

ONCOSEC MEDICAL Inc  
Form S-1/A  
March 23, 2012  
Table of Contents

As filed with the Securities and Exchange Commission on March 23, 2012

No. 333-179146

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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AMENDMENT NO.3 TO

**FORM S-1**

**REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933**

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**ONCOSEC MEDICAL INCORPORATED**

(Exact name of registrant as specified in its charter)

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**Nevada**  
(State or other jurisdiction of  
incorporation or organization)

**3841**  
(Primary Standard Industrial  
Classification Code Number)

**98-0573252**  
(I.R.S. Employer  
Identification Number)

**4690 Executive Drive, Suite 250**

**San Diego, CA 92121**

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(855) 662-6732

(Address, including zip code, and telephone number, including  
area code, of registrant's principal executive offices)

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**Punit Dhillon**

**President and Chief Executive Officer**

**4690 Executive Drive, Suite 250**

**San Diego, CA 92121**

**(855) 662-6732**

(Name, address, including zip code, and telephone number, including  
area code, of agent for service)

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**With Copies to:**

**Steven G. Rowles, Esq.**

**Jeannette V. Filippone, Esq.**

Morrison & Foerster LLP

12531 High Bluff Drive, Suite 100

San Diego, California 92130

(858) 720-5100

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**Approximate date of commencement of proposed sale to the public: As soon as possible after the effective date hereof.**

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the

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Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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 the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company)

Smaller reporting company

### CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee (2)
Common stock, par value \$0.0001	\$ 10,000,000	\$ 1,146.00
Warrants to purchase shares of common stock	\$ 10,000,000	\$ 1,146.00
Common stock issuable upon exercise of the Warrants	\$ 20,000,000	\$ 2,292.00(3)
Total:	\$	\$

(1) Pursuant to Rule 416 under the Securities Act of 1933, as amended, there is also being registered hereby such indeterminate number of additional shares of common stock of OncoSec Medical Incorporated as may be issued or issuable because of stock splits, stock dividends, stock distributions, and similar transactions.

(2) Calculated pursuant to Rule 457(o) under the Securities Act of 1933, on the basis of the maximum aggregate offering price of all of the securities to be registered.

(3) Previously paid.

**The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**



Table of Contents

**The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.**

**SUBJECT TO COMPLETION, DATED march 23, 2012**

**ONCOSEC MEDICAL INCORPORATED**

**PROSPECTUS**

**40,000,000 Shares of Common Stock**

**Warrants to Purchase up to 40,000,000 Shares of Common Stock**

**40,000,000 Shares of Common Stock Underlying the Warrants**

We are offering up to 40,000,000 shares of our common stock and warrants to purchase up to 40,000,000 shares of our common stock. Each purchaser in the offering will receive a unit consisting of one share of our common stock and a warrant to purchase up to one additional share of our common stock. Units will not be issued or certificated. The shares of common stock and warrants are immediately separable and will be issued separately. We are not required to sell any specific dollar amount or number of securities, but will use our best efforts to sell all of the securities being offered. This offering will terminate on March 30, 2012, unless the offering is fully subscribed before that date or we decide to terminate the offering prior to that date. The offering price for the units and the exercise price of the warrants will remain fixed for the duration of the offering. All costs associated with the registration will be borne by us.

Our common stock is traded on the OTC Bulletin Board under the symbol ONCS.OB . We do not intend to apply for listing of the warrants on any securities exchange and we do not expect that the warrants will be quoted on the OTC Bulletin Board. On March 13, 2012, the closing price of our common stock on the OTC Bulletin Board was \$0.51 per share.

	<b>Per Unit</b>	<b>Total</b>
Offering Price	\$	\$
Placement Agent's Fees(1)	\$	\$
Offering Proceeds, Before Expenses	\$	\$

(1) In addition we have agreed to issue to the placement agent warrants to purchase up to an aggregate of 5% of the aggregate number of shares of common stock sold in this offering and to pay to the placement agent a non-accountable expense allowance equal to 1% of the aggregate gross proceeds raised in the offering.

Rodman & Renshaw, LLC, has agreed to act as our exclusive lead placement agent in connection with this offering. The placement agent is not purchasing the securities offered by us, and is not required to sell any specific number or dollar amount of securities, but will use its best efforts to sell the securities offered. We have agreed to pay the placement agent a placement fee equal to 6% of the aggregate gross proceeds to us from the sale of the common stock in the offering. We estimate total expenses of this offering, excluding the placement agent fees, will be approximately \$ . We may also choose to pay up to 30% of the amount of the cash fee and issue up to 30% of the 5% placement agent warrants directly to other broker-dealers acting as placement agents or financial advisors in the offering, if any. Because there is no minimum offering amount required as a condition to closing in this offering, the actual public offering amount, placement agent fees, and proceeds to us, if any, are not presently determinable and may be substantially less than the total maximum offering amounts set forth above. See Plan of Distribution beginning on page 25 of this prospectus for more information on this offering and the placement agent arrangements.

**Investing in our common stock involves a high degree of risk. Before making any investment in our common stock, you should read and carefully consider the risks described in this prospectus under Risk Factors beginning on page 7 of this prospectus.**

**You should rely only on the information contained in this prospectus or any prospectus supplement or amendment thereto. We have not authorized anyone to provide you with different information.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

**Rodman & Renshaw, LLC  
Lead Placement Agent**

**This prospectus is dated , 2012**

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Table of Contents

**TABLE OF CONTENTS**

	<b>Page</b>
<u>SUMMARY</u>	5
<u>RISK FACTORS</u>	7
<u>SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS</u>	19
<u>USE OF PROCEEDS</u>	19
<u>DESCRIPTION OF SECURITIES</u>	19
<u>DILUTION</u>	24
<u>PLAN OF DISTRIBUTION</u>	25
<u>MARKET PRICE OF AND DIVIDENDS ON COMMON STOCK AND RELATED MATTERS</u>	26
<u>MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>	28
<u>DESCRIPTION OF BUSINESS</u>	35
<u>DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE</u>	44
<u>EXECUTIVE COMPENSATION</u>	48
<u>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS</u>	51
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS</u>	52
<u>LEGAL MATTERS</u>	53
<u>EXPERTS</u>	53
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	53
<u>FINANCIAL STATEMENTS</u>	F-1

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Table of Contents

**About This Prospectus**

You should rely only on the information that we have provided or incorporated by reference in this prospectus, any applicable prospectus supplement and any related free writing prospectus that we may authorize to be provided to you. We have not authorized anyone to provide you with different information. No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this prospectus, any applicable prospectus supplement or any related free writing prospectus that we may authorize to be provided to you. You must not rely on any unauthorized information or representation. This prospectus is an offer to sell only the securities offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. You should assume that the information in this prospectus, any applicable prospectus supplement or any related free writing prospectus is accurate only as of the date on the front of the document and that any information we have incorporated by reference is accurate only as of the date of the document incorporated by reference, regardless of the time of delivery of this prospectus, any applicable prospectus supplement or any related free writing prospectus, or any sale of a security.

This prospectus contains summaries of certain provisions contained in some of the documents described herein, but reference is made to the actual documents for complete information. All of the summaries are qualified in their entirety by the actual documents. Copies of some of the documents referred to herein have been filed, will be filed or will be incorporated by reference as exhibits to the registration statement of which this prospectus is a part, and you may obtain copies of those documents as described below under the heading **Where You Can Find Additional Information**.



Table of Contents

**SUMMARY**

**This summary does not contain all of the information that should be considered before investing in our common stock and warrants. Investors should read the entire prospectus carefully, including the more detailed information regarding our business, the risks of purchasing our common stock and warrants discussed in this prospectus under Risk Factors beginning on page 7 of this prospectus and our financial statements and the accompanying notes beginning on page F-1 of this prospectus.**

As used in this prospectus, unless the context requires otherwise, the Company, we, us, and our refer to OncoSec Medical Incorporated, a Nevada corporation, and its consolidated subsidiary.

**Our Company**

We are an emerging drug-medical device company focused on designing, developing and commercializing innovative and proprietary medical approaches for the treatment of solid cancers that have unmet medical needs or where currently approved therapies are inadequate based on their efficacy or side-effects. We were incorporated under the laws of Nevada on February 8, 2008 as Netventory Solutions Inc. Initially, we provided online inventory services to small and medium sized companies. In March 2011, we acquired from Inovio Pharmaceuticals, Inc. ( Inovio ) certain assets related to the use of drug-medical device combination products for the treatment of different cancers. With this acquisition, we have abandoned our efforts in the online inventory services industry and are focusing our efforts in the biomedical industry.

The assets we acquired from Inovio include intellectual property relating to selective tumor ablation technologies, which we now refer to as the OncoSec Medical System ( OMS ), a therapeutic approach which is based on the use of an electroporation delivery device in combination with an approved chemotherapeutic drug or a DNA-based cytokine for immunotherapy to treat solid tumors. OMS consists of an electrical pulse generator console and various disposable applicators specific to the individual tumor size, type and location and is designed to increase the permeability of cancer cell membranes and, as a result, increases the intracellular delivery of selected therapeutic agents. Our electroporation platform for the delivery of therapeutic agents specifically and effectively targets the killing of cancerous cells and not healthy normal tissues. Our mission is to enable people with cancer to live longer with a better quality of life than otherwise possible or available with existing therapies.

Our OMS business is composed of two different therapeutic modalities: OMS ElectroImmunotherapy and OMS ElectroChemotherapy. Our OMS ElectroImmunotherapy approach is based on the use of electroporation to enhance the local delivery of DNA-based cytokines as immunotherapy agents that produce both a local and systemic immune response for the treatment of various cancers. A Phase I clinical trial using our OMS ElectroImmunotherapy approach has been completed and three Phase II clinical trials focused on melanoma, Merkel cell carcinoma and cutaneous t-cell lymphoma have been initiated. OMS ElectroChemotherapy utilizes our electroporation technologies for the local delivery of the chemotherapeutic drug bleomycin to treat solid tumors. The OMS ElectroChemotherapy approach has been developed up to Phase III clinical trials in the United States for the treatment of recurrent head and neck cancer and Phase I/II for the treatment of recurrent breast cancer and has suggested safety and efficacy in a wide range of solid tumors including basal cell, squamous carcinomas, melanoma, breast, prostate, and pancreatic. In addition, Phase IV pre-marketing studies to support the commercialization of the OMS ElectroChemotherapy in Europe were also performed for the treatment of primary and recurrent head and neck cancers and cutaneous skin cancers.

The primary front line treatment of solid tumors involves surgical resection and/or radiation to eliminate or debulk tumor growth prior to initiating systemic therapy with chemotherapeutic agents. Because of the difficulty of determining the border, or margins, between healthy and diseased tissue, surgeons will often remove or resect an area outside of the obvious tumor mass to ensure that they have excised all of the cancerous tissue. This treatment can result in the loss of function and appearance of the surrounding tissues, significantly reducing the patient's quality of life. Although there have been recent advances in non-surgical forms of tumor ablation, such as cryoablation, microwave and high frequency radio ablation therapy, we believe they fail to fully satisfy the clinical need to preserve normal healthy tissue. Given the desire for improved outcomes in the surgical resection of solid tumors, we believe that there will be significant demand for our OMS technology from patients, dermatologists and surgical oncologists.

Our business model is based on a commercialization strategy that leverages previous in-depth clinical experiences (primarily at Inovio), previous approvals for the electroporation-based devices and late stage clinical studies in the United States (Phase III) and Europe (Phase IV). We plan to seek regulatory approvals to initiate specific studies in target markets to collect clinical, reimbursement, and pharmacoeconomic data in order to advance our commercialization strategy. Our strategy includes seeking approval from the FDA to initiate pivotal registration studies in the United States for select rare cancers that have limited, adverse or no therapeutic alternatives. Our strategy also includes expanding the addressable markets for the OMS therapies through the addition of relevant indications and partnering and/or co-developing OMS ElectroOncology in developing geographic locations, such as Eastern Europe and Asia, where local resources are best leveraged and appropriate collaborators can be secured.

Table of Contents

For more information regarding our business, see Management's Discussion and Analysis of Financial Condition and Results of Operations and Business, included elsewhere in this prospectus.

**Corporate Information**

We were incorporated under the laws of the State of Nevada on February 8, 2008 under the name Netventory Solutions Inc. to pursue the business of inventory management solutions. Effective March 1, 2011, we completed a merger with our subsidiary, OncoSec Medical Incorporated, a Nevada corporation which was incorporated solely to effect a change in our name. As a result, we have changed our name from Netventory Solutions Inc. to OncoSec Medical Incorporated. Our principal executive offices are located at 4690 Executive Drive, Suite #250, San Diego, CA 92121. The telephone number at our principal executive office is (855) 662-6732. Our website address is www.oncosec.com. Information contained on our website is not deemed part of this prospectus.

**The Offering**

Securities offered	Up to 40,000,000 shares of common stock
	Warrants to purchase up to 40,000,000 shares of common stock
	Up to 40,000,000 shares of common stock issuable upon exercise of the warrants
Common stock outstanding prior to offering	56,856,000(1)
Common stock to be outstanding after the offering	96,856,000(2)
Use of Proceeds	We expect to use the proceeds received from the offering for payment of amounts due to Inovio in accordance with our Asset Purchase Agreement with Inovio, to fund our clinical trials, and for working capital and general corporate purposes. See Use of Proceeds for more information.
OTC Bulletin Board Symbol	ONCS.OB
Risk Factors	See Risk Factors beginning on page 7 and other information in this prospectus for a discussion of the factors you should consider before you decide to invest in our common stock and warrants.

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(1) Excludes (i) 5,200,000 shares of common stock reserved for future issuance under our 2011 Stock Incentive Plan (the 2011 Plan) and (ii) 6,696,000 shares of common stock issuable upon the exercise of outstanding warrants. As of March 13, 2012, there were (i) options to purchase 865,000 shares of our common stock outstanding under the 2011 Plan, with a weighted average exercise price of \$0.35 per share and (ii) 6,696,000 shares of common stock issuable upon the exercise of outstanding warrants with exercise prices ranging from \$1.00 to \$1.20 per share.

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(2) Assuming the sale of all shares of common stock covered by this prospectus. Excludes the up to 40,000,000 shares of common stock that could be issued upon exercise of the warrants sold as part of this offering.

Table of Contents

**RISK FACTORS**

*The following risk factors should be considered carefully in addition to the other information contained in this prospectus. This prospectus contains forward-looking statements. Our business, financial condition, results of operations and stock price could be materially adversely effected by any of these risks. Additional risks not presently known to us or that we currently deem immaterial may also impair our business financial condition, results of operations and stock price.*

**Risks Related to this Offering**

*You will experience immediate and substantial dilution as a result of this offering and may experience additional dilution in the future.*

You will incur immediate and substantial dilution as a result of this offering. After giving effect to the sale by us of up to 40,000,000 shares of common stock and warrants to purchase an additional 40,000,000 shares of our common stock, and after deducting placement agent commissions and estimated offering expenses payable by us, investors in this offering can expect an immediate dilution of \$        per share, or % , at the public offering price, assuming no exercise of the warrants.

Since inception we have funded our operations primarily through equity financings, including our issuance on June 24, 2011 of 4,000,000 shares of common stock and three series of warrants to purchase an aggregate of 12,000,000 shares of our common stock to two institutional investors for proceeds of \$3.0 million (the June Private Placement ). In addition, if we were to issue shares of our common stock at an effective price of less than \$1.20 per share, then the exercise price of the Series A Warrants issued to investors in the June Private Placement, as well as the warrants issued to the co-placement agents in the June Private Placement, would be reduced to equal the lower effective price per share, provided that the exercise price would not be reduced to less than \$0.50 per share. To the extent any of the warrants and options we have issued are ultimately exercised, you will sustain future dilution. We may also acquire or license other technologies or finance strategic alliances by issuing equity, which may result in additional dilution to our stockholders.

*We must raise additional capital in order to continue operating our business, and such additional funds may not be available on acceptable terms or at all.*

We do not generate any cash from operations and must raise additional funds in order to continue operating our business. We expect our cash requirements over the annual fiscal period ending July 31, 2012 to be approximately \$4,800,000. As of January 31, 2012, we had cash and cash equivalents of \$456,242. During the six month period ended January 31, 2012, our cash outflow was approximately \$2,000,000. We will be required to make payments of \$1,150,000 to Inovio by March 31, 2012. In addition to these payments to Inovio, cash outflows for the period from January 31, 2012 through July 31, 2012 are expected to range between approximately \$200,000 and \$350,000 per month. We will also be obligated to make payments to Inovio of \$500,000 on September 24, 2012 and \$1,000,000 on March 24, 2013. If we are not able to obtain additional financing prior to March 24, 2012, we will be unable to make the required payments to Inovio and may be forced to delay or scale down some or all of our development activities or cease the operation of our business.

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We expect to continue to fund our operations primarily through equity and debt financings in the future. This offering may not be fully subscribed and, even if the offering is fully subscribed, we will need additional capital in the future. If additional capital is not available, we may not be able to continue to operate our business pursuant to our business plan or we may have to discontinue our operations entirely. Based on our proposed use of proceeds for this offering, even following the completion of this offering, we will likely need significant additional financing, which we may seek to raise through, among other things, public and private equity offerings and debt financing. The placement agent in this offering will offer the securities on a best-efforts basis, meaning that we may raise substantially less than the total maximum offering amounts. We will require additional financing to fund our planned operations, including developing and commercializing the assets obtained under the Asset Purchase Agreement with Inovio, seeking to license or acquire new assets, researching and developing any potential patents, related compounds and other intellectual property, funding potential acquisitions, and supporting clinical trials and seeking regulatory approval relating to our assets and any assets we may acquire in the future. Additional financing may not be available to us when needed or, if available, may not be available on commercially reasonable terms. If we issue equity or convertible debt securities to raise additional funds, our existing stockholders may experience substantial dilution, and the new equity or debt securities may have rights, preferences and privileges senior to those of our existing stockholders. If we incur additional debt, it may increase our leverage relative to our earnings or to our equity capitalization, requiring us to pay additional interest expenses. Obtaining commercial loans, assuming those loans would be available, would increase our liabilities and future cash commitments.

Table of Contents

We may not be able to obtain additional financing if the volatile conditions in the capital and financial markets, and more particularly the market for early development stage biomedical company stocks, persist. Weak economic and capital markets conditions could result in increased difficulties in raising capital for our operations. We may not be able to raise money through the sale of our equity securities or through borrowing funds on terms we find acceptable. If we cannot raise the funds that we need, we will be unable to continue our operations, and our stockholders could lose their entire investment in our company.

***We will have immediate and broad discretion over the use of the net proceeds from this offering and we may use these proceeds in ways with which you may not agree.***

We have considerable discretion in the application of the proceeds of this offering. We currently expect to use the net proceeds from this offering to pay certain amounts due to Inovio under the Asset Purchase Agreement, for Phase II clinical trials and for working capital and general corporate purposes. We may also use a portion of these proceeds for the potential acquisition of, or investment in, product candidates, technologies, formulations or companies that complement our business, although we have no current understandings, commitments, or agreements to do so. You must rely on our judgment regarding the application of the net proceeds of this offering. Our judgment may not result in positive returns on your investment and you will not have an opportunity to evaluate the economic, financial, or other information upon which we base our decisions.

***There is no public market for the warrants being offered in this offering.***

There is no established public trading market for the warrants being offered in this offering, and we do not expect a market to develop. In addition, we do not intend to apply for listing the warrants on any securities exchange or expect the warrants to trade on the OTC Bulletin Board. Without an active market, the liquidity of the warrants will be limited.

***Sales of common stock by our stockholders, or the perception that such sales may occur, could depress our stock price.***

Sales of our common stock in the public market following this offering could lower the market price of our common stock. Sales may also make it more difficult for us to sell equity securities or equity-related securities in the future at a time and price that our management deems acceptable or at all.

In addition, the market price of our common stock could decline as a result of sales by, or the perceived possibility of sales by, our existing stockholders. We have completed a number of private placements of our common stock and other securities over the last year, and we have one effective resale registration statement pursuant to which approximately 8,440,000 shares of our common stock, including common stock underlying warrants, may be sold. Future sales of common stock by significant stockholders, including those who acquired their shares in private placements or who are affiliates, or the perception that such sales may occur, could depress the price of our common stock.

**Risks Related to Our Business**

*We have never generated revenue from our operations and our independent auditors have expressed substantial doubt about our ability to continue as a going concern.*

We have not generated any revenue from operations since our incorporation. During the period ended January 31, 2012, our net income of \$40,182 was due to a \$2,579,451 adjustment to the fair value of certain derivative liabilities related to the June Private Placement. During the annual period ended July 31, 2011, we incurred a net loss of \$3,758,817. From inception through January 31, 2012, we incurred an aggregate loss of \$3,795,694. We expect that our operating expenses will increase substantially over the current fiscal annual period as we ramp-up our business. During the period ended January 31, 2012, our cash outflow was approximately \$2,000,000. We estimate our average monthly expenses from January 31, 2012 through the end of our fiscal year ending July 31, 2012 to range from approximately \$200,000 to \$350,000, including general and administrative expenses but excluding future acquisition costs and the cost of any future development activities. In addition, under the terms of the Asset Purchase Agreement, as amended, we are required to make payments of \$1,150,000 to Inovio by March 31, 2012. As of January 31, 2012, we had cash and cash equivalents of \$456,242.

In order to fund our anticipated budget for the remainder of the fiscal year ending July 31, 2012, including acquisition costs, we believe that we will need to raise approximately \$2.3 million in additional funds. This amount could increase if we encounter unanticipated difficulties. In addition, our estimates of the amount of cash necessary to fund our business and development and commercialization activities may prove to be wrong, and we could spend our available financial resources much faster than we currently expect. If we cannot raise the money that we need in order to continue to develop our business, we will be forced to delay, scale back or eliminate some or all of our proposed operations. If any of these were to occur, there is a substantial risk that our business would fail.



Table of Contents

These circumstances raise substantial doubt about our ability to continue as a going concern, as described in the explanatory paragraph to our independent auditors' report on our financial statements for the year ended July 31, 2011, which are included in our annual report on Form 10-K for the fiscal year ended July 31, 2011, filed with the Securities and Exchange Commission (the "SEC") on October 19, 2011. Although our financial statements raise substantial doubt about our ability to continue as a going concern, they do not reflect any adjustments that might result if we are unable to continue our business. Our financial statements contain additional note disclosure describing the circumstances that lead to this disclosure by our independent auditors.

*We are an early-stage company with a limited operating history, which may hinder our ability to successfully meet our objectives.*

We are an early-stage company with only a limited operating history upon which to base an evaluation of our current business and future prospects and how we will respond to competitive, financial or technological challenges. Only recently have we explored opportunities in the biomedical industry. As a result, the revenue and income potential of our business is unproven. In addition, because of our limited operating history, we have limited insight into trends that may emerge and affect our business. Errors may be made in predicting and reacting to relevant business trends and we will be subject to the risks, uncertainties and difficulties frequently encountered by early-stage companies in evolving markets. We may not be able to successfully address any or all of these risks and uncertainties. Failure to adequately do so could cause our business, results of operations and financial condition to suffer or fail.

*We have not commercialized any of our potential product candidates and we cannot predict if or when we will become profitable.*

We have not commercialized any product candidate relating to our current assets in the biomedical industry. Our ability to generate revenues from any of our product candidates will depend on a number of factors, including our ability to successfully complete clinical trials, obtain necessary regulatory approvals and negotiate arrangements with third parties to help finance the development of, and market and distribute, any product candidate that receives regulatory approval. In addition, we will be subject to the risk that the marketplace will not accept our products.

Because of the numerous risks and uncertainties associated with our product development and commercialization efforts, we are unable to predict the extent of our future losses or when or if we will become profitable, and it is possible we will never commercialize any of our product candidates or become profitable. Our failure to obtain regulatory approval and successfully commercialize any of our product candidates would have a material adverse effect on our business, results of operations, financial condition and prospects and could result in our inability to continue operations.

*If we are unable to successfully recruit and retain qualified personnel, we may not be able to continue our operations.*

In order to successfully implement and manage our business plan, we will depend upon, among other things, successfully recruiting and retaining qualified personnel having experience in the biomedical industry. Competition for qualified individuals is intense. If we are not able to find, attract and retain qualified personnel on acceptable terms, our business operations could suffer.

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Additionally, although we have employment agreements with each of our executive officers, these agreements are terminable by them at will and we may not be able to retain their services. The loss of the services of any members of our senior management team could delay or prevent the development and commercialization of any other product candidates and our business could be harmed to the extent that we are not able to find suitable replacements.

***Future growth could strain our resources, and if we are unable to manage our growth, we may not be able to successfully implement our business plan.***

We hope to experience rapid growth in our operations, which will place a significant strain on our management, administrative, operational and financial infrastructure. Our future success will depend in part upon the ability of our executive officers to manage growth effectively. This will require that we hire and train additional personnel to manage our expanding operations. In addition, we must continue to improve our operational, financial and management controls and our reporting systems and procedures. If we fail to successfully manage our growth, we may be unable to execute upon our business plan.

***We may be unable to successfully develop and commercialize the assets we recently acquired, or acquire, or develop and commercialize new assets and product candidates.***