UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **Quarterly Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended June 30, 2016**

☐ **Transition Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from _____ to _____.**

Commission File Number: 000-27239

TAPIMMUNE INC.
(Name of registrant in its charter)

NEVADA	**45-4497941**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
50 N. Laura Street, Suite 2500 Jacksonville, FL	**32202**
(Address of principal executive offices)	**(Zip Code)**
904-516-5436	
(Issuer's telephone number)	

Indicate by check mark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 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 ☒ No ☐

Indicate by check mark whether the 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). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, non-accelerated filer or a smaller reporting company. See definition of "accelerated filer", "large 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 smaller reporting company)	Smaller reporting company	☒

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

As of August 15, 2016, the Company had 98,481,757 shares of common stock issued and outstanding.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited)

TAPIMMUNE INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	June 30, 2016	December 31, 2015
ASSETS		
Current Assets		
Cash	$ 3,767,656	$ 6,576,564
Prepaid expenses and deposits	21,394	68,803
	$ 3,789,050	$ 6,645,367
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current Liabilities		
Accounts payable and accrued liabilities	$ 1,346,391	$ 967,358
Research agreement obligations	492,365	492,365
Derivative liability – warrants	21,252,000	26,493,000
Promissory note	5,000	30,000
Promissory note, related party	23,000	23,000
	23,118,756	28,005,723
Stockholders' Equity (Deficit)		
Convertible preferred stock, $0.001 par value — 5,000,000 shares authorized:		
Series A, $0.001 par value, 1,250,000 shares designated, -0- shares issued and outstanding	—	—
Series B, $0.001 par value, 1,500,000 shares designated, -0- shares issued and outstanding	—	—
Common stock, $0.001 par value, 500,000,000 shares authorized 71,416,268 shares issued and outstanding (2015 – 70,550,763)	71,416	70,551
Additional paid-in capital	112,882,904	112,077,520
Accumulated deficit	(132,284,026)	(133,508,427)
	(19,329,706)	(21,360,356)
	$ 3,789,050	$ 6,645,367

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

TAPIMMUNE INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Operating expenses:				
Research and development	$ 1,248,165	$ 201,157	$ 2,233,916	$ 810,535
General and administrative	1,177,408	936,887	1,945,396	1,355,673
Loss from Operations	(2,425,573)	(1,138,044)	(4,179,312)	(2,166,208)
Other Income (Expense)				
Changes in fair value of derivative liabilities	8,237,000	(59,079,025)	5,241,000	(58,751,585)
Foreign exchange	—	775	—	775
Grant income	231,200	—	231,200	—
Shares issued in debt settlement agreements	(70,315)	—	(70,315)	—
Other income	1,828	—	1,828	—
Net Income (Loss) for the Period	$ 5,974,140	$(60,216,294)	$ 1,224,401	$(60,917,018)
Basic Net Income (Loss) per Share	$ 0.08	$ (1.80)	$ 0.02	$ (1.99)
Diluted Net Income (Loss) per Share	$ 0.03	$ (1.80)	$ (0.02)	$ (1.99)
Weighted Average Number of Common Shares Outstanding, Basic	71,220,000	33,525,656	70,907,000	30,584,794
Weighted Average Number of Common Shares Outstanding, diluted	78,297,000	33,525,656	79,829,000	30,584,794

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

TAPIMMUNE INC.
CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)
(UNAUDITED)

	Common Stock		Additional Paid In	Accumulated	
	Number of shares	Amount $	Capital $	Deficit $	Total $
Balance, December 31, 2015	70,550,763	70,551	112,077,520	(133,508,427)	(21,360,356)
Shares issued in debt settlement agreements	122,287	122	70,193	—	70,315
Stock- based compensation	743,218	743	735,191	—	735,934
Net income	—	—	—	1,224,401	1,224,401
Balance, June 30, 2016	71,416,268	71,416	112,882,904	(132,284,026)	(19,329,706)

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

TAPIMMUNE INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	$ 1,224,401	$ (60,917,018)
Adjustments to reconcile net income (loss) to net cash from operating activities:		
Changes in fair value of derivative liabilities	(5,241,000)	58,751,585
Shares issued in debt settlement agreements	70,315	—
Stock based compensation	544,934	248,561
Changes in operating assets and liabilities:		
Prepaid expenses	47,409	(60,086)
Accounts payable and accrued liabilities	570,033	149,320
NET CASH USED IN OPERATING ACTIVITIES	(2,783,908)	(1,827,638)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of shares, net of finders' fee	—	2,326,014
Repayment of promissory note	(25,000)	—
Proceeds from exercise of warrants	—	2,500,000
Finders' fee on exercise of warrants	—	(35,000)
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	(25,000)	4,791,014
INCREASE (DECREASE) IN CASH	(2,808,908)	2,963,376
CASH, BEGINNING OF PERIOD	6,576,564	141,944
CASH, END OF PERIOD	$ 3,767,656	$ 3,105,320

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

TAPIMMUNE INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
SUPPLEMENTAL SCHEDULE OF NON-CASH ACTIVITIES		
Reclassification of accrued liability upon issuance of common shares relating to Dr. Glynn Wilson's compensation	$ 191,000	$ —
Accounts payable settled in common stock	—	231,000
Fair value of issuance of warrants in January and March 2015 financing	—	9,313,000
Issuance of additional warrants in May 28, 2015 transaction	—	6,133,000
Reclassification of Derivative Warrant Liabilities to Equity at Exercise Date	—	4,245,000

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

NOTE 1: NATURE OF OPERATIONS

TapImmune Inc. (the "Company"), a Nevada corporation incorporated in 1992, is a biotechnology Company focusing on immunotherapy specializing in the development of innovative peptide and gene-based immunotherapeutics and vaccines for the treatment of oncology and infectious disease. Unlike other vaccine technologies that narrowly address the initiation of an immune response, TapImmune's approach broadly stimulates the cellular immune system by enhancing the function of killer T-cells and T-helper cells and by restoring antigen presentation in tumor cells allowing their recognition and killing by the immune system.

NOTE 2: BASIS OF PRESENTATION

The accompanying unaudited condensed financial statements have been prepared in accordance with the accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information and pursuant to the instructions to Form 10-Q and Article 8 of Regulation S-X of the Securities and Exchange Commission ("SEC") and on the same basis as the Company prepares its annual audited consolidated financial statements. The condensed consolidated balance sheet as of June 30, 2016, condensed consolidated statements of interim financials include all adjustments, consisting only of normal recurring adjustments, which the Company considers necessary for a fair presentation of the financial position, operating results and cash flows for the periods presented.

The results for the statement of operations are not necessarily indicative of results to be expected for the year ending December 31, 2016 or for any future interim period. The condensed consolidated balance sheet at December 31, 2015 has been derived from audited financial statements; however, it does not include all of the information and notes required by U.S. GAAP for complete financial statements. The accompanying condensed consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended December 31, 2015, and notes thereto included in the Company's annual report on Form 10-K.

NOTE 3: LIQUIDITY AND FINANCIAL CONDITION

The Company's activities since inception have consisted principally of acquiring product and technology rights, raising capital, and performing research and development. Successful completion of the Company's development programs and, ultimately, the attainment of profitable operations are dependent on future events, including, among other things, its ability to access potential markets; secure financing, develop a customer base; attract, retain and motivate qualified personnel; and develop strategic alliances. From inception, the Company has been funded by a combination of equity and debt financings.

The Company expects to continue to incur substantial losses over the next several years during its development phase. To fully execute its business plan, the Company will need to complete certain research and development activities and clinical studies. Further, the Company's product candidates will require regulatory approval prior to commercialization. These activities may span many years and require substantial expenditures to complete and may ultimately be unsuccessful. Any delays in completing these activities could adversely impact the Company. The Company plans to meet its capital requirements primarily through issuances of debt and equity securities and, in the longer term, revenue from product sales.

As of June 30, 2016, the Company had cash and cash equivalents of approximately $3,768,000. Historically, the Company has net losses and negative cash flows from operations. The Company believes its current capital resources are not sufficient to support its operations. Management intends to continue its research efforts and to finance operations of the Company through debt and/or equity financings. Management plans to seek additional debt and/or equity financing through private or public offerings or through a business combination or strategic partnership. There can be no assurance that the Company will be successful in obtaining additional financing on favorable terms, or at all. These matters raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of these uncertainties.

NOTE 4: SIGNIFICANT ACCOUNTING POLICIES

There have been no material changes in the Company's significant accounting policies to those previously disclosed in the Company's annual report on Form 10-K, which was filed with the SEC on April 14, 2016 other than the one disclosed below:

Grant Income

The Company recognizes grant income in accordance with the terms stipulated under the grant awarded to the Company's collaborators at the Mayo Foundation from the U. S. Department of Defense. In various situations, the Company receives certain payments from the U. S. Department of Defense for reimbursement of clinical supplies. These payments are non-refundable, and are not dependent on the Company's ongoing future performance. The Company has adopted a policy of recognizing these payments as grant income when received.

Recent accounting pronouncement

Accounting Standards Update ("ASU"), No. 2016-09 - In March 2016, the Financial Accounting Standards Board (the "FASB") issued ASU No. 2016-09, Compensation-Stock Compensation. The new guidance simplifies several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. The amendments in this standard are effective for the Company's annual year and first fiscal quarter beginning on January 1, 2017 with early adoption permitted. The Company is currently evaluating the impact of the application of this accounting standard update on its financial statements and related disclosures.

NOTE 5: EARNINGS PER SHARE APPLICABLE TO COMMON STOCKHOLDERS

Basic income (loss) per common share is computed by dividing net income by the weighted average number of common shares outstanding during the reporting period. Diluted income per common share is computed similar to basic income per common share except that it reflects the potential dilution that could occur if dilutive securities or other obligations to issue common stock were exercised or converted into common stock.

Potential dilutive common shares also include the dilutive effect of the common stock underlying in-the-money stock options and warrants that were calculated based on the average share price for each period using the treasury stock method. Under the treasury stock method, the proceeds from the exercise of an option or warrant is assumed to be used to repurchase shares in the current period. In addition, the average amount of compensation cost for in-the-money options, if any, for future service that the Company has not yet recognized when the option is exercised, is also assumed to repurchase shares in the current period.

A reconciliation of the numerator and denominator used in the calculation is as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2016	2015	2016	2015
Numerator:				
Net income (loss)	$ 5,974,000	$(60,216,294)	$ 1,224,000	$(60,917,018)
Less: noncash income from change in fair value of common stock warrants	3,697,000	—	2,492,000	—
Net income (loss) – diluted	2,277,000	(60,216,294)	(1,268,000)	(60,917,018)
Denominator:				
Weighted average shares outstanding – basic	71,220,000	33,525,656	70,907,000	30,584,794
Dilutive effect of warrants, net	6,785,000	—	8,922,000	—
Dilutive effect of stock options, net	292,000	—	—	—
Weighted average shares outstanding – diluted	78,297,000	33,525,656	79,829,000	30,584,794
Net income (loss) per share data:				
Basic	$ 0.08	$ (1.80)	$ 0.02	$ (1.99)
Diluted	$ 0.03	$ (1.80)	$ (0.02)	$ (1.99)

The following securities were not included in the diluted net income (loss) per share calculation because their effect was anti-dilutive as for the periods presented:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2016	2015	2016	2015
Common stock options	3,014,000	465,000	3,564,000	465,000
Common stock warrants - equity treatment	2,556,000	2,556,000	2,556,000	2,556,000
Common stock warrants - liability treatment	27,390,000	81,834,000	24,817,000	81,834,000
Potentially dilutive securities	32,960,000	84,855,000	30,937,000	84,855,000

NOTE 6: DERIVATIVE LIABILITY - WARRANTS

A summary of quantitative information with respect to valuation methodology and significant unobservable inputs used for the Company's common stock purchase warrants that are categorized within Level 3 of the fair value hierarchy for the six months ended 2016 and 2015 is as follows:

Share Purchase Warrants	Weighted Average Inputs for the Period	
Date of valuation	For the Six Months Ending June 30, 2016	For the Six Months Ending June 30, 2015
Fair market value of stock	$ 0.51	$ 0.96
Strike price	$ 0.70	$ 0.50
Contractual term (years)	3.7	3.2
Volatility (annual)	150.00%	148.00%
Risk-free rate	0.9%	1.1%
Dividend yield (per share)	0%	0%

The foregoing assumptions are reviewed quarterly and are subject to change based primarily on management's assessment of the probability of the events described occurring. Accordingly, changes to these assessments could materially affect the valuations.

Financial Assets and Liabilities Measured at Fair Value on a Recurring Basis

Financial assets and liabilities measured at fair value on a recurring basis are summarized below and disclosed on the balance sheet under Derivative liability – warrants:

	As of June 30, 2016				
	Fair Value Measurements				
	Fair Value	Level 1	Level 2	Level 3	Total
Derivative liability - warrants	$21,252,000	—	—	$21,252,000	$21,252,000
Total	$21,252,000	—	—	$21,252,000	$21,252,000

	As of December 31, 2015				
	Fair Value Measurements				
	Fair Value	Level 1	Level 2	Level 3	Total
Derivative liability - warrants	$26,493,000	—	—	$26,493,000	$26,493,000
Total	$26,493,000	—	—	$26,493,000	$26,493,000

There were no transfers between Level 1, 2 or 3 during the six months ended June 30, 2016.

The following table presents changes in Level 3 liabilities measured at fair value for the six months ended June 30, 2016:

	Derivative liability – warrants
Balance – January 1, 2016	$ 26,493,000
Change in fair value of warrant liability	(5,241,000)
Balance – June 30, 2016	$ 21,252,000

The valuation of warrants is subjective and is affected by changes in inputs to the valuation model including the price per share of common stock, the historical volatility of the stock price, risk-free rates based on U.S. Treasury security yields, the expected term of the warrants and dividend yield. Changes in these assumptions can materially affect the fair value estimate. The Company could ultimately incur amounts to settle the warrant at a cash settlement value that is significantly different than the carrying value of the liability on the financial statements. The Company will continue to classify the fair value of the warrants as a liability until the warrants are exercised, expire, or are amended in a way that would no longer require these warrants to be classified as a liability. Changes in the fair value of the common stock warrants liability are recognized as a component of other income (expense) in the condensed and consolidated statements of operations.

NOTE 7: PROMISSORY NOTE

The Company has outstanding promissory note in the amount of $5,000 (December 31, 2015 - $30,000). The promissory note bears 10% annual interest.

NOTE 8: PROMISSORY NOTE, RELATED PARTY

The Company has an outstanding promissory note in the amount of $23,000 (December 31, 2015 - $23,000) owed to an officer of the Company. The promissory note bears no interest charges and has no fixed repayment terms.

NOTE 9: CAPITAL STOCK

2016 Share Transactions

Management Compensation

In November 2015, the Company entered into an employment agreement with Dr. Glynn Wilson, the Company's Chief Executive Officer, President and Chairman of the Company. As part of the agreement, Dr. Wilson was awarded 0.3 million fully vested common shares at consummation of the agreement. The Company recorded an obligation to deliver the shares of $0.3 million based on the fair value of the Common stock at December 31, 2015. The Company issued the shares in March 2016 and reclassified the accrued liability to stockholders' equity (deficit). In the quarter ended June 30, 2016, to adjust for the withholding tax liability, which is payable in cash, Dr. Wilson returned the 0.3 million fully vested common shares to the treasury and was issued 0.2 million fully vested common shares. The recorded obligation was reduced to $0.1 million based on the fair value of the common stock at May 1, 2016.

Consulting arrangements

During the six months ended June 30, 2016, the Company issued 0.5 million common shares as part of consulting agreements. The fair value of the common stock of approximately $0.3 million was recognized as stock-based compensation in general and administrative expense.

Debt Settlement

In May 2016, the Company issued 0.1 million common shares as part of debt conversion agreements from 2014. The fair value of the common stock of approximately $0.1 million was recognized as shares issued in debt settlement agreements in other income (expense).

NOTE 10: GRANT INCOME

During the six months ended June 30, 2016, the Company received $0.2 million of grant awarded to Mayo Foundation from the US Department of Defense for the Phase II Clinical Trial of TPIV 200. The grant paid for the clinical supplies purchased by the Company.

NOTE 11: SUBSEQUENT EVENT

On August 10 2016, the Company completed a private placement of units with certain accredited investors The units ("Units") consisted of (i) one share of the Company's common stock, par value $0.001 per share and (ii) one warrant to purchase one share of Company common stock for $0.50 (the "PIPE Warrants"). The Company issued and sold an aggregate of 6,065,489 Units at a purchase price per Unit of $0.40 for an aggregate of approximately$2.5 million.

In addition, the Company issued warrants to the placement agent in the offering providing for the purchase of up to 606,549 shares of Company common stock for $0.40 per share.

In connection with the closing of the offering, holders of an aggregate of 7 million outstanding Series C Warrants and 5 million Series C-1 Warrants, each providing for the purchase of one share of Company common stock for $0.50 per share, entered into binding commitments to exercise their warrants for an aggregate exercise price of $6,000,000 and such warrants were exercised on August 11, 2016.

In connection with this warrant exercise, the Company and the holders of the warrants entered into a Warrant Amendment Agreement amending the terms of other outstanding warrants to remove provisions that had previously caused them to be classified as a derivative liability as opposed to equity on the Company's balance sheet. In consideration for such amendment and the exercise of the 12 million warrants, the Company issued an aggregate of 9,000,000 additional shares of common stock to such warrant holders and new five-year warrants to purchase 12 million shares of Company common stock at an exercise price of $0.60 per share. On a pro forma basis, as of June 30, 2016, the exercise of the 12 million warrants and the amendment of the other warrants will reduce the derivative liability relating to warrants reflected on the Company's June 30 balance sheet by $21,092,000, from $21,252,000 to $160,000.

The Company incurred approximately $925,000 in expenses relating to the offering, the exercise of the outstanding Series C Warrant and Series C-1 Warrants and the amendment of the Outstanding Series Warrants, including agency fees resulting in net proceeds to the Company of approximately $7.5 million.

Below is a Pro Forma Balance Sheet as of June 30, 2016 which shows the retroactive effect of the financing and warrant exercise and amendment, net of closing costs and fees.

TapImmune Inc. and Subsidiaries
Condensed Consolidated Pro Forma Balance Sheets
(Unaudited)

	June 30, 2016 (As Stated)	Adjustment	June 30, 2016 (Adjusted)
Total assets	$ 3,789,050	7,509,194	$11,298,244
Other current liabilities	1,866,756		1,866,756
Derivative liability - warrants	21,252,260	(21,092,000)	160,260
Total liabilities	23,119,016	(21,092,000)	2,027,016
Total stockholders' equity	(19,329,966)	28,601,194	9,271,228
Total liabilities and stockholders' equity	$ 3,789,050	7,509,194	$11,298,244

Below is a Pro Forma table of common shares outstanding as of June 30, 2016.

Common stock outstanding at June 30, 2016	71,416,268
Warrants Exercised	12,000,000
Common stock issued to warrant holders as part of financing	9,000,000
Common stock sold as part of Private Placement	6,065,489
Pro Forma Common stock outstanding at June 30, 2016	98,481,757

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

This quarterly report on Form 10-Q contains forward-looking statements within the meaning of Section 21E of the Securities and Exchange Act of 1934, as amended, that involve risks and uncertainties. All statements other than statements relating to historical matters including statements to the effect that we "believe", "expect", "anticipate", "plan", "target", "intend" and similar expressions should be considered forward-looking statements. Our actual results could differ materially from those discussed in the forward-looking statements as a result of a number of important factors, including factors discussed in this section and elsewhere in this quarterly report on Form 10-Q, and the risks discussed in our other filings with the Securities and Exchange Commission. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's analysis, judgment, belief or expectation only as the date hereof. We assume no obligation to update these forward-looking statements to reflect events or circumstance that arise after the date hereof.

As used in this quarterly report: (i) the terms "we", "us", "our", "TapImmune" and the "Company" mean TapImmune Inc. and its wholly owned subsidiary, GeneMax Pharmaceuticals Inc. which wholly owns GeneMax Pharmaceuticals Canada Inc., unless the context otherwise requires; (ii) "SEC" refers to the Securities and Exchange Commission; (iii) "Securities Act" refers to the Securities Act of 1933, as amended; (iv) "Exchange Act" refers to the Securities Exchange Act of 1934, as amended; and (v) all dollar amounts refer to United States dollars unless otherwise indicated.

The following should be read in conjunction with our unaudited consolidated interim financial statements and related notes for the three and six months ended June 30, 2016 included in this quarterly report, as well as our Annual Report on Form 10-K for the year ended December 31, 2015.

Company Overview

Our Cancer Vaccines

We are an immune-oncology company specializing in the development of innovative peptide and gene-based immunotherapeutics and vaccines for the treatment of cancer and metastatic disease. We combine a set of proprietary technologies to improve the ability of the cellular immune system to recognize and destroy diseased cells. These are peptide antigen technologies and DNA expression technologies, Polystart and TAP.

To enhance shareholder value and taking into account development timelines, we plan to focus on advancing our clinical programs including our Folate Receptor Alpha program for breast and ovarian and our HER2/neu peptide antigen program into Phase II clinical trials. In parallel, we plan to complete the preclinical development of our Polystart technology and to continue to develop the TAP-based franchise as an integral component of our prime-and-boost vaccine methodology.

The Immunotherapy Industry for Cancer

Immuno-oncology has become the most rapidly growing sector in the pharmaceutical and biotech industry. The approval and success of checkpoint inhibitors Yervoy and Opdivo (Bristol Myers Squibb) and Keytruda (Merck) together with the development of CAR T-cell therapies (Juno, Kite) has provided much momentum in this sector. In addition, new evidence points to the increasing use of combination immunotherapies for the treatment of cancer. This has provided greater opportunities for the successful development of T-cell vaccines in combination with other approaches.

Products and Technology in Development-Clinical

***Phase I Human Clinical Trials* – Folate Alpha Breast and Ovarian Cancer – Mayo Clinic**

Folate Receptor Alpha is expressed in over 80% of triple negative breast cancers and in addition, over 90% of ovarian cancers, for which the only treatment options are surgery and chemotherapy, leaving a very important and urgent clinical need for a new therapeutic. Time to recurrence is relatively short for these types of cancer and survival prognosis is extremely poor after recurrence. In the United States alone, there are approximately 30,000 ovarian cancer patients and 40,000 triple negative breast cancer patients newly diagnosed every year.

A 24 patient Phase I clinical trial has been completed. The vaccine is well tolerated and safe and 20 out of 21 evaluable patients showed positive immune responses providing a strong rationale rational for progressing to phase II trials. GMP manufacturing for Phase II trials is progressing well towards a commercial formulation and final analyses of clinical plans are near completion. On July 27, 2015, TapImmune exercised its option agreement with Mayo Clinic with the signing of a worldwide exclusive license agreement to commercialize a proprietary folate receptor alpha vaccine technology for all cancer indications. As part of this Agreement, the IND from for the folate receptor alpha Phase I trial was transferred from Mayo to TapImmune for amendment for the Company's Phase II Clinical Trials on our lead product.

On September 15, 2015, we announced that our collaborators at the Mayo Clinic had been awarded a grant of $13.3 million from the U.S. Department of Defense. This grant, commencing September 15, 2015, will cover the costs for a 280 patient Phase II Clinical Trial of Folate Receptor Alpha Vaccine in patients with Triple Negative Breast Cancer. TapImmune will

work closely with Mayo Clinic on this clinical trial by providing clinical and manufacturing expertise as well as providing GMP vaccine formulations. These vaccine formulations are being developed for multiple Phase II clinical programs in triple negative breast and ovarian cancer in combination with other immunotherapeutics.

On December 9, 2015, we announced that we received Orphan Drug Designation from the U. S. Food & Drug Administration's Office of Orphan Products Development (OOPD) for our cancer vaccine TPIV 200 in the treatment of ovarian cancer. The TPIV 200 ovarian cancer clinical program will now receive benefits including tax credits on clinical research and 7-year market exclusivity upon receiving marketing approval. TPIV 200 is a multi-epitope peptide vaccine that targets Folate Receptor Alpha which is overexpressed in multiple cancers.

On February 3, 2016 we announced that the U.S. Food & Drug Administration (FDA) has designated the investigation of multiple-epitope Folate Receptor Alpha Peptide Vaccine (TPIV 200) with GM-CSF adjuvant for maintenance therapy in subjects with platinum-sensitive advanced ovarian cancer who achieved stable disease or partial response following completion of standard of care chemotherapy, as a Fast Track Development Program.

Phase I Human Clinical Trials – HER2/neu+ Breast Cancer – Mayo Clinic

Patient dosing has been completed. Final safety analysis on all the patients treated is complete and shown to be safe. In addition, 19 out of 20 evaluable patients showed robust T-cell immune responses to the antigens in the vaccine composition providing a solid case for advancement to Phase II in 2015. An additional secondary endpoint incorporated into this Phase I Trial will be a two year follow on recording time to disease recurrence in the participating breast cancer patients.

For Phase I(b)/II studies, we plan to add a Class I peptide, licensed from the Mayo Clinic (April 16, 2012), to the four Class II peptides. Management believes that the combination of Class I and Class II HER2/neu antigens, gives us the leading HER2/neu vaccine platform. As the folate receptor alpha vaccine is our lead product our plans are now initiating formulation studies to progress the HER2/neu vaccine towards a Phase II Clinical Trial in 2016.

Products and Technology-Preclinical

Polystart

We converted the previously filed U.S. Provisional Patent Application on Polystart into a full Patent Application, and in February 2016 we received a Notice of Allowance from the U.S. Patent and Trademark Office (USPTO) for a patent application entitled, "A chimeric nucleic acid molecule with non-AUG initiation sequences." The term of this patent extends to March 17, 2034. Additional patent filings are in progress. We plan to develop PolyStart as both a stand-alone therapy and as a 'boost strategy' to be used synergistically with our peptide-based vaccines for breast and ovarian cancer.

Current State of the Company

We are a clinical-stage immunotherapy company specializing in the development of innovative peptide and gene-based immunotherapeutics and vaccines for the treatment of cancer. We now plan to conduct multiple Phase II clinical trials on our vaccines. The largest of these studies in triple-negative breast cancer is expected to be totally funded by a $13.3 million grant from the US Department of Defense to our collaborators at the Mayo Clinic in Jacksonville, FL. A Company sponsored trial in triple negative breast cancer started in Q2 with recruitment at multiple sites and treatment of first patients. We believe that our development pipeline is strong and provides us the opportunity to continue to expand on collaborations with leading institutions and corporations.

We believe, the strength of our science and development approaches is becoming more widely appreciated, particularly as our clinical program has now generated positive interim data on both clinical programs in Breast and Ovarian Cancer.

We continue to be focused on our entry into Phase II Triple Negative Cancer Trials including application for Fast Track & Orphan Drug Status as well as planning for Phase II HER2/neu Breast Cancer Trials.

We expect to continue to prosecute our PolyStart patent filings and develop new constructs to facilitate collaborative efforts in our current clinical indications and those where others have already indicated interest in combination therapies.

We believe that these fundamental programs and corporate activities have positioned TapImmune to capitalize on the acceptance of immunotherapy as a leading therapeutic strategy in cancer and infectious disease.

TapImmune's Pipeline

We have a pipeline of potential immunotherapies under development. Phase I clinical programs on HER2/neu and breast and ovarian cancer have been completed and strong immune responses in over 90% of patients treated has provided the rationale and catalyst to advance these programs to Phase II clinical trials.

In addition to the exciting clinical developments, our peptide vaccine technology may be coupled with our recently developed in-house Polystart nucleic acid-based technology designed to make vaccines significantly more effective by producing four times the required peptides for the immune systems to recognize and act on. Our nucleic acid-based systems can also incorporate "TAP" which stands for Transporter associated with Antigen Presentation.

A key component to success is having a comprehensive patent strategy that continually updates and extends patent coverage for key products. It is highly unlikely that early patents will extend through ultimate product marketing, so extending patent life is an important strategy for ensuring product protection.

We have three active patent families that we are supporting:

1. Filed patents on PolyStart expression vector (owned by TapImmune and filed in 2014: this IP covers the use with TAP)

2. Filed patents on HER2/neu Class II and Class I antigens: exclusive license from Mayo Foundation; and

3. Filed patents on Folate Receptor Alpha antigens: exclusive license from Mayo Foundation

While the pathway to successful product development takes time, we believe we have put in place significant for success. The strength of our product pipeline and access to leading scientists and institutions gives us a unique opportunity to make a major contribution to global health care.

With respect to the broader market, a major driver and positive influence on our activities has been the emergence and general acceptance of the potential of a new generation of immunotherapies that promise to change the standard of care for cancer. The immunotherapy sector has been greatly stimulated by the approval of Provenge® for prostate cancer and Yervoy™ for metastatic melanoma, progression of the areas of checkpoint inhibitors and adoptive T-cell therapy and multiple approaches reaching Phase II and Phase III status.

We believe that through our combination of technologies, we are well positioned to be a leading player in this emerging market. It is important to note that many of the late stage immunotherapies currently in development do not represent competition to our programs, but instead offer synergistic opportunities to partner our antigen based immunotherapeutics, and Polystart expression system. Thus, the use of naturally processed T-cell antigens discovered using samples derived from cancer patients plus our Polystart expression technology to improve antigen presentation to T-cells could not only produce an effective cancer vaccines in its own right but also to enhance the efficacy of other immunotherapy approaches such as CAR-T and PD1 inhibitors for example.

Recent Developments and Highlights

August 2016 Private Placement Transaction. On August 10, 2016, we completed a private placement of units with certain accredited investors. The units ("Units") consisted of (i) one share of our common stock, par value $0.001 per share and (ii) one five-year warrant to purchase one share of our common stock for $0.50 (the "PIPE Warrants"). We issued and sold an aggregate of 6.06 million Units at a purchase price per Unit of $0.40 for an aggregate of approximately $2.5 million.

August 2016 Warrant Exercises. On August 11, 2016, holders of an aggregate of 7 million outstanding Series C Warrants and 5 million Series C-1 Warrants, each providing for the purchase of one share of our common stock for $0.50 per share, exercised their warrants for an aggregate exercise price of $6,000,000.

August 2016 Warrant Amendments. Simultaneous with the exercise of the warrants, we and holders of an aggregate of 37,159,975 outstanding Series A Warrants, Series A-1 Warrants, Series C Warrants, Series C-1 Warrants, Series D Warrants, Series D-1 Warrants, Series E Warrants and Series E-1 Warrants (the "Outstanding Series Warrants") entered into Warrant Amendment Agreements (the "Amendment Agreement"), in which they agreed to amend the terms of the Outstanding Series Warrants to remove provisions from the Outstanding Series Warrants that had previously caused them to be classified as a derivative liability as opposed to equity on our balance sheet. In consideration for such amendment and the exercise of the Series C Warrants and Series C-1 Warrants, we issued an aggregate of 9 million additional shares of common stock to such warrant holders and new five-year warrants to purchase 12 million shares of our common stock at an exercise price of $0.60 per share (the "Series F and F-1Warrants").

The following table reflects the status of the outstanding warrants from the January and March 2015, and August 2016 private placement financings (including placement agent warrants) following the Amendment Agreement and private placement:

Series	Outstanding Warrants	Exercise Price	Expiration
A	2,573,195	$ 0.10	01/13/2020
C	5,019,990	$ 0.50	01/13/2020
D	7,319,995	$ 0.75	Between 07/16/2020 and 08/13/2020 and 08/19/2020 and 09/09/2020
E	7,393,195	$ 1.25	Between 10/01/2020 and 11/12/2020 and 11/30/2020 and 12/09/2020
A-1	5,025,000	$ 0.10	03/09/2020
D-1	5,000,000	$ 0.75	Between 08/19/2020 and 09/09/2020
E-1	5,025,000	$ 1.25	06/16/2020
F	7,000,000	$ 0.60	8/11/2021
F-1	5,000,000	$ 0.60	8/11/2021
PIPE Warrants	6,065,489	$ 0.50	8/11/2021
Broker Warrants	606,549	$ 0.40	8/11/2021

Addition of Executive Officer. On July 18, 2016 we announced that Dr. John Bonfiglio, a consultant and a member of our Board of Directors was appointed as our President and Chief Operating Officer and entered into an employment agreement with us. Concurrent with such appointment we amended the employment agreement of Dr. Wilson for Dr. Wilson to relinquish the office of President.

Her2neu License Agreement. On June 7, 2016 the Company announced that it exercised its option agreement with Mayo Clinic and signed a worldwide license agreement to a proprietary HER2neu vaccine technology. The license gives TapImmune the right to develop and commercialize the technology in any cancer indication in which the Her2neu antigen is overexpressed.

Phase II Trials Started. On April 26, 2016 the Company announced plans to participate in a Phase 2 trial of its cancer vaccine, TPIV 200, a multi-epitope anti-folate receptor vaccine (FRa), in combination with durvalumab (MEDI4736), an anti-PD-L1 antibody, in patients with platinum-resistant ovarian cancer. The study started with the enrollment and treatment of patients in the second quarter of 2016 at Memorial Sloan Kettering Cancer Center in New York and is being led by Jason Konner, M.D. as Principal Investigator. On June 21, 2016, we announced the treatment of the first patient in a company-sponsored Phase II trial in triple negative breast cancer as part of a multi-center study.

Manufacturing. On April 7, 2016, the Company announced that it has successfully completed formulation development, scale-up, GMP (Good Manufacturing Practice) manufacturing, and the release of TPIV 200, its multi-epitope folate receptor peptide vaccine for breast and ovarian cancer. The manufactured product contains five peptide antigens freeze dried in a single vial, ready for injection after reconstitution and addition of granulocyte-macrophage colony-stimulating factor (GM-CSF). TPIV 200 doses are now available for the upcoming Phase II clinical trials in both triple negative breast cancer and ovarian cancer.

Results of Operations

In this discussion of the Company's results of operations and financial condition, amounts, other than per-share amounts, have been rounded to the nearest thousand dollars.

Three Months Ended June 30, 2016 Compared to Three Months Ended June 30, 2015

We recorded a net income of $5,974,000 or $0.08 basic and ($0.03) diluted per share during the three months ended June 30, 2016 compared to a net loss of $60,216,000 or ($1.80) basic and diluted per share for the three months ended June 30, 2015 due primarily to the changes in the fair value of our derivative liability.

Operating costs increased to $2,426,000 during the three months ended June 30, 2016 compared to $1,138,000 in the prior period. Significant changes in operating expenses are outlined as follows:

- Research and development costs during the three months ended June 30, 2016 were $1,248,000 compared to $201,000 during the prior period. The increase was primarily due to the Company expensing the Mayo Foundation license fee payments in the current period and higher expenses relating to research.
- General and administrative expenses increased to $1,177,000 during the three months ended June 30, 2016 from $937,000 during the prior period. This was due to generally increased expenses relating to consulting, general and administrative and professional fees during the three months ended June 30, 2016 due to increased activity in operations.
- The changes in fair value of derivative liabilities for the three months ended June 30, 2016 was $8,237,000 as compared to ($59,079,000) for the three months ended June 30, 2015. The variance is due to the revaluation of the Series A, Series C, Series D and Series E warrants issued by us in January and March 2015. We revalue the derivative liabilities at each balance sheet date to fair value. The fair value is determined using Black-Scholes valuation model using various assumptions. The two most significant changes in the assumptions was the difference in the strike price used at June 30, 2016 of $0.51 compared to $0.96 at June 30, 2015 and the number of warrants with derivative liabilities. Due to these significant changes, the fair value of the derivative liabilities decreased by $8,237,000 with a corresponding gain in the condensed and consolidated statement of operations.

Six Months Ended June 30, 2016 Compared to Six Months Ended June 30, 2015

We recorded a net income of $1,224,000 or $0.02 basic and loss of ($0.02) diluted per share during the six months ended June 30, 2016 compared to a net loss of $60,917,000 or ($1.99) basic and diluted per share for the six months ended June 30, 2015.

Operating costs increased to $4,179,000 during the six months ended June 30, 2016 compared to $2,166,000 in the prior period. Significant changes in operating expenses are outlined as follows:

- Research and development costs during the six months ended June 30, 2016 were $2,234,000 compared to $811,000 during the prior period. This was due to the Company exercising its option to acquire Mayo Clinic technology as part of an agreement entered into in March 2014 and increased in in-house research activity in the current period.
- General and administrative expenses increased to $1,945,000 during the six months ended June 30, 2016 from $1,356,000 during the prior period. This was due to generally increased expenses relating to consulting, general and administrative and professional fees during the six months ended June 30, 2016 as the Company's operating activities increased substantially.
- The changes in fair value of derivative liabilities for the six months ended June 30, 2016 was $5,241,000 as compared to $(58,752,000) for the six months ended June 30, 2015. The variance in the current period is due to the revaluation of the Series A, Series C, Series D and Series E warrants issued by us in January and March 2015. We revalue the derivative liabilities at each balance sheet date to fair value. The two most significant changes in the assumptions was the difference in the strike price used at June 30, 2016 of $0.51 compared to $0.96 at June 30, 2015 and the number of warrants with derivative liabilities. Due to these significant changes, the fair value of the derivative liabilities decreased by $5,241,000 with a corresponding gain in the condensed and consolidated statement of operations.

During the six months ended June 30, 2016, the Company received $231,000 of a grant awarded to Mayo Foundation from the US Department of Defense for the Phase II Clinical Trial of TPIV 200. The grant paid for the clinical supplies purchased by the Company.

Liquidity and Capital Resources

We have not generated any revenues since inception, we have financed our operations primarily through public and private offerings of our stock and debt including warrants and the exercise thereof. The following table sets forth our cash and working capital as of June 30, 2016 and December 31, 2015:

	June 30, 2016	December 31, 2015
Cash reserves	$ 3,768,000	$ 6,577,000
Working capital (deficit)	$(19,330,000)	$ (21,360,000)

Net Cash Used in Operating Activities

Net cash used in operating activities during the six months ended June 30, 2016 was $2,784,000 compared to $1,828,000 during the prior period. We had no revenues during the current or prior periods. Operating expenditures, excluding non-cash interest and stock-based charges during the current period primarily consisted of consulting and management fees, office and general expenditures, and professional fees.

Net Cash Used in / Provided by Financing Activities

Net cash used in financing activities during the six months ended June 30, 2016 was $25,000 compared to net cash provided by financing activities of $4,791,000 during the prior period. In the current period we repaid a promissory note while prior period financing relates to proceeds from private placement.

Financings

Our current available funding has come from financings that we conducted in January and March of 2015 and from warrants issued in connection with our January and March, 2015 financings as well as our recent August 2016 private placement.

January 2015 Financing

In January, 2015, we entered into a Securities Purchase Agreement with certain investors for the sale of 7,320,000 units at a purchase price of $0.20 per unit, for a total purchase price of approximately $1,250,000, net of finders' fee and offering expenses of approximately $214,000. Each unit consisting of (i) one share of the Company's Common Stock, (ii) one Series A warrant to purchase one share of common stock, (iii) one Series B warrant to purchase one share of common stock (iv) one Series C warrant to purchase one share of common stock, (v) one Series D warrant to purchase one share of common stock, and (vi) one Series E warrant to purchase one share of common stock (the Series A, B, C, D and E warrants are hereby collectively referred to as the "January 2015 Warrants"). Series A warrants are exercisable at $1.50 per share, with a five year term. Series B warrants are exercisable at $0.40 per share, with a six month term. Series C warrants are exercisable at $1.00 per share, with a five year term. Series D warrants are exercisable at $0.75 per share only if and to the extent that the Series B warrants are exercised, with a five year term from the date that the Series B warrants are exercised. Series E warrants are exercisable at $1.25 per share, only if and to the extent that the Series C warrants are exercised, with a five year term from the date that the Series C warrants are exercised. Pursuant to a placement agent agreement, we agreed to issue warrants to purchase 366,000 common shares with substantially the same terms as the January 2015 Warrants.

March 2015 Financing

In March, 2015, we entered into a Securities Purchase Agreement with certain accredited investors for the sale of 5,000,000 units at a purchase price of $0.20 per unit, for a total purchase price of approximately $950,000, net of finders' fee and offering expenses of approximately $50,000. Each unit consisting of (i) one share of the Company's Common Stock, (ii) one Series A-1 warrant to purchase one share of common stock, (iii) one Series B-1 warrant to purchase one share of common stock (iv) one Series C-1 warrant to purchase one share of common stock, (v) one Series D-1 warrant to purchase one share of common stock, and (vi) one Series E-1 warrant to purchase one share of common stock (the Series A-1, B-1, C-1, D-1 and E-1 warrants are hereby collectively referred to as the "March 2015 Warrants"). The March 2015 Warrants have substantially the same terms as the January 2015 Warrants. Pursuant to a placement agent agreement, we agreed to issue warrants to purchase 125,000 common shares with substantially the same terms as the March 2015 Warrants.

Restructuring of January and March 2015 Financings

In May 2015, we entered into a restructuring agreement with the investors of the January 2015 and March 2015 financings, where:

- The exercise price of the Series A and Series A-1 warrants was changed from $1.50 per warrant to $0.10 per warrant,
- The exercise price of Series B and Series B-1 warrants was changed from $0.40 per warrant to $0.20 per warrant,
- Each warrant of Series B and Series B-1 existing prior to the restructuring agreement was replaced with two warrants of such series,
- The exercise price of the Series C and Series C-1 warrants was changed from $1.00 per warrant to $0.50 per warrant, and
- Each warrant of Series C and Series C-1 existing prior to the restructuring agreement was replaced with two warrants of such series.

As a result of the restructuring agreement, we issued an additional 12,320,000 Series B warrants and 12,320,000 Series C Warrants.

2016 Financing

August 2016 Private Placement Transaction. On August 10, 2016, we completed a private placement of units with certain accredited investors. The units ("Units") consisted of (i) one share of our common stock, par value $0.001 per share and (ii) one five-year warrant to purchase one share of our common stock for $0.50 (the "PIPE Warrants"). We issued and sold an aggregate of 6.25 million Units at a purchase price per Unit of $0.40 for an aggregate of $2.5 million, pursuant to Subscription Agreements, in which we and investors made customary representations to each other.

Warrant Exercises

Between June 16, 2015 and December 9, 2015, 37,080,000 shares were issued upon exercise of certain warrants we issued in connection with our 2015 financings, providing $9.22 million in proceeds. On August 12, 2016, holders of an aggregate of 7 million outstanding Series C Warrants and 5 million Series C-1 Warrants, each providing for the purchase of one share of our common stock for $0.50 per share exercised their warrants for an aggregate exercise price of $6,000,000.

Future Capital Requirements

Our capital requirements for 2016 will depend on numerous factors, including the success of our research and development, the resources we devote to develop and support our technologies and our success in pursuing strategic licensing and funded product development relationships with external partners. Subject to our ability to raise additional capital including through possible joint ventures and/or partnerships, we expect to incur substantial expenditures to further develop our technologies including continued increases in costs related to research, nonclinical testing and clinical studies, as well as costs associated with our capital raising efforts and being a public company. We intend to spend approximately $7,500,000 over the next twelve months in carrying out our plan of operations . We will require substantial funds to conduct research and development and nonclinical and Phase II clinical testing of our licensed, patented technologies and to develop sublicensing relationships for the Phase II and III clinical testing. Our plans include seeking both equity and debt financing, alliances or other partnership agreements with entities interested in our technologies, or other business transactions that would generate sufficient resources to ensure continuation of our operations and research and development programs.

Our current available cash and cash equivalents (inclusion of our recent August 2016 private placement financing and proceeds of the exercise of outstanding warrants) are sufficient to satisfy our liquidity requirements. We believe our existing cash and cash equivalents will allow us to fund our operating plan through the end of 2017. We expect to continue to seek additional funding for our operations. Any such required additional capital may not be available on reasonable terms, if at all. If we were unable to obtain additional financing, we may be required to reduce the scope of, delay or eliminate some or all of our planned clinical testing and research and development activities, which could harm our business. The sale of additional equity or debt securities may result in additional dilution to our shareholders. If we raise additional funds through the issuance of debt securities or preferred stock, these securities could have rights senior to those of our common stock and could contain covenants that would restrict our operations. We also will require additional capital beyond our currently forecasted amounts.

Because of the numerous risks and uncertainties associated with research, development and commercialization of our product candidates, we are unable to estimate the exact amounts of our working capital requirements. Our future funding requirements will depend on many factors, including, but not limited to:

- the number and characteristics of the product candidates we pursue;
- the scope, progress, results and costs of researching and developing our product candidates, and conducting nonclinical and clinical trials including the research and development expenditures we expect to make in connection with our license agreements with Mayo Foundation;
- the timing of, and the costs involved in, obtaining regulatory approvals for our product candidates;

- our ability to maintain current research and development licensing agreements and to establish new strategic partnerships, licensing or other arrangements and the financial terms of such agreements;
- our ability to achieve our milestones under our licensing arrangements and the payment obligations we may have;
- the costs involved in preparing, filing, prosecuting, maintaining, defending and enforcing patent claims, including litigation costs and the outcome of such litigation; and
- the timing, receipt and amount of sales of, or royalties on, our future products, if any.

We have based our estimates on assumptions that may prove to be wrong. We may need to obtain additional funds sooner or in greater amounts than we currently anticipate. Potential sources of financing include strategic relationships, public or private sales of our shares or debt and other sources. We may seek to access the public or private equity markets when conditions are favorable due to our long-term capital requirements. We do not have any committed sources of financing at this time, and it is uncertain whether additional funding will be available when we need it on terms that will be acceptable to us, or at all. If we raise funds by selling additional shares of common stock or other securities convertible into common stock, the ownership interest of our existing stockholders will be diluted. If we are not able to obtain financing when needed, we may be unable to carry out our business plan. As a result, we may have to significantly limit our operations and our business, financial condition and results of operations would be materially harmed.

Various conditions outside of our control may detract from our ability to raise additional capital needed to execute our plan of operations, including overall market conditions in the international and local economies. We recognize that the United States economy has suffered through a period of uncertainty during which the capital markets have been impacted, and that there is no certainty that these levels will stabilize or reverse despite the optics of an improving economy. Any of these factors could have a material impact upon our ability to raise financing and, as a result, upon our short-term or long-term liquidity.

Going Concern

We have no sources of revenue to provide incoming cash flows to sustain our future operations. As outlined above, our ability to pursue our planned business activities is dependent upon our successful efforts to raise additional capital.

While these factors raise substantial doubt regarding our ability to continue as a going concern. Our condensed consolidated financial statements have been prepared on a going concern basis, which implies that we will continue to realize our assets and discharge our liabilities in the normal course of business. Our financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should we be unable to continue as a going concern.

Off-Balance Sheet Arrangements

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

Tax Loss and Credit Carryforwards

As of December 31, 2015 and 2014, we have approximately $24,123,000 of federal and $4,336,000 of state NOLs that may be available to offset future taxable income, if any. The federal net operating loss carryforwards, if not utilized, will expire between 2029 and 2035. The state net operating loss carryforwards, if not utilized, will expire in 2035. Any greater than 50% change in ownership under Section 382 of the Internal Revenue Code, or the Code, places significant annual limitations on the use of such net operating loss carryforwards.

At December 31, 2015 and 2014, we recorded a 100% valuation allowance against our deferred tax assets of approximately $10,826,000 and $12,471,000, respectively, as our management believes it is uncertain that they will be fully realized. If we determine in the future that we will be able to realize all or a portion of our net operating loss carryforwards, an adjustment to our net operating loss carryforwards would increase net income in the period in which we make such a determination.

Inflation

Inflation affects the cost of raw materials, goods and services that we use. In recent years, inflation has been modest. However, fluctuations in energy costs and commodity prices can affect the cost of all raw materials and components. The competitive environment somewhat limits our ability to recover higher costs resulting from inflation by raising prices. Although we cannot precisely determine the effects of inflation on our business, it is management’s belief that the effects on revenues and operating results will not be significant. We do not believe that inflation has had a material impact on our results of operations for the periods presented, except with respect to payroll-related costs and other costs arising from or related to government imposed regulations.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information required under this item.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Principal Executive Officer and Principal Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of the end of the period covered by this report. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is accumulated and communicated to management, including our Principal Executive Officer and Principal Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. Based on such evaluation, our Principal Executive Officer and Principal Financial Officer has concluded that, as of the end of the period covered by this report, our disclosure controls and procedures are not effective in recording, processing, summarizing and reporting, on a timely basis, information required to be disclosed by us in the reports that we file or submit under the Exchange Act.

It should be noted that any system of controls is based in part upon certain assumptions designed to obtain reasonable (and not absolute) assurance as to its effectiveness, and there can be no assurance that any design will succeed in achieving its stated goals.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting during the six months ended June 30, 2016 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

Management is not aware of any material legal proceedings and there are no pending material procedures that would affect the property of the Company. Management is not aware of any legal proceedings and contemplated by any government authority or any other party involving the Company. As of the date of this Quarterly Report, no director, officer or affiliate is (i) a party adverse to us in any legal proceeding, or (ii) has an adverse interest to us in any legal proceeding. Management is not aware of any other legal proceedings pending or threatened against the Company.

Item 1A. Risk Factors

Not required.

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

(a) We issued the following restricted securities during the period covered by this report to the named individual pursuant to exemptions under the Securities Act of 1933 including Section 4(2):

On May 1, 2016 the Company returned the 315,000 shares of Glynn Wilson, Ph.D., to the treasury and issued 228,218 shares to Dr. Glynn Wilson, Ph.D., to adjust for the withholding tax liability for the shares awarded.

On May 3, 2016 the Company issued 40,000 shares to Gary Poelstra, pursuant to a financial consulting agreement.

On May 28, 2016 the Company issued 41,037, 40,625 and 40,625 shares to Arsalan Farmanfarmai, Tona Family Trust and Frank Baughman, respectively, pursuant to debt conversion agreements of 2014.

On May 30, 2016 the Company issued 30,000 and 70,000 shares to Dennis S. Dobson and Dennis Dobson Jr., respectively, pursuant to an investor relations agreement.

On May 30, 2016 the Company issued 100,000 shares to Proactive Capital Resource Group, LLC, pursuant to an investor relations agreement.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosure

Not Applicable.

Item 5. Other Information

The disclosure set forth below is provided in lieu of a separate Form 8-K filing.

On August 10, 2016, holders of an aggregate of 7 million outstanding Series C Warrants and 5 million Series C-1 Warrants, each providing for the purchase of one share of Company common stock for $0.50 per share, entered into binding commitments to exercise those warrants for an aggregate exercise price of $6,000,000. The closing of the exercise of the warrants was conditioned on the closing of the Warrant Amendment Agreements entered into on August 10, 2016, between the Company and the holders of the Series C and Series C-1 Warrants, who also hold an aggregate of 37,159,975 outstanding Series A Warrants, Series A-1 Warrants, Series C Warrants, Series D Warrants, Series D-1 Warrants, Series E Warrants and Series E-1 Warrants (the "Outstanding Series Warrants"), in which they agreed to amend the terms of the Outstanding Series Warrants to remove provisions from the Outstanding Series Warrants that had previously caused them to be classified as a derivative liability as opposed to equity on the Company's balance sheets.

The holders of the 7 million Series C Warrants and 5 million Series C-1 Warrants paid the $6 million exercise price for such warrants to the Company on August 11, 2016, and the Outstanding Series Warrants were amended on such date. In consideration for such amendment and the exercise of the Series C Warrants and Series C-1 Warrants, on August 11, 2016, the Company issued an aggregate of 9 million additional shares of restricted common stock to such warrant holders and new five-year Series F Warrants and Series F-1 Warrants to purchase an aggregate of 12 million shares of Company common stock at an exercise price of $0.60 per share. The form of the Series F and Series F-1 Warrants were filed as exhibits to the Prior Report.

Item 6. Exhibits

The following exhibits are included with this Quarterly Report on Form 10-Q:

Exhibit number	Exhibit description	Incorporated by Reference			Filing date	Filed herewith
		Form	File no.	Exhibit		
3.1	Amended and Restated Bylaws of TapImmune Inc.	**8-K**	**000-27239**	**3.1**	**7/15/16**	
4.1	Form of PIPE warrant	**8-K**	**000-27239**	**4.1**	**8/11/16**	
4.2	Form of Amended Series A Warrant	**8-K**	**000-27239**	**4.2**	**8/11/16**	
4.3	Form of Amended Series C Warrant	**8-K**	**000-27239**	**4.3**	**8/11/16**	
4.4	Form of Amended Series D Warrant	**8-K**	**000-27239**	**4.4**	**8/11/16**	
4.5	Form of Series E Warrant	**8-K**	**000-27239**	**4.5**	**8/11/16**	
4.6	Form of Amended Series A-1 Warrant	**8-K**	**000-27239**	**4.6**	**8/11/16**	
4.7	Form of Amended Series D-1 Warrant	**8-K**	**000-27239**	**4.7**	**8/11/16**	
4.8	Form of Amended Series E-1 Warrant	**8-K**	**000-27239**	**4.8**	**8/11/16**	
4.9	Form of Series F Warrant	**8-K**	**000-27239**	**4.9**	**8/11/16**	
4.10	Form of Series F1 Warrant	**8-K**	**000-27239**	**4.10**	**8/11/16**	
4.11	Form of Katalyst Warrant	**8-K**	**000-27239**	**4.11**	**8/11/16**	
10.1	Amendment to Employment Agreement between TapImmune Inc. and Glynn Wilson, dated as of July 18, 2016	**8-K**	**000-27239**	**10.1**	**7/19/16**	
10.2	Employment Agreement between TapImmune Inc. and John Bonfiglio dated as of July 18, 2016.	**8-K**	**000-27239**	**10.2**	**7/19/16**	
10.3	Form of Subscription Agreement	**8-K**	**000-27239**	**10.1**	**8/11/16**	
10.4	Registration Rights Agreement	**8-K**	**000-27239**	**10.2**	**8/11/16**	
10.5	Form of Warrant Amendment Agreement	**8-K**	**000-27239**	**10.3**	**8/11/16**	
10.6	Agency Agreement with Katalyst Securities LLC and GP Nurmenkari Inc., dated as of July 21, 2016	**8-K**	**000-27239**	**10.4**	**8/11/16**	
10.7	License and Assignment Agreement with Mayo Foundation for Medical Education and Research dated May 19, 2016.**					**X**
31.1	Certification of Principal Executive Officer and Acting Principal Accounting Officer Pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1933, as amended.					**X**
32.1	Certification of Principal Executive Officer and Acting Principal Accounting Officer pursuant to 18 U.S.C. 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					**X**

** Confidential treatment has been requested for the redacted portions of this exhibit pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

Exhibit 101

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.LAB - XBRL Taxonomy Extension Label Linkbase Document
101.PRE - XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TAPIMMUNE INC.

/s/ Glynn Wilson

Glynn Wilson
Chairman, Chief Executive Officer, Principal Executive Officer and Chief Financial Officer
Date: August 15, 2016

CONFIDENTIAL TREATMENT REQUESTED BY TAPIMMUNE, INC.

Portions herein identified by [*****] have been omitted pursuant to a request for confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934, as amended. A complete copy of this document has been filed separately with the Securities and Exchange Commission.

MAYO FOUNDATION FOR MEDICAL EDUCATION AND RESEARCH
LICENSE AND ASSIGNMENT AGREEMENT

This patent, know-how, materials license and IND assignment agreement ("Agreement") is by and between Mayo Foundation for Medical Education and Research, a Minnesota charitable corporation, located at 200 First Street SW, Rochester, Minnesota 55905-0001 ("MAYO"), and TapImmune, Inc., a for-profit corporation, having a place of business at 50 North Laura Street, Suite 2500, Jacksonville, FL 32202 ("COMPANY"), each a "Party," and collectively "Parties".

WHEREAS, MAYO, the University of Washington ("UW") and IDM Pharma, Inc. ("IDM" and all three together "COLLABORATORS") have employees who are named inventors under the Patent Rights as defined herein and therefore share an interest in the Patent Rights.

WHEREAS (i) MAYO and the University of Washington and (ii) MAYO and IDM Pharma, Inc. have entered into separate agreements permitting MAYO to administer and commercialize the Patent Rights on behalf of the University of Washington and IDM Pharma, Inc.

WHEREAS, MAYO desires to make its intellectual property rights and the rights of the UW and IDM under the Patent Rights available for the development and commercialization of products, methods and processes for public use and benefit;

WHEREAS, COMPANY represents itself as being knowledgeable in developing and commercializing vaccine technology;

WHEREAS, MAYO and COMPANY entered into a Technology Option Agreement on May 25th, 2010 for the intellectual property rights to be licensed hereunder;

WHEREAS, COMPANY has exercised its option from MAYO; and

WHEREAS, MAYO is willing to grant and COMPANY is willing to accept license under such rights for the purpose of developing such technology.

NOW THEREFORE, in consideration of the foregoing and the terms and conditions set forth below, the Parties hereby agree as follows:

Article 1.00 - Definitions

For purposes of this Agreement, the terms defined in this Article will have the meaning specified and will be applicable both to the singular and plural forms:

Portions herein identified by [*****] have been omitted pursuant to a request for confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934, as amended. A complete copy of this document has been filed separately with the Securities and Exchange Commission.

1.01 For MAYO, **"Affiliate":** any corporation or other entity within the same "controlled group of corporations" as MAYO or its parent MAYO Clinic. For purposes of this definition, the term "controlled group of corporations" will have the same definition as Section 1563 of the Internal Revenue Code as of November 10, 1998, but will include corporations or other entities which if not a stock corporation, more than fifty percent (50%) of the board of directors or other governing body of such corporation or other entity is controlled by a corporation within the controlled group of corporations of MAYO or Mayo Clinic. MAYO's Affiliates include, but are not limited to: Mayo Clinic; Mayo Collaborative Services, Inc.; Mayo Clinic Hospital, Rochester; Mayo Clinic Florida; Mayo Clinic Arizona; and its Mayo Clinic Health System entities.

For COMPANY, UW and IDM, "Affiliate": any corporation or other entity that controls, is controlled by, or is under common control with, COMPANY. For purposes of this definition, "control" means ownership of: (a) at least fifty percent (50%) or the maximum percentage, if less than fifty percent (50%), as allowed by applicable law, of the outstanding voting securities of such entity; or (b) at least fifty percent (50%) of the decision-making authority of such entity.

1.02 "Change of Control": (a) the acquisition of COMPANY by another person or entity by means of any transaction or series of related transactions (including any stock transfer or series of transfers, reorganization, merger or consolidation) that results in the transfer of fifty percent (50%) or more of the outstanding voting power of COMPANY; or (b) a sale of all or substantially all of the assets of COMPANY to which this Agreement relates.

1.03 "Confidential Information": all proprietary unpublished or nonpublic information or materials including, but not limited to, written, oral or virtually presented information and such items as electronic media products, trade secrets, financial information, equipment, databases and the like provided by one Party to the other under this Agreement, or which is observed by a Party while on the other Party's premises. Confidential Information does not include any information or material that receiving party evidences is: (a) already known to the receiving party at the time of disclosure (other than from the disclosing party); (b) publicly known other than through acts or omissions of the receiving party; (c) disclosed to the receiving party by a third party who was not and is not under any obligation of confidentiality; or (d) independently developed by employees of the receiving party without knowledge of or access to the Confidential Information.

1.04 "Effective Date": May 4th, 2016.

1.05 "Field": Therapeutic use against breast, ovarian, lung and any other cancers that overexpress Her2/Neu antigens.

1.06 "Know-How": research and development information, unpatented inventions, trade secrets, know-how and supportive information developed by Dr. Keith Knutson while at MAYO, which are related to the technology under the Patent Rights, controlled by MAYO as of the Effective Date to the extent it is necessary for the development or manufacture of a Licensed Product (MAYO files #2007-223).

1.07 "Licensed Product": Products or services that (i) in the absence of the Agreement, would infringe at least one Valid Claim or (ii) the development, manufacture or use incorporates or was derived from the Know-How or Materials provided to COMPANY by MAYO and/or its Affiliates.

1.08 "Materials": Biological specimens, software or other tangible property including data and written information provided by MAYO to COMPANY including the trial data and analysis for Mayo Trial MC1136 listed in Exhibit 1.

1.09 "Net Sales": the amount invoiced by COMPANY or, in the case of a permitted sublicense, a Sublicensee, for the sale or transfer of a Licensed Product to a third party, less documented: (a) sales, excise or use taxes shown on the face of the invoice, excluding value-added tax; (b) credits for defective or returned Licensed Products actually given; and (c) regular trade and discount allowances given. Leasing, lending, consigning or any other activity by means of which a non-affiliated third party acquires the right to possess or use a Licensed Product shall be deemed a transfer for the purpose of determining Net Sales. Net Sales on Licensed Products transferred as part of a non-cash exchange shall be calculated at the then-current customary sales price invoiced to third parties or fair market value if there are no current invoices to third parties. In the event that COMPANY transfers Licensed Products to an Affiliate, and the Affiliate retransfers the Licensed Product to third-party customers, the Net Sales shall be the price charged by the Affiliate to third-party customers, less documented allowable deductions actually taken. If such Affiliate does not transfer the Licensed Product to a third-party customer within one year, Net Sales shall be calculated to be the higher of (i) the price charged by the Licensee to the Affiliate, (ii) the average price charged by the licensee to third-party customers, or (iii) in the absence of sales to third-party customers, the fair market price for the Licensed Products.

Net Sales accrues with the first of delivery or invoice.

1.10 "Patent Rights": U.S. provisional application 60/984,646, PCT/US2008/081799, U.S. patent application numbersl2/740,562 and 14/480,365, divisionals, continuations, and continuations-in-part (but only for subject matter supported pursuant to 35 U.S.C. §112 by the foregoing) therefrom, patents issuing thereon, re-examinations and re-issues thereof, as well as extensions and supplementary protection certificates and any foreign counterpart of any of the foregoing (MAYO file #2007-223).

1.11 "Sublicensee": any third party or any Affiliate to whom COMPANY has conveyed rights or the forbearance of suit under the Patent Rights, Know-How or Material.

1.12 "Sublicense Income": consideration in any form received by COMPANY from each Sublicensee, excluding amount paid by COMPANY to MAYO on Sublicensee's Net Sales in Section 3.04 and milestone payments in Section 3.03. Sublicense Income shall include, (i) all

fees, (ii) payments, (iii) equity, (iv) research and development funding in excess of COMPANY's reasonable and documented costs of performing such research and development, and (v) any consideration received for an equity interest in, extension of credit to, or other investment in COMPANY, to the extent such consideration exceeds the fair market value as promptly determined by agreement of the Parties or by an independent appraiser mutually agreeable to the Parties.

1.13 "Term": begins on the Effective Date and ends, subject to Article 10, upon COMPANY's last obligation to make payments to MAYO under Articles 3 and 4.

1.14 "Territory": worldwide.

1.15 "Valid Claim": a claim within the Patent Rights that is in force and has not been held to

Article 2.00 - Grant of Rights

2.01 GRANT. Subject to the terms and conditions of this Agreement, MAYO grants to COMPANY: (a) an exclusive license with the right to sublicense, within the Field and Territory, under the Patent Rights to make, have made, use, offer for sale, sell, and import Licensed Products; and (b) a nonexclusive license, with the right to sublicense, within the Field and Territory, to use the Know-How and Materials to develop, make, have made, use, offer for sale, sell, and import Licensed Products.

Once MAYO receives the upfront payment of $300,000 in Section 3.01, MAYO will provide reasonable access to necessary personnel to transfer Know-How and Materials including the CT.Gov record transfer and associated clinical trial data each under IND #14749 ("IND"), but in no event shall MAYO be required to provide any Know-How or Materials in tangible form if it does not exist in tangible form as of the Effective Date, and in no event shall MAYO be required to provide more than four (4) hours of service for such access.

Once MAYO receives the initial upfront payment from COMPANY of $300,000 in Section 3.01, MAYO will assign IND # 14749 to Taplmmune along with the associated regulatory documents listed in Exhibit 1 under Section 1. Taplmmune will assume all regulatory reporting responsibility for this IND and any existing or future liabilities associated with it. COMPANY does agree to allow MAYO and its Affiliates the right to cross-reference IND #14749 for any MAYO clinical trials on Her2/Neu vaccine and the COMPANY will use reasonable efforts to provide assistance that may be needed for MAYO to cross-reference IND #14749.

2.02 RESERVATION OF RIGHTS. All rights herein are subject to: (a) the rights and obligations to and requirements of the U.S. government, if any have arisen or may arise, regarding the Patent Rights, including as set forth in 35 U.S.C. §§200 et al., 37 C.F.R. Part 401 et al. ("Bayh-Dole Act"); (b) MAYO's and its Affiliates' reserved, irrevocable right to practice and

have practiced the Patent Rights in connection with MAYO's and its Affiliates' educational, research and clinical programs, including MAYO's reference laboratory, Mayo Collaborative Services, Inc.; and (c) the University of Washington's reserved, irrevocable right to practice and have practiced the Patent Rights in connection with the University of Washington's and its affiliates' educational, research and clinical programs . COMPANY agrees to comply with the provisions of the Bayh-Dole Act, including promptly providing to MAYO with information requested to enable MAYO to meet its compliance requirements and substantially manufacturing Licensed Product in the U.S.

2.03 NO OTHER RIGHTS GRANTED. This Agreement does not grant any right, title or interest in or to any tangible or intangible property right of MAYO or its Affiliates, including any improvements thereon, or to any Patent Rights, Know-How or Materials outside the Field that is not expressly stated in Section 2.01. All such rights, titles and interests are expressly reserved by MAYO and COMPANY agrees that in no event will this Agreement be construed as a sale, an assignment or an implied license by MAYO or its Affiliates to COMPANY of any such tangible or intangible property rights.

2.04 SUBLICENSES. Any sublicense by COMPANY shall be to a Sublicensee that agrees in writing to be bound by substantially the same terms and conditions as COMPANY herein, excluding financial terms and conditions, or such sublicense shall be null and void. Sublicenses granted hereunder shall not be transferable, including by further sublicensing, delegatable or assignable without the prior written approval of MAYO or such further sublicensing, delegation or assignation shall be null and void. COMPANY will provide MAYO with a copy of each sublicense agreement promptly after execution. COMPANY is responsible for the performance of all Sublicensees as if such performance were carried out by COMPANY itself, including the payment of any royalties or other payments provided for hereunder triggered by such Sublicense, regardless of whether the terms of any sublicense require that Sublicensee pay such amounts (such as in a fully paid-up license) to COMPANY or that such amounts be paid by the Sublicensee directly to MAYO. Each sublicense agreement shall name MAYO as a third party beneficiary and, unless MAYO has provided written consent, all rights of Sublicensees shall terminate when COMPANY's rights terminate. COMPANY shall not grant any fully-paid up, royalty-free or exclusive sublicenses without MAYO's prior written consent.

Article 3.00 - Royalties

3.01 UP-FRONT. COMPANY will make the following nonrefundable and noncreditable up-front license fee payments to MAYO totaling THREE HUNDRED THOUSAND DOLLARS (US $300,000) as partial consideration for entering into this agreement within thirty (30) days of the Effective Date of this Agreement. For avoidance of any doubt, failure of COMPANY to make any of the payments listed in this Section 3.01 on time is a material breach of this Agreement.

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3.02 ANNUAL LICENSE MAINTENANCE FEE. During the Term of this Agreement, COMPANY will pay annual, nonrefundable and noncreditable license maintenance fees of ***** (US $*****) to MAYO beginning on the second (2nd) anniversary of the Effective Date and every anniversary thereafter (i) until royalties are due under Section 3.04 or (ii) unless COMPANY is making other payments to MAYO in such year pursuant to COMPANY's obligation under Article 3.00.

3.03 MILESTONE FEES. COMPANY will pay the following nonrefundable and noncreditable milestone fees to MAYO for each Licensed Product developed by COMPANY it Affiliates or a Sublicensee within thirty (30) days of the achievement of the following events:

	EVENT	MILESTONE PAYMENT
1	Completion of a *successful phase II clinical trial for each Licensed Product and submission of a final report to the FDA	$US *****
2	Completion of a *successful phase III clinical trial for each Licensed Product and submission of a final report to the FDA	$US *****
3	Receipt of US regulatory approval for each Licensed Product	$US *****
4	Receipt of Canadian or European regulatory approval for each Licensed Product	$US *****
5	Achievement of annual worldwide Net Sales between $75-150 million	$US *****
6	Achievement of annual worldwide Net Sales between $150-500 million	$US *****
7	Achievement of annual worldwide Net Sales $500 million or greater	$US *****
8	Change in Control to another company with a market capitalization at the time of the Change in Control between $100-$750 million dollars	$US *****
9	Change in Control to another company with a market capitalization at the time of the Change in Control greater than $750 million dollars	$US *****

* Success meaning the achievement of a primary or secondary endpoint or other success criteria defined in the protocol.

For avoidance of doubt, the annual period for milestone payments will be a calendar year.

There will be no Change of Control Milestones to another company with a market capitalization of under $100 million dollars.

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3.04 EARNED ROYALTIES. COMPANY shall pay MAYO a nonrefundable and noncreditable royalty of ***** percent (*****%) of the Net Sales of the Licensed Product sold by COMPANY, its Affiliates and/or its Sublicensees ("Earned Royalties"). The Earned Royalties are payable as described in Section 4.01. Licensed Products transferred to MAYO or its Affiliates are not considered transfers for purposes of determining Net Sales or for calculating Earned Royalties. No Earned Royalties are due MAYO on transfers to MAYO or MAYO Affiliates. Earned Royalties shall terminate on a Licensed Product-by-Licensed Product and country-by-country basis the latter of (i) first date when there is no longer a Valid Claim covering such Licensed Product in the country where such Product is made or sold; or (ii) ten (10) years from the first commercial sale in a country when a Licensed Product is not covered by a Valid Claim in that country.

3.05 MINIMUM ROYALTIES. Beginning in the calendar year following the first commercial sale of a Licensed Product and continuing through the Tenn., COMPANY shall pay MAYO an annual minimum royalty ("Annual Minimum Royalty") of ***** (US$*****) if the royalties otherwise due from the Net Sales of Licensed Products falls below this amount. If in any calendar year during the COMPANY's obligation to make a minimum royalty payment the aggregate amount of the Earned Royalty payments made during such year is less than the applicable Annual Minimum Royalty for such year (a "Shortfall"), then COMPANY shall make an additional payment to MAYO in the amount of the Shortfall together with the second half-year Earned Royalty payment for such year.

3.06 ROYALTY STACKING. If COMPANY is a party to a license agreement with any third party, which license is required for the manufacture, use and/or sale of a Licensed Product and the total royalty due such third party and MAYO (to be paid by COMPANY) exceeds ***** (*****%) percent of Net Sales on a Licensed Product-by-Licensed Product and country-by-country basis, COMPANY may reduce the royalty rate applicable hereunder on such Licensed Product by 0.5% for each 1% of the royalty rate payable to such third party until such time that the total royalty obligation to all parties on such Licensed Product is ***** (*****%) or less; provided, however, that in no event will the Earned Royalties otherwise due to MAYO be reduced to less than ***** (*****%) percent. If such other license(s) include(s) a royalty stacking provision of like intent to this Section, the royalty rate reduction provided for in this Section 3.06 would be calculated as if such provision in such other license were absent. COMPANY agrees to notify MAYO immediately if COMPANY enters into any additional license(s) with a third party or parties that would affect the Earned Royalty amount received by MAYO.

For avoidance of any doubt, any royalties or other payments that the COMPANY may make to AYER or any other party for COMPANY's acquisition of AYER's rights under AYER's existing option agreement with MAYO to take a license to Patent Rights, Know-How and Materials shall not be subject to the royalty stacking provisions under this Section 3.06.

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3.07 SUBLICENSE INCOME ROYALTY. COMPANY will make nonrefundable and noncreditable payments to MAYO of: (i) *****percent (*****%) percent of Sublicense Income received by COMPANY resulting from sublicenses granted to Sublicensees prior to the completion of a phase II trial and (ii) ***** percent (*****%) of Sublicense Income received by the COMPANY resulting from sublicenses granted to Sublicensees after the completion of a phase II trial. The Sublicense Income is payable as described in Section 4.01.

3.08 BEST PRICE. Subject to any marketing agreement(s) between COMPANY and its marketing partner(s) and Sublicensees, MAYO may, at its sole option, purchase the Licensed Product from COMPANY or a Sublicensee for use within MAYO's and its Affiliates' educational, research and clinical programs in any quantity at the prior year's best net price offered by the COMPANY to any end user. The prior year's best net price will be determined on each January 1" and reported to MAYO in its Feb 1St reports due under Section 4.01 and will apply for the entire forthcoming calendar year (January 1 - December 31). COMPANY will report such sales to MAYO as part of the royalty report described in Section 4.01.

3.09 TAXES. COMPANY is responsible for all taxes, duties, import duties, assessments and other governmental charges, however designated, which are now or hereafter imposed by any authority on COMPANY: (a) by reason of the performance by MAYO of its obligations under this Agreement, or the payment of any amounts by COMPANY to MAYO under this Agreement; (b) based on the Patent Rights; or (c) related to use, sale or importation of the Licensed Product. Any withholding taxes that COMPANY is required by law to withhold on remittance of the royalty payments shall be paid forthwith to MAYO in an amount which shall result in the net amount being received by MAYO being equal to the amount which would have been received by MAYO had no such deduction or withholding been made. If necessary, COMPANY will obtain, or assist MAYO in obtaining, any tax reduction (including avoidance of double taxation), tax refund or tax exemption available to MAYO by treaty or otherwise.

3.10 U.S. CURRENCY. All payments to MAYO under this Agreement will be made by draft drawn on a U.S. bank, and payable in U.S. dollars. In the event that conversion from foreign currency is required in calculating a payment under this Agreement, the exchange rate used shall be the Interbank rate quoted by US Bank at the end of the last business day of the quarter in which the payment accrued.

3.11 OVERDUE PAYMENTS. If overdue, the payments due under this Agreement shall bear interest until paid at a per annum rate of two percent (2%) above the prime rate in effect at US Bank on the due date. MAYO shall be entitled to recover, in addition to all other remedies, reasonable attorneys' fees and costs related to the administration or enforcement of this Agreement, including collection of payments, following COMPANY's such failure to pay. The acceptance of any payment, including such interest, shall not foreclose MAYO from exercising any other right or seeking any other remedy that it may have as a consequence of the failure of COMPANY to make any payment when due.

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Article 4.00 - Accounting and Reports

4.01 REPORTS AND PAYMENT. COMPANY will deliver to MAYO on or before the following dates: 1 February and 1 August, a written report setting forth a full accounting showing how any amounts due to MAYO for the preceding calendar half-year have been calculated as provided in this Agreement, including an accounting of total Net Sales with a reporting of any applicable foreign exchange rates, deductions, allowances, and charges and any payments due from Sublicensees. Each report will include product names, part numbers and quantity sold for each country in which the Licensed Product was sold. Furthermore, the report will include detailed information about Licensed Products sold to MAYO or MAYO Affiliates at cost, pursuant to Section 3.08. If no Licensed Product transfers have occurred and no other amounts are due to MAYO, COMPANY will submit a report so stating. Each such report will be accompanied by the payment of all amounts due for such calendar half-year.

4.02 ACCOUNTING. COMPANY will, throughout the Term, keep complete, continuous, true and accurate books of accounts and records sufficient to support and verify the calculation of Net Sales, all royalties and any other amount believed due and payable to MAYO under this Agreement. Such books and records will be open at all reasonable times for inspection by a representative of MAYO for audit and verification of royalty statements or of compliance with other aspects of this Agreement. The MAYO representative will treat as confidential all relevant matters and will be a person or firm reasonably acceptable to COMPANY. In the event such audit reveals an underpayment by COMPANY, COMPANY will within thirty (30) days pay the royalty due in excess of the royalty actually paid. In the event the audit reveals an underpayment by COMPANY of more than ***** percent (*****%) of the amount due, COMPANY will pay interest on the royalty due in excess of the royalty actually paid at the highest rate then permitted by law. In either event, COMPANY will pay all of MAYO’s costs in conducting the audit.

Article 5.00 - Diligence

5.01 DILIGENCE. COMPANY, its Affiliate or a Sublicensee shall diligently develop the technology under the Patent Rights to bring Licensed Products to market.

5.02 DILIGENCE MILESTONES. COMPANY understands that such diligence by COMPANY is essential for MAYO to realize it value from the commercialization of the Patent Rights. Hence, COMPANY, its Affiliate or a Sublicensee shall, during the Term, use best efforts to achieve the diligence events described in this Section 5.02.

DILIGENCE EVENT

Initiate a Phase II clinical trial for a Licensed Product prior to the 2nd anniversary of the Agreement and, once initiated, keep current on all COMPANY phase II funding obligations.

Initiate a Phase IIB or III clinical trial for a Licensed Product prior to the 5th anniversary of the Agreement

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If COMPANY fails to meet one of the diligence events, then MAYO may elect to terminate the License Agreement upon ninety (90) days' prior written notice, in which case all licensed right in the Agreement will revert to MAYO, unless MAYO and COMPANY agree in writing to amend or modify the diligence events in connection with COMPANY's demonstration to MAYO of its bona fide intention to commercialize a Licensed Product through COMPANY's delivery to MAYO of a reasonable action plan to achieve the diligence event, its payment to MAYO of a mutually agreed amount, or otherwise. Notwithstanding the foregoing, COMPANY shall not be responsible for the failure to meet the diligence event stated in this section if the inability of COMPANY to do so results from scientific non-performance of a Licensed Product to achieve a primary endpoint. In any such case of non-performance, COMPANY shall promptly inform MAYO of such situation and Mayo will terminate the licenses granted in the Agreement unless COMPANY can reasonably demonstrate that it can rectify the situation within one hundred and eighty (180) days.

Article 6.00 - Intellectual Property Management

6.01 REIMBURSEMENT AND CONTROL. COMPANY will have the first right to prepare, file, prosecute abandon, or otherwise handle the Patent Rights with prior advice and comment from MAYO. COMPANY shall pay all costs and expenses associated with the filing, prosecution and maintenance of the Patent Rights, whether arising before or during the Term. COMPANY shall pay for costs and expenses associated with the Patent Rights incurred by MAYO prior to the Effective Date within ninety (90) days of receiving an invoice from MAYO. In the event that the COMPANY decides to abandon certain patents within the Patent Rights, COMPANY shall so inform MAYO within at least sixty (60) days of taking the action or failing to act, which would cause such abandonment of rights. Should MAYO choose to continue the prosecution or maintenance of the said patents(s) within the Patent Rights, MAYO shall pay the cost of such activity, and the license to the COMPANY for the said patent(s) within the Patent Rights shall terminate. MAYO shall have sole control over the protection, defense, enforcement, maintenance, abandonment and other handling of the Know-How and Materials. MAYO will have no liability to COMPANY for any act or omission in the preparation, filing, prosecution, maintenance, abandonment, or other handling of the Patent Rights, Know-How and Materials.

6.02 ENFORCEMENT. If either Party becomes aware of a third party infringement of any unexpired claim within the Patent Rights, that Party will promptly notify the other Party with written notice. COMPANY shall have the first right, but not the obligation, to prosecute in its own name and at its own expense any infringement of the Patent Rights. If COMPANY elects to commence an infringement action, COMPANY shall bear all expenses related to such action and, MAYO at its option, may join as a party to such action. Regardless of whether MAYO joins as a party, COMPANY shall control such action, and MAYO shall, within reason, cooperate fully with COMPANY in connection with any such action provided any reasonable out-of-pocket expense incurred by MAYO in providing such cooperation will be paid by COMPANY. Recoveries or reimbursements from infringement actions commenced by COMPANY shall be

distributed as follow: (i) the Parties shall be reimbursed litigation expenses, including but not limited to reasonable attorneys' fees; (ii) as to ordinary damages, COMPANY shall receive an amount equal to its lost profits or a reasonable royalty on the sales of the infringer's product (whichever measure of damages the court shall have applied) and shall be included towards Net Sales calculations for royalty determination for payment to MAYO; and (iii) any remaining recoveries or reimbursements shall be paid ***** percent (*****%) to COMPANY and ***** percent (*****%) to MAYO. If COMPANY decides not to prosecute infringement of any Patent Rights, MAYO reserves the right, without obligation, to prosecute such infringement, in which roles and returns stated above in this paragraph shall be reversed. For avoidance of doubt regarding returns resulting from MAYO prosecution, recoveries or reimbursements from infringement actions commenced by MAYO shall be distributed as follow: (i) the Parties shall be reimbursed litigation expenses, including but not limited to reasonable attorneys' fees; (ii) as to ordinary damages, MAYO shall receive an amount equal to COMPANY's lost profits or a reasonable royalty on the sales of the infringer's product (whichever measure of damages the court shall have applied) and MAYO will apply the applicable Earned Royalty rate under Section 3.04 to the distribution received by MAYO and provide that calculated amount to the COMPANY; and (iii) any remaining recoveries or reimbursements shall be paid ***** percent (*****%) to MAYO and ***** percent (*****%) to COMPANY.

6.03 PATENT TERM EXTENSION. COMPANY shall consult with MAYO in selecting the patent covering each Licensed Product for patent term extension for or supplementary protection certificate under in accordance with the applicable laws of any country. Each Party agrees to execute any documents and to take any additional actions as the other Party may reasonably request in connection therewith.

6.04 PATENT MARKING. To the extent commercially feasible, COMPANY will mark all Licensed Products that are manufactured or sold under this Agreement with the number of each issued patent within the Patent Rights that cover such Licensed Product(s). Any such marking will be in conformance with the patent laws and other laws of the country of manufacture or sale.

6.05 DEFENSE. MAYO will have the first right, but not the obligation, to take any measures deemed appropriate by MAYO, regarding (a) challenges to the Patent Rights (including interferences in the U.S. Patent and Trademark Office and oppositions in foreign jurisdictions) and (b) defense of the Patent Rights (including declaratory judgment actions), Know-How or Materials. COMPANY shall reasonably cooperate in any such measures if requested to do so by MAYO.

6.06 THIRD PARTY LITIGATION. In the event a third party institutes a suit against COMPANY for patent infringement involving a Licensed Product, COMPANY will promptly inform MAYO and keep MAYO regularly informed of the proceedings. COMPANY agrees to indemnify, defend and hold harmless MAYO for any claims, demands or law suits related thereto.

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Article 7.00 - Use of Name

7.01 USE OF NAME AND LOGO. Neither Party will use for publicity, promotion or otherwise, any logo, name, trade name, service mark or trademark of the other Party or the University of Washington's without the other Parties prior, written, express consent or, in the case of the use of University of Washington's logo, name, trade name, service mark or trademark, prior, written, express consent of the University of Washington. COMPANY will not use for publicity, promotion or otherwise, any logo, name, trade name, service mark or trademark of MAYO or its Affiliates, including, but not limited to, the terms "MAYO®," "MAYO Clinic®" and the triple shield MAYO logo, or any simulation, abbreviation or adaptation of the same, or the name of any MAYO employee or agent, without MAYO's prior, written, express consent. Either Party may withhold such consent in its absolute discretion.

With regard to the use of MAYO's name, all requests for approval pursuant to this Section must be submitted to the MAYO Clinic Public Affairs Business Relations Group, at the following e-mail address: PublicAffairsBR@MAYO.edu at least five (5) business days prior to the date on which a response is needed.

Article 8.00 - Confidentiality

8.01 TREATMENT OF CONFIDENTIAL INFORMATION. Except as provided for in Section 8.02, neither Party will disclose, use or otherwise make available the other's Confidential Information during the Term and for three (3) years thereafter and will use the same degree of care it employs to protect its own confidential information.

8.02 RIGHT TO DISCLOSE.

(a) To the extent it is reasonably necessary or appropriate to fulfill its obligations or exercise its rights under this Agreement, COMPANY may disclose Confidential Information of MAYO to its Sublicensees, consultants, and outside contractors on the condition that each such entity agrees to obligations of confidentiality and non-use at least as stringent as those therein.

(b) To the extent it is reasonably necessary or appropriate to fulfill its obligations or exercise its rights under this Agreement, MAYO may disclose Confidential Information of COMPANY to its consultants and outside contractors on the condition that each such entity agrees to obligations of confidentiality and non-use at least as stringent as those therein.

(c) If a Party is required by law, regulation or court order to disclose any of the Confidential Information, it will have the right to do so, provided it: (i) promptly notifies the disclosing party; and (ii) reasonably assists the

disclosing party to obtain a protective order or other remedy of disclosing party's election and at disclosing party's expense, and only disclose the minimum amount necessary to satisfy such obligation.

8.03 CONFIDENTIALITY OF AGREEMENTS. Except as otherwise required by law, the specific terms and conditions of this Agreement shall be Confidential Information but the existence and Field of this Agreement will not be Confidential Information and the Parties may state that COMPANY is licensed under the Patent Rights.

Article 9.00 - Warranties, Representations, Disclaimers and Indemnification

9.01 REPRESENTATIONS AND WARRANTIES OF COMPANY. COMPANY warrants and represents to MAYO that:

(a) it is experienced in the development, production, quality control, service, manufacture, marketing and sales of products similar to the subject matter of the Patent Rights, and that it will commit itself to a thorough, vigorous and diligent program of developing and marketing the Licensed Products;

(b) it has independently evaluated the Patent Rights, Know-How, and Materials and Confidential Information, if any, their applicability or utility in COMPANY's activities, is entering into this Agreement on the basis of its own evaluation and not in reliance of any representation by MAYO, and assumes all risk and liability in connection with such determination;

(c) it now maintains and will continue to maintain throughout the Term and beyond insurance coverage as set forth in Section 9.03 and that such insurance coverage sufficiently covers the MAYO Indemnitees;

(d) the execution and delivery of this Agreement has been duly authorized and no further approval, corporate or otherwise, is required in order to execute this binding Agreement;

(e) it shall comply and require its Sublicensees to comply with all applicable international, national and state laws, ordinances and regulations in its performance under this Agreement; and

(f) its rights and obligations under this Agreement do not conflict with any contractual obligation or court or administrative order by which it is bound.

9.02 DISCLAIMERS.

(a) COLLABORATORS HAVE NOT MADE AND DO NOT MAKE ANY PROMISES, COVENANTS, GUARANTEES, REPRESENTATIONS OR WARRANTIES OF ANY NATURE, DIRECTLY OR INDIRECTLY, EXPRESS, STATUTORY OR IMPLIED, INCLUDING WITHOUT LIMITATION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, SUITABILITY, DURABILITY, CONDITION, QUALITY OR ANY OTHER CHARACTERISTIC OF THE PATENT RIGHTS, KNOW-HOW, MATERIALS, IND, OR CONFIDENTIAL INFORMATION.

(b) PATENT RIGHTS, KNOW-HOW, MATERIALS , IND, AND CONFIDENTIAL INFORMATION ARE PROVIDED “AS IS,” “WITH ALL FAULTS” AND “WITH ALL DEFECTS,” AND COMPANY EXPRESSLY WAIVES ALL RIGHTS TO MAKE ANY CLAIM WHATSOEVER AGAINST COLLABORATORS FOR MISREPRESENTATION OR FOR BREACH OF PROMISE, GUARANTEE, REPRESENTATION OR WARRANTY OF ANY KIND RELATING TO THE PATENT RIGHTS, KNOW-HOW, MATERIALS, IND OR CONFIDENTIAL INFORMATION. COLLABORATORS EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTIES ARISING FROM ANY COURSE OF DEALING, USAGE OR TRADE PRACTICE, WITH RESPECT TO: THE SCOPE, VALIDITY OR ENFORCEABILITY OF THE PATENT RIGHTS, KNOW-HOW, MATERIALS, IND AND CONFIDENTIAL INFORMATION; THAT ANY PATENT WILL ISSUE BASED UPON ANY PENDING PATENT APPLICATION; OR THAT THE USE, SALE, OFFER FOR SALE OR IMPORTATION OF THE LICENSED PRODUCT WILL NOT INFRINGE OTHER INTELLECTUAL PROPERTY RIGHTS. NOTHING IN THIS AGREEMENT WILL BE CONSTRUED AS AN OBLIGATION FOR MAYO TO BRING, PROSECUTE OR DEFEND ACTIONS REGARDING THE PATENT RIGHTS, KNOW-HOW, MATERIALS, IND AND CONFIDENTIAL INFORMATION.

(c) COMPANY AGREES THAT COLLABORATORS AND THEIR AFFILIATES WILL NOT BE LIABLE FOR ANY LOSS OR DAMAGE CAUSED BY OR ARISING OUT OF ANY ASSIGNMENTS OR RIGHTS GRANTED OR PERFORMANCE MADE UNDER THIS AGREEMENT, WHETHER TO OR BY COMPANY, SUBLICENSEE OR A THIRD PARTY. IN NO EVENT WILL COLLABORATOR’S LIABILITY OF ANY KIND INCLUDE ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE LOSSES OR DAMAGES, EVEN IF COLLABORATORS HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, OR EXCEED THE

TOTAL AMOUNT OF ROYALTIES THAT HAVE ACTUALLY BEEN PAID TO MAYO BY COMPANY AS OF THE DATE OF FILING AN ACTION AGAINST A COLLABORATOR OR COLLABORATORS THAT RESULTS IN THE SETTLEMENT OR AWARD OF DAMAGES TO COMPANY.

9.03 INDEMNIFICATION AND INSURANCE.

(a) COMPANY will defend, indemnify and hold harmless COLLABORATORS, COLLABORATORS' Affiliates and their respective trustees, officers, agents, independent contractors and employees ("COLLABORATORS Indemnitees") from any and all claims, actions, demands, judgments, losses, costs, expenses, damages and liabilities (including attorneys' fees, court costs and other expenses of litigation), regardless of the legal theory asserted, arising out of or connected with: (i) the practice or exercise of any rights and assignments granted hereunder by or on behalf of COMPANY or any Sublicensee; (ii) research, development, design, manufacture, distribution, use, sale, importation, exportation or other disposition of Licensed Products; and (iii) any act or omission of COMPANY or any Sublicensee hereunder, including the negligence or willful misconduct thereof. COLLABORATORS and COLLABORATORS' Affiliates shall have no obligation to indemnify COMPANY hereunder.

(b) The Parties agree that this indemnity should be construed and applied in favor of maximum indemnification of COLLABORATORS' Indemnitees.

(c) COMPANY will continuously carry occurrence-based liability insurance, including products liability and contractual liability, in an amount and for a time period sufficient to cover the liability assumed by COMPANY hereunder during the Term and after, such amount being at least FIVE MILLION (US $5,000,000). In addition, such policy will name COLLABORATORS and COLLABORATORS' Affiliates as additional-named insureds. The minimum limits of any insurance coverage required herein shall not limit COMPANY's liability.

(d) COMPANY expressly waives any right of subrogation that it may have against COLLABORATORS Indemnitees resulting from any claim, demand, liability, judgment, settlement, costs, fees (including attorneys' fees) and expenses for which COMPANY is obligated to indemnify, defend and hold COLLABORATORS' Indemnitees harmless under this Agreement.

Portions herein identified by [*****] have been omitted pursuant to a request for confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934, as amended. A complete copy of this document has been filed separately with the Securities and Exchange Commission.

9.04 PROHIBITION AGAINST INCONSISTENT STATEMENTS. COMPANY shall not make any statements, representations or warranties, or accept any liabilities or responsibilities whatsoever that are inconsistent with any disclaimer or limitation included in this section or any other provision of this Agreement. COMPANY shall not settle any matter that will incur liability for MAYO or require MAYO to make any admission of liability without MAYO's prior written consent.

Article 10.00 - Term and Termination

10.01 TERM. This Agreement will expire at the end of the Term. After expiration of this Agreement, COMPANY shall have a fully-paid up license.

10.02 TERMINATION FOR BREACH OR LACK OF DILIGENCE. If COMPANY commits a material breach of this Agreement, including without limitation, the failure to make any required royalty or fee payments hereunder, MAYO will notify COMPANY in writing of such breach and COMPANY will have thirty (30) days after such notice to cure such breach to MAYO's satisfaction. If COMPANY fails to cure such breach, MAYO may, at its sole option, convert any or all exclusive licenses granted hereunder to non-exclusive licenses, or terminate this Agreement in whole or in part by sending COMPANY written notice of termination. MAYO may, at its sole option, terminate this Agreement if a sale of a Licensed Product has not occurred within ten (10) years of the Effective Date unless the Parties agree in writing to amend the Agreement to extend this deadline.

10.03 TERMINATION FOR SUIT. MAYO does not license entities that bring suit against MAYO or its Affiliates and as such, MAYO may immediately terminate this Agreement if COMPANY or any Sublicensee directly or indirectly brings any action or proceeding against MAYO or its Affiliates, except for an uncured material breach of this Agreement by MAYO.

10.04 INSOLVENCY OF COMPANY. This Agreement terminates immediately without an obligation of notice of termination to COMPANY in the event COMPANY ceases conducting business in the normal course, becomes insolvent or bankrupt, makes a general assignment for the benefit of creditors, admits in writing its inability to pay its debts as they are due, permits the appointment of a receiver for its business or assets or avails itself of or becomes subject to any proceeding under any statute of any governing authority relating to insolvency or the protection of rights of creditors.

10.05 COMPANY's RIGHTS TO TERMINATE. COMPANY may terminate the Agreement any time by providing written notice to MAYO and the provisions in Section 10.06 shall immediately apply.

10.06 SURVIVAL. The termination or expiration of this Agreement does not relieve either Party of its rights and obligations that have previously accrued. After the Term, all license rights granted immediately revert to MAYO. All Confidential Information of a Party shall be returned or destruction certified, at the disclosing party's election. All tangible Know-How and

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Materials provided by MAYO to the COMPANY shall be returned or destruction certified, as directed by MAYO. MAYO shall have the right but not an obligation to have COMPANY reassign the IND and the associated regulatory files back to MAYO. Rights and obligations that by their nature prescribe continuing rights and obligations shall survive the termination or expiration of this Agreement including Sections 4.02 (Accounting), 9.03(Indemnification and Insurance), 10.6(Survival) and Articles 7 (Name Use), 8 (Confidentiality) and 11 (General Provisions). COMPANY, on behalf of itself and its Sublicensees, shall provide an accounting for and pay, within thirty (30) days of termination or expiration, all amounts due hereunder.

Article 11.00 - General Provisions

11.01 AMENDMENTS. This Agreement may not be amended or modified except by a writing signed by both Parties and identified as an amendment to this Agreement.

11.02 CONSTRUCTION. Each Party acknowledges that it was provided an opportunity to seek advice of counsel and as such this Agreement shall not be construed for or against either Party.

11.03 ENTIRE AGREEMENT. This Agreement constitutes the final, complete and exclusive agreement between the Parties with respect to its subject matter and supersedes all past and contemporaneous agreements, promises, and understandings, whether oral or written, between the Parties.

11.04 EXPORT CONTROL. The Parties agree not to use or otherwise export or re-export anything exchanged or transferred between them pursuant to this agreement except as authorized by United States law and the laws of the jurisdiction in which it was obtained. In particular, but without limitation, items exchanged may not be exported or re-exported (a) into any U.S. embargoed countries or (b) to anyone on the U.S. Treasury Department’s list of Specially Designated Nationals or the U.S. Department of Commerce Denied Person’s List or Entity List. By entering into this Agreement, each Party represents and warrants that they are not located in any such country or on any such list. Each Party also agrees that they will not use any item exchanged for any purposes prohibited by United States law, including, without limitation, the development, design, manufacture or production of missiles, or nuclear, chemical or biological weapons. In the event either Party becomes aware of any suspected violations of this paragraph that Party will promptly inform the other Party of such suspected violation, and cooperate with one another in any subsequent investigation and defense, be they civil or criminal.

11.05 GOVERNING LAW AND JURISDICTION. This Agreement is made and performed in Minnesota. The terms and conditions of this Agreement, as well as all disputes arising under or relating to this Agreement, shall be governed by Minnesota law, specifically excluding its choice-of-law principles, except that the interpretation, validity and enforceability of the Patent Rights will be governed by the patent laws of the country in which the patent

application is pending or issued. This is not an Agreement for the sale of goods and as such Article 2 of the Uniform Commercial Code as enacted in Minnesota does not apply. The exclusive fora for the foregoing are the State or District Court of Olmsted County, Minnesota, unless such action cannot by law be brought in such forum, in which case the venue required by law shall govern. COMPANY agrees unconditionally that it is personally subject to the jurisdiction of such courts.

11.06 HEADINGS. The headings of articles and sections used in this document are for convenience of reference only.

11.07 INDEPENDENT CONTRACTORS. It is mutually understood and agreed that the relationship between the Parties is that of independent contractors. Neither Party is the agent, employee, or servant of the other. Except as specifically set forth herein, neither Party shall have nor exercise any control or direction over the methods by which the other Party performs work or obligations under this Agreement. Further, nothing in this Agreement is intended to create any partnership, joint venture, lease or equity relationship, expressly or by implication, between the Parties.

11.08 INDUCEMENT OF REFERRALS. It is not the purpose of this Agreement or the intent of the Parties to induce or encourage the referral of patients, and there is no requirement under this Agreement or under any other Agreement between the Parties that COMPANY or its staff refer patients to MAYO for products or services. No payment made under this Agreement is made in return for the referral of patients, or is made in return for the purchasing, leasing, or ordering of any products or services.

11.09 LIMITATION OF RIGHTS CREATED. This Agreement is personal to the Parties and shall be binding on and inure to the sole benefit of the Parties and their permitted successors and assigns and shall not be construed as conferring any rights to any third party. Specifically, no interests are intended to be created for any customer, patient, research subjects, or other persons (or their relatives, heirs, dependents, or personal representatives) by or upon whom the Licensed Products may be used.

11.10 NO ASSIGNMENT. Neither Party may assign its rights hereunder to any third party without the prior written consent of the other Party; provided, that a Party may assign its rights without the prior written consent of the other Party to any affiliate or other entity that controls, is controlled by or is under common control with such Party. Any purported assignment in violation of this clause is void. Such written consent, if given, shall not in any manner relieve the assignor from liability for the performance of this Agreement by its assignee.

11.11 NOTICES. All notices and other business communications between the Parties related to this Agreement shall be in writing, sent by certified mail, addressed as follows:

To MAYO: Mayo Foundation for Medical Education and Research
Mayo Clinic Ventures - BB4

Portions herein identified by [*****] have been omitted pursuant to a request for confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934, as amended. A complete copy of this document has been filed separately with the Securities and Exchange Commission.

200 First Street SW
Rochester, Minnesota 55905-0001
Attn: Ventures Operations, Leif Nelson
Phone: (507)293-3900
Facsimile: (507) 284-5410
Email: MayoClinicVentures@mayo.edu
Fed Tax ID: 41-1506440

To COMPANY: Taplmmune Inc.
50 North Laura Street, Suite 2500
Jacksonville, FL 32202
Phone: (904) 516-5436
Email: gwilson@tapimmune.com

Notices sent by certified mail shall be deemed delivered on the third day following the date of mailing. Either Party may change its address or facsimile number by giving written notice in compliance with this section.

11.12 REGISTRATION OF LICENSES. COMPANY will register and give required notice concerning this Agreement, at its expense, in each country in the Territory where an obligation under law exists to so register or give notice.

11.13 SEVERABILITY. In the event any provision of this Agreement is held to be invalid or unenforceable, the remainder of this Agreement shall remain in full force and effect as if the invalid or unenforceable provision had never been a part of the Agreement.

11.14 WAIVER. The failure of either Party to complain of any default by the other Party or to enforce any of such Party's rights, no matter how long such failure may continue, will not constitute a waiver of the Party's rights under this Agreement. The waiver by either Party of any breach of any provision of this Agreement shall not be construed as a waiver of any subsequent breach of the same or any other provision. No part of this Agreement may be waived except by the further written agreement of the Parties.

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This Agreement may be executed in any number of counterparts which, when taken together, will constitute an original, and photocopy, facsimile, electronic or other copies shall have the same effect for all purposes as an ink-signed original. Each Party hereto consents to be bound by photocopy or facsimile signatures of such Party's representative hereto.

MAYO FOUNDATION FOR MEDICAL EDUCATION AND RESEARCH

By /s/ Daniel D. Estes
Name: Daniel D. Estes
Title: Assistant Treasurer

Date: May 19, 2016

COMPANY

By /s/ Glynn Wilson
Name: Glynn Wilson, Ph.D.
Title: CEO

Date: April 16, 2016

CONFIDENTIAL TREATMENT REQUESTED BY TAPIMMUNE, INC.

Portions herein identified by [*****] have been omitted pursuant to a request for confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934, as amended. A complete copy of this document has been filed separately with the Securities and Exchange Commission.

EXHIBIT 1

1. **Regulatory Documentation to be assigned by MOYO to COMPANY:**
    - IND #14749 documentation, IND amendments and FDA communications
    - Clinical regulatory documentation for May Trial MC1136
    - Results of ongoing stability studies conducted during the course of Mayo Trial MC1136

2. **Trial Data and analysis for Mayo Trial MC1015 to be licensed as Material:**
    - Annotated eCRF
    - Clinical and research laboratory datasets in appropriate format such as SAS or excel
    - Final set of listings, tables, graphs and figures as developed by statistician for analysis of the data
    - Programs in SAS as developed by statistician for analysis of the data
    - Draft or final manuscript (with tables and figures) for publication of results by Mayo Clinic (article, or poster)

Exhibit 31.1

CERTIFICATION

I, Glynn Wilson, certify that:

(1) I have reviewed this Report on Form 10-Q for the quarterly period ended June 30, 2016 of TapImmune Inc.;

(2) Based on my knowledge, this Report 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 Report;

(3) Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this Report;

(4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurances regarding the reliability of financial reporting in the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this Report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of the internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 15, 2016

/s/ Glynn Wilson

By: **Glynn Wilson**
Title: Chairman, Chief Executive Officer, Principal Executive Officer and Acting Principal Accounting Officer

Exhibit 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

AND PRINCIPAL ACCOUNTING OFFICER

PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned, Glynn Wilson, the Principal Executive Officer and Acting Principal Accounting Officer of TapImmune Inc. (the "Company") hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Report on Form 10-Q of TapImmune Inc., for the quarterly period ended June 30, 2016, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and that the information contained in the Report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of TapImmune Inc.

Date: August 15, 2016

/s/ Glynn Wilson
Glynn Wilson
Chairman, Chief Executive Officer,
Principal Executive Officer and Acting Principal
Accounting Officer