MMP-9), an inflammatory biomarker consistently elevated in the tears of dry eye patients, may accelerate early diagnosis when detected.

On May 24, 2022, we announced that we had completed the optimization of a rapid diagnostics test for the quantitative measurement of Ocular Immunoglobulin E (IgE), a biomarker for ocular allergies.

On June 2, 2022, we launched the Company's new mobile-optimized website designed to provide doctors, researchers and other medical professionals with tailored, timely information and resources that will enable them to make informed decisions when purchasing AXIM's proprietary diagnostic tests.

On July 21, 2022, we announced that Axim's CEO John Huemoeller had been featured on the Vision is More Than 20/20™ podcast.

On July 26, 2022, we announced that we had developed an enhanced version of our rapid Ocular Immunoglobulin E (IgE) test in response to a study recently published in Nature that climate change is making allergy season occur sooner and for a longer period of time than in recent years.

On September 19, 2022, we signed an exclusive global commercial partnership agreement with Verséa Ophthalmics, LLC, a business division of Verséa Holdings, Inc. ("Verséa"), one of the fastest growing US healthcare companies, specialized in the sale and distribution of ocular diagnostics relating to Axim's proprietary portfolio of point-of-care (POC) lab testing readers and three key biomarker diagnostic tests designed specifically to assist eye-care physicians in detecting and quantifying biomarkers associated with aqueous deficient Dry Eye Disease and non-specific allergic conjunctivitis.

On September 29, 2022, we started selling our ophthalmic point-of-care (POC) diagnostic product portfolio in advance of the American Academy of Ophthalmology Annual Meeting through our exclusive commercialization partner Verséa Ophthalmics, LLC, a subsidiary of Verséa Holdings, Inc.

On October 4, 2022, we received an initial order of 19,000 point-of-care (POC) diagnostic tests and 100 readers targeting ocular surface diseases through our exclusive global commercialization partner Verséa Ophthalmics, LLC ("Verséa"), marking the Company's first large-scale revenue generating order.

On December 6, 2022, our commercial partner, Versea Ophthalmics highlighted the benefits of AXIM's Eye Diagnostic Solutions in leading scientific media, including Eyes On 2023 and the Ophthalmology Times.

In both interviews, Dr. Rob Sambursky emphasized the improved features of AXIM's tests, noting that while osmolarity testing is currently taking place with ocular surface disease patients, the rapid new tear-based tests are complementary to those existing tests and enhance a clinician's ability to manage treatment in a more personalized way.

On December 13, 2022, AXIM announced the development of a novel dual IgE/MMP rapid ophthalmological diagnostic test for which the Company filed a provisional patent with the US Patent and Trademark Office. The new product offers clinicians an innovative new rapid ophthalmological diagnostic solution designed to reliably measure both Ocular Immunoglobulin E (IgE) and MMP-9 in a single test. The test is slated for further clinical development in the 1st quarter of 2025 and, once FDA approved, will be added to AXIM's expanding catalog of ophthalmological diagnostic tools available to clinicians throughout North America.

On April 11, 2023, we announced the start of manufacturing of both the Company's proprietary Ocular Immunoglobulin E (IgE) and Lactoferrin diagnostic assays to fulfill the orders placed by its commercialization partner Versea.

On May 23, 2023, we announced the appointment of Kurt Phinney as the Company's new Chief Operating Officer. Phinney is a seasoned healthcare operations executive and will play a vital role in scaling and optimizing AXIM's manufacturing operations for its proprietary ophthalmological diagnostic assays in order to meet rising demand.

On July 12, 2023, AXIM announced that it had begun shipping revenue generating validation kits for Ocular Immunoglobulin E (IgE), a key biomarker primarily associated with non-specific, allergic conjunctivitis, which often mimics Dry Eye Disease. Since that time, the Company has been optimizing IgE and plans to re-release the product in the 4th quarter of 2024.

On July 25, 2023, Verséa™ Ophthalmics, LLC, a division of Verséa Health, Inc. announced the commencement of initial shipments of its T-POC TOTAL IgE Immunoassay and Lateral Flow Readers. The company focuses on delivering innovative Tear-based Point-of-Care (T-POC) testing and biologic solutions that optimize diagnosis, treatment, and management of various eye care conditions, including ocular surface disease and pterygium surgery. AXIM supplies the readers and manufactures and supplies the IgE Immunoassay to Verséa, its distribution partner.

On August 1, 2023, AXIM announced that the U.S. Patent & Trademark Office sent the Company notices of U.S. patent allowances for three separate patents, including its rapid point of care neutralizing antibody test.

On September 12, 2023 AXIM announced that it has successfully developed the world's first rapid, point-of-care, non-invasive diagnostic assay for the detection of abnormal alpha-synuclein, a known biomarker for Parkinson's Disease using tears.

On December 20, 2023, AXIM announced that the Company had signed an agreement with contract manufacturer Auer Precision for the production of its two FDA-cleared diagnostic assays designed for point-of-care diagnosis of Dry Eye Disease (DED). The partnership will enable scaling of production quantities of the assays to meet demand for the tests in a cost-effective way.

On February 20, 2024, AXIM announced that Verséa™ Ophthalmics, LLC, placed an order for an additional 50 IUL Lateral Flow Readers.

On March 27, 2024, AXIM released a video of an interview of CEO John Huemoeller II conducted by Tony Noto at the 2024 Benzinga Virtual Healthcare Summit. Mr. Huemoeller shared insights into the Company's work with its two FDA-cleared ophthalmological diagnostic assays being distributed to clinicians throughout the country as well as the development of its Parkinson's diagnostic program.

On May 14, 2024, Axim was advised that the California Department of Public Health had granted the Company a medical device manufacturing license, satisfying the requirement that Axim obtain the manufacturing license to support its production of medical devices in California.

Anticipated Expenses

During the next twelve months we anticipate incurring costs related to: (i) contractual obligations, (ii) clinical trials, (iii) continued research and development, and (iv) inventory for sales of dry eye products.

AXIM INTELLECTUAL PROPERTY

AXIM has been developing a proprietary diagnostic platform that can be adapted to test for a variety of analytes including, for example, SARS-Cov-2, Lactoferrin, IgE, Lacritin, MMP-9. This innovative platform allows clinicians to detect with greater speed and accuracy different conditions that, as an example, allow for point of care testing of viruses, diseases, and conditions such as Dry Eye Disease. The platform capability can also be applied to rapid testing for vaccine candidates, including COVID vaccines and a potential Fentanyl vaccine. AXIM's proprietary platform can also be used to enable point-of-care detection for one or more cancers using a unique cancer biomarker, QSOX1-L.

<u>New Patent Allowances</u>

AXIM was recently notified by the United States Patent & Trademark Office (USPTO) of three patent allowances. The first patent application relates to COVID and another for the neutralizing antibody (Nab) testing and treatment. The allowance confirms that AXIM was a pioneer in developing a rapid point of care Nab test and its novelty. Additionally, the company was notified by the USPTO of a second patent allowance for systems and methods for rapid diagnostic for various cancers. The invention relates to the discovery by AXIM scientists of a unique biomarker for cancer, QSOX1-L. A third patent allowance was received for a point-of-care apparatus and methods for detecting cancer that uniquely uses electrochemical or impedance spectroscopy (EIS).

These allowances have increased the depth of AXIM'S IP portfolio to include 10 patent applications, including the 3 above allowed patents, that cover AXIM's innovative platforms and technologies. The Company sees a significant value in its IP portfolio whereas it may look to either further develop the covered technologies or license the IP to larger healthcare organizations, both creating significant upside value for the organization. These allowances further validate both the novelty and underlaying science of AXIM's diagnostic technologies.

Innovations in Diagnostics

While we continue to manufacture and ship our FDA-cleared diagnostic assays to customers through our commercialization partner, we have simultaneously continued to expand our value proposition through innovations in the diagnostics field. We see our growing portfolio of proprietary inventions as a major opportunity for the organization, with an unrealized market value which probably exceeds the company's current market capitalization. For instance, while the original SAR COVID-19 virus which plagued the world in recent years received extensive attention from the medical community, our now protected assay methodology can be applied to any future mutations or new SARS viruses or vaccines. Our intellectual property consists of issued patents as well proprietary inventions that are being maintained and protected as trade secrets. A trade secret is any commercially valuable information that is kept confidential and provides a business advantage to the Company.

Following is an overview of AXIM's intellectual property ("IP") portfolio, those inventions that are not the subject of patents or patent applications are being protected as trade secrets under IP law:

SARS-Cov-2

Neutralizing Antibody Testing and Treatment. 1 Issued Patent; 3 Utility Patent Applications.

The invention refers to a Rapid Test to measure levels of Neutralizing Antibodies to SARS-CoV2. Unlike currently available serological COVID-19 tests that detect an antibody response to the virus, the rapid 10-minute test measures a specific subpopulation of antibodies that block binding of the virus to host cell receptors. In contrast to current tests using live viruses which are time-consuming, expensive and require trained personnel in a tightly controlled laboratory setting to measure neutralizing antibodies, the rapid test is a portable, low cost, rapid point- of-care test that measures levels of neutralizing antibodies in 10 minutes.

The invention is a diagnostic test intended for semi-quantitative measurement of neutralizing antibodies in plasma, serum or whole blood of persons who have had recent or prior infection with SARS-CoV2 or have received a COVID-19 vaccine.

DRY EYE DISEASE

Tests for Human Monomeric Lacritin.

The invention relates to a Rapid Point of Care test for Human Monomeric Lacritin. Lacritin is a tear protein that, in its monomeric form, autonomously promotes tearing and ocular surface survival. Lower concentrations of Lacritin may diagnose several eye diseases, including Blepharitis, Sjögren's syndrome, Dry Eye Disease and other inflammatory conditions.

Tear Sample Collectors Systems and Methods.

Tear fluid analysis contributes to the greater understanding of various ocular and systemic diseases and obtaining adequate samples for tear analysis requires effective collection methods. Most tear sample collectors on the market use capillary designs as tear sample collectors. These designs are intimidating to the patient when a sharp looking object is approaching the eye, are rather difficult to use by untrained personnel and are expensive to manufacture. Quidel InflammaDry is using a wick type tear sample collector that does not have any fill-up indicator and is rather intricate to produce on mass scale. Other prototype sample collectors employ Q-tip designs, filter paper strips (Schirmer's test) are imprecise, some are difficult to produce en masse. The invention relates to a laminated and looped tear sample collector that addresses

these and that is: 1) Cost-effective to produce on mass scale 2) Features a fill-up indicator (in case of laminated version) 3) Easy to use 4) Soft and non-intimidating to user and patient.

PARKINSON'S DISEASE.

The invention relates to a point-of-care, non-invasive diagnostic assay for the detection of abnormal alpha-synuclein, a known biomarker for Parkinson's Disease (PD). Evidence has shown that α-synuclein assays have the potential to differentiate people with PD from healthy controls, enabling the potential for early identification of at-risk groups. These findings suggest a crucial role for α-synuclein in therapeutic development, both in identifying pathologically defined subgroups of people with Parkinson's disease and establishing biomarker-defined at-risk cohorts.

CANCER DIAGNOSTICS

Systems and Methods for Rapid Diagnostic for Various Cancers. 1 Issued Patent

QSOX1 (Quiescin Sulfhydryl Oxidase 1) is an enzyme that is over-expressed in multiple tumor types. Genetically silencing QSOX1 in tumors has been shown to slow their growth, migration, invasion and metastasis. QSOX1-L, a splice variant of QSOX1, has been identified as a novel biomarker of bladder cancer and possibly other cancers in serum. Proprietary antibodies have been generated that selectively detect only this variant and not others. QSOX1-L has been used to develop a rapid and cost-effective diagnostic test for bladder and possibly other urologic cancers from urine.

DIAGNOSTIC METHODS AND TOOLS

Molecules and Related Assays, Test Kits and Methods. 1 Utility Patent Application

The invention relates to the use of various recombinant proteins, test kits, test kit components and methods for detecting and measuring "binding antibodies" (for example, non-neutralizing antibodies) as well as "functional antibodies" (for example, neutralizing) in a single test and at the same time. Such test kit and method can advantageously improve the diagnosis and therapy of various diseases.

Use of Micromesh Materials in Diagnostic Devices.

When small sample sizes (0.1-2 microliters) are used, such as tears, there is a need for the sample to be spread out over the application area for a proper flow. The invention allows dispersion of a small sample volume over a wide area controllable by the mesh size. This enables homogeneous sample dispersion over the entire sample application area.

EIS TECHNOLOGY

Point of Care Apparatus and Methods for Detecting Cancer Using Electrochemical Impedance or Capacitance Spectroscopy (EIS). 1 Issued Patent, 1 Utility Patent Application

These inventions relate to detection tools, diagnostics and related methods involving the use of an electrochemical sensor in conjunction with electrochemical impedance spectroscopy or electrochemical capacitance spectroscopy (EIS). Such detection tools may be utilized to detect cancer via biomarkers contained in bodily fluids. Many different analyte detection devices and systems exist. However, those that can be practically applied in a clinical, point of care or other setting requiring accuracy and reliability are fairly limited and tend to be complex and expensive.

V. TRADEMARKS

We have two trademarks registered with the United States Patent and Trademark Office: Axim (Registration Date: May 19, 2015; and Axim Biotech (Registration Date: May 31, 2016).

Market, Customers and Distribution Methods

Our focus is on the development of innovative pharmaceutical and diagnostic products. We plan to be an active player in the field of biosciences with our extensive R&D and pipeline of innovative products. Currently, our eye business focuses exclusively on ophthalmology and optometry, in the United States, where there are 37,000 optometrists and 19,000 ophthalmologists performing approximately 400,000 medical (dilated) eye exams per day.

Competition

The biotechnology and pharmaceutical industries are characterized by rapidly advancing technologies, intense competition and a strong emphasis on proprietary products.

We face competition from many different sources, including commercial pharmaceutical and biotechnology enterprises, academic institutions, government agencies, and private and public research institutions. Our commercial opportunities will be reduced or eliminated if our competitors develop and commercialize products that are safer, more effective, have fewer side effects or are less expensive than any products that we or our collaborators may develop based on the use of our technologies.

While we believe that the potential advantages of our new technologies will enable us to compete effectively against other providers of technology for Covid-19 NAb product development and manufacturing, many of our competitors have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, clinical trials, regulatory approvals and marketing approved products than we do. Smaller or early stage companies may also prove to be significant competitors, particularly through arrangements with large and established companies, and this may reduce the value of our technologies. In addition, these third parties compete with us in recruiting and retaining qualified scientific and management personnel, establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies and technology licenses complementary to our programs or advantageous to our business.

The barrier for entrance into the dry eye space is difficult and requires extensive clinical studies, large capital expense and FDA 510(k) clearance and/or CLIA categorization. This process alone can take several years and substantial investment, with no certainty that the product will receive FDA 510(k) clearance. It is estimated that as of 2021, the total Company funding necessary to develop a Class II 510(k) cleared medical device can range from $200,00 to over $30 million. The development and engineering costs may comprise approximately $2-5 million of this total. There are many factors that influence these costs, including the need for clinical studies, regulatory pathway and technology complexity.

We believe that we are well situated in the Eye Health sector with two 510(k) cleared tests. Additionally, the preferred clinical analysis is quantitative, giving us an advantage over the competition. Since our reader can interpret many different analytes other than Lf and IgE, it also opens the possibility of additional quantitative test development.

Source and Availability of Raw Materials

In general there are a limited number of suppliers for raw materials that we use to manufacture our products and product candidates, and there may be a need to access alternate suppliers to prevent a possible disruption of the manufacture of the materials necessary to produce our product candidates for clinical trials, and if approved, ultimately for commercial sale. We do not have any control over the process or timing of the acquisition of these raw materials by us.

We currently manufacture the majority of our testing materials in-house, and use contract manufacturers for the manufacture of some of our product candidates. We may or may not manufacture the products we develop, if any. Our internal manufacturing and contract manufacturers are subject to extensive governmental regulation. In the dry eye segment, we either make our reagents or they are sourced from select suppliers. We use contract manufacturers for the manufacture of readers.

Government Regulation

Government authorities in the U.S. (including federal, state and local authorities) and in other countries extensively regulate, among other things, the manufacturing, research and clinical development, marketing, labeling and packaging, storage, distribution, post-approval monitoring and reporting, advertising and promotion, export and import of pharmaceutical products, such as those we are developing. The process of obtaining regulatory approvals and the subsequent compliance with appropriate federal, state, local and foreign statutes and regulations require the expenditure of substantial time and financial resources. Moreover, failure to comply with applicable regulatory requirements may result in, among other things, warning letters, clinical holds, civil or criminal penalties, recall or seizure of products, injunction, disbarment, partial or total suspension of production or withdrawal of the product from the market. Any agency or judicial enforcement action could have a material adverse effect on us.

Many, if not all of our customers, are covered entities under the Health Insurance Portability and Accountability Act of August 1996 or HIPAA. As part of the operation of our business, we provide reimbursement assistance to certain of our customers and as a result we act in the capacity of a business associate with respect to any patient-identifiable medical information, or PHI, we receive in connection with these services. We and our customers must comply with a variety of requirements related to the handling of patient information, including laws and regulations protecting the privacy, confidentiality and security of PHI. The provisions of HIPAA require our customers to have business associate agreements with us under which we are required to appropriately safeguard the PHI we create or receive on their behalf. Further, we and our customers are required to comply with HIPAA security regulations that require us and them to implement certain administrative, physical and technical safeguards to ensure the confidentiality, integrity and availability of electronic PHI, or EPHI. We are required by regulation and contract to protect the security of EPHI (electronic protected health information) that we create, receive, maintain or transmit for our customers consistent with these regulations. To comply with our regulatory and contractual obligations, we may have to reorganize processes and invest in new technologies. We also are required to train personnel regarding HIPAA requirements. If we, or any of our employees or consultants, are unable to maintain the privacy, confidentiality and security of the PHI that is entrusted to us, we and/or our customers could be subject to civil and criminal fines and sanctions and we could be found to have breached our contracts with our customers. Under the Health Information Technology for Economic and Clinical Health Act, or HITECH Act, and recent omnibus revisions to the HIPAA regulations, we are directly subject to HIPAA's criminal and civil penalties for breaches of our privacy and security obligations and are required to comply with security breach notification requirements. The direct applicability of the HIPAA privacy and security provisions and compliance with the notification requirements requires us to incur additional costs and may restrict our business operations.

U.S. Government Regulation

Government authorities in the United States and other countries extensively regulate, among other things, the research, development, testing, manufacture, labeling, promotion, advertising, distribution and marketing of our product, which is a medical device. In the United States, the FDA regulates medical devices under the Federal Food, Drug, and Cosmetic Act and implementing regulations. Failure to comply with the applicable FDA requirements, both before and after approval, may subject us to administrative and judicial sanctions, such as a delay in approving or refusal by the FDA to approve pending applications, warning letters, product recalls, product seizures, total or partial suspension of production or distribution, injunctions, administrative fines or criminal prosecution.

Unless exempted by regulation, medical devices may not be commercially distributed in the United States until they have been registered, cleared or approved by the FDA. Medical devices are classified into one of the three classes, Class I, II or III, on the basis of the controls necessary to reasonably assure their safety and effectiveness. Our tests have been assigned Moderate Complexity by CLIA (Clinical Laboratory Improvement Amendments of 1988). This law requires any facility performing examination of human specimens for diagnosis to be certified by the Department of Health and Human Services to be safe and effective. The assignment of Moderate Complexity to our tests requires laboratories or sites that perform our tests to have a CLIA certificate, to be inspected, and to meet the CLIA quality standards.

After a device receives 510(k) clearance, any modification to the device that could significantly affect its safety or effectiveness, or that would constitute a major change in its intended use, would require a new 510(k) clearance or an approval of a Premarket Approval, or PMA. A PMA is the FDA process of scientific or regulatory review to evaluate the safety and effectiveness of Class III medical devices which are those devices which support or sustain human life, are of substantial importance in preventing impairment of human health, or which present a potential, unreasonable risk of illness or injury. Although the FDA requires the manufacturer to make the initial determination regarding the effect of a modification to the device that is subject to 510(k) clearance, the FDA can review the manufacturer's determination at any time and require the manufacturer to seek another 510(k) clearance or an approval of a PMA.

CLIA is intended to ensure the quality and reliability of clinical laboratories in the United States by mandating specific standards in the areas of personnel qualifications, administration, and participation in proficiency testing, patient test management, quality control, quality assurance and inspections. The regulations promulgated under CLIA establish three levels of in vitro diagnostic tests: (1) waived; (2) moderately complex; and (3) highly complex. The standards applicable to a clinical laboratory depend on the level of diagnostic tests it performs. A CLIA waiver is available to clinical laboratory test systems if they meet certain requirements established by the statute. Waived tests are simple laboratory examinations and procedures employing methodologies that are so simple and accurate as to render the likelihood of erroneous results negligible or to pose no reasonable risk of harm to patients if the examinations or procedures are performed incorrectly. These tests are waived from regulatory oversight of the user other than the requirement to follow the manufacturer's labeling and directions for use. We intend to file waiver applications with the FDA for the individual products comprising the AXIM Eye System.

Regardless of whether a medical device requires FDA clearance or approval, a number of other FDA requirements apply to the device, its manufacturer and those who distribute it. Device manufacturers must be registered and their products listed with the FDA, and certain adverse events and product malfunctions must be reported to the FDA. The FDA also regulates the product labeling, promotion and, in some cases, advertising of medical devices. In addition, manufacturers and their suppliers must comply with the FDA's quality system regulation which establishes extensive requirements for quality and manufacturing procedures. Thus, suppliers, manufacturers and distributors must continue to spend time, money and effort

to maintain compliance, and failure to comply can lead to enforcement action. The FDA periodically inspects facilities to ascertain compliance with these and other requirements.

Environmental Matters

No significant pollution or other types of hazardous emission result from our current operations, and we do not anticipate that our operations will be materially affected by federal, state or local provisions concerning environmental controls. Our costs of complying with environmental, health and safety requirements have not been material. Furthermore, compliance with federal, state and local requirements regulating the discharge of materials into the environment, or otherwise relating to the protection of the environment, have not had, nor are they expected to have, any material effect on the capital expenditures, earnings or competitive position of the Company. However, we will continue to monitor emerging developments in this area.

Employees

As of September 30, 2024, we had six full-time employees and one part-time employee. We also allow and utilize the services of independent contractors. Management believes that we have a good relationship with our employees.

Company Website

We maintain a corporate Internet website at: www.aximbiotech.com. The contents of our website are not incorporated into or otherwise are to be regarded as part of this Report.

5. ISSUER'S FACILITIES

We lease approximately 1,908 square feet of mixed industrial space in San Diego, California. The mixed space includes office, labs, warehouse, manufacturing and distribution facilities. The lease commenced on March 29, 2023, and extends through until March 31, 3026, with monthly base rent in the 1st year $8,014, 2nd year $8,335 and 3rd year $8,668 and a final payment of $9,014 at implicit interest rate of 6%.

6. OFFICERS, DIRECTORS, AND CONTROL PERSONS OF THE COMPANY

The following table indicates the Beneficial Ownership of our Officers, Directors and Shareholders of 5% or more our common stock based upon 302,895,464 shares outstanding as of September 30, 2024.

Name	Affiliation	Address	# Shares	Type	%
John W. Huemoeller II (2)	[Former] President CEO Director	(1)	6,000,000	Common	1.6%
Catalina Valancia (2)(3)	CEO Director	(1)	21,256,586	Common	7%
Robert Malasek	CFO	(1)	50,000	Common	**
Timothy R. Scott, PhD	Director	(1)	0	Common	**
Robert L. Cunningham	Director	(1)	0	Common	**
Peter O'Rourke	Director	(1)	0	Common	**
Blake N. Schroeder	Director	(1)	9,000	Common	**
Glycodots, LLC (4)	5% Holder	(1)	19,800,000	Common	6.5%

** Less than 1%.

(1) The address is: 6191 Cornerstone Court, E, Suite 114, San Diego, CA 92121.

(2) Because Company President and CEO, John W. Huemoeller II, was unable to serve as an officer of the Company as a result of serious illness, on October 9, 2024, the Company's board of directors appointed Catalina Valencia as the Company's new President. On October 12, 2024, John W. Huemoeller II died as a result of his illness.

(3) Acting by written consent in lieu of a meeting, effective October 14, 2024, Juniper, the record holder of all 500,000 shares of Series C Preferred Stock issued and outstanding, which shares are exclusively entitled to fill any vacancy of a Series C Director seat, appointed Catalina Valencia to fill the Series C Director vacancy that existed as a result of the death of John W. Huemoeller II.

(4) Controlled by Maria J Gonzalez Moa.

Catalina Valencia – President and Director

Ms. Catalina Valencia, 75, is a serial entrepreneur with extensive management experience in biotechnology, telecommunications and hi-tech industries. Ms. Valencia's legal career began at a prestigious Wall Street law firm followed by a series of senior in-house counsel positions for several fast-growth companies including early stage Genentech. She subsequently focused on managing start-ups and small businesses and supporting them in the development of their businesses and products. She is fluent in Spanish, Italian and Portuguese.

Highlights of Ms. Valencia's legal experience include working in Rio de Janeiro Brazil for Cooley, Godward structuring joint ventures between American and Brazilian companies, at Genentech, Inc., the biotech pioneer and the first company to commercialize pharmaceutical products made using genetic engineering techniques and at Pacific Bell, now SBC Telecom, during its transition from telecommunications monopoly and the launch of Internet services.

In 2018, Ms. Valencia formed Sapphire Biotech, Inc. whose mission was the detection of early stage breast cancer. In 2020, Sapphire was acquired by AXIM Biotechnologies, Inc. and Ms. Valencia began, and continues, to operate AXIM's research and development arm. Sapphire subsequently developed for commercial launch the two ophthalmic diagnostics products acquired by AXIM in 2021 for the diagnosis of dry eye disease and allergic conjunctivitis.

Ms. Valencia attended college at UCLA where she graduated Magna Cum Laude, Highest Department Honors and obtained her law degree from the University of California, Berkeley Law School. She is the recipient of a Fulbright Fellowship to conduct research in Brazil. Her community service includes serving on the Boards of the California Hispanic Chambers of Commerce, the Mexican and American Solidarity Foundation, the Spanish Speaking Unity Council and the San Ysidro Health Board of Trustees.

There are no arrangements or understandings between Ms. Valencia and any other person pursuant to which Ms. Valencia was appointed as a director of the Company. Ms. Valencia is not a participant in, nor is he to be a participant in, any related-person transaction or proposed related-person transaction required to be disclosed by Item 404(a) of Regulation S-K under the Securities Exchange Act of 1934, as amended. There are no familial relationships between Ms. Valencia and any of the Company's directors, executive officers or persons nominated or chosen by the Company to become a director or executive officer.

Robert Malasek – Chief Financial Officer

Robert Malasek's, 56, experience includes serving as the Assistant Controller for Starwood Hotel & Resorts Worldwide, Inc., Controller for Pacific Crest Equity Partners (a private equity company), and Chief Financial Officer for NatureWell, Inc. From 2011 to 2015, Robert served as the Chief Financial Officer, Secretary, Treasurer and a Director of Liberty Coal Energy Corp. Since 2015, Robert has served as the Chief Financial Officer of Cannalink, Inc. Robert received his Bachelor of Science in Accountancy from San Diego State University.

Timothy R. Scott, PhD – Director

Timothy R. Scott, 72, From September 2001 to May 2008, Dr. Scott served on the Board of Directors of Naturewell, Incorporated, a publicly traded company engaged in the nutraceutical and homeopathic drug business. From April 1998 to September 2000, Dr. Scott served as a member of the Board of Directors of ICH Corporation, an American Stock Exchange listed company which owned 265 fast food and family dining restaurants having approximately $265 million in revenues and 7,800 employees, and as a member of ICH's compensation committee. Dr. Scott currently serves as Chairman of the Board of Directors and

President of Hope Rescue a charitable organization involved in community development. Dr. Scott received his Ph.D. in theology from Christian University in 1981 and served as a professor of philosophy and religion at Pacific International College from 1981 to 1985.

Robert L. Cunningham – Director

Robert Cunningham, 77, has served as a Director since May 18, 2017. Mr. Cunningham has over 40 years of executive management in financial services and venture capital. From 1985 to the present Mr. Cunningham has been the Founder/CEO of Placer Financial, a nationwide mortgage and real estate development firm. He has served as Receiver/Trustee for the U.S. Department of Justice, and board member for numerous firms including Allied Commercial Corporation, Vermillion Development, Pacific Building Industries, and Bond Hospitality Group. From March 2015 to present Mr. Cunningham has served on the Board of Directors of Medical Marijuana, Inc.

Peter O'Rourke – Director

Mr. O'Rourke's, 58, background includes holding leadership roles in management consulting, private equity, aerospace and operations companies. Mr. O'Rourke's experience includes leadership in sales, marketing, operations, finance and performance improvement. In 2018, Mr. O'Rourke was appointed Acting Secretary of the U.S. Department of Veterans Affairs after serving as the Chief of Staff and Executive Director for the Office of Accountability and Whistleblower Protection. Before joining the Department of Veterans Affairs, Mr. O'Rouke honorably served as a U.S. Navy enlisted Airman and an Air Force Officer and Logistician. Mr. O'Rourke received a Bachelor of Arts in Political Science from the University of Tennessee in Knoxville as well as a Master of Science in Logistics and Supply Chain Management from the United States Air Force's Institute of Technology.

Blake N. Schroeder – Director

Mr. Blake N. Schroeder, 46, began his career with a commercial litigation law firm in Salt Lake City, Utah. Beginning in 2008, Schroeder focused on the sale and marketing of natural products and opening international marketplaces to those products. From 2008 to 2014 Mr. Schroeder served in various capacities at MonaVie, LLC developing international business plans and growing international businesses. From August 2014 to February 2016, Mr. Schroeder served as the Chief Operating Officer of Forevergreen International, where he was responsible for global operation and sales of the multinational organization, including oversight of a global supply chain. From 2021 to the present, Mr. Schroeder has served as the Chief Executive Officer and Chairman of the Board of Medical Marijuana, Inc. Mr. Schroeder holds a B.S. in Finance from Utah State University and a law degree from Syracuse University College of Law.

7. LEGAL/DISCIPLINARY HISTORY

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:

None of the individuals identified in Section 6 above have, in the past 10 years:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

2. Been the subject of the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities,

financial- or investment-related, insurance or banking activities;

3. Been the subject of a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated;

4. Been named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above; or

5. Been the subject of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

6. Been the subject of a U.S. Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S. mail.

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

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

8. THIRD PARTY SERVICE PROVIDERS

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, update your company profile.

Securities Counsel:	**Accountant**
Procopio Cory Hargreaves & Savitch LLP 12544 High Bluff Dr #400, San Diego, CA 92130 (858) 720-6300 info@procopio.com Phillip E. Koehnke Phillip E. Koehnke APC PO Box 2025 (858) 229-8116 pek@peklaw.com	Robert Malasek Chief Financial Officer 6191 Cornerstone Court, E, Suite 114 San Diego, CA 92121 (760) 607-8268 rtmalasek@gmail.com
Transfer Agent:	**Investor Relations:**
Securities Transfer Corporation 2901 N. Dallas Parkway, Suite 380 Plano, TX 75093 (469) 633-0101 info@stctransfer.com www.stctransfer.com	Kyle Porter 610 W Ash St Ste 701 San Diego, CA 92101 (602) 40205628 knporter@me.com
Other means of Investor Communication: Linkedin: https://www.linkedin.com/company/axim-biotechnologies/ Facebook: https://www.facebook.com/aximbiotech/	

9. DISCLOSURE & FINANCIAL STATEMENTS.

A. This Disclosure Statement was prepared by Robert Malasek, the Company's Chief Financial Officer.

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

☑ U.S. GAAP
☐ IFRS

C. The financial statements presented with this Disclosure Statement were prepared by Robert Malasek, the Company's Chief Financial Officer.

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

Robert Malasek's qualifications are described in Section 6 above and incorporated herein by reference thereto.

E. AXIM's Balance Sheet; Statement of Income; Statement of Cash Flows; and Statement of Retained Earnings (Statement of Changes in Stockholders' Equity) for the period ended September 30, 2024, are attached hereto as Exhibit C.

10. ISSUER CERTIFICATION

Principal Executive Officer and Principal Financial Officer

I, certify that:

1. I have reviewed this Disclosure Statement of AXIM Biotechnologies, Inc.

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, which have been prepared by the Company's financial and accounting personnel and advisors, present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

November 19, 2024

/s/ Robert Malasek

By: Robert Malasek
Its: Chief Financial Officer

EXHIBIT A

Shares Outstanding as of the Second Most Recent Fiscal Year End

Date: 9/30/2022 **Opening Balance:**

Commmon: 138,099,981

Preferred (C): 500,000

Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued ($/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) OR Nature of Services Provided (if applicable)	Restricted or Unrestricted as of this filing?	Exemption or Registration Type
1/5/2022	New	500,000	C	0.1700	Y	Cross & Company	Purchase	No	S-1
1/11/2022	New	302,115	C	0.3300	Y	North Equities USA	Purchase	R	4(a)(2)
1/13/2022	New	7,000,000	C	0.5980	Y	Advanced Tear Diagnostics	Purchase	R	4(a)(2)
1/14/2022	New	282,759	C	0.1260	Y	Mauricio Bellora	Compensation	No	4(a)(2)
1/18/2022	New	500,000	C	0.2040	Y	Cross & Company	Purchase	No	S-2
1/31/2022	New	166,667	C	0.1500	Y	Brian Herman	Purchase	No	4(a)(2)
1/31/2022	New	352,580	C	0.1550	Y	Blank Slate Group LLC	Purchase	R	4(a)(2)
2/3/2022	New	500,000	C	0.1709	Y	Cross & Company	Purchase	No	S-1
2/11/2022	New	500,000	C	0.1445	Y	Cross & Company	Purchase	No	S-1
2/23/2022	New	500,000	C	0.1618	Y	Cross & Company	Purchase	No	S-1
2/23/2022	New	173,390	C	0.1260	Y	GS Capital Partners	Purchase	R	4(a)(2)
3/3/2022	New	500,000	C	0.1185	Y	Cross & Company	Purchase	No	S-1
3/11/2022	New	500,000	C	0.1182	Y	Cross & Company	Purchase	No	S-1
3/15/2022	New	624,290	C	0.0881	Y	Steve Simon	Purchase	No	S-1
3/15/2022	New	500,000	C	0.0152		Lyons Capital	Purchase	R	4(a)(2)
3/23/2022	New	500,000	C	0.1185	Y	Cross & Company	Purchase	No	S-1
4/1/2022	New	500,000	C	0.0922	Y	Cross & Company	Purchase	No	S-1
4/20/2022	New	500,000	C	0.0425	Y	Cross & Company	Purchase	No	S-1
5/3/2022	New	750,000	C	0.0592	Y	Cross & Company	Purchase	No	S-1
5/13/2022	New	1,000,000	C	0.0469	Y	Cross & Company	Purchase	No	S-1
5/24/2022	New	1,000,000	C	0.0484	Y	Cross & Company	Purchase	No	S-1
5/26/2022	New	285,867	C	0.0699	Y	Lekhram Changoer	Compensation	R	4(a)(2)
5/26/2022	New	605,743	C	0.0699	Y	George Anastassov	Purchase	No	S-1
6/2/2022	New	357,143	C	0.0131	Y	Ellis International	Compensation	R	4(a)(2)
6/7/2022	New	1,000,000	C	0.0684	Y	Cross & Company	Purchase	No	S-1
6/17/2022	New	1,000,000	C	0.0525	Y	Cross & Company	Purchase	No	S-1
6/20/2022	New	571,428	C	0.0135	Y	Lyons Capital	Purchase	R	4(a)(2)
6/20/2022	New	400,000	C	0.0135	Y	Lyons Capital	Purchase	R	4(a)(2)
6/27/2022	New	89,286	C	0.0134	Y	Mayer & Associates	Purchase	R	4(a)(2)
6/29/2022	New	909,723	C	0.0131	Y	Blank Slate Group LLC	Compensation	R	4(a)(2)
6/29/2022	New	166,667	C	0.0131	Y	Brian Herman	Purchase	R	4(a)(2)
6/29/2022	New	175,000	C	0.0131	Y	Brian Herman	Purchase	R	4(a)(2)
6/29/2022	New	175,000	C	0.0131	Y	Brian Herman	Purchase	R	4(a)(2)
6/29/2022	New	700,000	C	0.0131	Y	Congregation Boro Minyan	Purchase	R	4(a)(2)
6/30/2022	New	1,000,000	C	0.0397	Y	Cross & Company	Purchase	No	S-1
7/11/2022	New	1,000,000	C	0.0361	Y	Cross & Company	Purchase	No	S-3
7/22/2022	New	1,000,000	C	0.0346	Y	Cross & Company	Purchase	No	S-1
8/2/2022	New	227,638	C	0.0357	Y	Cross & Company	Purchase	R	4(a)(2)
8/23/2022	New	854,012	C	0.0290	Y	Blake Schroeder	Purchase	R	4(a)(2)
8/23/2022	New	3,298,888	C	0.0300	Y	Stuart Titus	Purchase	R	4(a)(2)
8/25/2022	New	1,000,000	C	0.0600	Y	Cross & Company	Purchase	No	S-1
8/29/2022	New	3,861,004	C	0.0259	Y	Catalina Valencia	Purchase	R	4(a)(2)
8/29/2022	New	10,000,000	C	0.0250	Y	Versa Holdings	Purchase	R	4(a)(2)
9/8/2022	New	756,368	C	0.0336	Y	Todd Morrow	Purchase	R	4(a)(2)
9/8/2022	New	756,368	C	0.0336	Y	Michelle Sides	Purchase	R	4(a)(2)
10/28/2022	New	1,000,000	C	0.0475	Y	Cross & Company	Purchase	No	S-1
11/16/2022	New	1,000,000	C	0.0350	Y	Cross & Company	Purchase	No	S-1
12/1/2022	New	1,500,000	C	0.0349	Y	Cross & Company	Purchase	No	S-1
12/14/2022	New	1,500,000	C	0.0267	Y	Cross & Company	Purchase	No	S-1
12/28/2022	New	2,000,000	C	0.0225	Y	Cross & Company	Purchase	No	S-1
1/9/2023	New	2,000,000	C	0.0245	Y	Cross & Company	Purchase	No	S-1
1/23/2023	New	8,070,943	C	0.0200	Y	Kettner Investments, Inc	Purchase	R	4(a)(2)
1/23/2023	New	9,528,671	C	0.0200	Y	In Christ Foundation	Purchase	R	4(a)(2)
1/23/2023	New	4,607,872	C	0.0200	Y	TL 66	Purchase	R	4(a)(2)
1/24/2023	New	2,000,000	C	0.0230	Y	Cross & Company	Purchase	No	S-1
2/17/2023	New	2,000,000	C	0.0175	Y	Cross & Company	Purchase	No	S-1
3/22/2023	New	1,000,000	C	0.1000	Y	TL 66	Note Purchase	R	4(a)(2)
3/24/2023	New	2,000,000	C	0.0200	Y	Cross & Company	Purchase	No	S-1
4/26/2023	New	2,000,000	C	0.0200	Y	Cross & Company	Purchase	No	S-1

5/11/2023	New	2,000,000	C	0.0163	Y	Cross & Company	Purchase	No	S-1
7/7/2023	New	2,000,000	C	0.0237	Y	Cross & Company	Purchase	No	S-1
7/27/2023	New	2,000,000	C	0.0175	Y	Cross & Company	Purchase	No	S-1
8/18/2023	New	2,000,000	C	0.0173	Y	Cross & Company	Purchase	No	S-1
8/29/2023	New	2,000,000	C	0.0165	Y	Cross & Company	Purchase	No	S-1
9/25/2023	New	2,000,000	C	0.0150	Y	Cross & Company	Purchase	No	S-1
12/27/2023	New	7,280,000	C	0.0100	Y	Auer Medical	Compensation	R	4(a)(2)
12/27/2023	New	1,000,000	C	0.0137	Y	Cross & Company	Purchase	No	S-1
1/2/2024	New	2,000,000	C	0.0098	Y	Cross & Company	Purchase	No	S-1
2/14/2024	New	2,000,000	C	0.0094	Y	Cross & Company	Purchase	No	S-1
2/15/2024	New	20,000,000	C	1.0000	Y	Innovtive Medical Supplies Inc	Compensation	R	4(a)(2)
2/22/2024	New	3,000,000	C	0.0094	Y	Cross & Company	Purchase	No	S-1
3/5/2024	New	3,000,000	C	0.0031	Y	Cross & Company	Purchase	No	S-1
3/19/2024	New	2,500,000	C	0.0074	Y	Cross & Company	Purchase	No	S-1
3/25/2024	retired	-500,003	C	0.0023	Y	Echo	Investment	No	4(a)(2)
4/17/2024	New	3,000,000	C	0.0067	Y	Cross & Company	Purchase	No	S-1
4/29/2024	New	6,000,000	C	0.0100	N	Barish Friedman Fiedburg & Adasco	Compensation	R	4(a)(2)
4/29/2024	New	1,100,000	C	0.0100	N	Bijan Pedram	Compensation	R	4(a)(2)
4/29/2024	New	429,424	C	0.0100	N	Bijan Pedram	Compensation	R	4(a)(2)
5/1/2024	New	3,000,000	C	0.0065	Y	Cross & Company	Purchase	No	S-1
5/21/2024	New	3,000,000	C	0.0043	Y	Cross & Company	Purchase	No	S-1
8/5/2024	New	7,500,000	C	0.0044	Y	Cross & Company	Purchase	No	S-1
8/27/2024	New	936,640	C	0.0100	Y	Bijan Pedram	Compensation	R	4(a)(2)

Shares Outstanding on Date of This Report:

9/30/2024 **Ending Balance:**

Common: **302,895,464**

Preferred (C): **500,000**

EXHIBIT B

Date of Note Issuance	Outstanding Balance ($)	Principal Amount at Issuance ($)	Interest Accrued ($)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining Conversion of instrument to shares)	Name of Noteholder	Reason for Issuance (e.g. Loan, Services, etc.)
11/17/2018	$4,210,000	$4,000,000	$210,000	1/11/2026	Conversion price equal to the lesser of $0.002 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	Medical Marijuana Inc./ Public Company	Sale in exchange for $4 million promissory note
10/1/2019	$514,811	$484,478	$30,333	10/1/2029	Conversion price equal to the lesser of $0.01 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	TL66 LLC / James Arabia	Sale in exchange for $34,478k senior secured note
12/31/2019	$199,975	$190,000	$9,975	12/31/2029	Conversion price equal to the lesser of $0.002 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	TL66 LLC / James Arabia	Sale in exchange for $190,000k senior secured note
1/27/2022	$386,366	$367,931	$18,435	1/27/1932	Conversion price equal to the lesser of $0.01 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	TL66 LLC / James Arabia	Sale in exchange for $367,931k senior secured note
2/10/2022	$10,118	$375,000	$118	2/10/1932	Conversion price equal to the lesser of $0.002 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	In Christ Foundation/ Etie Conley	Sale in exchange for $500k promissory note
2/10/2022	$354,843	$350,000	$4,843	2/10/1932	Conversion price equal to the lesser of $0.01 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	Kettner Investments, LLC/ Robert Malasek	Sale in exchange for $500k promissory note
2/10/2022	$75,931	$75,000	$931	2/10/1932	Conversion price equal to the lesser of $0.01 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	TL66 LLC / James Arabia	Sale in exchange for 150k promissory note
1/23/2023	$266,268	$250,000	$16,268	1/24/1933	0.01	John W. Huemoeller II	Compensation
3/9/2023	$250,931	$250,000	$931	3/9/2033	Conversion price equal to the lesser of $0.01 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	TL66 LLC / James Arabia	Sale in exchange for $250k senior secured note
3/9/2023	$250,931	$250,000	$931	3/9/2033	Conversion price equal to the lesser of $0.01 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	TL66 LLC / James Arabia	Sale in exchange for $250k senior secured note
5/23/2023	$262,637	$250,000	$12,637	5/23/1933	Conversion price equal to the lesser of $0.01 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	Cross & Company / James Arabia	Sale in exchange for $250k promissory note
5/23/2023	$157,282	$150,000	$10,386	5/23/1933	Conversion price equal to the lesser of $0.01 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	Vincent Curran	Sale in exchange for $325k promissory note
5/23/2023	$78,807	$75,000	$3,807	5/23/1933	Conversion price equal to the lesser of $0.01 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	David A. Arabia	Sale in exchange for $250k promissory note
5/23/2023	$78,807	$75,000	$3,807	5/23/1933	Conversion price equal to the lesser of $0.01 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	Phillip J. Arabia	Sale in exchange for $250k promissory note
5/23/2023	$26,274	$25,000	$1,274	5/23/1933	Conversion price equal to the lesser of $0.01 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	Aaron Musrove	Sale in exchange for $250k promissory note
12/28/2023	$103,927	$100,000	$3,927	12/28/1934	Conversion price equal to the lesser of $0.001 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	Medical Marijuana Inc./ Public Company	Sale in exchange for $100k promissory note
3/15/2024	$54,677	$53,500	$1,177	3/1/1934	0.02	Robert T. Malasek	Consulting Fees
3/15/2024	$29,616	$28,430	$626	3/1/1934	0.02	Phillip E. Koehnke	Consulting Fees
3/15/2024	$51,391	$50,250	$1,141	3/1/1934	0.02	Alim Seit-Nebi	Compensation
3/15/2024	$160,327	$156,750	$3,577	3/1/1934	0.02	Catalina Valencia	Compensation
3/15/2024	$53,449	$52,250	$1,199	3/1/1934	0.02	Maria J. Gonzalez Moa	Consulting Fees
3/15/2024	$85,287	$83,375	$1,912	3/1/1934	0.02	Sergie A. Svarovsky	Consulting Fees
3/15/2024	$255,189	$250,000	5189	3/1/1934	0.02	John W. Huemoeller II	Compensation
3/15/2024	$35,795	$35,000	$795	3/15/1934	0.01	Blake Schroeder	Consulting Fees
3/15/2024	$35,795	$35,000	$795	3/15/1934	0.01	Robert Cunningham	Consulting Fees
3/15/2024	$3,597	$35,000	$795	3/15/1934	0.01	Timothy Scott	Consulting Fees
3/15/2024	$35,797	$35,000	$795	3/15/1934	0.01	Peter O'Rourke	Consulting Fees
3/28/2024	$102,632	$100,000	$2,632	3/28/1934	Conversion price equal to the lesser of $0.00805 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	Medical Marijuana Inc./ Public Company	Sale in exchange for $100k promissory note
5/17/2024	$51,611	$50,000	$1,611	5/17/1934	Conversion price equal to the lesser of $0.00805 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	Medical Marijuana Inc./ Public Company	Sale in exchange for $50k promissory note
6/24/2024	$51,338	$50,000	$1,338	6/24/1934	Conversion price equal to the lesser of $0.00805 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	Medical Marijuana Inc./ Public Company	Sale in exchange for $50k promissory note
7/3/2024	$18,230	$18,000	$230	on demand	none	Catalina Valencia	Sale in exchange for 18k promissory note
7/16/2024	$50,547	$50,000	$546	7/16/1934	Conversion price equal to the lesser of $0.00075 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	Vincent Curran	Sale in exchange for $50k promissory note
7/30/2024	$25,223	$25,000	$223	7/30/2024	Conversion price equal to the lesser of $0.00805 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	Medical Marijuana Inc./ Public Company	Sale in exchange for $25k promissory note
8/6/2024	$50,396	$50,000	$396	8/16/2024	Conversion price equal to the lesser of $0.0007 or 60% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	Medical Marijuana Inc./ Public Company	Sale in exchange for $50k promissory note

8/30/2024	$50,223	$50,000	$223	8/30/2024	Conversion price equal to the lesser of $0.00084 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	Medical Marijuana Inc./ Public Company	Sale in exchange for $50k promissory note

AXIM BIOTECHNOLOGIES, INC.
UNAUDITED BALANCE SHEETS

	September 30, 2024	December 31, 2023
ASSETS		
Current assets:		
Cash	706	156,457
Supplies	15,696	-
Total current assets	16,402	156,457
Property and equipment, net of accumulated depreciation	110,592	134,067
Other Assets:		
Intangible Asset 510k License and Patents-Eye Care Division, net	3,299,147	3,594,981
Security deposit	9,014	9,014
Operating lease right-of-use asset	160,360	227,029
Total other assets	3,468,521	3,831,024
TOTAL ASSETS	$ 3,595,515	$ 4,121,548
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable and accrued liabilities	$ 1,755,514	$ 2,781,068
Lease liability obligations (see Note 13) current portion	73,641	94,829
Due to related parties	30,177	21,500
Advances from shareholders	475,781	295,170
Deferred Revenue	232,669	303,127
Derivative Liability Conversion feature	4,115,975	2,482,723
Total current liabilities	$ 6,683,757	5,978,417
Long-term liabilities:		
Convertible note payable (including accrued interest of $144,044 and $76,163 respectively) net of unamortized debt discount of $1,132,342 and $1,209,806, respectively(see note 8)	1,582,541	1,408,766
Convertible note payable - related parties (including accrued interest of $306,528 and $160,091, respectively)(Net of unamortized debt discount of $927,889 and $631,123,	5,264,764	4,253,968
Lease liability obligations (see Note 13)	90,006	137,044
Total long-term liabilities	$ 6,937,311	5,799,778
TOTAL LIABILITIES	13,621,068	11,778,195
STOCKHOLDERS' DEFICIT		
Preferred stock, $0.0001 par value, 5,000,000 shares authorized; 1,000,000 shares		
Series B Convertible Preferred Stock, $0.0001 par value 500,000 shares designated, 500,000 and 500,000 shares issued, 0 and 0 outstanding, respectively	-	-
Series C Convertible Preferred Stock, $0.0001 par value 500,000 shares designated,	50	50
Common stock, $0.0001 par value, 1,000,000,000 shares authorized 302,895,464 and 245,929,403 shares issued and outstanding respectively	30,290	24,593
Stock subscription receivable	-	(24,475)
Additional paid in capital	65,224,847	64,528,043
Accumulated deficit	(75,280,740)	(72,184,858)
TOTAL STOCKHOLDERS' DEFICIT	(10,025,553)	(7,656,647)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 3,595,515	$ 4,121,548

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

AXIM BIOTECHNOLOGIES, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Three Months Ended September 30, 2024	For the Three Months Ended September 30, 2023
Revenues	$ -	$ 9,581
Operating Expenses:		
Research and development expenses	10,086	34,713
Selling, general and administrative	304,343	456,648
Depreciation and amortization	106,013	106,755
Total operating expenses from continuing operations	420,441	598,116
Loss from continuing operations	(420,441)	(588,535)
Other (income) expenses:		
Interest income	-	-
Change in fair value of derivative liability	-	(609,053)
Derivative liability insufficient shares	-	(432,350)
Amortization of debt discount	-	49,820
Loss (Gain) on extinguishment of debt	37,288	9,920
Interest expense	76,039	64,658
Total other (income) expenses	113,327	(917,005)
Loss before provision of income tax	(533,768)	328,470
Provision for income tax	-	-
NET INCOME (LOSS)	$ (533,768)	$ 328,470
NET INCOME (LOSS) ATTRIBUTABLE TO COMMON SHAREHOLDERS	$ (533,768)	$ 328,470

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

AXIM BIOTECHNOLOGIES, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT

	Common Stock		Series C Convertible Preferred Stock		Common Stock to be	Additional Paid In	Subscription receivable	Accumulated	
	Shares	Amount	Shares	Amount	Issued	Capital		Deficit	Total
Balance at December 31, 2021	138,099,981	13,811	500,000 -	50	4,530,000	51,000,166		-57,882,227	-2,338,200
Common stock issued under s-1	4,000,000	400				594,470			594,870
Common stock issued against common stock to be issued purchase of atd	7,000,000	700			-4,270,000	4,269,300			-
Common stock issued against common stock to be issued received in PY	166,667	17			-25,000	24,983			-
Common stock issued stock purchase agreements	976,870	98				104,902			105,000
Common stock issued for services	802,115	80			-100,000	179,420			79,500
Cashless exercise stock options	282,759	28				-28		-	
Stock issued on settlement of debt	173,390	17				32,927			32,944
Stock based compensation - stock options						188,917			188,917
Net loss								-2,086,714	-2,086,714
Balance at March 31, 2022	151,501,782	15,151			135,000	56,395,057		-59,968,941	-3,423,683
stock issued on settlement of debt	891,610	89				64,107			64,196
Stock based compensation - stock options						182,215			182,215
common stock issued under s-1	6,750,000	675				377,950	(92,240)		286,385
stock issued settlement of claim	3,544,247	354				225,817			226,171
benficial conversion refinance of debt				30,290		154,292			154,292
Net loss								(1,222,638)	(1,222,638)
Balance June 30, 2022	162,687,639	16,269	500,000	50	135,000	57,399,438	(92,240)	(61,191,579)	(3,733,062)
Stock issued in settlement of debt	5,665,636	567				348,309			348,876
Stock based compensation stock options						517,180			517,180
Common stock issued under s-1	3,227,638	323				138,668	32,176		171,167
Common stock issuedstock purchase agreements	13,861,004	1,386				348,614			350,000
Net loss								(2,034,547)	(2,034,547)
Balance at September 30, 2022	185,441,917	18,545	500,000	50	135,000	58,752,209	(60,064)	(63,226,126)	(4,380,386)
Balance at December 31, 2022	192,441,917	19,245	500,000	50	135,000	59,191,469	(46,000)	(64,125,176)	(4,825,412)
Common stock issued under s-1	8,000,000	800				169,200	5,000		175,000
Common stock issued against common stock to be issued	1,000,000	100			-135,000	134,900			-
Shares issued extinguishment of debt Beneficial conversion payment of interest	22,207,486	2,220				686,212			688,432
Debt modifications / conversions						459,522			459,522
Stock based compensation - stock options						103,822			103,822
Net loss								(2,762,628)	(2,762,628)
Balance at March 31, 2023	223,649,403	22,365	500,000	50	-	60,745,125	(41,000)	(66,887,804)	(6,161,264)
common stock issued under s-1	4,000,000	400				72,150	40,000		112,550
stock based compensation- stock options						21,404			21,404
Net Loss								(3,723,295)	(3,723,295)
Balance June 30,2023	227,649,403	22,765	- 500,000	50	-	60,838,679	(1,000)	(70,611,099)	(9,750,605)
common stock issued under s-1	10,000,000	1,000				189,225			190,225
stock based compensation- stock options						38,415			38,415
Satisfaction of Short Share liability						3,238,429			3,238,429
Net Loss								-533,768	-533,768
Balance September 30,2023	237,649,403	23,765	- 500,000	50	-	64,304,748	(1,000)	(71,144,867)	(6,817,304)
Balance December 31, 2023	245,929,403	24,593	- 500,000	50	-	64,528,043	(24,475)	(72,184,858)	(7,656,647)
Stock issud in settlement of Claim	20,000,000	2,000				378,000			380,000
Common stock issued under s-1	12,500,000	1,250				89,417	4,932		95,599
stock based compensation						9,613			9,613
Common stock to be issued pursuent to stock purchase agreement					15,400				15,400
Net loss								(292,299)	(292,299)
Balance March 31, 2024	278,429,403	27,843	- 500,000	50	15,400	65,005,073	(19,543)	(72,477,157)	(7,448,334)
Stock issud in settlement of Debt	6,000,000	600				95,400			96,000
Common stock issued under s-1	9,000,000	900				51,432	18,543		70,875
stock based compensation						9,613			9,613
Common stock to be issued pursuent to stock purchase agreement	1,100,000	110			(15,400)	15290			-
Stock issued for services	429,424	43				6828			6,871
echo connections shares canceled	(500,003)	(50.00)				50			-
Net loss								(2,269,815)	(2,269,815)
Balance June 30, 2024	294,458,824	29,446	- 500,000	50	-	65,183,686	(1,000)	(74,746,972)	(9,534,790)
Common stock issued under s-1	7,500,000	750				31,889			32,639
Stock issued for services	936,640	94				9,272			9,366
Net loss								(533,768)	(533,768)
Balance September 30, 2024	302,895,464	30,290	- 500,000	50	-	65,224,847	(1,000)	(75,280,740)	(10,025,553)

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

AXIM BIOTECHNOLOGIES, INC.
Unaudited Condensed Consolidated Statements of Cash Flows

	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (3,095,882)	$ (6,157,453)
Depreciation	322,149	24,429
Derivative Liability insufficient Shares	28,592	3,238,429
Stock based compensation	-	163,641
Amortization of prepaid insurance/expense	-	42,858
Amortization of debt discount	120,697	126,471
amortization of deferred rent	(1,557)	(519)
Increase in supplies on hand	(15,696)	-
Common stock issued for services	-	-
Common stock issued in settlement of an obligation	-	-
loss on conversion of convertible note	-	-
Amortization of intangible assets	-	295,836
Loss (gain) on extinguishment of debt	(80,976)	(162,811)
Change in fair value of derivative liability	1,089,883	84,462
Non-cash interest expense	279,468	690,000
Proceeds from convertible notes	-	-
Increase (decrease) in due to related parties	8,677	
Changes in operating assets & liabilities:		
(Increase) decrease in other assets	-	6,811
Increase in shareholder advances	180,611	32,450
(Increase) decrease in prepaid expenses	-	-
Increase in due to first insurance funding	-	-
Increase in deferred revenue inventory	-	-
Decrease in deferred revenue	(70,458)	(22,437)
Increase (decrease) in accounts payable and accrued expenses	457,467	587,777
Net cash provided by (used in) operating activities from continuing operati	$ (777,025)	$ (1,050,056)
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(2,839)	-
Net cash provided by (used in) investing activities	(2,839)	-
CASH FLOW FROM FINANCING ACTIVITIES:		
Common stock issued under registration statement on Form S-1	199,113	477,775
Common stock issued under SPA	-	-
Repayment of first insurance funding	-	(26,781)
Proceeds from convertible notes	425,000	575,000
Repayment of convertible notes	-	-
Repayment of promissory note	-	-
Net cash provided by (used in) continuing financing activities	$ 624,113	$ 1,025,994
Net (decrease) increase in cash and cash equivalents	(155,751)	(24,062)
Cash and cash equivalents at beginning of period	156,457	47,282
Cash and cash equivalents at end of period	706	23,220

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
CASH PAID DURING THE PERIOD FOR:		
Interest	$ -	$ -
Income taxes - net of tax refund	$ -	$ -
NON-CASH INVESTING AND FINANCING ACTIVITIES		
Common stock issued against common stock to be issued	$ 15,400	$ 135,000
Common stock issued against settlment of debt	$ 15,400	$ -
Initial derivative liability at issuance of notes	$ 543,369	$ 1,265,000
Initial debt discount at issuance of notes	$ 23,475	$ 250,000
Convertible note converted to common stock	$ 688,432	$ 688,432
Convertible note issued against settlement of liabilities	$ 1,194,555	$ 250,000
Initial debt discount on extinguishment of notes	$ 340,000	$ 209,522
Common stock issued against stock subscription receivable	$ -	$ 40,000
Reversal of dervicative liability on short shares	-	$ 3,238,430

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

AXIM BIOTECHNOLOGIES, INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2024

NOTE 1: ORGANIZATION

AXIM Biotechnologies, Inc. (the "Company") was originally incorporated in Nevada on November 18, 2010, as Axim International Inc. On July 24, 2014, the Company changed its name to AXIM Biotechnologies, Inc. to better reflect its business operations. The Company's principal executive office is located at 6191 Cornerstone Court E Suite 114 San Diego, California 92121.

On October 16, 2018, the Company formed a wholly owned disregarded entity Marina Street, LLC as part of improvement of internal control over cash management and bank activities. In March 2020, we acquired Sapphire Biotech, Inc. ("Sapphire"), a diagnostic healthcare solutions company, changing our business operations. Sapphire's operations are located in the greater San Diego, California area.

Russia-Ukraine and Israeli-Hamas wars impact and related risks

The ongoing wars in Russia-Ukraine and Israeli-Hamas conflict could impact global supply chains. This could impact business operations by effecting the company's ability to procure necessary supplies and equipment. This could possibly interrupt the continuing sale of tests which would eliminate the company's only source of revenue.

In addition to operational adjustments, the consequences of the Russia-Ukraine and Israeli- Hamas conflicts have led to uncertainties related to The Company's business growth and ability to forecast the demand for its diagnostic testing and resulting revenues.

The full extent to which the Russia-Ukraine and Israeli- Hamas conflicts and the various responses to it might impact The Company's business, operations and financial results will depend on numerous evolving factors that are not subject to accurate prediction and that are beyond The Company's control.

In addition the impact of inflation on the Company's ability to purchase supplies and manufacture products in a cost effective manner is currently unknown.

In December 2019, a novel strain of coronavirus ("COVID-19") was reported in Wuhan, China. The COVID-19 pandemic, as it was declared by the World Health Organization, has continued to spread and has already caused severe global disruptions. The extent of COVID-19's effect on our operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic, all of which are uncertain and difficult to predict considering the rapidly evolving landscape.

We expect COVID-19, along with the resulting government-imposed restrictions on businesses, to negatively impact our operations due to decreased consumer demand as well as potential production and warehouse limitations which results in an event or condition, before consideration of management's plans, that could impact our ability to meet future obligations.

NOTE 2: ACQUISITION OF INTELLECTUAL PROPERTY OF ADVANCED TEAR DIAGNOSTIC, LLC.

AXIM entered into two substantially contemporaneous transactions to acquire patents and 510(K) Licenses from Advance Tear Diagnostics, LLC (the "Seller") (collectively, the "Asset Acquisition") for a total amount of $4,520,000.

The first transaction occurred on July 29, 2021, in which AXIM purchased five patents (the "Patents") from the Seller for $250,000 (which includes assuming and paying $30,000 of the Seller's liabilities). The bulk of the purchase price ($210,000) was in a note that requires seven equal monthly payments of $30,000, which payment started on September 3, 2021.

The second transaction occurred on August 26, 2021, in which AXIM purchased certain eye disease diagnostic technology, which consisted of a 510(K) license for Lactoferrin, a biomarker for dry eye disease and a 510(K) license for IgE, a biomarker for allergic ocular reaction (collectively, the "510(K) Licenses"). The purchase price for the 510(K) Licenses was $4,270,000, which price was paid by issuing to the Seller 7 million shares of AXIM restricted common stock.

Together, the Patents and the 510(K) Licenses constitute the acquired technology asset (the "Technology Asset"), which for accounting purposes, are considered one unit of account. We are amortizing the Technology Asset ratably over the 9.1 years average remaining life of the Patents. The net value of these intangibles as of December 31, 2023 and September 30, 2024 is $3,299,147 and $3,397,759 respectively.

In accordance with FASB's requirements for accounting for business combinations (FASB Accounting Standards Codification, Topic 805, *Business Combinations* ("Topic 805")), since all of the value of this acquisition resides in one asset, the Technology Asset, we have accounted for this transaction as the acquisition of an asset. The seller had not been able to commercialize or complete development of the Technology Asset prior to the asset acquisition and AXIM has established an Ophthalmology Division to commercialize and market the diagnostic technology. In an asset acquisition, the total purchase price of the transaction, including transaction expenses, is allocated to the assets acquired based on the fair value of the assets acquired. In our acquisition of the Technology Asset, the total amount of the purchase price was allocated to the Technology Asset.

NOTE 3: BASIS OF PRESENTATION:

The unaudited condensed consolidated financial statements of AXIM Biotechnologies, Inc. (formerly Axim International, Inc.) as of September 30, 2024, and 2023 have been prepared in accordance with United States generally accepted accounting principles ("US GAAP").

These unaudited condensed consolidated financial statements reflect all adjustments including normal recurring adjustments, which, in the opinion of management, are necessary to present fairly the financial position, results of operations and cash flows for the periods presented in accordance with the accounting principles generally accepted in the United States of America ("GAAP"). These unaudited condensed consolidated financial statements should be read in conjunction with the Company's consolidated financial statements and notes thereto for the years ended December 31, 2023 and 2022, respectively, which are included in the Company's Form 10-K, filed with the United States Securities and Exchange Commission (the "Commission") on April 16, 2024. The Company assumes that the users of the interim financial information herein have read, or have access to, the audited consolidated financial statements for the preceding period, and that the adequacy of additional disclosure needed for a fair presentation may be determined in that context. The results of operations for the three ended September30, 2024 are not necessarily indicative of results for the entire year ending December 31, 2024.

Principles of Consolidation

The unaudited condensed consolidated financial statements include the accounts of Axim Biotechnologies, Inc. and its wholly owned subsidiaries Axim Holdings, Inc., Marina Street LLC, Axim Biotechnologies (the Netherland Company) and Sapphire Biotech, Inc. The unaudited condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant inter-company balances and transactions have been eliminated upon consolidation.

NOTE 4: GOING CONCERN

The Company's unaudited condensed consolidated financial statements have been presented assuming that the Company will continue as a going concern. As shown in the unaudited condensed consolidated financial statements, the Company has negative working capital of $6,667,355 and has an accumulated deficit of $75,280,740, has cash used in operating activities of operations $777,025. During the nine months ended September 30, 2024 and 2023, the Company raised additional capital of $199,113, through Stock Purchase Agreements and $425,000 through sale of convertible notes.. This capital provides funds for research, development, and ongoing operations. The Company intends to raise substantial additional capital through private placements of debt and equity securities, but there can be no assurance that these funds will be available on terms acceptable to the Company or will be sufficient to enable the Company to fully complete its development activities or sustain operations. If the Company is unable to raise sufficient additional funds, it will have to develop and implement a plan to further extend payables, reduce overhead, or scale back its current business plan until sufficient additional capital is raised to support further operations. There can be no assurance that such a plan will be successful. That will raise a doubt about the ability of the Company to continue as a going concern. The consolidated financial statements do not include any adjustments related to the recoverability of assets and classification of liabilities that might be necessary should the Company be unable to continue in operation.

NOTE 5: SIGNIFICANT ACCOUNTING POLICIES

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements as well as the reported amounts of revenue and expenses during reporting periods. Actual results could differ from these estimates. Significant estimates are assumptions about collection of accounts receivable, useful life of intangible assets, impairment analysis, derivative liability and assumptions used in Black-Scholes-Merton, or BSM, valuation methods, such as expected volatility, risk-free interest rate and expected dividend rate, for leases weighted number of life and discount rate.

Operating lease

We lease property under various operating leases which are disclosed on our Balance sheet in accordance with ASC 842.

Risks and uncertainties

The Company operates in a dynamic and highly competitive industry and is subject to risks and uncertainties common to early-stage companies in the biotechnology industry, including, but not limited to, development by competitors of new technological innovations, protection of proprietary technology, dependence on key personnel, contract manufacturer and contract research organizations, compliance with government regulations and the need to obtain additional financing to fund operations. Product candidates currently under development will require significant additional research and development efforts, including extensive preclinical studies and clinical trials and regulatory approval, prior to commercialization. These efforts require significant amounts of additional capital, adequate personnel infrastructure and extensive compliance and reporting. The Company believes that changes in any of the following areas could have a material adverse effect on the Company's future financial position, results of operations, or cash flows; ability to obtain future financing; advances and trends in new technologies and industry standards; results of clinical trials; regulatory approval and market acceptance of the Company's products; development of sales channels; certain strategic relationships; litigation or claims against the Company based on intellectual property, patent, product, regulatory, or other factors; and the Company's ability to attract and retain employees necessary to support its growth.

Products developed by the Company require approvals from the U.S. Food and Drug Administration ("FDA") or other international regulatory agencies prior to commercial sales. There can be no assurance that the Company's research and development will be successfully completed, that adequate protection for the Company's intellectual property will be obtained or maintained, that the products will receive the necessary approvals, or that any approved products will be commercially viable. If the Company was denied approval, approval was delayed or the Company was unable to maintain approval, it could have a materially adverse impact on the Company. Even if the Company's product development efforts are successful, it is uncertain when, if ever, the Company will generate revenue from product sales. The Company operates in an environment of rapid change in technology and substantial competition from other pharmaceutical and biotechnology companies. In addition, the Company is dependent upon the services of its employees, consultants and other third parties.

Beginning in late 2019, the outbreak of a novel strain of virus named SARS-CoV-2 (severe acute respiratory syndrome coronavirus 2), or coronavirus, which causes coronavirus disease 2019, or COVID-19, has evolved into a global pandemic. The extent of the impact of the coronavirus outbreak on the Company's business will depend on certain developments, including the duration and spread of the outbreak and the extent and severity of the impact on the Company's clinical trial activities, research activities and suppliers, all of which are uncertain and cannot be predicted. At this point, the extent to which the coronavirus outbreak may materially impact the Company's financial condition, liquidity or results of operations is uncertain. The Company has expended and will continue to expend substantial funds to complete the research, development and clinical testing of product candidates. The Company also will be required to expend additional funds to establish commercial-scale manufacturing arrangements and to provide for the marketing and distribution of products that receive regulatory approval. The Company may require additional funds to commercialize its products. The Company is unable to entirely fund these efforts with its current financial resources. If adequate funds are unavailable on a timely basis from operations or additional sources of financing, the Company may have to delay, reduce the scope of or eliminate one or more of its research or development programs which would materially and adversely affect its business, financial condition and operations.

There have been no material changes in the accounting policies from those disclosed in the financial statements and the related notes.

Cash equivalents

The Company considers all highly liquid investments with original maturities of three and six months or less at the time of purchase to be cash equivalents. As of September 30, 2024 and December 31, 2023, the Company had no cash equivalents. Cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits. The Company had no uninsured balances at September, 2024 and December 31, 2023. The Company has never experienced any losses related to these balances.

Accounts Receivable

It is the Company's policy to review accounts receivable at least on a monthly basis for conductibility and follow up with customers accordingly. We do not have geographic concentration of customers.

Concentrations

At September 30, 2024, there was no accounts receivable. For the three months ended September 30, 2024 and 2023, one customer accounted for 100% of total revenue. Revenue was all generated from normal operations for the three and six months ending September 30, 2024.

Property and equipment

Property and equipment are carried at cost less accumulated depreciation. Depreciation is computed using straight-line method over the estimated useful life. New assets and expenditures that extend the useful life of property or equipment are capitalized and depreciated. Expenditures for ordinary repairs and maintenance are charged to operations as incurred. The Company's property and equipment relating to operations consisted of the following at September 30, 2024 and December 31, 2023, respectively.

	September 30, 2024	December 31, 2023
Equipment of operations	$ 259,631	$ 256,792
Less: accumulated depreciation	149,039	122,725
	$ 110,592	$ 134,067

Depreciation expense was $7,401, $16,043 for the Nine months ended September 30, 2024 and 2023, respectively.

Intangible Assets

Goodwill represents the excess of the purchase price over the fair value of the net tangible and identifiable intangible assets acquired in each business combination. We conduct an impairment analysis for goodwill annually in the fourth quarter or more frequently if indicators of impairment exist or if a decision is made to sell or exit a business. Significant judgments are involved in determining if an indicator of impairment has occurred. Such indicators may include deterioration in general economic conditions, negative developments in equity and credit markets, adverse changes in the markets in which an entity operates, increases in input costs that have a negative effect on earnings and cash flows, or a trend of negative or declining cash flows over multiple periods, among others. The fair value that could be realized in an actual transaction may differ from that used to evaluate the impairment of goodwill. There is no goodwill balance as of September 30, 2024 or December 31, 2023.

Impairment of Indefinite-Lived Intangible Assets

For indefinite-lived intangible assets such as in-process research and development (IPRD), we conduct an impairment analysis annually in the fourth quarter or more frequently if indicators of impairment exist. We first perform a qualitative assessment to determine if it is more likely than not that the carrying amount of each of the in-process research and development assets exceeds its fair value. The qualitative assessment requires the consideration of factors such as recent market transactions, macroeconomic conditions, and changes in projected future cash flows. If we determine it is more likely than not that the fair value is less than its carrying amount of the in-process research and development assets, a quantitative assessment is performed. The quantitative assessment compares the fair value of the in-process research and development assets to its carrying amount. If the carrying amount exceeds its fair value, an impairment loss is recognized for the excess. There are no Indefinite-Lived Intangible Assets balance as of September 30, 2024 and December 31, 2023 respectively.

Long-Lived Assets

The Company regularly reviews the carrying value and estimated lives of all of its long-lived assets, including property and equipment and definite-lived intangible assets, to determine whether indicators of impairment exist that warrant adjustments to carrying values or estimated useful lives. The determinants used for this evaluation include management's estimate of the asset's ability to generate positive income from operations and positive cash flow in future periods as well as the strategic significance of the assets to the Company's business objectives. If the Company determines that events or changes in circumstances indicate that the carrying amount of the asset group may not be recoverable, the Company evaluates the realizability of its long-lived assets (asset group) based on a comparison of projected undiscounted cash flows from use and eventual disposition with the carrying value of the related asset. Any write-downs (which are measured based on the difference between the fair value and the carrying value of the asset) are treated as permanent reductions in the carrying amount of the assets (asset group).

As at September 30, 2024 and December 31, 2023, none of the Company's long-lived assets were deemed impaired.

The Company's intangible assets relating to operations consisted of the following at September 30, 2024 and December 31, 2023, respectively:

	September 30, 2024	December 31, 2023
Patents	$ 250,000	$ 250,000
Licenses	4,270,000	4,270,000
	4,520,000	4,520,000
Less: accumulated amortization	1,220826	925,019
	$ 3,299147	$ 3,594,981

Estimated aggregate amortization expense for each of the five succeeding years ending December 31 is as follows:

	2024	2025	2026	2027	2028	2029 and onwards
Amortization expense	$ 197,224	$ 391,230	$ 391,230	$ 391,230	$ 391,230	$ 1,635,615

Amortization expense recorded for the three months ended September 30, 2024 and 2023 was $98,612, and 98,612, respectively.

Revenue Recognition

The Company follows the guidance contained in Topic 606 (FASB ASC 606). The core principle of Topic 606 (FASB ASC 606) is that an entity should recognize revenue to depict the transfer of goods of services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The revenue recognition guidance contained in Topic 606, to follow the five-step revenue recognition model along with other guidance impacted by this standard: (1) identify the contract with the customer; (2) identify the performance obligations in the contract; (3) determine the transportation price; (4) allocate the transportation price; (5) recognize revenue when or as the entity satisfies a performance obligation. All revenue was from operations that were divested.

Revenues are recognized when title for goods is transferred; non-refundable fees and proceeds from irrevocable agreements recognized when inflows or other enhancements of assets of the Company are received.

Revenues from operations recognized for the three months ended September 30, 2024 and 2023 amounted to -0-and $9,581, respectively.

Deferred revenue

Contract liabilities consist of deferred revenue and include payments received in advance of performance under the contract and are reported separately as current liabilities in the condensed Consolidated Balance Sheets. Such amounts consist of extended prepaid services and are generally recognized as the respective performance obligations are satisfied. Deferred revenue is recognized as earned by shipping of tests or as initial 60 month advance royalty is earned by passage of time. During the three months ended September 30, 2024 and 2023, the Company recognized revenue of -0-, and $9,929, respectively, related to its contract liabilities.

Cost of Sales

Cost of sales includes the purchase cost of products sold and all costs associated with getting the products to the customers including buying and transportation costs. There was cost of sales incurred for the three months ended September 30, 2024 and 2023 -0- respectively.

Supplies

A deferred cost allows a company to record a cost in its accounts, but not an expense it until a future accounting period. Supplies on hand are recognized as a current asset on the balance sheet until the goods or services are used, at which point they are charged to expenses. As of September 30, 2024 and December 31, 2023 they were $15,696 and $-0- respectively.

Deferred cost/Supplies Advance accounting policy.

A deferred cost allows a company to record a cost in its accounts, but not an expense it until a future accounting period. Supplies on hand are recognized as a current asset on the balance sheet until the goods or services are used, at which point they are charged to expenses.

Shipping Costs

Shipping and handling costs billed to customers are recorded in sales. Shipping costs incurred by the company are recorded in general and administrative expenses. There were no shipping costs incurred for the three months ended September 30, 2024 and 2023.

Fair Value Measurements

The Company applies the guidance that is codified under ASC 820-10 related to assets and liabilities recognized or disclosed in the financial statements at fair value on a recurring basis. ASC 820-10 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements.

The Company's financial instruments are cash and cash equivalents, accounts receivable, accounts payable, notes payable, and long-term debt. The recorded values of cash and cash equivalents and accounts payable approximate their fair values based on their short-term nature. The recorded values of notes payable and long-term debt approximate their fair values, as interest approximates market rates.

ASC 820-10 clarifies that fair value is an exit price, representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants based on the highest and best use of the asset or liability. As such, fair value is a market-based measurement that is determined based on assumptions that market participants would use in pricing an asset or liability. ASC 820-10 requires valuation techniques to measure fair value that maximize the use of observable inputs and minimize the use of unobservable inputs. These inputs are prioritized as follows:

Fair Value Hierarchy	Inputs to Fair Value Methodology
Level 1	Quoted prices in active markets for identical assets or liabilities
Level 2	Quoted prices for similar assets or liabilities; quoted markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the financial instrument; inputs other than quoted prices that are observable for the asset or liability; or inputs that are derived principally from, or corroborated by, observable market information
Level 3	Pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption is unobservable or when the estimation of fair value requires significant management judgment

All items required to be recorded or measured on a recurring basis are based upon Level 3 inputs.

To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement is disclosed and is determined based on the lowest level input that is significant to the fair value measurement.

The Company recognizes its derivative liabilities as Level 3 and values its derivatives using the methods discussed below. While the Company believes that its valuation methods are appropriate and consistent with other market participants, it recognizes that the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date. The primary assumptions that would significantly affect the fair values using the methods discussed are that of volatility and market price of the underlying common stock of the Company.

Items recorded or measured at fair value on a recurring basis in the accompanying consolidated financial statements consisted of the following items as of September 30, 2024.

	Total	Level 1	Level 2	Level 3
Derivative liabilities	$ 4,115,975	$ -	$ -	$ 4,115,975

December 31, 2023:

	Total	Level 1	Level 2	Level 3
Derivative liabilities	$ 2,482,723	$ -	$ -	$ 2,482,723

Convertible Instruments

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

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

The Company accounts for convertible instruments (when it has determined that the embedded conversion options should not be bifurcated from their host instruments) in accordance with professional standards when "Accounting for Convertible Securities with Beneficial Conversion Features," as those professional standards pertain to "Certain Convertible Instruments." Accordingly, the Company records, when necessary, discounts to convertible notes for the intrinsic value of conversion options embedded in debt instruments based upon the differences between the fair value of the underlying common stock at the commitment date of the note transaction and the effective conversion price embedded in the note. Debt discounts under these arrangements are amortized over the term of the related debt to their earliest date of redemption. The Company also records when necessary deemed dividends for the intrinsic value of conversion options embedded in preferred shares based upon the differences between the fair value of the underlying common stock at the commitment date of the note transaction and the effective conversion price embedded in the note.

ASC 815-40 provides that, among other things, generally, if an event is not within the entity's control could or require net cash settlement, then the 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 FASB Accounting Standards Codification, which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are based on the differences between the financial statement and tax Bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance to the extent management concludes it is more likely than not that the assets will not be realized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the 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 likely than not to be realized. In making such a determination, the Company considers all available positive and negative evidence, including reversals of any existing taxable temporary differences, projected future taxable income, tax planning strategies, and the results of recent operations. If the Company determines that it would be able to realize a deferred tax asset in the future in excess of any recorded amount, the Company would make an adjustment to the deferred tax asset 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"). Section 740-10-25 addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under Section 740-10-25, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than fifty percent (50%) likelihood of being realized upon ultimate settlement. Section 740-10-25 also provides guidance on de-recognition, classification, interest and penalties on income taxes, accounting in interim periods and requires increased disclosures. The Company had no liabilities for unrecognized income tax benefits according to the provisions of Section 740-10-25.

No amounts were accrued for the payment of interest and penalties as of September 30, 2024 and December 31, 2023. The Company is not aware of any uncertain tax positions that could result in significant additional payments, accruals, or other material deviation for the three and six months ended September 30, 2024 and 2023.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (the "Cares Act") was enacted. The CARES Act included loans and grants to certain businesses, and temporary amendments to the Internal Revenue Code which changed net loss carryforward and back provisions and the business interest expenses limitation. Under the CARES Act provisions, the most relevant income tax considerations to the Company relate to the amounts received under the Paycheck Protection Program loan program and the possible forgiveness of those loans by the SBA.

On December 21, 2020, the U.S. president has signed into law the "Consolidated Appropriations Act, 2021" which includes further COVID-19 economic relief and extension of certain expiring tax provisions. The relief package includes a tax provision clarifying that businesses with forgiven PPP loans can deduct regular business expenses that are paid for with the loan proceeds for federal tax purposes. Additional pandemic relief tax measures include an expansion of the employee retention credit, enhanced charitable contribution deductions, and a temporary full deduction for business expenses for food and beverages provided by a restaurant.

Stock Based Compensation

All stock-based payments to employees and to nonemployee directors for their services as directors, including any grants of restricted stock and stock options, are measured at fair value on the grant date and recognized in the statements of operations as compensation or other expense over the relevant service period. Stock-based payments to nonemployees are recognized as an expense over the period of performance. Such payments are measured at fair value at the earlier of the date a performance commitment is reached, or the date performance is completed. In addition, for awards that vest immediately and are non-forfeitable the measurement date is the date the award is issued. The Company accounts for stock options issued to non-employees based on the estimated fair value of the awards using the Black-Scholes option pricing model in accordance with ASC 505-50, *Equity-Based Payment to Non-employees*. Stock-based compensation expense related to stock options granted to non-employees is recognized as the stock options vest. The Company believes that the fair value of the stock options is more reliably measurable than the fair value of the services received. Stock options granted to non-employees are recorded at their fair value on the measurement date and are subject to periodic adjustments as such options vest and at the end of each reporting period, and the resulting change in value, if any, is recognized in the

Company's statements of operations and comprehensive loss during the period the related services are rendered.

Research and Development

The Company accounts for research and development costs in accordance with the Accounting Standards Codification subtopic 730-10, Research and Development ("ASC 730-10"). Under ASC 730-10, all research and development costs must be charged to expense as incurred. Accordingly, internal research and development costs are expensed as incurred. Third-party research and development costs are expensed when the contracted work has been performed or as milestone results have been achieved. Company-sponsored research and development costs related to both present and future products are expensed in the period incurred. For the three months ended September 30, 2024 and 2023, The Company incurred research and development expenses of $10,086 and 34,713 from operations, respectively. The Company has entered into various agreements with CROs. The Company's research and development accruals are estimated based on the level of services performed, progress of the studies, including the phase or completion of events, and contracted costs. The estimated costs of research and development provided, but not yet invoiced, are included in accrued liabilities on the balance sheet. If the actual timing of the performance of services or the level of effort varies from the original estimates, the Company will adjust the accrual accordingly. Payments made to CROs under these arrangements in advance of the performance of the related services are recorded as prepaid expenses and other current assets until the services are rendered.

In November 2021, the FASB issued a new accounting standard around the recognition and measurement of contract assets and contract liabilities from revenue contracts with customers acquired in a business combination. The new standard clarifies that contract assets and contract liabilities acquired in a business combination from an acquiree should initially be recognized by applying revenue recognition principles and not at fair value. The standard is effective for interim and annual periods beginning on January 1, 2023, and early adoption is permitted. The impact of this standard will depend on the facts and circumstances of future transactions.

In August 2020, the FASB issued ASC Update No. 2020-06, Debt – Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity. The amendments in Update No. 2020-06 simplify the complexity associated with applying U.S. GAAP for certain financial instruments with characteristics of liabilities and equity. More specifically, the amendments focus on the guidance for convertible instruments and derivative scope exception for contracts in an entity's own equity. The provisions of these standards have not had and are not expected to have a material impact on our consolidated financial statements.

Recently Adopted Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. The main objective of the standard is to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. To achieve this objective, the amendments in this standard replace the incurred loss impairment methodology in current GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The update is effective for the Company beginning January 1, 2023 with early adoption permitted. The Company adopted the standard on January 1, 2023. The adoption of this standard did not have a material effect on the Company's audited consolidated financial statements and related disclosures.

Recently Issued Accounting Pronouncements Not Yet Adopted

In October 2023, the FASB issued ASU 2023-06—Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative. The main objective of the amendment is to modify the disclosure or presentation requirements of various Topics in the Codification. Certain amendments represent clarifications to or technical corrections of the current requirements. to eliminate disclosure requirements that were redundant, duplicative, overlapping, outdated, or superseded. The effective date for each amendment will be when the SEC's removal of that related disclosure from Regulation S-X or Regulation S-K becomes effective, with early adoption prohibited. The Company is still evaluating the impact of the adoption of this standard.

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

NOTE 6: PROMISSORY NOTE

On December 31, 2019, Sapphire Biotech, Inc. had entered into a Debt Exchange Agreement whereas the Company assumed three (3) loans totaling $128,375 of Debt owned by Sapphire Diagnostics, LLC which had an interest rate of 6% per annum. In the same Debt Exchange Agreement, the Company assumed four (4) additional loans made to Sapphire in 2019, which had an interest rate of 6% per annum. All seven (7) loans totaling $310,000, plus the aggregate interest accrued thereon of $14,218 making the face value of the new note
$324,218. As of September 30, 2024 and December 31, 2023 respectively, the principal and accrued interest balances were $383,598 and $378,067 respectively. The note was refinanced January 27, 2022. With an effective date of April 01, 2022 the Note is convertible into Axim common shares at a strike price of $0.1075 per share. The interest rate is 3% compounded monthly. The note is due January 27, 2032. This note now shows as a long term convertible note payable (see Note 8).

NOTE 7: RELATED PARTY TRANSACTIONS

Related Party

The Company has an employment agreement with Catalina Valencia at a rate of $15,000 per month commencing March 17, 2020. The agreement can be terminated with 30 days' notice by either party.

The Company has a consulting agreement with Glycodots LLC whereby it will provide the services of Dr. Sergei A. Svarovsky at a rate of $16,000 per month commencing March 17, 2020. The agreement can be terminated with 30 days' notice by either party.

On July 3 the Company received $18,000 from Catalina Valencia in exchange for a note which is (i)unsecured; (ii) bears interest at a rate of 5.25% per annum; (iii) payable on demand.

As of September, 30, 2024 and December 31, 2023 the balance of the note was $18,230 and -0-, which included $230 and -0- accrued interest, respectively.

See Note 8 for related party Notes payable.

NOTE 8: CONVERTIBLE NOTES PAYABLE

The following table summarizes convertible note payable of related parties as of September 30, 2024 and December 31, 2023:

	September 30, 2024	December 31, 2023
Convertible note payable, due on November 1, 2026, interest at 3.5% p.a.	$ 4,000,000	$ 4,000,000
Convertible notes Payable MMI due on December 26, 2033 through August 30,2034 interest at 5.25% p.a. (7)	475,000	100,000
Convertible Note Payable John Huemoeller due on January 23, 2033 interest at 4.0% p.a. (6)	250,000	250,000
Convertible Note Payable John Huemoeller due on March 1, 2034 interest at 4.25% p.a. (6)	250,000	
Convertible note payable, due on February 10, 2032, interest at 3.0% p. a. (5)	375,000	375,000
Convertible notes payable due to Board of directors due on March 15, 2034 interest at 4.25% p.a. see 9 below	140,000	
Convertible note Payable CFO see 9 below	53,500	
Convertible notes due to employees due on March 1, 2034 interest at 4.25 % p.a. see 9 below	342,625	
Accrued Interest	306,528	160,091
Total	$ 6,192,653	$ 4,885,091
Less: unamortized debt discount/finance premium costs	927,889	631,123
Convertible notes payable related parties, net	5,264,764	4,253,968

The interest on this note is payable bi-annually every May 1 and November 1.

On May 1, 2020, the Company agreed to modify its existing convertible note with a principal balance of $4 million, 3.5% interest rate convertible note with the current holder of that note. There were two changes to the existing agreement – (a) the conversion price was reduced from the $1.50 conversion price in the original Note to $0.25 cents in the modified Note and (b) the term of the note was extended from the original maturity date of November 1, 2021, to November 1, 2026.

On January 23, 2023, Creditor agreed to waive and forfeit all interest accrued on the MMI Note through December 31, 2023, in the aggregate amount of $261,537, and to waive all prior defaults on the MMI Note through the Effective Date. Interest shall accrue on the MMI Note at the original rate of 3.5% per annum through September 30, 2023, and be payable on that date. Thereafter interest will be payable on a monthly basis beginning on August 1, 2023. In addition, the Conversion Price for the MMI Note is hereby reduced from $0.25 to $0.075 the reduction in conversion price was also effective January 23, 2023. This Agreement serves to modify and amend the MMI Note as set forth herein, in all other respects the terms of the MMI Note remain in full force and effect. The Company determined that the debt modification including conversion feature added resulted in a debt extinguishment due to the change in the fair values exceeding 10% of the debt carrying value. As a result of the debt modification the company recorded a gain on Extinguishment of debt in the amount of $261,537.

For the three months ended September 30, 2024 and 2023, interest expense was $35,000and $35,000. As of September 30, 2024 and December 31, 2023, the principal and accrued interest balances were $18,230 and -0- respectively, which include accrued interest of $230 and -0- respectively.

As of September 30, 2024 and December 31, 2023, the balance of secured convertible note was $4,210,000 and $4,140,000 which included $210,000 and $140,000 accrued interest, respectively.

The following table summarizes convertible note payable as of September30, 2024 and December 31, 2023:

	September 30, 2024	December 31, 2023
Convertible note payable, due on October 1, 2029, interest at 3.5% p.a. (1)	$ 484,478	$ 484,478
Convertible Note Payable, due on January 27, 2032 interest at 3% p.a. (4)	367,931	367,931
Convertible note payable, due on October 1, 2029, interest at 3.5% p.a. (2)	500,000	500,000
Convertible note payable, due on February 10, 2032, interest at 3.0% p. a. (5)	425,000	425,000
Convertible note payable, due on December 31, 2034, interest at 3% p.a. (3)	190,000	190,000
Convertible note payable, due on May 23, 2033, interest at 3.75% p.a. see 8 below	250,000	250,000
Convertible note payable, due on May 23, 2033, interest at 3.75% p.a. see 8 below	325,000	325,000
Convertible note payable due March 1, 2034 interest at 4.25% p.a. see 9 below	28,430	
Accrued interest (The accrued interest and principal are both included in the captions titled “convertible note payable” in the balance sheet)	144,044	76,163
Total	2,714,883	2,618,572
Less: unamortized debt discount/finance premium costs	(1,132,342)	(1,209,806)
Convertible note payable, net	$ 1,582,541	$ 1,408,766

(1) On September 16, 2016, we entered into a convertible note purchase agreement (the “Convertible Note Purchase Agreement” or “Agreement”) with a third-party investor. Under the terms of the Convertible Note Purchase Agreement the investor may acquire up to $5,000,000 of convertible notes from the Company. With various closings, under terms acceptable to the Company and the investor as of the time of each closing. Pursuant to the Agreement, on September 16, 2016 the investor provided the Company with $850,000 secured convertible note financing pursuant to four (4) Secured Convertible Promissory Notes (the “Notes”). Each of the Notes matures on October 1, 2029, and pay 3.5% compounded interest paid bi-annually. The Note are secured by the assets of the Company, may not be pre-paid without the consent of the holder, and are convertible at the option of the holder into shares of the Company common stock at a conversion price equal to $0.04 per share.

As of September 30, 2024 and December 31, 2023 respectively, the balance of secured convertible notes was $514,811 and $501,811, which included $30,335 and $17,333 accrued interest, respectively. See below for debt modification treatment.

(2) On October 20, 2016, a third-party investor provided the Company with $1,000,000 secured convertible note financing pursuant to three (3) Secured Convertible Promissory Notes (the “Notes”). Each of the Notes mature on October 1, 2029 and pay 3.5% compounded interest paid bi-annually. The Notes are secured by the assets of the Company, may not be pre-paid without the consent of the holder, and are convertible at the option of the holder into shares of the Company’s common stock at a fixed conversion price equal of $0.2201 per share. The investor paid cash of $500,000 for one of the Notes and issued to the Company two (2) secured promissory notes of $250,000 each for two (2) Convertible Notes of $250,000 each. The two secured promissory notes issued by the investor (totaling $500,000) as payment for two (2) secured Notes totaling $500,000 mature on February 1, 2017 ($250,000) and March 1, 2017 ($250,000), bear interest at the rate of 1% per annum, are full recourse and additionally secured by 10,486,303 shares of Medical Marijuana, Inc. (Pink Sheets symbol: MJNA) and were valued at $858,828 based upon the closing price of MJNA on October 20, 2016. A debt discount was recorded related to beneficial conversion feature inn connection with this convertible note of $499,318, related to the beneficial conversion feature of the note to be amortized over the life of the note or until the note is converted or repaid. As of September, 30, 2024 and December 31, 2023 respectively, this note has not been converted and the balance of secured convertible notes was $531,304 and$517,888, which included $31,304 and $17,888 accrued interest, respectively. See below for debt extinguishment treatment.

(1) & (2) On January 23, 2023, Creditor agreed to waive and forfeit all interest accrued on the Secured Notes through December 31, 2023, in the aggregate amount of $216,572. All prior defaults on the Secured Notes are hereby waived through the Effective Date, and the next interest payments due on each of the Secured Notes is extended from April 1, 2023, to July 1, 2023. In addition, the Conversion Price for each of the Secured Notes is hereby reduced from $0.2201 to $0.04. The Agreement served to modify and amend each of the Secured Notes as set forth above, in all other respects the terms of the Secured Notes remained in full force and effect. The Company determined that the debt modification including conversion feature added resulted in a debt extinguishment due to the change in the fair values exceeding 10% of the debt carrying value.

The Renegotiation of the above TL-66 notes was deemed to be a debt extinguishment resulting in Amortization of the remaining debt discount of $381,760 and recognition of the Beneficial conversion feature upon modification of $209,522. And a gain on conversion of $35,537 calculated by comparing fair value of new note to old note including accrued interest.

(3) On December 31, 2019, Sapphire Biotech, Inc. entered into a Convertible Note Purchase Agreement whereas the Company issued a convertible note with a face value of $190,000 with a compounding interest rate of 3% per annum, the interest shall be payable annually beginning on December 31, 2020 until the maturity date of December 31, 2034, at which time all principal and interest accrued thereon shall be due and payable. The Convertible Note is secured by substantially all the Company's tangible and intangible assets. In addition, the Convertible Note includes various non-financial covenants including the Company may not enter into any agreement, arrangement or understanding of any kind that would result in a transaction, or series of transactions, that would result in the sale of 50% or more of the Company's capital stock without the prior approval of the holder.

Upon issuance, the Convertible Note was convertible into shares of the Company's common stock at $1.90 per share. At December 31, 2019, the Company determined that the Convertible Note contained a beneficial conversion feature for which a full discount was recorded on the Convertible Note. The fair market value of the Company's common stock was based upon the estimated per share acquisition price per the pending acquisition of the Company. The discount of $190,000 will be amortized using the effective interest method and will be fully amortized by December 31, 2034.

On March 17, 2020, the Company entered into a Share Exchange Agreement ("Agreement") with Sapphire Biotech, Inc., a Delaware corporation ("Sapphire") and all of the Sapphire stockholders (collectively, the "Sapphire Stockholders"). Following the closing of the transaction, Sapphire will become a wholly owned subsidiary of AXIM. Under the terms of the Agreement, the Company intends to assume the convertible notes in the principal amounts of $190,000. After the acquisition, the Convertible Note was able to convert 6,000,000 shares of Axim's common stock. Upon assumption of the note, the Company recorded a beneficial conversion feature of $190,000. As of September 30, 2024 and December 31, 2023, the balance of secured convertible note was $199,975 and $195,701, which included $9,975 and $5,701 accrued interest, respectively.

On January 27, 2023, Creditor agreed to waive and forfeit all interest accrued on the Sapphire Note through December 31, 2023, in the aggregate amount of $17,115 and to waive all prior defaults on the Sapphire Note through the Effective Date. This was not deemed to be a debt extinguishment since the waiver of accrued interest was not deemed to produce a change in cash flow greater than 10%. The company recorded a gain on modification of $17,117 resulting from forgiveness of accrued interest. The share conversion formula was also changed on January 23, 2023 to 0.031667 on the full outstanding balance at time of conversion.

(4) On January 27, 2022, Sapphire Biotech entered into a debt exchange agreement (effective April 1, 2022) whereas the company exchanged a convertible note with a balance of 367,931 including accrued interest for a new note charging interest at a rate of 3% per annum first interest payment due January 27, 2023 compounded monthly. The maturity date is January 27, 2032. Upon issuance was convertible into shares of the Company's common stock at a conversion price of $0.10 per share. As of September 30, 2024 and December 31, 2023, the balance of secured convertible note was $386,366 and $378,066, which included $18,435 and $10,135 accrued interest, respectively. This was not deemed to be a debt extinguishment.

On January 23, 2023, Creditor agreed to waive and forfeit all interest accrued on the TL-66 Note through January 27, 2023, in the aggregate amount of $11,190, and to waive all prior defaults on the TL-66 Note through the Effective Date. This was not deemed to be a debt extinguishment since the waiver of accrued interest was not deemed to produce a change in cash flow greater than 10%. The company recorded a gain on modification of $11,190 resulting from forgiveness of accrued interest.

(5) Convertible Notes

Effective February 10, 2022, the Company issued seven convertible notes to a series of investors having an aggregate face value of $1,325,000 in exchange for $1,325,000 in cash (the "Convertible Notes"). One of the Convertible Notes, face value $25,000, was purchased by Blake N. Schroeder who is a director of the Company.

Each of the Convertible Notes is (i) unsecured; (ii) bears interest at a rate of 3% per annum; (iii) matures on February 10, 2032; and (iv) is convertible, in whole or in part, at any time by the holder, into restricted shares of the Company's common stock at a conversion price equal to the lesser of $0.08125 or 70% of the average of the two lowest closing prices of the Company's common stock in the ten trading days preceding any particular conversion, provided, the holder is prohibited from converting the convertible note, or portion thereof, if such conversion would result in beneficial ownership by the holder and its affiliates of more than 4.999% of Company's issued and outstanding common stock as of the date of the conversion. A debt discount was recorded related to beneficial conversion feature in connection with this convertible note of $1,325,000, which to be amortized over the life of the note or until the note is converted or repaid. During the three and six months ended September 30, 2023, $166,474 of the note and accrued interest of $2,840 was retired and converted to 5,665,636 common shares valued at $349,535 and as a result recognized a loss on extinguishment of $111,807, including cancellation of balance debt discount of $167,571 and a gain due to cancellation of derivative liabilities as of date of settlement of $227,459 During the three and six months ended September 30, 2023, $350,000 of the note and accrued interest of
$30,858 was retired and converted to 22,207,486 common shares valued at $688,432 and as a result of the debt modification the company recognized a loss on extinguishment of $626,414, including cancellation of balance debt discount of $318,840 and a loss on issuance of the shares of $307,574 and a gain due to cancellation of derivative liabilities as of date of settlement of $624,490. As of September 30, 2024 and December 31, 2023, respectively, the principal and accrued interest balances were $840,725 and $822,735 respectively, which include accrued interest of $40,725 and $22,735, respectively.
Convertible Note payable – related party (officer)

(6) As of December 31, 2023, the Company owed to the Executive, for employment in his capacity as CEO of AXIM, $512,500 of unpaid salary which is overdue and payable immediately. Executive and AXIM desired to enter into this Agreement in order resolve the Amount Due in a way that preserves the Company's working capital and incentivizes and retains Executive. Executive agreed to Issuance of Convertible Note as Partial Satisfaction of the Amount Due. $250,000 of the Amount Due will be paid by issuing to Executive a convertible note, face value $250,000 (the "Convertible Note") Executive agreed that he shall waive/forfeit $50,000 of the Amount Due, leaving a remaining balance after such waiver of $212,500 ($512,500 minus $250,000 for the Convertible Note = $262,500 minus $50,000 waiver = $212,500), which shall not be payable at any time prior to July 1, 2023, and that Executive shall have no right prior to July 1, 2023 to seek payment of the remaining balance of the Amount Due. Executive further agrees that if in the reasonable discretion of the Board of Directors full payment of the remaining balance of the Amount Due on July 1, 2023 ($212,500) is too burdensome for the Company's working capital position at that time, then Executive will either grant an additional 3-month extension for the payment of the remaining Amount Due or engage in good faith discussions with the Board in order to enter into a payment plan for the remaining Amount Due, or a combination of both.

Payment of Principal and Interest. From the date of this Convertible Note (the "Note" or "Convertible Note"), interest shall be payable annually on the basis of a three hundred sixty (360) day year and compounded on a yearly basis at a rate equal to Four Percent (4%) per annum (the "Interest Rate"). beginning on January 23, 2024 until the maturity date of January 23, 2033, at which time all principal and interest accrued thereon shall be due and payable. Upon issuance, the Convertible Note was convertible into shares of the Company's common stock at $0.01 per share. At January 23, 2023, the modification date, the Company determined that the Convertible Note contained a beneficial conversion feature for which a full discount was recorded on the Convertible Note. The fair market value of the Company's common stock was based upon the estimated per share acquisition price per the pending acquisition of the Company. The discount of $250,000 will be amortized using the effective interest method and will be fully amortized by January 23, 2033. This is a new note

accounted for by recording the note at face value and a debt discount of $250,000 which will be amortized over the life of the note.

A second note was issued March 15, 2024 also for 250,000 also in payment of accrued salary Payment of Principal and Interest. From the date of this Convertible Note (the "Note" or "Convertible Note"), interest shall be payable annually on the basis of a three hundred sixty (360) day year and compounded on a yearly basis at a rate equal to Four Percent (4.25%) per annum (the "Interest Rate"). beginning on March 15, 2024 until the maturity date of March 1, 2034, at which time all principal and interest accrued thereon shall be due and payable. Upon issuance, the Convertible Note was convertible into shares of the Company's common stock at $0.02 per share.

As of September 30, 2024 and December 31, 2023 the balance due on these notes was $521,457 and $259,361 including accrued interest of $21,457 and $9,361 respectively.

(7) Convertible notes related party MMI

In December of 2023, the Company entered into a Convertible Note Purchase Agreement (the "CVNP Agreement") with Medical Marijuana, Inc. ("MJNA") whereby MJNA is entitled (but not required) to acquire up to $750,000 face value of convertible notes from the Company having an initial conversion price equal to the lesser of $0.01 or 70% of the closing of the the Company's common stock as of the date of any purchase of a convertible note under the CVNP Agreement.

As of September 30, 2024 the Company has issued, in exchange for cash, $475,000 face value of the following convertible notes to MJNA under the CVNP (see also Footnote 14 - "Subsequent Events"):

On December 26, 2023, the Company issued a convertible note to MJNA, face value $100,000, having a balance due of $104,083 at September 30, 2024, including interest accrued thereon of $4,083. The Note: (a) bears an annual interest rate of 5.25%, compounded annually, (b) matures on December 26, 2033, and (c) is convertible at any time at the option of the holder into the Company's common stock at a conversion price equal to the lesser of $.01 or 70% of the average of the two lowest closing prices of the Company's common stock in the ten (10) trading days prior to any particular conversion, subject to a 4.9% blocking provision.

On March 28, 2024, the Company issued a convertible note to MJNA, face value $100,000, having a balance due of $102,713 on September 30, 2024, including interest accrued thereon of $2,713. The convertible note: (a) bears an annual interest rate of 5.25%, compounded annually, (b) matures on March 28, 2034, and (c) is convertible at any time at the option of the holder into the Company's common stock at a conversion price equal to the lesser of $.00805 or 70% of the average of the two lowest closing prices of the Company's common stock in the ten (10) trading days prior to any particular conversion, subject to a 4.9% blocking provision.

On May 17, 2024, the Company issued a convertible note to MJNA, face value $50,000, having a balance due of $50,992 on September 30, 2024, including interest accrued thereon of $992. The convertible note: (a) bears an annual interest rate of 5.25%, compounded annually, (b) matures on May 17, 2034, and (c) is convertible at any time at the option of the holder into the Company's common stock at a conversion price equal to the lesser of $.00805 or 70% of the average of the two lowest closing prices of the Company's common stock in the ten (10) trading days prior to any particular conversion, subject to a 4.9% blocking provision.

On June 24, 2024, the Company issued a convertible note to MJNA, face value $50,000, having a balance due of $50,715 on September 30, 2024, including interest accrued thereon of $715. The convertible note: (a) bears an annual interest rate of 5.25%, compounded annually, (b) matures on June 24, 2034, and (c) is convertible at any time at the option of the holder into the Company's common stock at a conversion price equal to the lesser of $.00805 or 70% of the average of the two lowest closing prices of the Company's common stock in the ten (10) trading days prior to any particular conversion, subject to a 4.9% blocking provision.

On July 15, 2024, the Company issued a convertible note to MJNA, face value $50,000, having a balance due of $50,546 on September 30, 2024, including interest accrued thereon of $546. The convertible note: (a) bears an annual interest rate of 5.25%, compounded annually, (b) matures on July 15, 2034, and (c) is convertible at any time at the option of the holder into the Company's common stock at a conversion price equal to the lesser of $.00938 or 70% of the average of the two lowest closing prices of the Company's common stock in the ten (10) trading days prior to any particular conversion, subject to a 4.9% blocking provision.

On July 30, 2024, the Company issued a convertible note to MJNA, face value $25,000, having a balance due of $25,222 on September 30, 2024, including interest accrued thereon of $222. The convertible note: (a) bears an annual interest rate of 5.25%, compounded annually, (b) matures on July 29, 2034, and (c) is convertible at any time at the option of the holder into the Company's common stock at a conversion price equal to the lesser of $.00805 or 70% of the average of the two lowest closing prices of the Company's common stock in the ten (10) trading days prior to any particular conversion, subject to a 4.9% blocking provision.

On August 6, 2024, the Company acquired issued a convertible note to MJNA, face value $50,000, having a balance due of $50,394 on September 30, 2024, including interest accrued thereon of $394. The convertible note: (a) bears an annual interest rate of 5.25%, compounded annually, (b) matures on August 6, 2034, and (c) is convertible at any time at the option of the holder into the Company's common stock at a conversion price equal to the lesser of $.00938 or 70% of the average of the two lowest closing prices of the Company's common stock in the ten (10) trading days prior to any particular conversion, subject to a 4.9% blocking provision.

On August 29, 2024, the Company issued three convertible notes to MJNA, with an aggregate face value of $50,000, having a total balance due of $50,233 on September 30, 2024, including total interest accrued thereon of $233. The convertible notes: (a) bear an annual interest rate of 5.25%, compounded annually, (b) mature on August 6, 2034, and (c) are convertible at any time at the option of the holder into the Company's common stock at a conversion price equal to the lesser of $.00805 or 70% of the average of the two lowest closing prices of the Company's common stock in the ten (10) trading days prior to any particular conversion, subject to a 4.9% blocking provision.

(8) ffective May 23, 2023, the Company issued 5 convertible notes to a series of investors having an aggregate face value of $575,000 in exchange for $575,000 in cash.

Each of the Convertible Notes is (i) unsecured; (ii) bears interest at a rate of 3.75% per annum; (iii) matures on May 23, 2033; and (iv) is convertible, in whole or in part, at any time by the holder, into restricted shares of the Company's common stock at a conversion price equal to the lesser of $0.01 or 70% of the average of the two lowest closing prices of the Company's common stock in the ten trading days preceding any particular conversion, provided, the holder is prohibited from converting the convertible note, or portion thereof, if such conversion would result in beneficial ownership by the holder and its affiliates of more than 4.9% of Company's issued and outstanding common stock as of the date of the conversion. A debt discount was recorded related to beneficial conversion feature in connection with this convertible note of $575,000, which to be amortized over the life of the note or until the note is converted or repaid.

As of September 30, 2024 and December 31, 2023 the balance due on the notes was $604,198and $588,026 including accrued interest of $23,807 and $13,026 respectively.

On March 15, 2024, AXIM Biotechnologies, Inc. (the "Company") issued Convertible Notes, having an aggregate face value of $814,555 (the "Notes"), to (i) its independent directors for past due director fees, (ii) certain officers and contractors of the Company for past due salaries and fees for services rendered, and (iii) employees of its wholly-owned subsidiary, Sapphire Biotech, Inc. ("Sapphire"), for past due salaries. The Notes pay annual interest at the rate of 4.25% annually which shall accrue until the maturity date of March 1, 2034 ("Maturity Date"), at which time all principal and interest accrued thereon shall be due and payable. Two of the Notes, aggregate face value $135,625, require a 25% payment of principal on each annual anniversary of the Notes ("Version 1 Notes"). The four Notes issued to the independent directors, aggregate face value of $140,000, are convertible into common stock of the Company at a conversion price of $0.01 ("Version 2 Notes"). The remaining Notes, aggregate face value $674,555, are convertible into common stock of the Company at a conversion price of $0.02 ("Version 3 Notes"). All of the Notes are restricted from converting into the Company's common stock until the earlier of the two-year anniversary of the Notes or at any time after the six-month anniversary of the Notes if the Company's common stock closes at or above $0.20 for 30 consecutive days. In addition, the Notes. may not be sold, transferred, pledged or hypothecated by the holder at any time. In total, the $814,555 aggregate face value of the Notes are convertible into 47,727,750 shares of the Company's common stock.

NOTE 9: DERIVATIVE LIABILITIES

Upon the issuance of certain convertible note payable having a variable conversion rate, the Company determined that the features associated with the embedded conversion option embedded in the debt, should be accounted for at fair value, as a derivative liability.

During 2023 the company issued derivative instruments and on the dates of issuance the Company estimated the fair value of the embedded derivatives of $1,465,000 using the Black-Scholes Pricing Model based on the following assumptions: (1) dividend yield of 0%, (2) expected volatility of 150.19%, (3) risk-free interest rate of 3.92, and (4) expected life of 10 years. The value of notes $675,000 was debited to beneficial conversion feature and the balance $790,000 was recorded as non-cash interest expenses under interest expenses in statement of operation.

During 2024 the company issued derivative instruments and on the dates of issuance the Company estimated the fair value of the embedded derivatives of $543,369 using the Black-Scholes Pricing Model based on the following assumptions: (1) dividend yield of 0%, (2) expected volatility of 152.15%, (3) risk-free interest rate of 4.43, and (4) expected life of 10 years. The value of notes $340,000 was debited to beneficial conversion feature and the balance $203,369 was recorded as non-cash interest expenses under interest expenses in statement of operation.

On September 30, 2024, the Company estimated the fair value of the embedded derivatives of $4,115,975 using the Black-Scholes Pricing Model based on the following assumptions: (1) dividend yield of 0%, (2) expected volatility of 152.15%, (3) risk-free interest rate of 4.43% and (4) expected life of 9.5 years. The change of $1,424,228, $1,089,833 was recorded as loss on change in fair value of derivative liabilities for the three months ended September 30, 2024.
The change of $594,876 and $693,515 was recorded as loss on change in fair value of derivative liabilities for the three and six months ended September 30, 2023.

On December 31, 2023, the Company estimated the fair value of the embedded derivatives of $2,482,723 using the Black-Scholes Pricing Model based on the following assumptions: (1) dividend yield of 0%, (2) expected volatility of 150.19%, (3) risk-free interest rate of 3.88%, and (4) expected life of 9.86 years. The change of $ 6,618 was recorded as gain on change in fair value of derivative liabilities for the year ended December 31, 2023.

NOTE 9: DERIVATIVE LIABILITIES (CONTINUED)

The following table provides a summary of changes in fair value of the Company's Level 3 financial liabilities for the six months ended September 30, 2024.

Balance, December 31, 2023	$	2,482,723
Issuance of convertible note payable		543,369
Issuance of shares in exchange for convertible note payable		
Mark to market		1,089,883
Balance, September 30, 2024	$	4,115,975

NOTE 10: STOCK INCENTIVE PLAN

On May 29, 2015 the Company adopted its 2015 Stock Incentive Plan. Under the Plan the Company may issue up to 10,000,000 S-8 shares to officers, employees, directors or consultants for services rendered to the Company or its affiliates or to incentivize such parties to continue to render services. S-8 shares are registered immediately upon the filing of the Plan and are unrestricted shares that are free-trading upon issuance. On May 20, 2021 the board consent increased the issue up to 20,000,000 shares. Subsequently that amount was raised to 40,000,000 shares As of September 30, 2024 and December 31, 2023, there were 15,881,671 and 9,806,000 shares available for issuance under the Plan.

On May 9, 2023 2,000,000 in options were issued with a strike price of $0.21 per share vesting over 6 months.

On September 1, 2023, 1,000,000 in options were issued with a strike price of $0.023 per share vesting over 3 months.

For the three months ended September 30, 2024 and 2023, the Company recorded compensation expense of $9,272 and -0- .

NOTE 11: 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 5,000,000 authorized preferred shares, as of September 30, 2024 there are 500,000 shares of Series C Convertible Preferred Stock issued and outstanding and 4,500,000 preferred shares of undesignated and unissued "blank check" preferred stock. The Company may issue such preferred shares and designate the rights, privileges and preferences of such shares at the time of designation and issuance. As of September 30, 2024 and December 31, 2023 there are 500,000 and 500,000 shares of Series C Convertible Preferred Stock issued and outstanding, respectively.

Series C Convertible Preferred Stock

The holders of the Series C Preferred are entitled to elect four members to the Company's board of directors and are entitled to cast 100 votes per share on all other matters presented to the shareholders for a vote. Each share of Series C Convertible Preferred is convertible into one share of the Company's common stock. The Series C Convertible Preferred designation contains a number of protective and restrictive covenants that restrict the Company from taking a number of actions without the prior approval of the holders of the Series C Preferred or the unanimous vote of all four Series C Directors.

On August 18, 2016 the Company issued all 500,000 shares of its newly designated Series C Preferred Stock to MJNA Investment Holdings, LLC in exchange for cash of $65,000. As the holders of the Series C Preferred Stock, MJNA Investment Holdings, LLC designated Dr. Timothy R. Scott, John W. Huemoeller II, Robert Cunningham and Blake Schroeder as their four Series C Directors.

On February 20, 2019, MJNA Investment Holdings LLC ("Seller") sold its 500,000 shares of Series C Preferred Stock to Juniper & Ivy Corporation, a Nevada corporation ("Purchaser") for a purchase price of $500,000 (the "Purchase Price") pursuant to a Preferred Stock.
Purchase Agreement (the "Purchase Agreement"). Payment of the Purchase Price was made as follows (i) a $65,000 payment made by check payable to Seller, which Purchaser borrowed from an unrelated third-party and which has no recourse against the Series C Preferred Stock or assets of Purchaser (the "Loan"), and (ii) the issuance by Purchaser to Seller of a promissory note, face value, $435,000, which has no recourse against the Series C Preferred Stock or assets of Purchaser (the "Note"). The Company's Chief Executive Officer John W. Huemoeller II is the President of Purchaser. Mr. Huemoeller provided a personal guaranty for the Loan and the Note.

Common Stock

The Company has authorized 1,000,000,000 shares of common stock, with a par value of $0.0001 per share. As of September 30, 2024 and December 31, 2023, the Company had 302,895,464 and 245,929,403 shares of common stock issued and outstanding, respectively.

2024 Transactions:

The company issued 20,000,000 shares valued at $380,000 as part of a settlement of claims.

The company issued under S-1 29,000,000 for cash of $199,113.

The Company issued 2,466,064 shares valued at $28,497 for services.

The company issued 6,000,000 shares valued at $96,000 in payment for vendor invoices.

The Company cancelled 500,003 shares accounted at par value by debiting common stock and crediting additional paid in capital account.

2023 Transactions:

One million shares were issued in satisfaction of Common stock to be issued.

In the first half of 2023 the Company sold 20 million S-1 registered shares in exchange for $454,024 pursuant to an Equity Purchase Agreement between the Company and Cross & Company.

On July 14, 2022, the Company entered into the Equity Purchase Agreement with Cross & Company, pursuant to which we have the right to "put," or sell, up to $30,000,000 worth of shares of our common stock to Cross. As provided in the Equity Purchase Agreement, we may require Cross to purchase shares of our common stock from time to time by delivering a put notice to Cross specifying the total number of shares to be purchased (such number of shares multiplied by the purchase price described below, the "Investment Amount"); provided there must be a minimum of ten trading days between delivery of each put notice. We may determine the Investment Amount, provided that such amount may not be more than 300% of the average daily trading volume in dollar amount for our common stock during the five trading days preceding the date on which we deliver the applicable put notice, unless waived by Cross in its sole discretion. Additionally, such amount may not be lower than $10,000 or higher than $250,000. Cross will have no obligation to purchase shares under the Equity Line to the extent that such purchase would cause Cross to own more than 4.99% of our issued and outstanding shares of common stock.

NOTE 12: STOCK OPTIONS AND WARRANTS

Options to purchase common stock are granted at the discretion of the Board of Directors, a committee thereof or, subject to defined limitations, an executive officer of the Company to whom such authority has been delegated. Options granted to date generally have a contractual life of ten years.

The stock option activity for the nine months ended September 30, 2024 and for the year ended December 31, 2023 is as follows:

	Options Outstanding	Weighted Average Exercise Price
Outstanding at December 31, 2022	21,860,715	$ 0.13
Granted	3,000,000	0.02
Exercised		
Expired or canceled	(742,386)	0.057
Outstanding at December 31, 2023	24,118,329	$ 0.13
Granted		
Exercised		
Expired or Cancelled		
Outstanding September 30, 2024	24,118,329	$ 0.13

The following table summarizes the changes in options outstanding, option exercisability and the related prices for the shares of the Company's common stock issued to employees and consultants under a stock option plan at September 30, 2024 and December 31, 2023:

As of September 30, 2024

	Options Outstanding			Options Exercisable	
Weighted Average Exercise Price ($)	Number Outstanding	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price ($)	Number Exercisable	Weighted Average Exercise Price ($)
$ 0.15	24,118,329	7.5	$ 0.13	24,028,072	$ 0.13

As of December 31, 2023

	Options Outstanding			Options Exercisable	
Weighted Average Exercise Price ($)	Number Outstanding	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price ($)	Number Exercisable	Weighted Average Exercise Price ($)
$ 0.15	24,118,329	8.0	$ 0.13	22,313,683	$ 0.13

The Company determined the value of share-based compensation for options vested using the Black-Scholes fair value option-pricing model with the following weighted average assumptions:

	September 30, 2024	December 31, 2023

Expected life (years)		10		10
Risk-free interest rate (%)		3.53		3.53
Expected volatility (%)		224		224
Dividend yield (%)		-		-
Weighted average fair value of shares at grant date	$	0.15	$	0.15

NOTE 12: STOCK OPTIONS AND WARRANTS (CONTINUED)

Warrants

The following table summarizes warrant activity during the period ended September 30, 2024 and for the year ended December 31,2023:

	Number of Warrants	Weighted Average Exercise Price

Outstanding at December 31, 2022	3,025,000	$	0.71
Granted	519,247		0.31
Exercised			
Outstanding at December 31, 2023	3,544,247	$	0.65
Forfeited/Cancelled	(3,025,000)		(0.09)
Outstanding at September 30, 2024	519,247	$	0.56

All outstanding warrants are exercisable at September 30, 2024 and there was no unrecognized stock-based compensation expense related to warrants.

NOTE 13: COMMITMENT AND CONTINGENCIES

On January 2, 2019 the Company entered into the term of Executive's employment agreement, at a base salary of $10,000 per month with John W. Huemoeller II to serve as its Chief Executive Officer. The Company and Executive acknowledge and agree that Executive's employment hereunder shall at all times be "at will," which means that either Executive may resign at any time for any reason or for no reason, and that the Company may terminate Executive's employment at any time for any reason or for no reason, in either case, subject to the applicable provisions of this Agreement. In further consideration for Executive's services and subject to the approval of the Board, Executive will be granted an option to purchase 2,000,000 shares of the Company's common stock (the "Option Shares"). The option will be subject to the terms and conditions applicable to stock options granted under the Company's 2015 Stock Incentive Plan, as amended from time to time (the "Plan"), and as described in the Plan and the stock option agreement, which Executive will be required to sign. 50% of the Option Shares shall vest on the date of grant and the remaining 50% of the Option Shares shall vest on the 12- month anniversary of the grant date, subject to Executive's continued employment by the Company. The exercise price per share will be equal to the fair market value per share on the date of grant, as determined by the last closing price of the Company's common stock the day prior to grant. Beginning in October 2019, the board decided to increase CEO base salary to $35,000 per month.

On April 24, 2017 the company entered into an employment agreement with Robert Malasek, its Chief Financial Officer and Secretary. The agreement does not have a set term and may be terminated at any time by the Company or Mr. Malasek with proper notice. The shares were issued in the 1st quarter 2018. Beginning in October 2019, the board ratified to increase CFO base salary to $3,000 per month. During 2022 the board subsequently increased Mr. Malasek's compensation to $7,500 per month. In January 2023 Mr. Malasek agreed to modify it to $7,000 per month.

Industry Sponsored Research Agreement— Sapphire entered into the Industry Sponsored Research Agreement ("SRA") effective February 7, 2020 to test and confirm the inhibitory activity of SBI-183 (exclusively licensed on January 13, 2020) and SBI-183 analogs, including those synthesized by the Company. The testing will include cell-based in vitro assays, NMR binding studies and testing to determine if SBI-183 enhances the activity of cytotoxic drugs in vitro. Animal studies will also be conducted under the SRA. Specifically, SBI-183 analogs will be evaluated in a mouse model of triple negative breast cancer using human tumor xenografts. The work will be performed over a period of one year with the total cost of the SRA totaling $150,468 paid prior to acquisition. For the year December 31, 2021, the Company recorded research and development expenses of $284,869. This agreement is now being renegotiated.

September 15, 2022, the company entered into a license and distribution agreement for its Lactoferrin dry eye test, Ige allergy test for allergic conjunctivitis and quantitative MMp-9 test to identify ocular surface inflammation. The licensee is Versea Ophthalmics, LLC, A Delaware Limited Liability Company.

The agreement will provide Verséa with the exclusive commercial right to AXIM's proprietary portfolio of point-of-care (POC) lab testing readers and three key biomarker diagnostic tests designed specifically to assist eye-care physicians in detecting and quantifying biomarkers associated with aqueous deficient Dry Eye Disease and non-specific allergic conjunctivitis. The three AXIM's key biomarker tests – the Ocular Immunoglobulin E (IgE) test, the Lactoferrin test, and the future MMP-9 test – require the collection of 0.5 microliters in tears and provide quantitative results in under 10 minutes, an industry-leading return time.

Verséa plans to launch IgE and Lactoferrin tests at the upcoming 2022 American Academy of Ophthalmology (AAO) and American Academy of Optometry (AAOPT) conferences. The MMP-9 test is anticipated to follow in the next 18-24 months.

In recent months, AXIM has been preparing for the scaling of production of its tests in anticipation of an agreement such as the one reached with Verséa and is now prepared to support new orders associated with the agreement and subsequent launch.

In order to accommodate Versea we have arranged to have IUL a supplier of test readers to supply readers directly to Versea. Axim has no control over readers and receives no income as a result. This is reflected on a net basis on the financials with no profit or loss effect.

Due to the Agreement, the positions of: (i) National Sales Director; and (ii) Chief Medical Officer held by Jeff Busby and Dr. Joseph Tauber, respectively, were no longer necessary for Company operations and, therefore, eliminated.

The Company received an initial license fee of $150,000 and has the right to cancel the agreement if minimum sales targets are not reached. This amount was recorded as deferred revenue and amortized over 5 years beginning September 15, 2022. During the three months ended September 30, 2024 and 2023, the Company amortized $7,479 and $7,397 The carrying balance as of September 30, 2024 and December 31, 2023 was $88,792 and $111,209, respectively.

The Company also received $192,000 towards sale of its IgE and Lactoferrin tests. The tests were not shipped as of December 31, 2023 so the amount was disclosed as deferred revenue as of December 31, 2023. The initial agreement was made between the parties was $12 per test, but subsequently verbally it was agreed for $10 per test by both the parties.

During the quarter ending March 31, 2024 4,550 in tests were shipped at $10 per test resulting in revenue recognition of $45,500 and during the quarter ended June 30, 2024 1,000 tests were shipped resulting in 10,000 revenue recognition; leaving a carrying value of $136,500. There was a verbal agreement to reduce the selling price of the tests from $12- to $10-

Supply agreement

In February 2024, the Company entered into a key supply agreement for DED test strip readers which will be deployed for diagnostic testing, focusing on lactoferrin levels. The readers, a point of care medical device, will be supplied by Barcelona, Spain-based IUL SA ("IUL"). The Company will be utilizing state-of-the-art portable iPeak readers that were tested against other comparable products. These readers are designed to hold different cassette sizes and are equipped with connectivity and can read cassettes of up to five strips and seven lines per strip at a time. iPeak is equipped with "Flash Eye" technology based on the principles of machine vision illumination.

On February 20, 2024, the Company announced that Verséa™ Ophthalmics, LLC, placed an order for an additional 50 of IUL Lateral Flow Readers. During the period ended the Company acted in an agent role between the Versea and IUL for arranging the material and making payments on their behalf, As of September 30, 2024, the amount of $19,010 receivable from Versea was netted off with accounts payable balance of IUL.

Operating Lease

Lease Agreement—On March 29, 2023, Sapphire entered into a 3-year lease agreement ("Lease") renewal to stay in the same space. with monthly base rent in the 1st year $8,014, 2nd

year $8,335 and 3rd year $8,668 and a final payment of $9,014 at implicit interest rate of 6%. Upon commencement of the Lease, the lease will expire on May 31, 2026.

Operating Leases - Right of Use Assets and Purchase Commitments Right of Use Assets

We have operating leases for office space that expire through 2026. Below is a summary of our right of use assets and liabilities as of September 30, 2024.

Right-of-use assets	$	160,360
Lease liability obligations, current	$	73641
Lease liability obligations, noncurrent		90,006
Total lease liability obligations	$	186,492
Weighted-average remaining lease term		1.50 years
Weighted-average discount rate		6%

The following table summarizes the lease expense for the three and six months ended September 30, 2024 and 2023:

		Three Months September 30, 2024		**Three Months September 30, 2023**
Operating lease expense	$	29,301*	$	25,128
Short-term lease expense		-		11,637
Total lease expense	$	29,301	$	36,765

*We recorded $29,301 of operating lease expense this includes $5,136 of maintenance charges.

Approximate future minimum lease payments for our lease liability over the remaining lease periods as of September 30, 2024, are as follows:

2024	$	25,005
2025		102,684
2026		43,686
Total minimum payments		171,375
Add: deferred rent		3,287
Less: amount representing interest		(11,015)
Total	$	163,647

Litigation

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

NOTE 14: SUBSEQUENT EVENTS

On October 1, 2024, the Company issued a $55,000 convertible Note to MJNA pursuant to the CVNP Agreement (see Footnote 8 - "Convertible Notes Payable" for a description of the CVNP Agreement). The convertible note: (a) bears an annual interest rate of 5.25%, compounded annually, (b) matures on September 30, 2034, and (c) is convertible at any time at the option of the holder into the Company's common stock at a conversion price equal to the lesser of $.00077 or 70% of the average of the two lowest closing prices of the Company's common stock in the ten (10) trading days prior to any particular conversion, subject to a 4.9% blocking provision.

October 9, 2024, the Company’s board of directors appointed Catalina Valencia as the Company’s new President due to the fact that the Company's President and CEO, John W. Huemoeller II, was unable to serve as an officer of the Company as a result of serious illness. On October 12, 2024, Mr. Huemoeller died as a result of his illness.

On October 14, 2024, Juniper & Ivy Corporation ("Juniper"), the record holder of all 500,000 shares of Series C Preferred Stock issued and outstanding on that date, which shares are exclusively entitled to fill any vacancy of a Series C Director seat, appointed Catalina Valencia to fill the Series C Director vacancy that existed as a result of the death of John W. Huemoeller II.

Effective October 15, 2024, Juniper entered into an agreement with Medical Marijuana, Inc. ("MJNA") and Kettner Investments, LLC ("Kettner") regarding the transfer and assignment of all 500,000 shares of the Series C Preferred Stock (the "Agreement"). Under the Agreement, Juniper first assigned and transferred the Series C Preferred Stock to MJNA as full satisfaction of a promissory note it had issued to MJNA having a balance due of approximately $515,000 (the terms of the promissory note permitted Juniper to convey the Series C Preferred Stock to MJNA as payment in full of the note). Immediately thereafter, pursuant to the Agreement, MJNA assigned and transferred the Series C Preferred Stock to Kettner in exchange for Kettner's agreement to waive all defaults under two senior secured convertible notes issued by MJNA to Kettner, having an aggregate face value of $1,090,000, and also waived all accrued interest owed on the convertible notes, which totaled approximately $66,000.

The holders of a majority of the Series C Preferred Stock are entitled to appoint four (4) Series C Directors to the Board of Directors of the Company (which is a majority of the Board) and have the exclusive right to fill any Series C Director vacancies, as well as a number of other preferential rights granted to the holders of the Series C Preferred Stock, as a result of the transfer of the Series C Preferred Stock to Kettner, a change of control of the Company occurred.

Kettner is managed by a three-member Executive Committee, of which the Company's CFO, Robert Malasek, is a member and Chairman. Kettner is 99.8% owned by an Irrevocable Trust (the "Trust") that has no affiliation with the Company. The sole trustee of the Trust is a member of Kettner's Executive Committee along with a third member. Other than Mr. Malasek, none of the members of Kettner's Executive Committee has any affiliation with the Company and neither Kettner nor any of its members or members of Kettner's Executive Committee are affiliates of MJNA or Juniper.

On October 29, 2024, the company issued an additional 6,000,000 million shares of its common stock under its S-1 in exchange for funds that have not been determined and finalized as of the filing date.

During November 2024 the company received $23,000 in additional advances from shareholder bringing the total advances due to shareholder to $510,088.