

AXIM BIOTECHNOLOGIES, INC.
Form 10-Q
November 14, 2014

FORM 10-Q

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

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

For the quarterly period ended September 30, 2014

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934

For the transition period from _____ to _____

Commission file number 000-54296

AXIM Biotechnologies, Inc.
(Exact name of registrant as specified in its charter)

| | |
|------------------|----------------|
| Nevada | 27-4092986 |
| (State or other | (I.R.S. |
| jurisdiction of | Employer |
| incorporation or | Identification |
| organization) | Number) |

18 E 50th St 5th Floor, New York, NY 10022
(Address of principal executive offices)

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

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes

Indicate by check mark whether registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and

post such files). No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

L a r g e Accelerated Non-accelerated filer S m a l l e r
accelerated filer (Do not check if a reporting
filer smaller reporting company
company)

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

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

Indicate by check mark whether the registrant filed all documents and reports required to be filed by Section 12, 13, or 15(d) of the Exchange Act of 1934 after the distribution of securities under a plan confirmed by a court. Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 33,000,000 shares of common stock, par value \$0.0001 per share, outstanding as of October 30, 2014.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

AXIM BIOTECHNOLOGIES, INC.

Page

Condensed Consolidated Balance Sheets as of
September 30, 2014 (unaudited)

F-2

Condensed Consolidated Statements of
Operations for the three months ended
September 30, 2014 and 2013 and the nine
months ended September 30, 2014 and 2013
(unaudited):

F-3

Condensed Consolidated Statement of
Changes in Shareholders' Deficit for the nine
months ended September 30, 2014
(unaudited):

F-4

Condensed Consolidated Statement of Cash
Flows for the nine months ended September
30, 2014 and 2013 (unaudited):

F-5

Notes to Condensed Consolidated Financial
Statements (unaudited):

F-6

F-1

AXIM BIOTECHNOLOGIES, INC.
(Formerly Axim International, Inc.)
Condensed Consolidated Balance Sheet

| | | September 30, 2014 (unaudited) |
|---|-----------|--------------------------------------|
| ASSETS | | |
| Current assets: | | |
| Cash | \$ | 949,810 |
| Prepaid expenses | | 112,369 |
| Total current assets | | 1,062,179 |
| TOTAL ASSETS | \$ | 1,062,179 |
| LIABILITIES AND STOCKHOLDERS' DEFICIT | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | \$ | 70,331 |
| Due to shareholder | | 5,000 |
| Convertible shareholder loan | | 50,000 |
| Due to first insurance funding | | 95,757 |
| Due to related party | | 30,000 |
| Promissory note - related party | | 1,000,000 |
| Total current liabilities | | 1,251,088 |
| STOCKHOLDERS' DEFICIT | | |
| Preferred stock, \$0.0001 par value, 5,000,000 shares authorized; | | |
| 1,000,000 issued and outstanding | | 100 |

Common stock, \$0.0001 par
value, 300,000,000 shares
authorized;

| | |
|--------------------------------------|-----------|
| 33,000,000 issued and outstanding | 3,300 |
| Additional paid in capital | 107,841 |
| Accumulated deficit | (300,150) |

| | |
|--------------------------------|-----------|
| TOTAL STOCKHOLDERS' DEFICIT | (188,909) |
|--------------------------------|-----------|

| | | |
|--|----|-----------|
| TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT | \$ | 1,062,179 |
|--|----|-----------|

See accompanying notes to the unaudited condensed
consolidated financial statements

F-2

AXIM BIOTECHNOLOGIES, INC.
(Formerly Axim International, Inc.)
Condensed Consolidated Statement of Operations
(Unaudited)

| | For the Three Months Ended September 30, 2014 | For the Three Months Ended September 30, 2013 | For the Nine Months Ended September 30, 2014 | For the Nine Months Ended September 30, 2013 |
|---|--|--|---|--|
| Revenues: | | | | |
| Sales | \$ - | \$ 10,833 | \$ 10,000 | \$ 21,667 |
| Total revenues | - | 10,833 | 10,000 | 21,667 |
| Expenses: | | | | |
| General and administrative | 127,943 | 10,643 | 138,226 | 67,921 |
| Impairment expenses | - | - | 52,103 | - |
| Total operating expenses | 127,943 | 10,643 | 190,329 | 67,921 |
| (Loss) income from operations | (127,943) | 190 | (180,329) | (46,254) |
| Other Income and Expense | | | | |
| Interest expense | 10,804 | - | 10,804 | - |
| | 10,804 | - | 10,804 | - |
| NET (LOSS) INCOME | \$ (138,747) | \$ 190 | \$ (191,133) | \$ (46,254) |
| Basic loss per common share | \$ (0.00) | \$ 0.00 | \$ (0.01) | \$ (0.00) |
| Diluted loss per common share | \$ (0.00) | \$ 0.00 | \$ (0.01) | \$ (0.00) |
| Weighted average common shares outstanding - Basic | 33,000,000 | 33,000,000 | 33,000,000 | 33,000,000 |

| | | | | |
|--|------------|------------|------------|------------|
| Weighted average common shares outstanding - Diluted | 33,000,000 | 33,000,000 | 33,000,000 | 33,000,000 |
|--|------------|------------|------------|------------|

See accompanying notes to the unaudited condensed consolidated financial statements

F-3

AXIM BIOTECHNOLOGIES, INC.
(Formerly Axim International, Inc.)
Condensed Consolidated Statement of Stockholders' Deficit
(Unaudited)

| | Common Stock | | Preferred Stock | | Additional Paid In Capital | Accumulated Deficit | Total |
|-------------------------------------|------------------------------------|--------------|-----------------|-------------|----------------------------------|------------------------|-----------|
| | Shares | Amount | Shares | Amount | | | |
| | Balance at December 31, 2013 | 33,000,000\$ | 3,300 | 1,000,000\$ | | | |
| Forgiveness of debt | | | | | 96,141 | | 96,141 |
| Net loss for the period | - | - | - | - | - | (191,133) | (191,133) |
| Balance at September 30, 2014 | 33,000,000\$ | 3,300 | 1,000,000\$ | 100\$ | 107,841\$ | (300,150)\$ | (188,909) |

See accompanying notes to the unaudited condensed consolidated financial statements.

F-4

AXIM BIOTECHNOLOGIES, INC.
(Formerly Axim International, Inc.)
Condensed Consolidated Statement of Cash Flows
(Unaudited)

| | For the Nine Months Ended September 30, 2014 | For the Nine Months Ended September 30, 2013 |
|---|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net loss | \$ (191,133) | \$ (46,254) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Increase in allowance for doubtful accounts | (8,000) | 7,500 |
| Amortization of intangible assets | 1,593 | 7,500 |
| Impairment of intangible assets | 52,103 | - |
| Change in operating assets and liabilities: | | |
| Decrease in license fee receivable | 11,000 | 9,000 |
| Increase in accounts payable and accrued expenses | 73,482 | 14,156 |
| Increase in prepaid expenses | (82,369) | - |
| Increase in due to first insurance funding | 95,757 | - |
| (Decrease) Increase in royalty fee payable | (2,750) | 450 |
| | - | (21,667) |

| | | |
|--|------------------|-----------------|
| Decrease in deferred revenue | | |
| NET CASH USED IN OPERATING ACTIVITIES | (50,317) | (29,315) |
| CASH FLOWS FROM INVESTING ACTIVITIES | - | - |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from shareholder loan | - | 11,422 |
| Proceeds from promissory note - related party | 1,000,000 | - |
| NET CASH PROVIDED BY FINANCING ACTIVITIES | 1,000,000 | 11,422 |
| NET CHANGE IN CASH | 949,683 | (17,893) |
| CASH BALANCES | | |
| Beginning of year | 127 | 19,128 |
| End of period | \$ 949,810 | \$ 1,235 |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION: | | |
| CASH PAID DURING THE YEAR FOR: | | |
| Interest | \$ - | \$ - |
| Income taxes | \$ - | \$ - |
| SUPPLEMENTAL SCHEDULE OF NON-CASH FINANCING AND INVESTING TRANSACTIONS: | | |
| Gain on settlement of debt transferred to additional paid in capital | \$ 96,141 | - |
| Prepaid insurance paid by related | \$ 30,000 | - |

party

See accompanying notes to the unaudited condensed consolidated
financial statements.

F-5

AXIM BIOTECHNOLOGIES, INC.
(FORMERLY AXIM INTERNATIONAL, INC.)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2014
(Unaudited)

NOTE 1: ORGANISATION

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 18 East 50th Street, 5th Floor, New York, NY 10022. On August 7, 2014, the Company formed a wholly owned Nevada subsidiary named Axim Holdings, Inc. This subsidiary will be used to help facilitate the anticipated activities planned by the Company.

In early 2014, the Company discontinued its organic waste marketable by-product business to focus on its anticipated new business to become an innovative biotechnology company working on the treatment of pain, spasticity, anxiety and other medical disorders with the application of cannabinoids based products as well as focusing on research, development and production of pharmaceutical, nutraceutical and cosmetic products as well as procurement of genetically and nano-controlled active ingredients.

NOTE 2: BASIS OF PRESENTATION:

The unaudited interim financial statements of AXIM Biotechnologies, Inc. (formerly Axim International, Inc.) as of September 30, 2014, and for the three and nine months periods ended September 30, 2014 and 2013, have been prepared in accordance with United States generally accepted accounting principles. In the opinion of management, such information contains all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the results of such periods. The results of operations of the Nine month period ended September 30, 2014 are not necessarily indicative of the results to be expected for the full year ending December 31, 2014. The Company has adopted ASU 2014-10, and as a result, these financials will no longer incorporate the wording "Development Stage Company". Also, the "Since inception till date" column is no longer used.

Certain information and disclosures normally included in the notes to financial statements have been condensed or abbreviated as permitted by the rules and regulations of the Securities and Exchange Commission, although the Company believes the disclosure is adequate to make the information not misleading. The accompanying unaudited condensed consolidated financial statements should be read in conjunction with the financial information of the fiscal year ended December 31, 2013.

On June 9, 2014, the board of directors of the Company adopted a resolution approving a certificate of amendment to the Company's Articles of Incorporation to: (i) change the name of the Company to "AXIM Biotechnologies, Inc.;" and (ii) increase in the number of authorized shares of common stock of the Company from one hundred ninety five million (195,000,000) shares of common stock, par value \$0.0001 per share, to three hundred million (300,000,000) shares of common stock, par value \$0.0001 per share.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The Company's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

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.

Cash equivalents

The Company considers all highly liquid investments with original maturities of three months or less at the time of purchase to be cash equivalents.

Fair value of financial instruments

The Company follows paragraph 825-10-50-10 of the FASB Accounting Standards Codification for disclosures about fair value of its financial instruments and paragraph 820-10-35-37 of the FASB Accounting Standards Codification ("Paragraph 820-10-35-37") to measure the fair value of its financial instruments. Paragraph 820-10-35-37 establishes a framework for measuring fair value, and expands disclosures about fair value measurements.

Income taxes

The Company follows Section 740-10-30 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 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.

Net loss per common share

Net loss per common share is computed pursuant to section 260-10-45 of the FASB Accounting Standards Codification. Basic net loss per share is computed by dividing net loss by the weighted average number of shares of common stock outstanding during the period. Diluted net loss per share is computed by dividing net loss by the weighted average number of shares of common stock outstanding and the member potentially outstanding during each

period. In periods when a net loss is experienced, only basic net loss per share is calculated because to do otherwise would be antidilutive.

Recently issued accounting standards

In June of 2014 the Financial Accounting Standards Board issued Accounting Standards Update ASU 2014-10, “Elimination of Certain Financial Reporting Requirements, Including an Amendment to Variable Interest Entities Guidance in Topic 810, Consolidation” (“ASU 2014-10”). The amendments in ASU 2014-10 remove the definition of a development stage entity from the master glossary of the Accounting Standards Codification, thereby removing the financial reporting distinction between development stage entities and other reporting entities from U.S. GAAP. In addition, the amendments eliminate the requirements for development stage entities to (1) present inception-to-date information in the statements of income, cash flows, and shareholder equity, (2) label the financial statements as those of a development stage entity, (3) disclose a description of the development stage activities in which the entity is engaged, and (4) disclose in the first year in which the entity is no longer a development stage entity that in prior years it had been in the development stage.

The amendments also clarify that the guidance in Topic 275, Risks and Uncertainties, is applicable to entities that have not commenced planned principal operations.

The Company has elected to adopt the provisions of ASU 2014-10 for the current fiscal period ending September 30, 2014. The adoption of ASU 2014-10 did not have a significant impact on our results of operations, financial condition or cash flow.

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 unaudited condensed consolidated financial statements.

NOTE 4: CHANGE OF CONTROL

Two new owners purchased most of the Company common stock and all of the preferred stock on March 21, 2014. As a part of that sale specified receivables, payables and accrued expenses were consolidated and transferred to a third party. Because the “Debt Settlement Agreement” was a part of the stock transfer agreement the net assigned debt was credited to additional paid in capital. This was done with the consent of all creditors.

| Settlement of debt at point of sale: | Amount |
|--|-------------|
| Accounts payable | \$ (54,389) |
| Royalty payable | (2,750) |
| Shareholder loan | (45,002) |
| Allowance for doubtful accounts | (9,000) |
| License fee receivable | 15,000 |
| Paid in capital | \$ 96,141 |

The convertible loan in the amount of \$50,000 was also transferred and remains outstanding.

NOTE 5: PROMISSORY NOTE - RELATED PARTY

On August 8, 2014 the Company entered into a Promissory Note Agreement with CanChew Biotechnologies, LLC (CCB), a related party (the owners of CCB also own 90% of the outstanding shares of the Company), under which it borrowed \$1,000,000 to fund working capital. The loan is a demand note which bears interest at a rate of 7% annually.

The following table summarizes promissory note payable as of September 30, 2014:

| | September 30, 2014 |
|--|--------------------------|
| Promissory note payable, due on demand, interest at 7% | \$ 1,000,000 |
| Accrued interest | 10,331 |
| | <u>\$ 1,010,331</u> |

The Company recognized interest expense of \$10,331 and \$0 for the three and nine months ended September 30, 2014, respectively; and \$0 and \$0 for the three and nine months ended September 30, 2013, respectively.

NOTE 6: RELATED PARTY TRANSACTIONS

From inception to September 30, 2014, the Company president advanced a total of \$45,002 to fund working capital needs. That amount was settled as a part of the "Debt Settlement Agreement."

Effective November 26, 2012, the Company entered into a separate Convertible Loan Agreement with its President, under which it borrowed \$50,000, and is due December 31, 2014, and does not bear interest. The loan is convertible into common stock at \$0.10 per share at the option of the lender any time after February 28, 2013. As of September 30, 2014 the loan has not been converted. The Company used the proceeds of this loan to fund the purchase of license rights under the November 26, 2012, agreement with Omega Research Corporation. The Convertible Loan was transferred to a third party.

On May 21, 2014, the Company President advanced an additional \$5,000 to the Company to fund working capital needs. This brings the total amount due to shareholder to \$55,000 as of September 30, 2014, including convertible loan.

On August 8, 2014, the Company entered into a Promissory Note Agreement with CanChew Biotechnologies, LLC (CCB), a related party (The owners of CCB also own 90% of the outstanding shares of the Company), under which it borrowed \$1,000,000 to fund working capital. The loan is a demand note which bears interest at a rate of 7% annually. For the three and nine months ended September 30, 2014 the Company charges \$10,331 as interest expenses to operation (refer note 5).

On June 25, 2014, the Company received a non interest bearing advance from CCB of \$30,000 to pay the down payment on its D & O liability insurance.

NOTE 7: 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 \$188,909, has an accumulated deficit of \$300,150, and presently does not have the resources to accomplish its objectives during the next twelve months. These conditions raise substantial doubt about the ability of the Company to continue as a going concern. The unaudited condensed 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 8: AMORTIZATION AND IMPAIRMENT

The Company has determined that it is more likely than not that the value of the licenses has diminished. There is no open market for this type of asset and no comparable assets have recently traded. Therefore, the Company reduced the value of its intangible asset to nil. The Company during the three and nine months ended September 30, 2014, charged as impairment expenses of \$0 and \$52,103, respectively and for the three and nine months ended September 30, 2013 of \$0 and \$0, respectively, based on probable future cash flows.

The Company during the three and nine months ended September 30, 2014 charged amortization expenses of \$0 and \$1,593, respectively and for the three and nine months ended September 30, 2013 of \$2,500 and \$7,500, respectively.

NOTE 9: DUE TO FIRST INSURANCE FUNDING

The Company financed the purchase of its D & O insurance with a note due to First Insurance Funding. The principle amount financed was \$120,000. Interest is due on the unpaid balance at a rate of 5.15 % per annum. The total amount of interest due under the terms of the note is \$3,116. The term of the note is nine months commencing August 25, 2014. Payments are due for nine installments in the amount of \$13,680, which includes principle and interest, commencing August 25, 2014.

NOTE 10: COMMITMENT AND CONTINGENCIES

On June 13, 2014, the Company entered into an employment agreement with Dr. George Anastassov, its Chief Executive Officer, Chief Financial Officer and Secretary. The agreement's effective date is June 1, 2014. The initial term of the agreement is one year. The agreement renews each year until terminated by the Company or Dr. Anastassov. Cash remuneration is \$20,000 per month payable bi-monthly. Following 12 months of continuous employment the agreement calls for a 500,000 share restricted stock grant of the Company's common shares, or at the sole option of the Company, its cash equivalent based on the ten day average closing price of the company's common stock immediately preceding the grant date, as quoted on Yahoo Finance.com. Following 15 months of continuous employment and every three months thereafter the agreement calls for a 125,000 share restricted stock grant of the Company's common shares, or at the sole option of the Company, its cash equivalent based on the ten day average closing price of the company's common stock immediately preceding the grant date, as quoted on Yahoo Finance.com

NOTE 11: SUBSEQUENT EVENT

Management evaluated all activities of the Company through the issuance date of the Company's interim unaudited condensed consolidated financial statements and concluded that no subsequent events have occurred that would require adjustments or disclosure into the interim unaudited condensed consolidated financial statements.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

Forward Looking Statement Notice

Certain statements made in this Quarterly Report on Form 10-Q are “forward-looking statements” (within the meaning of the Private Securities Litigation Reform Act of 1995) regarding the plans and objectives of management for future operations. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements of AXIM Biotechnologies, Inc. (formerly Axim International, Inc.) (“we”, “us”, “our” or the “Company”) to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The forward-looking statements included herein are based on current expectations that involve numerous risks and uncertainties. The Company's plans and objectives are based, in part, on assumptions involving the continued expansion of business. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the Company. Although the Company believes its assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate and, therefore, there can be no assurance the forward-looking statements included in this Quarterly Report will prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by the Company or any other person that the objectives and plans of the Company will be achieved.

Description of Business

We were incorporated in the State of Nevada on November 18, 2010, as AXIM International, Inc. (Inception). On July 24, 2014, we changed our name to AXIM Biotechnologies, Inc. to better reflect our business operations. On August 7, 2014, we incorporated a wholly owned Nevada subsidiary named Axim Holdings, Inc. This subsidiary will be used to help facilitate the anticipated activities listed below. Our principal executive office is located at 18 East 50th Street, 5th Floor, New York, NY 10022.

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

Going forward, the Company’s board of directors intends to broaden the current operations of the Company to include pharmaceutical products, manufacturing facilities, genetically controlled botanical products, extraction and purification of biomaterials technologies. These activities are anticipated to include the following:

- Supporting a clinical trial at the Free University of Amsterdam, The Netherlands in collaboration with the University of Plymouth, GB for a novel (patent pending) delivery form of cannabinoids for treatment of pain and spasticity in patients with multiple sclerosis. The anticipated duration of the trials prior to FDA/ EMA registration is 24 months.
- Conducting research trials of a novel delivery mechanism (patent pending) for treatment of patients with ADHD.
-

Development of novel pharmaceutical and nutraceutical formulations including smoking cessation, cannabinoid based preparation.

- Development of our 95% pure, freeze-dried cannabinoids products.
- Development of high-energy-output hemp coal “CannaCoal.”
- A land purchase in the city of Almere, in the province of Flevoland, The Netherlands for building of a state of the art extraction facility as well as a factory for pharmaceutical and nutraceutical preparations.
- Importation from Italy, Spain and other reputable producers of pharmaceutical grade hemp oil to Europe and North America.
- Acquisition of a phytopharmaceutical company with extensive list of IP (intellectual property) from Spain.
- Development of sustainable biofuel compositions derived from industrial hemp by-products.

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

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

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

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

Liquidity and Capital Resources

With the exception of establishing joint venture operations with Alpha, our cash requirements for the next twelve months are \$ 362,000.

| | |
|-----------------------|-------------------|
| Other consulting fees | \$ 252,000 |
| Audit and accounting | 10,000 |
| Miscellaneous | 100,000 |
| Total | \$ 362,000 |

We estimate that our audit and accounting costs to be \$10,000 however this amount may vary.

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

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

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

Sources of Capital:

We expect to sustain our working capital needs through shareholder loans and private placements. Shareholder loans will be without stated terms of repayment or interest. We will not consider taking on any long-term or short-term debt from financial institutions in the immediate future. Shareholders loans may be granted from time to time as required to meet current working capital needs. We have no formal agreement that ensures that we will receive such loans. We may exhaust this source of funding at any time.

Results of Operations

Comparison of the nine months and three months ended September 30, 2014 to September 30, 2013

For the Nine month periods ended September 30, 2014 and 2013, our revenues totaled \$10,000 and \$21,667, respectively; consisting solely of sub license and extension fees received and recoverable from Alpha. License and license extension fees received are recognized ratably over the period covered.

For the three month periods ended September 30, 2014 and 2013, our revenues totaled \$-0- and \$10,833, respectively; consisting solely of sub license and extension fees received and recoverable from Alpha. License and license extension fees received are recognized ratably over the period covered.

Our expenses for the nine month and three month periods ending September 30, 2014 and 2013 are as follows:

| | Nine months Period Ended September 30, 2014 | Nine Months Period Ended September 30, 2013 | Three Months Period Ended September 30, 2014 | Three Months Period Ended September 30, 2013 |
|-------------------------|---|---|--|--|
| L e g a l & \$ | 6,582 | \$ 31,333 | | \$ 5 |
| Other fees | | | \$ 3,985 | 797 |
| Audit fees | - | 8,450 | - | 2,000 |
| Filing fees | 8,087 | 7,823 | 3,225 | 62 |
| O f f i c e expenses | 309 | 3,636 | 78 | - |

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| | | | | |
|------------------------------------|------------|-----------|------------|-----------|
| I n t e r e s t expense | 10,804 | - | 10,804 | - |
| Entertainment expenses | 381 | - | 381 | - |
| O t h e r expenses | - | 329 | - | 284 |
| I n s u r a n c e expense | 40,274 | - | 40,274 | - |
| Amortization expenses | 1,593 | 7,500 | - | 2,500 |
| R e n t expenses | - | 900 | - | - |
| Royalty fees | - | 450 | - | - |
| O f f i c e r ' s salary | 80,000 | - | 80,000 | - |
| A l l o w a n c e for bad debts | 1,000 | 7,500 | - | - |
| I m p a i r m e n t expenses | 52,103 | - | - | - |
| Total | \$ 201,133 | \$ 67,921 | \$ 138,747 | \$ 10,643 |

Operating expenses for the nine month periods ending September 30, 2014 and 2013 are \$201,133 and \$67,921, respectively. The increase in expenses was due to the increase in officer's salary, insurance, impairment, and interest expense.

The expenses for both, the nine months period ended September 30, 2014 and the nine months period ended September 30, 2013 consisted of general and administrative expenses.

Operating expenses for the three month periods ending September 30, 2014 and 2013 are \$138,747 and \$10,643, respectively. The increase in expenses was due to the increase in officer's salary, insurance and interest expense.

The expenses for both, the three months period ended September 30, 2014 and the three months period ended September 30, 2013 consisted of general and administrative expenses.

Off-Balance Sheet Arrangements

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

Contractual Obligations

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

Critical accounting policies

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenue and expenses during the reported periods. The more critical accounting estimates include estimates related to revenue recognition and accounts receivable allowances. We also have other key

accounting policies, which involve the use of estimates, judgments and assumptions that are significant to understanding our results, which are described in Note 2 to our audited consolidated financial statements for 2013 appearing in our Annual Report on Form 10-K for the year ended December 31, 2013.

Recent accounting pronouncements

In June of 2014 the Financial Accounting Standards Board issued Accounting Standards Update ASU 2014-10, "Elimination of Certain Financial Reporting Requirements, Including an Amendment to Variable Interest Entities Guidance in Topic 810, Consolidation" ("ASU 2014-10"). The amendments in ASU 2014-10 remove the definition of a development stage entity from the master glossary of the Accounting Standards Codification, thereby removing the financial reporting distinction between development stage entities and other reporting entities from U.S. GAAP. In addition, the amendments eliminate the requirements for development stage entities to (1) present inception-to-date information in the statements of income, cash flows, and shareholder equity, (2) label the financial statements as those of a development stage entity, (3) disclose a description of the development stage activities in which the entity is engaged, and (4) disclose in the first year in which the entity is no longer a development stage entity that in prior years it had been in the development stage.

The amendments also clarify that the guidance in Topic 275, Risks and Uncertainties, is applicable to entities that have not commenced planned principal operations.

The Company has elected to adopt the provisions of ASU 2014-10 for the current fiscal period ending September 30, 2014. The adoption of ASU 2014-10 did not have a significant impact on our results of operations, financial condition or cash flow.

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 unaudited condensed consolidated financial statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

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

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports filed pursuant to the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules, regulations and related forms, and that such information is accumulated and communicated to our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

As of September 30, 2014, we carried out an evaluation, under the supervision and with the participation of our principal executive officer and our principal financial officer of the effectiveness of the design and operation of our disclosure controls and procedures. Based on this evaluation, our principal executive officer and our principal financial officer concluded that our disclosure controls and procedures were not effective as of the end of the period covered by this report.

Changes in Internal Controls

There have been no changes in our internal controls over financial reporting during the quarter ended September 30, 2014 that have materially affected or are reasonably likely to materially affect our internal controls.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings.

We are not a party to any legal proceedings subject to this Item Number.

Item 1A. Risk Factors.

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

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable

Item 5. Other Information.

None.

Item 6. Exhibits.

(a) Exhibits required by Item 601 of Regulation S-K.

| Ex. # | Description |
|---------|--|
| 3.1 | Articles of Incorporation, as filed with the Nevada Secretary of State on November 18, 2010. |
| 3.2 | By-laws |
| 3.3 | Certificate of Amendment, as filed with the Nevada Secretary of State on July 24, 2014. |
| 31.1 | Certification of the Company’s Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32.1 | Certification of the Company’s Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 101.INS | XBRL Instance Document |
| 101.SCH | XBRL Taxonomy Extension Schema Document |
| 101.CAL | XBRL Taxonomy Extension Calculation Linkbase Document |
| 101.DEF | XBRL Taxonomy Extension Definition Linkbase Document |

101.LABXBRL Taxonomy Extension Labels Linkbase Document

101.PREXBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AXIM
BIOTECHNOLOGIES,
INC.

| | |
|-----------------|--------------------|
| Dated: November | By: /s/ Dr. George |
| 5, 2014 | Anastassov |
| | Dr. George |
| | Anastassov |
| | President and |
| | Director |
| | Principal |
| | Executive |
| | Officer |
| | Principal |
| | Financial |
| | Officer |

