RemeGenix, Inc

Quarterly Financial Statements

For the Quarter Ended March 31, 2013

(unaudited)

(Prepared by Management)

DELAWARE	20-4786696
(State of Incorporation)	(I.R.S. Employer ID Number)

4800 Montgomery Lane Suite 800
Bethesda, MD 20814
Tel: 518-302-1515
(301) 476-0052 - Fax

The number of Registrant's shares of common stock, $0.0005 par value, 23,000,000 Authorized shares of Common Stock and 16,544,025 issued and outstanding shares of Common Stock, as of March 31, 2013.

Item I. Name of Issuer:

RemeGenix, Inc.
4800 Montgomery Lane, Suite 800
Bethesda, MD 20814
Office Tel. +1 (508) 302-1515
Office Fax +1 (301) 476-0052
Website www.remegenix.com

Item II. Shares Outstanding

A. Common Stock

		March 31, 2013
Shares Authorized		23,000,000
Shares Issued		16,544,025
Freely Tradable Shares		1,674,025
# of Shareholders of Record		44

B. Preferred Stock

None

Item III. Financial Statements

The un-audited quarterly financial statements for the period ended March 31, 2013, prepared by the company, immediately follow.

REMEGENIX, INC.
(A Development Stage Company)
BALANCE SHEETS
(unaudited)

	As of Mar 31, 13 (unaudited)	As of Dec 31, 12 (unaudited)	As of Dec 31, 11 (unaudited)
ASSETS			
Current Assets			
Cash	$ 35,242.28	$ 66,899.44	$ 513.32
Total Current Assets	$ 35,242.28	$ 66,899.44	$ 513.32
Other Assets			
Intangible Assets and IP	$ 233,835.62	$ 233,835.62	$ 189,835.62
Total Other Assets	$ 233,835.62	$ 233,835.62	$ 189,835.62
TOTAL ASSETS	**$ 269,077.90**	**$ 300,735.06**	**$ 184,348.94**
LIABILITIES & SHAREHOLDERS' EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable	$ 50,000.00	$ 50,000.00	$ 90,000.00
Bank Indebtedness	$ 13,590.24	$ 14,550.24	$ 20,176.15
Total Current Liabilities	$ 63,590.24	$ 64,550.24	$ 110,176.15
Long Term Liabilities			
License Fees	$ 90,000.00	$ 90,000.00	$ -
Contingent Liability - Debt	$ 78,795.82	$ 78,795.82	$ 128,795.82
Convertible Debt Notes	$ 255,134.85	$ 255,134.85	$ 475,302.85
Total Long Term Liabilities	$ 423,930.67	$ 423,930.67	$ 604,098.67
Total Liabilities	$ 487,520.91	$ 488,480.91	$ 714,274.82
Stockholders' Equity			
Common Stock*	$ 413.76	$ 413.76	$ 30.00
Additional Paid in Capital	$ 786,315.74	$ 786,315.74	$ 44,970.00
Retained Earnings (deficit)	$ (974,475.35)	$ (574,925.88)	$ (543,821.49)
Net Income	$ (30,697.16)	$ (399,549.47)	$ (31,104.39)
Total Shareholders' Equity	$ (218,433.01)	$ (187,745.85)	$ (529,925.88)
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	**$ 268,077.90**	**$ 300,735.06**	**$ 184,348.94**

*Common Stock, $0.0005 par value, 23,000,000 shares authorized, 16,544,025 shares issued and outstanding as of Mar 31, 2013.

See Notes to Financial Statements

REMEGENIX, INC.
(A Development Stage Company)
STATEMENT OF OPERATIONS
(Unaudited)

	Three Months Ended March 31,	Twelve Months Ended December. 31,		From Inception Apr, 2006 through Mar. 31,
	2013	2012	2011	2013
Revenue	$ -	$ 45,000	$ 30,000	$ 89,100
Total Revenue	-	45,000	30,000	89,100
Expenses				
Research & Development	-	13,427.40	24,889.00	189,855.40
Legal Fees (IP Expenses)	3,000.00	53,077.00	30,903.65	301,050.99
Interest Expense	123.00	152,613.59	1,035.29	170,967.01
Gen. & Admin. Exps.	27,574.16	275,431.48	4,276.45	482,399.11
All Operating Expenses	30,697.16	494,549.47	61,104.39	1,144,272.51
Other Inc. (Exp.)	-	50,000.00	–	50,000.00
Net Income (Loss)	(30,697.16)	(399,549.47)	(31,104.39)	(1,005,172.51)
Basic and diluted Earnings (Loss) per Share	(0.002)	(0.02)	(0.002)	(0.06)
Weighted average number of common shares outstanding	16,544,024	16,544,024	15,000,000	16,544,024

See Notes to Financial Statements

REMEGENIX, INC.
(A Development Stage Company)
STATEMENT OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31,	Twelve Months Ended December 30,		From Inception April 2006 through Mar. 31,
	2012	2012	2011	2013
Cash Flows From Operating Activities				
Net Income (Loss)	$ (30,697.16)	$(399,549.47)	$ (31,104.39	$(1,005,172.51)
Increase (Decrease) in Accts Payable	-	(40,000)	90,000	50,000
Changes in operating assets & liabilities	–	–	–	–
Net Cash provided by (used in) operations	(31,657.16)	(445,175.38)	55,130.90	(941,582.27)
Cash Flows From Investing Activities				
Net cash provided by investing activities	-	(50,000)	(110,596.35)	(233,835.62)
Cash Flows From Financing Activities				
Common Stock Issuance For Cash	-	1,294,024	–	16,294,025
Common Stock Issuance For Expenses	-	250,000	–	250,000
Net cash provided by financing activities	-	561,561.50	55,900	1,210,660.17
Net increase (decrease)	(31,657.16)	66,386.12	435.55	35,242.28
Cash beginning of period	66,899.44	513.32	78.77	–
Cash end of period	$ 35,242.28	$ 66,899.44	$ 513.32	35,242.28
Supplemental Disclosures of Cash Flow Information				
Interest paid	$ 123.00	152,613.59	$ 1,035.29	$ 170,967.01
Income taxes paid	$ –	$ –	$ –	$ –

See Notes to Financial Statements

Item IV. Management's Discussion and Analysis of Financial Condition or Plan of Operation

Statements made in this Annual Report that are not historical or current facts are "forward-looking statements" made pursuant to the safe harbor provisions of Section 27A of the of the Securities Act of 1933 (the "Act") and Section 21E of the Securities Exchange Act of 1934. In some cases, you can identify forward-looking statements by terminology such as "may", "should", "intends", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential", or "continue" or the negative of these terms or other comparable terminology. We intend that such forward-looking statements be subject to the safe harbors for such statements. We wish to caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made. Any forward-looking statements represent management's best judgment as to what may occur in the future. However, forward-looking statements are subject to risks, uncertainties and important factors beyond our control that could cause actual results and events to differ materially from historical results of operations and events and those presently anticipated or projected. We disclaim any obligation subsequently to revise any forward-looking statements to reflect events or circumstances after the date of such statement or to reflect the occurrence of anticipated or unanticipated events.

Unless the context otherwise requires, The "Company", "we," "us," and "our," refer to RemeGenix, Inc.

BUSINESS AND PLAN OF OPERATION

REMEGENIX, INC. ("the Company" or "the Issuer") was organized under the laws of the State of Delaware on April 28, 2006.

Management is currently engaged in research and development of its lead therapeutics drug candidate to be used in the treatment of Alzheimer's disease. The Company is also seeking relevant parties who would be willing to pay for access to its proprietary animal models for use in their own research and development efforts. To date, the Company has secured nominal revenues in exchange for providing services to two different parties. The Company anticipates with more capital that it can expand its revenue streams and secure larger funding so as to accelerate its research and development efforts.

Numerous products and product candidates exist designed to treat central nervous system (CNS) diseases such as Alzheimer's disease, but there is little doubt across the industry that the majority of the competing technologies are focused on treating the symptoms and not the cause of the disease. RGX has developed a pipeline of products addressed at treating the cause of neurodegenerative diseases and with an initial focus on Alzheimer's disease and traumatic brain injury. Our growth strategy involves in-licensing several well validated clinical candidates that are ready for Phase II clinical trials, and are in complementary disease areas.

Currently, RGX has executed an exclusive worldwide license for its technology portfolio with the Albert Einstein University College of Medicine, Yeshiva University for the intellectual property portfolio surrounding MoBA and NoMAD. Collectively, this portfolio supports RGX' core product portfolio and allows for numerous potential partnership opportunities in additional disease areas.

We are a development stage company and as such have generated limited revenues from planned and principal operations since adopting our business plan in 2007. This means there is substantial doubt that we can continue as an on-going business for the next twelve (12) months unless we obtain additional capital to pay our bills. This is because we have not generated sufficient revenue for profitable operations and do not anticipate doing so until we: 1) receive approval to sell our therapeutic products (MoBA) from the FDA, and which there is no guarantee that we may receive, and/or 2) identify interested parties willing to pay for access to use our drug development and discovery platform, NoMAD. Accordingly, we must raise cash from sources other than revenues generated such as from the proceeds of loans, sale of capital stock and advances from related parties.

Since adopting its current business plan in 2007, the Company has focused primarily on the development and commercialization of its NoMAD and MoBA products; business planning; evaluating new technologies and opportunities; and raising money.

LIQUIDITY AND CAPITAL RESOURCES

As of March 31, 2013 and December 31, 2012 we had assets of $269,078 and $300,735, respectively, in a combination of cash and intangible assets (Intellectual Property subject to a license between the Company and the Albert Einstein College of Medicine, Yeshiva University "AECOM" or "Licensor"), and liabilities of $488,481 consisting of $50,000 in Accounts Payable, $14,550 in bank indebtedness, $90,000 in long-term liabilities with our Licensor, $78,796 in contingent liability due to one remaining grant from the State of Maryland Department of Business and Economic Development, under certain conditions, repayment is waived, and $255,135 in debt to founders and unconverted Convertible Debt Notes. The Company had an accumulated deficit of $974,475. On October 12, 2012 the Company received notification that the Montgomery County Technology Growth Program grant was forgiven, and the company removed the liability and booked the income from this conversion.

As of September 30, 2012 we had assets of $243,488.16, in a combination of cash and intangible assets (Intellectual Property subject to a license between the Company and the Albert Einstein College of Medicine, Yeshiva University "AECOM" or "Licensor"), and liabilities of $475,102.91 consisting of $50,000 in Accounts Payable, $16,720.24 in bank indebtedness, $90,000 in long-term liabilities with our Licensor, $128,795.82 in contingent liability due to two grants from the State of Maryland Department of Business and Economic Development and the Montgomery County Technology Growth Program both of which, under certain conditions, repayment is waived, and $189,586.85 in debt to founders and unconverted Convertible Debt Notes. The Company had an accumulated deficit of $574,925.88.

As of December 31, 2011, we had assets of $184,349, in cash and intangible assets as described above, and liabilities of $714,275, consisting of $90,000 in Accounts Payable, $20,176 in bank indebtedness, $128,796 in contingent liability as described above, and $475,303 in Convertible Debt Notes. The Company had an accumulated deficit of $543,821. We will, in all likelihood, continue to sustain operating expenses with fundraising and augment such efforts as much as possible with corresponding revenues, until such time as the sales of our therapeutic products results in revenues greater than expenses or at such time as there is a business combination.

The Company is, from time to time, dependent upon our officers to meet any costs we may incur in excess of our limited cash on hand. Our Chairman and our President have, when needed, provided the necessary funds, without interest, for the Company to sustain company operations and comply with the Securities Exchange Act of 1934, as amended, provided that they are officers and directors of the Company when the obligation is incurred. All advances are, and will continue to be interest-free.

RESULTS OF OPERATIONS

Our financial statements have been prepared assuming that we will continue as a going concern and, accordingly, do not include adjustments relating to the recoverability and realization of assets and classification of liabilities that might be necessary should we be unable to continue in operation. We expect that we will require additional capital to meet our operating requirements. We expect to raise additional capital through, among other things, the sale of equity or debt securities.

The Company has devoted substantially all of its efforts toward the development of a therapeutic product for the treatment of Alzheimer's disease. The development costs associated with these efforts are enormous, and will continue for many years prior to receiving market authorization. The Company has to an extent been able to generate some small revenues to offset the costs of such development efforts and will continue to do so, however, it is anticipated that many if not the majority of the expenses related to the development of such a product will come from fundraising efforts.

GOING CONCERN.

The accompanying financial statements are presented on a going concern basis. The company's financial condition raises substantial doubt about the Company's ability to continue as a going concern. The Company does not have substantial cash or other material assets nor does it have any substantial revenues from operations. It is relying on funding from new and existing stockholders, and its officers and directors to meet its immediate and ongoing operating expenses.

OFF-BALANCE SHEET ARRANGEMENTS

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

Item V. Controls and Procedures.

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Our management team, under the supervision and with the participation of our principal executive officer and our principal financial officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures as such term is defined under Rule 13a-15(e) promulgated under the Exchange Act, as of the last day of the fiscal period covered by this report, December 31, 2012. The term disclosure controls and procedures means our controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to management, including our principal executive and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Based on this evaluation, our principal executive officer and our principal financial officer concluded that, as of December 31, 2012, our disclosure controls and procedures were effective at a reasonable assurance level.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There have been no changes in our internal control over financial reporting during the period ended December 31, 2012 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item VI. Legal Proceedings.

In the normal course of our business, we may periodically become subject to various lawsuits. However, to our knowledge, we are not a party to any pending or threatened material legal proceedings. To our knowledge, no governmental authority is contemplating commencing a legal proceeding in which we would be named as a party. There are no past or pending trading suspensions by a securities regulator.

In October 2012, the Company settled a small state tax lien related to a dispute in its 2007 state of Maryland withholding taxes.

Item VII. Exhibits

Exhibit	Description of Exhibit
A	Risk Factors

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

The Company’s issuance of common stock, totaling 16,544,025 shares, was made in reliance upon the provisions of Section 4(2) under the Securities Act of 1933, as amended (the "1933 Act"), or Regulation D, and the rules and regulations promulgated thereunder, or any combination thereof, or upon such other exemption from the

registration requirements of the 1933 Act as may be available with respect to any or all of the investments in Common Stock.

All proceeds have been used as described in this Financial Summary.

The Company expects to raise up to $1,000,000 in funds in the near future in further reliance of Section 4(2), Regulation D, and an additional $4,000,000 pursuant to an S1 Registration Statement.

Such proceeds will be used to further the research and clinical development of its lead products, as described in more detail in the Offering Circular and Prospectus.

Item IX: Defaults Upon Senior Securities

None

Item X: Other Information

None

Item XI: Issuer's Certifications.

I, J. Kelly Ganjei, certify that:

I have reviewed this Annual Company Information and Disclosure Statement of RemeGenix, Inc.

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

Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

The undersigned hereby certifies that the information herein is true and correct to the best of his knowledge and belief.

/s/ J. Kelly Ganjei
J. Kelly Ganjei
President, Secretary and Chief Executive Officer

REMEGENIX, INC.
(A Development Stage Company)
Notes to Financial Statements
March 31, 2013
(Unaudited)

NOTE 1. NATURE AND BACKGROUND OF BUSINESS

REMEGENIX, INC. ("the Company") was organized under the laws of the State of Delaware on April 28, 2006. The Company is a development stage biotechnology company since its formation, is focused on the commercialization of disease-altering therapies to prevent and treat Alzheimer's disease. The Company has realized only nominal revenues from providing research and consulting services to two parties. Our principal executive offices are located at 4800 Montgomery Lane, Suite 800, Bethesda, Maryland 20814, and our telephone number is (518) 302-1515. We maintain a corporate website at www.corticaneuro.com and www.remegenix.com.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. BASIS OF ACCOUNTING

The Company's financial statements are prepared using the accrual method of accounting. The Company has elected a December 31 year-end.

BASIS OF PRESENTATION - DEVELOPMENT STAGE COMPANY

The Company is a development stage company as defined by ASC 915-10-05, "Development Stage Entity." The Company is devoting substantially all of its efforts on the development of its lead compound for clinical trials and eventual product approval. All losses accumulated since inception have been considered as part of the Company's development stage activities.

b. BASIC EARNINGS PER SHARE

The Company computes net income (loss) per share in accordance with the FASB Accounting Standards Codification ("ASC"). The ASC specifies the computation, presentation and disclosure requirements for earnings (loss) per share for entities with publicly held common stock.

Basic net earnings (loss) per share amounts are computed by dividing the net earnings (loss) by the weighted average number of common shares outstanding. Diluted earnings (loss) per share are the same as basic earnings (loss) per share due to the lack of dilutive items in the Company.

c. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

d. CASH and CASH EQUIVALENT

For the Balance Sheet and Statements of Cash Flows, all highly liquid investments with maturity of three months or less are considered to be cash equivalents. The Company had a cash balance of $35,242.28 in cash at March 31, 2013, $66,899 in cash at December 31, 2012, and $513.32 in cash at December 31, 2011. The Company minimizes its credit risk associated with cash by periodically evaluating the credit quality of its primary financial institution. The balance at times may exceed federally insured limits. At March 31, 2013, December 31, 2012 and 2011, there were no balances that exceeded the federally insured limit.

e. REVENUE RECOGNITION

The Company so far has recognized revenues based on providing consulting services to two different parties. Revenues for such services are recognized in the quarter in which they are performed. Such services are quoted on a net 30 receivable basis.

f. RESEARCH AND DEVELOPMENT

The Company accounts for research and development costs by expensing such costs to operations as incurred. Research and development costs primarily consist of pre-clinical development and testing costs, including payments in cash made to contracted research organizations, personnel costs, outsourced research activities, laboratory supplies, and certain intellectual property expenses related to license obligations.

Nonrefundable advance payments for goods or services to be received in the future for use in research and development activities are deferred and capitalized. The capitalized amounts will be expensed as the related goods are delivered or the services are performed.

g. ASSETS: LICENSE AGREEMENTS AND INTELLECTUAL PROPERTY

Costs associated with the initial upfront payment and yearly costs associated with maintaining the license are treated as depreciable assets. Depreciation is expensed on a 20 year (based on the life of the patent) schedule. In the event of a termination of a license, the asset is depreciated fully on the year of termination.

Costs associated with the maintenance and prosecution of the Intellectual Property under the license that are paid directly to the law firm handling the prosecution are treated as General & Administrative Expenses.

h. INCOME TAXES

Income taxes are provided in accordance with the FASB Accounting Standards Classification. A deferred tax asset or liability is recorded for all temporary differences between financial and tax reporting and net operating loss carry forwards. Deferred tax expense (benefit) results from the net change during the year of deferred tax assets and liabilities.

Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

i. IMPACT OF NEW ACCOUNTING STANDARDS

The Company does not expect the adoption of recently issued accounting pronouncements to have a significant impact on the Company's results of operations, financial position, or cash flow.

NOTE 3. GOING CONCERN

The Company's financial statements are prepared in accordance with generally accepted accounting principles applicable to a going concern. This contemplates the realization of assets and the liquidation of liabilities in the normal course of business. Currently, the Company does not have significant cash or other material assets, nor does it have operations or a source of revenue sufficient to cover its operation costs and allow it to continue as a going concern. The officers and directors have committed to advancing certain operating costs of the Company.

NOTE 4. STOCKHOLDERS' EQUITY COMMON STOCK

The authorized share capital of the Company consists of 23,000,000 shares of common stock with $0.0005 par value. No other classes of stock are authorized.

COMMON STOCK: As of March 31, 2013 and December 31, 2012, there were a total of 16,544,025 common shares issued and outstanding. As of December 31, 2010 and December 31, 2011 there were a total of 15,000,000 and 15,000,000 common shares issued and outstanding, respectively (factoring in the 25:1 split that occurred on July 23, 2012).

The Company's first issuance of common stock, totaling 3,000 shares with a par value of $0.01, took place in June 6th, and 22nd 2006 pursuant to the Shareholders' Agreements between the three original founders of the Company (wherein each founder received 1,000 shares).

On August 6, 2006 the Company's stock was split 200:1 (such that each of the three co-founders had 200,000 shares) and the number of authorized shares of Common Stock was increased to 842,105. On November 15, 2007 one of the founders (SO) exchanged shares of an unrelated entity that all three co-founders also owned such that the two founders (LD and KG) received an equal distribution (100,000 each) of SO's shares of Common Stock in exchange for all of the two founders (KG and LD) holdings in the unrelated entity.

The Company entered into several Convertible Debt Agreements with various parties from March 2007 to December 2008. The Agreements stated that the principal shall earn interest at 10% from the effective date, and that the principal and interest of such Agreements was convertible at a set valuation of $8,000,000. All of these notes were converted on July 23, 2012 in exchange for 1,294,025 shares.

The Company entered into an Agreement with the Alzheimer's Drug Discovery Foundation ("ADDF") on May 30, 2008 in which the Company received $100,000 in grant funding (pursuant to a convertible debt Agreement with 20% warrant coverage). Per the terms of the Agreement, ADDF was granted warrants equivalent to $20,000 at a strike price of $9.50 per share. This Convertible Note has a maturity date of May 30, 2013.

On July 17, 2012, the Company entered into an Investment Agreement with Kodiak Capital.

On July 20, 2012 the Company increased the authorized shares to 23,000,000 with a par value of $0.0005.

On July 23, 2012 the Company's stock was split 25:1, resulting in 14,750,000 issued and outstanding shares of Common Stock.

On July 23, 2012 the Company converted $339,500 in principle and $152,229.50 in interest due to various Convertible Debt Notes into 1,294,025 shares of Common Stock. Interest was calculated using compounding 10% interest, and converted at a pre-Forward Split basis of $9.50/share.

On July 23, 2013 the Company issued 250,000 shares to Kodiak pursuant to the terms of the Investment Agreement.

As a result, as of March 31, 2013 there were a total 16,544,025 common shares issued and outstanding and a total of 52,650 warrants (with a strike price of $0.38) to acquire common shares.

NOTE 5 - EARNINGS PER SHARE

The computation of earnings per share for the three-months period ended March 31, 2013 is as follows:

		3-31-2013
INCOME/LOSS PER COMMON SHARE, BASIC		
Numerator	Net income (loss)	$ (30,697.16)
Denominator	Weighted-average shares	16,544,024
Net loss per common share		$ (0.001)

For the period from inception (April 28, 2006) to March 31, 2013 there were 52,650 (post forward split) shares issuable upon exercise of warrants, however the exercise prices are such that issuance of these shares would be non-dilutive. Thus diluted earnings per share were the same as basic earnings per share at all times.

NOTE 6. INCOME TAXES

As of March 31, 2013, December 31, 2012, and December 31, 2011 the Company had federal net operating loss (NOL) carryforwards of approximately $1,005,172.51, $974,475.35, and $574,925.88, respectively, which may be used to offset future taxable income. The NOL and tax credit carryforwards will expire at various dates through 2031, and are subject to review and possible adjustment by federal and state tax authorities. The Internal Revenue Code contains provision that may limit the NOL and tax credit carryforwards available to be used in any given year in the event of certain changes in the ownership interests of significant stockholders under Section 382 of the Internal Revenue Code.

NOTE 7. RELATED PARTY TRANSACTIONS

The Company neither owns nor leases any real or personal property. An officer of the corporation provides office services without charge. Such costs are immaterial to the financial statements and accordingly, have not been reflected therein. The officers and directors for the Company are involved in other business activities and may, in the future, become involved in other business opportunities. If a specific business opportunity becomes available, such persons may face a conflict in selecting between the Company and their other business interests. The Company has not formulated a policy for the resolution of such conflicts.

NOTE 8. WARRANTS AND OPTIONS

On May 30, 2008, the Company issued 2,106 warrants exercisable into 2,106 shares of the Company's common stock. These warrants were issued per the Convertible Debt Agreement between the Company and the ADDF pursuant to the Convertible Debt grant funding provided to the Company by the ADDF. The ADDF received an aggregate of 2,106 warrants consisting of 2,106 Warrants each convertible into one share of common stock at an exercise price of $9.50. All warrants are exercisable at any time prior to May 30, 2013. Pursuant to the 25:1 forward split of the Company's Common Stock on July 23, 2012, the warrants have been adjusted accordingly such that the ADDF now holds an aggregate of 52,650 warrants consisting of 52,650 Warrants, each convertible into one share of Common Stock at an exercise price of $0.38. As of the date of this report, no warrants have been exercised.

NOTE 9. COMMITMENT AND CONTINGENCY

There is no commitment or contingency to disclose during the period ended March 31, 2013, December 31, 2012 and 2011.

NOTE 10. SUBSEQUENT EVENTS

The Company has performed an evaluation of subsequent events in accordance with ASC Topic 855 and the Company is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

Exhibit A: Risk Factors

Our business, financial condition, operating results and prospects are subject to the following material risks. Additional risks and uncertainties not presently foreseeable to us may also impair our business operations. If any of the following risks actually occurs, our business, financial condition or operating results could be materially adversely affected. In such case, the trading price of our common stock could decline, and our stockholders may lose all or part of their investment in the shares of our Common Stock.

Risks Related to Our Securities if the Company successfully lists its stock on the OTCBB market

There may not be an active, liquid trading market for our Common Stock.

The Company lists its common stock under the trading symbol RGXX on the Over-The-Counter Bulletin Board, or OTCBB, which is generally recognized as being a less active market than NASDAQ. Also, the pool of potential investors who may buy and sell on the OTCBB is limited. Many institutional investors have policies which preclude them from doing so. You may not be able to sell your shares at the time desired or at the price desired. There may be significant consequences associated with our stock trading on the OTCBB rather than a national exchange. The effects of not being able to list our securities on a national exchange include:

- limited dissemination of the market price of our securities;
- limited news coverage;
- limited interest by investors in our securities;
- volatility of our stock price due to low trading volume;
- increased difficulty in selling our securities in certain states due to "blue sky" restrictions; and
- limited ability to issue additional securities or to secure additional financing.

The market for our Common Stock may be limited, because our Common Stock will be subject to "penny stock" rules.

Our Common Stock is subject to the SEC's "penny stock" rules. As a result, broker-dealers may experience difficulty in completing customer transactions, and trading activity in our securities may be adversely affected. Under the "penny stock" rules promulgated under the Exchange Act, broker-dealers who recommend such securities to persons other than institutional accredited investors must:

- make a special written suitability determination for the purchaser;
- receive the purchaser's written agreement to a transaction prior to sale;
- provide the purchaser with risk disclosure documents which identify certain risks associated with investing in "penny stocks" and which describe the market for these "penny stocks" as well as a purchaser's legal remedies; and
- obtain a signed and dated acknowledgment from the purchaser demonstrating that the purchaser has actually received the required risk disclosure document before a transaction in a "penny stock" can be completed.

As a result of these rules, broker-dealers may find it difficult to effectuate customer transactions, and trading activity in our Common Stock may be adversely affected. As a result, the market price of our Common Stock may be depressed, and stockholders may find it more difficult to sell our Common Stock.

Your ability to sell your shares in the secondary trading market may be limited, because our Common Stock is quoted on the "OTCBB.".

While the Company's stock is quoted on the over-the-counter market on the OTCBB, as described above, the liquidity of our Common Stock will be limited, not only in regard to the number of shares that are bought and sold, but also through delays in the timing of transactions, and lack of coverage by security analysts and the news media of our Company. As a result, prices for shares of our Common Stock may be lower than might otherwise be the case if our Common Stock were quoted and traded on NASDAQ or a national securities exchange.

The price of our Common Stock may be highly volatile.

The share prices of publicly traded biotechnology and emerging pharmaceutical companies, particularly companies without consistent product revenues and earnings, can be highly volatile and are likely to remain highly volatile in the future. The price at which our Common Stock is quoted and the price which investors may realize in sales of their shares of our Common Stock (which may be materially different) will be influenced by a large number of factors, some specific to us and our operations, and some unrelated to our operations. Such factors may cause the price of our stock to fluctuate frequently and substantially. Such factors may include large purchases or sales of our Common Stock, positive or negative events relating to other companies developing drugs for Alzheimer's, positive or negative events relating to healthcare and the overall pharmaceutical and biotech sector, currency fluctuations, legislative or regulatory changes, and/or general economic conditions. In the past, shareholder class action litigation has been brought against other companies that experienced volatility in the market price of their shares. Whether or not meritorious, litigation brought against a company following fluctuations in the trading price of its common stock can result in substantial costs, divert management's attention and resources, and harm the company's financial condition and results of operations.

Kodiak Capital concentration limits of ownership may have a negative effect on their ability to purchase shares of our Common Stock if the share price falls below a certain price.

Kodiak Capital collectively cannot exceed beneficially owned an aggregate nine and ninety nine one hundredths percent (9.99 %) of our issued and outstanding Common Stock. This concentration of ownership may be reached substantially earlier than expected, if the trading price of our common stock declines significantly over the offering period. If this concentration limit is reached earlier than expected it will have a negative impact on the amount of funds the Company is eligible to receive from Kodiak in a given time period.

We do not intend to pay any cash dividends in the foreseeable future and, therefore, any return on your investment in our Common Stock must come from increases in the market price of our Common Stock.

We have not paid any cash dividends on our Common Stock to date in the Company's history, and we do not intend to pay cash dividends on our Common Stock in the foreseeable future. We intend to retain future earnings, if any, for reinvestment in the development and expansion of our business. Also, any credit agreements which we may enter into with institutional lenders may restrict our ability to pay dividends. Therefore, any return on your investment in our capital stock must come from increases in the fair market value and trading price of our Common Stock.

Our ongoing operations will require substantial ongoing funding through equity and/or debt issuances. This may have a negative effect on the market price of our Common Stock, and will dilute existing share ownership.

Drug development, and more specifically clinical trials are very expensive (especially when they involve a large numbers of patients and trial sites) and require substantial funding throughout their

execution. We currently have plans to conduct a phase I/II clinical trial once we have completed sufficient pre-clinical studies as required by the USFDA, and these pre-clinical studies and the extent to which we need to establish efficacy in a combined Phase I/II clinical trial may require a large number of patients to be enrolled and followed for a long period of time. Therapeutic products with cognitive endpoints like ours may require extensive and long-term follow-up in order to achieve a statistically significant benefit. As such, until we have completed additional pre-clinical studies and discussed these results with the USFDA, the Company does not know exactly how many patients will ultimately be required for these clinical trials, and is basing its cost estimates and projections on industry comparables which are subject to significant variations. The initiation, execution and completion (if successful) of well thought out and strategically designed clinical trials is how biotech companies like ours move their products towards commercialization and build company value. At the same time, such operations require substantial amounts of ongoing funding throughout their execution. Such funding must be obtained through issuance of equity and/or incurring debt (which is usually convertible debt, convertible in to equity at the investor's option). Accordingly, we will have to obtain substantial ongoing funding throughout the execution of our pre-clinical studies and clinical trials through the issuance of substantial additional equity and/or incurring substantial additional debt. This may have a negative effect on the market price of our Common Stock, and it will dilute existing share ownership.

The Purchase Agreement overall will involve registration and sale of a significant amount of our Common Stock, through a series of registration statements over a period of up to 12 months. This may have a negative effect on the market price of our Common Stock, and will dilute existing share ownership.

Under the Purchase Agreements executed with Kodiak Capital, we may sell up to $5 million ($1M before registration and $4M after registration) of our Common Stock to the Selling Stockholder during the 12-month period starting on July 17, 2012. The actual number of shares which we may end up selling is unknown at present, as we do not yet know how much of that capacity we will choose to use, nor the timing of when we will choose to use it, nor the market price of our stock at the various times we choose to use it. However, the number of shares that we will sell under the Purchase Agreement, and that the Selling Stockholder will, in turn, re-sell in the market, is likely to be substantial. As with any small biotech company stock, our Common Stock may experience negative effects from the sale of additional stock during the course of the clinical trials, and such additional stock will dilute existing share ownership.

This registration statement is registering the first 10,000,000 shares of our Common Stock for resale by the Selling Stockholder pursuant to the Purchase Agreement. Such resale may have a negative effect on the market price of our Common Stock, and will dilute existing share ownership.

Pursuant to this registration statement, of which this Prospectus forms a part, we are registering 10,000,000 shares of our Common Stock. These shares comprise the first tranche of the total potential shares to be registered and sold pursuant to the Purchase Agreement, as described above. This first tranche of shares constitutes a substantial amount, relative to our total issued and outstanding shares at present. The sale of these shares may have a negative effect on the market price of our Common Stock, and will dilute existing share ownership.

Substantial amounts of our previously issued Common Stock are now and/or will soon be eligible for resale under Rule 144. This may have a negative effect on the market price of our Common Stock.

In general, under Rule 144, a person (or persons whose shares are aggregated) who has satisfied a six- month holding period may, under certain circumstances, sell within any three-month period a number of

securities which does not exceed the greater of 1% of the then outstanding shares of common stock or the average weekly trading volume of the class during the four calendar weeks prior to such sale. In addition, under certain circumstances Rule 144 also permits the sale of securities, without any limitation, by a person who is not an affiliate of the Company (as such term is defined in Rule 144(a)(1)), and who has satisfied a one-year holding period.

As of March 31, 2013, approximately 1,924,024 shares of our Common Stock were previously issued as restricted securities as defined under Rule 144 of the Securities Act of 1933, as amended (the "Act") and are outstanding. Of these, approximately 1,674,024 shares of such restricted stock have been outstanding for more than six (6) months and some or all of these shares may be resold without registration pursuant to Rule 144.

As of March 31, 2013, approximately 14,620,000 shares of Common Stock are held by the two founders of the Company, and another 3,750,000 options are eligible for conversion into Common Stock, which are subject to affiliate restrictions of trading for an extended period of time.

If substantial amounts of such shares are sold pursuant to Rule 144, this may have a negative effect on the market price of our Common Stock.

The Selling Stockholder will pay less than the then-quoted market price for our Common Stock, under the formula specified in the Purchase Agreement, and this could have a negative effect on the market price of our Common Stock.

As is generally the case in stock sale arrangements of the type established in the Purchase Agreement, the Put Shares of Common Stock that we will put to the Selling Stockholder will be purchased by the Selling Stockholder at a discount price. In our case, the discount price will be equal to a formula specified in the Purchase Agreement: the price will be eighty-five percent (85%) of the lowest closing bid prices of our Common Stock during the five (5) trading days prior date on which the Company delivers the Put Notice to the Selling Stockholder under the Purchase Agreement. To the extent that we (the Company) choose to exercise the put right, and sell Put Shares to the Selling Stockholder, your ownership interest will be diluted. As is generally the case in stock sale arrangements of the type established in the Purchase Agreement, it is anticipated that he Selling Stockholder, in turn, will sell the Put Shares of our Common Stock immediately upon receiving the Put Shares in order to minimize their risk and exposure in regard to the Put Shares, and in order to realize any profit involved. When the Selling Stockholder resells the Put Shares, this could have a negative effect on the market price of our Common Stock.

We may not have access to the full amount available under the Purchase Agreement.

The only way we are able to access the funding provided for in the Purchase Agreement is by selling Put Shares of our Common Stock to the Selling Stockholder. In order for us to be able to sell Put Shares, there must be an effective registration statement in place covering the resale of such Put Shares by the Selling Stockholder, and certain other conditions must be met.

So, our ability to sell Put Shares of our Common Stock to the Selling Shareholder will not begin until this registration statement, of which this Prospectus is a part, is declared effective by the SEC, and will only continue as long as this registration statement remains effective.

Our ability to sell further Put Shares to the Selling Stockholder, beyond the initial Put Shares covered in this registration statement, will only arise if and to the extent that we prepare and file one or more

additional registration statements covering the resale of further Put Shares under the Purchase Agreement, and such registration statements become effective (and if certain other conditions are satisfied).

These subsequent registration statements may be subject to review and comment by the Staff of the SEC, and will require the consent of our independent registered public accounting firm. Therefore, the timing of these subsequent registration statements cannot be assured, nor can their effectiveness be assured. Accordingly, there is no guarantee that we will be able to draw down all or any portion of the rest of the funding that is potentially available to us under the Purchase Agreement.

We have a number of securities convertible into, or allowing the purchase of our common stock. Investors in this offering could be subject to increased dilution. Also, the issuance of additional shares as a result of such conversion or purchase, or their subsequent sale, could adversely affect the price of our common stock.

Investors in this offering will be subject to increased dilution upon conversion of certain existing and/or new convertible debt and upon the exercise of outstanding stock options and warrants. There were 20,294,025 shares of our common stock outstanding as of March 31, 2013, including 3,750,000 options granted to the 2 founders of the company. As of that date, outstanding convertible debt and contingent liabilities of $255,135 and $78,796 respectively could be converted into shares of our common stock. Stock options and warrants outstanding that are exercisable represented an additional 52,650 shares of our common stock that could be issued (for which cash would need to be remitted to us for the warrant holder exercise) in the future. Most of the outstanding shares of our common stock, as well as the vast majority of the shares of our common stock that may be issued under our outstanding options and warrants, are restricted from trading and/or have the contractual right to be registered, as discussed in more detail above in the Risk Factor discussing Rule 144.

Any significant increase in the number of shares offered for sale could cause the supply of our common stock available for purchase in the market to exceed the purchase demand for our common stock. Such supply in excess of demand could cause the market price of our common stock to decline.

Risks Related to Our Company and Operations

The requirements of the Sarbanes-Oxley Act of 2002 and other U.S. securities laws impose substantial costs, and may drain our resources and distract our management.

We are subject to certain of the requirements of the Sarbanes-Oxley Act of 2002 in the U.S., as well as the reporting requirements under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Exchange Act requires, among other things, filing of annual reports on Form 10-K, quarterly reports on Form 10-Q and periodic reports on Form 8-K following the happening of certain material events, with respect to our business and financial condition. The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal controls over financial reporting. Our existing controls have some weaknesses, as described below. Meeting the requirements of the Exchange Act and the Sarbanes- Oxley Act may strain our resources and may divert management's attention from other business concerns, both of which may have a material adverse effect on our business.

Our management has identified internal control deficiencies, which our management and our independent auditor believe constitute material weaknesses.

In connection with the preparation of our financial statements for the year ended March 31, 2013, December 31, 2012, December 31, 2011 and prior years, our management identified certain internal control deficiencies that, in the aggregate, represent material weaknesses, including:

- lack of a sufficient number of independent directors on our audit committee
- lack of a financial expert on our audit committee
- insufficient segregation of duties in our finance and accounting function due to limited personnel

We intend to take appropriate and reasonable steps, in due course, to make the necessary improvements to address these deficiencies, but the timing of such steps is uncertain and the availability of funding and resources for such steps are also uncertain. Our ability to attract qualified individuals to serve on our Board and to take on key management roles within the Company is also uncertain. Our failure to successfully remedy the existing weaknesses could lead to heightened risk for financial reporting mistakes and irregularities, and/or lead to a loss of public confidence in our internal controls that could have a negative effect on the market price of our Common Stock.

We will need to continue raising substantial funding, on an ongoing basis, for general corporate purposes and operations, including our clinical trials. Such funding may not be available or may not be available on attractive terms.

As of March 31, 2013, we had $35,242.28 of cash on hand. We will need substantial additional funding, on an ongoing basis, in order to continue execution of our clinical trials to move our product candidates towards commercialization, to continue prosecution and maintenance of our large patent portfolio, to continue development and optimization of our manufacturing and distribution arrangements, and for other corporate purposes. We are pursuing financing with several parties, which we hope to complete later this year in addition to the sales of Put Shares under the Purchase Agreement. However, there can be no assurance that we will be able to complete any of the financings, or that the terms for such financings will be attractive. Any financing, if available, may include restrictive covenants and provisions that could limit our ability to take certain actions, preference provisions for the investors, and/or discounts, warrants or other incentives. Any financing will involve issuance of equity and/or debt, and such issuances will be dilutive to existing shareholders. If we are unable to obtain additional funds on a timely basis or on acceptable terms, we may be required to curtail or cease some or all of our operations at any time.

We are likely to continue to incur substantial losses, and may never achieve profitability.

We have incurred net losses every year since our formation in April of 2006, and had a deficit accumulated during the development stage of $1,005,172.51 as of March 31, 2013. We expect that these losses will continue, and we anticipate negative cash flows from operations for the foreseeable future. We may never achieve or sustain profitability.

As a development stage company with a novel technology and unproven business strategy, our limited history of operations makes an evaluation of our business and prospects difficult.

We have had a limited operating history and we are still in the process of developing our product candidates through research and development and eventually clinical trials. Our technology is novel and involves assumptions about biological processes that are still debated among experts in the field. Alzheimer's therapies have been pursued by many parties for decades, and have experienced many failures. Our technology involves a novel approach to altering the course of the disease based on solid proof of concept data, but also involves a relatively new class of drug (peptide) and thus, relatively novel product economics and business strategies, which has limited examples of commercial success. We have not yet completed sufficient animal studies to predict with any certainty any of the potential issues we might have with the scale up required for commercial scale, nor have we finalized the route of administration for delivery of the drug into the brains of patients affected with Alzheimer's. This limited operating history, along with the novelty of

our technology, product economics, and business strategy, and the limited scale of our operations to date makes it difficult to assess our prospects for generating revenues commercially in the future.

We will need to expand our management and technical personnel as our operations progress, and we may not be able to recruit such additional personnel and/or retain existing personnel.

We operate the company in a virtual environment. Many, and at times, all of our personnel are retained on a consulting or contractor basis. Biotech companies typically have a larger number of employees as they progress the product through various development stages, and consequently have an increasing burn rate over time. The Company, by implementing a virtual operation, currently has the ability to focus its resources on the development work required vs the large overhead of carrying such personnel, when much of the work is being done through its contractors. Developing drugs require extensive and diverse management activities and skill sets, including scientific, medical, regulatory (FDA or foreign counterpart), manufacturing, distribution and logistics, site management, business, financial, legal and public relations outreach to both the patient community and physician community, and the Company and its founding management have a vast network of resources to pull such expertise from on a consulting and contract basis so as to maintain a lean overhead rate. In addition, for overall company operations, other necessary management activities and skill sets involving intellectual property, administrative, regulatory (SEC), investor relations are also handled by outside consultants on an as needed basis.

Our performance and success are dependent upon the efforts and abilities of our management, and medical and scientific personnel, whether they are employees or consultants. Nonetheless, our growth will eventually require hiring a significant number of qualified technical, commercial, business and administrative personnel. If we are unable to attract and retain the qualified personnel necessary to develop our business, perform contractual obligations under our AECOM license agreement and maintain appropriate licensure, on acceptable terms, we may not be able to sustain our operations or achieve our commercialization and other business objectives and we may fail to grow or sustain our business as a going concern.

While not expected, it is possible that at such time as the Company seeks to expand, the available pool of personnel with such expertise and experience may not be readily available, and will have to expand its search internationally making the cost of hiring such personnel cost prohibitive or even impossible. In addition, our company is small and has limited resources, our business prospects are uncertain and our stock price is volatile. For some or all of such reasons, we may not be able to recruit all the management and technical personnel we need, and/or we may not be able to retain all of our existing personnel. In such event, we may have to continue our operations with a smaller than usual team of personnel, and our business and financial results may suffer.

The necessary specialized facilities, equipment and personnel may not be available or obtainable for the scale-up of manufacturing of our product candidates or the drug delivery vehicles that our drug substance requires in order to deliver our drug to the brain.

While the manufacture of peptides is rather simple, the manufacture of peptides in context with complex drug delivery methods may not be, especially since the Company has not yet completed the studies yet to determine the exact formulation of such drug delivery compositions. It is possible that such drug delivery-peptide compositions will require specialized facilities, equipment and personnel which are entirely different than what is required for manufacturing of our peptides alone. Scaling up the manufacturing of such composite products to volume levels required for commercialization may require unknown amounts of specialized facilities, equipment and personnel. Since such drug delivery products are so new, and have limited commercialization experience, the supply of the specialized facilities, equipment and personnel

needed for them has not yet developed. It may not be possible for us (or our CMO) to obtain all of the specialized facilities, equipment and personnel needed for commercialization of our composite product candidates. This could delay or halt our commercialization.

Our technology is novel, involves a complex pathway, and may not prove to be effective.

The scientific community and physician community have been trying for over 100 years to develop drugs that can recover the cognitive functions lost in the progression of Alzheimer's disease. There have been many different product designs – and many product failures and company failures. To date, only five drugs have been approved to treat symptomatic memory loss, but none are approved to alter the course of the disease and as such are only effective therapies for a limited period of time. The pathology of Alzheimer's is complex, with many diverse elements, and the state of scientific understanding of the disease is still evolving. Other therapies developed by other parties delivered promising results in early development including clinical trials, but failed in later stage clinical trials due to unexpected toxicities and/or lack of efficacy as measured by an recovery of cognitive function. To date, we have only conducted early stage pre-clinical feasibility studies in limited numbers of animal models. Although the results of those studies were quite positive, those results may not be achieved in our clinical trials, and our product candidates may not ultimately be found to be effective.

Clinical trials for our product candidates are expensive and time consuming and their outcome is uncertain.

The process of obtaining and maintaining regulatory approvals for new therapeutic products is expensive, lengthy and uncertain. It can vary substantially, based upon the type, complexity and novelty of the product involved. Clinical trials are especially expensive (typically requiring tens of millions of dollars), and take years to reach their outcomes. Such outcomes often fail to reproduce the results of earlier trials. It is often necessary to conduct multiple late stage trials in order to obtain sufficient results to support product approval, which further increases the expense. Sometimes trials are further complicated by changes in requirements while the trials are under way (for example, when the standard of care changes for the disease that is being studied in the trial). Accordingly, any of our current or future product candidates could take a significantly longer time to gain regulatory approval than we expect or may never gain approval, either of which could delay or stop the commercialization of our product candidates.

We have limited experience in conducting and managing clinical trials.

We rely on third parties to assist us, on a contract services basis, in managing and monitoring all of our pre-clinical studies and clinical trials. We do not have experience conducting clinical trials ourselves, without third party service firms, nor do we have experience in supervising such third parties in managing clinical trials. Our lack of experience and/or our reliance on these third party service firms may result in delays or failure to complete these trials successfully and on time. If the third parties fail to perform, we may not be able to find sufficient alternative suppliers of those services in a reasonable time period, or on commercially reasonable terms, if at all. If we were unable to obtain alternative suppliers of such services, we might be forced to delay, suspend or stop development of our drug candidates until such time as we find suppliers meeting our requirements.

Multiple late stage clinical trials of our lead product may be required before we can obtain regulatory approval.

Typically, companies conduct multiple late stage clinical trials of their product candidates before seeking product approval. While under certain circumstances, the FDA and the European Medicines Agency

("EMA") or other International regulatory agencies could accept a larger well designed Phase II study as a single study in support of approval, it is not yet known whether any of them will do so in this case, and it is also possible that the Company will have to perform more than one Phase III study (as has happened in the past with therapies designed to treat Alzheimer's disease). Even if the results are as positive and compelling as in our pre-clinical studies, we may be required to conduct additional late stage trials before we can obtain product approval. This would substantially delay our commercialization. There is also some possibility that changes within the FDA or other regulatory body or changes in the trial design requested by such authority could complicate the application process for product approval. In addition, a number of products are under development for Alzheimer's in the US and Internationally. It is possible that the standard of care for Alzheimer's could change while our drug development is still under way based on the results of studies that are currently underway. This could necessitate additional and/or differently designed clinical trials with our product candidate for Alzheimer's.

We may not receive regulatory approvals for our product candidates or there may be a delay in obtaining such approvals.

Our products and our ongoing development activities are subject to regulation by regulatory authorities in the countries in which we or our collaborators and distributors wish to test, manufacture or market our products. For instance, the FDA will regulate the product in the U.S. and equivalent authorities, such as the EMA, will regulate in other jurisdictions. Regulatory approval by these authorities will be subject to the evaluation of data relating to the quality, efficacy and safety of the product for its proposed use.

The time taken to obtain regulatory approval varies between countries. In the US, for products without "Fast Track" status, it can take up to eighteen (18) months after submission of an application for product approval to receive the FDA's decision. Even with Fast Track status, FDA review and decision can take up to twelve (12) months. At present, we do not have Fast Track status for any of our products.

Different regulators may impose their own requirements and may refuse to grant, or may require additional data before granting, an approval, notwithstanding that regulatory approval may have been granted by other regulators. Regulatory approval may be delayed, limited or denied for a number of reasons, including insufficient clinical data, the product not meeting safety or efficacy requirements or any relevant manufacturing processes or facilities not meeting applicable requirements, as well as case load at the regulatory agency at the time.

We may fail to comply with regulatory requirements.

Our success will be dependent upon our ability, and our collaborative partners' abilities, to maintain compliance with regulatory requirements, including current good manufacturing practices ("cGMP") and safety reporting obligations. The failure to comply with applicable regulatory requirements can result in, among other things, fines, injunctions, civil penalties, total or partial suspension of regulatory approvals, refusal to approve pending applications, recalls or seizures of products, operating and production restrictions and criminal prosecutions.

Regulatory approval of our product candidates may be withdrawn at any time.

After regulatory approval has been obtained for medicinal products, the product and the manufacturer are subject to continual review and there can be no assurance that such approval will not be withdrawn or restricted. Regulators may also subject approvals to restrictions or conditions, or impose post-approval obligations on the holders of these approvals, and the regulatory status of such products may be

jeopardized if such obligations are not fulfilled. If post-approval studies are required, such studies may involve significant time and expense.

Our product candidates may require a different formulation and/or route of administration than conventional therapeutic products, and this may impede commercialization of our product candidates.

Our MoBA product candidate consists of peptides administered to the brain of patients affected by Alzheimer's disease. In order for the drug to successfully reach the brain, the peptides must likely be combined with a drug delivery technology that facilitates administration of the peptide to the brain of the patient, since traditional drug formulations will most likely not support a clinically meaningful concentration of drug. Such drug delivery technology may be invasive, such as the case with direct administration to the brain, or may limit the shelf life of the drug substantially, and/or may require different processing for the handling, distribution and delivery than traditional chemical or biologic drugs. For all of these reasons, among others, we may not be able to use the distribution networks and processes that already exist for conventional drugs. It may take time for shipping companies, hospitals, pharmacies and physicians to adapt to the requirements for handling, distribution and delivery of these products, which may adversely affect our commercialization.

Our product candidates may require different marketing and sales methods and personnel than conventional therapeutic products, depending on its formulation and route of administration. Also, we lack sales and marketing experience. These factors may result in significant difficulties in commercializing our product candidates.

The commercial success of any of our product candidates will depend upon the strength of our sales and marketing efforts. We do not have a marketing or sales force and have no experience in marketing or sales of products like our lead product, MoBA. To fully commercialize our product candidates, we will need to recruit and train marketing staff, and a sales force with technical expertise and ability to manage the distribution of MoBA. As an alternative, we could seek assistance from a corporate partner or a third party services firm with a large distribution system and a large direct sales force. If MoBA has specific or unusual handling or routes of administration, we may still have to train such partner's or such services firms' personnel about our products, and would have to make changes in their distribution processes and systems to handle our products. We may be unable to recruit and train effective sales and marketing forces or our own, or of a partner or a services firm, and/or doing so may be more costly and difficult than anticipated. Such factors may result in significant difficulties in commercializing our product candidates, and we may be unable to generate significant revenues.

The availability and amount of potential reimbursement for our product candidates by governmental and private payers is uncertain and may be delayed and/or inadequate.

The availability and extent of reimbursement by governmental and/or private payers is essential for most patients to be able to afford expensive treatments, such as Alzheimer's treatments. In the US, the principal decisions about reimbursement for new medicines are typically made by the Centers for Medicare & Medicaid Services ("CMS"), an agency within the U.S. Department of Health and Human Services, as CMS decides whether and to what extent a new medicine will be covered and reimbursed under Medicare. Private payers tend to follow CMS to a substantial degree. It is difficult to predict what CMS will decide with respect to reimbursement price for fundamentally novel products such as ours, as there have been no products approved that alter the course of Alzheimer's disease.. Although CMS approved coverage and reimbursement for the five drugs approved for the symptomatic treatment of Alzheimer's, and the Company's projections

include substantial price mark-up over the existing approved drugs, there is no indication that a price increase will be justifiable or allowed by the CMS for new drugs that are approved in this class.

Various additional factors could increase the difficulties for our MoBA to obtain reimbursement. Approval of competing disease modifying products (drugs and/or devices) for the same disease indications could make the need for our products and the cost-benefit balance seem less compelling. The cost of our product may be limited if the required dosing of the product is more frequent (twice or more daily vs weekly or monthly), thus requiring the Company to focus its efforts on reducing the cost of goods as soon as possible. Thus, if we are unable to obtain adequate levels of reimbursement, our ability to successfully market and sell our product candidates will be adversely affected.

The methodology under which CMS makes coverage and reimbursement determinations is subject to change, particularly because of budgetary pressures facing the Medicare program. For example, the Medicare Prescription Drug, Improvement, and Modernization Act (the "Medicare Modernization Act"), enacted in 2003, provided for a change in reimbursement methodology that has reduced the Medicare reimbursement rates for many drugs.

In markets outside the US, where we plan to operate in the future, the prices of medical products are subject to direct price controls and/or to reimbursement with varying price control mechanisms, as part of national health systems. In general, the prices of medicines under such systems are substantially lower than in the US. Some jurisdictions operate positive and/or negative list systems under which products may only be marketed once a reimbursement price has been agreed. Other member states allow companies to fix their own prices for medicines, but monitor and control company profits. The downward pressure on health care costs in general, particularly prescription drugs, has become very intense. As a result, increasingly high barriers are being erected to the entry of new products. Accordingly, in markets outside the US, the reimbursement for our products may be reduced compared with the US and may be insufficient to generate commercially reasonable revenues and profits.

Competition in the biotechnology and biopharmaceutical industry is intense and most of our competitors have substantially greater resources than we do.

The biotechnology and biopharmaceutical industries are characterized by rapidly advancing technologies, intense competition and a strong emphasis on proprietary products. Several major companies with strong financial backing, such as Johnson and Johnson, Eisai, Pfizer, Elan, Merck, Astra Zeneca, Roche, Novartis, Forest Laboratories and others have existing products on the market for Alzheimer's and are also actively involved in the research and development of additional therapies for Alzheimer's disease. Since 2008, ~43 generic versions of the 4 approved AD drugs have also hit the market from 26 different companies, adding both competition and interest in new products being developed across the industry.

Of the companies developing new drugs, according to Frost and Sullivan, nearly 38% are developing drugs focused on APP and Abeta, and more than 50% of the drugs in development are focused on cognitive enhancers similar to the 4 approved drugs, and the remaining percentage on novel mechanisms of action. Several of these groups have reached late stage clinical trials: As of August 20, 2012, there are 137 active, enrolling clinical trials referencing Alzheimer's as the indication via clinicatrials.gov listed the following studies with open enrollment:

20	Phase IV
20	Phase III
6	Phase II/III
58	Phase II

7	Phase I/II
26	Phase I

Notwithstanding the competition described above, recently the failure of JNJ, Pfizer, Eli Lilly and Élan's Bapineuzumab phase III clinical trial further emphasizes the need for novel, well designed disease altering drugs, and animal models that faithfully reconstruct the biology of dementia, and at the same time supports our scientific hypothesis, since we and others predicted the failure of this drug, based on our scientific hypothesis that amyloid plaques are not the cause of the disease, and as such, creating drugs that target this stage of the disease will not be clinically beneficial.

Most of our competitors have significantly greater financial resources and expertise in research and development, manufacturing, pre-clinical testing, conducting clinical trials, obtaining regulatory approvals and marketing and sales than we do. Smaller or early-stage companies may also prove to be significant competitors, particularly if they enter into collaborative arrangements with large and established companies. These third parties compete with us in recruiting and retaining qualified scientific and management personnel, as well as in acquiring technologies complementary to our programs, and in obtaining sites for our clinical trials and enrolling patients.

Our competitors may develop more effective or affordable products, or achieve earlier or greater patent protection or earlier product marketing and sales. Any products developed by us may be rendered obsolete and non-competitive.

We may be prevented from using the MoBA and/or NoMAD names commercially in the US and/or Europe.

The USPTO, US FDA and/or EU EMA may not approve the name MoBA for use commercially and/or clinically, and the USPTO may not approve or grant allowance for use of the name NoMAD commercially. Failure to obtain the approval for the use of the MoBA and/or NoMAD names in US and/or Europe would require us to market our product candidates under a different name, which could impair the successful marketing of our product candidates and may have a material adverse effect on our results of operations and financial condition.

Competing generic medicinal products may be approved.

The approval of generic medicinal products once patent protection and other forms of data and market exclusivity have expired could significantly impair our ability to generate revenues or achieve long-term profitability by creating significant competition from such products which may reduce sales of our products.

We may be exposed to potential product liability claims, and insurance against these claims may not be available to us at a reasonable rate in the future, if at all.

Our business exposes us to potential product liability risks that are inherent in the testing, manufacturing, marketing and sale of therapeutic products. Insurance coverage may not be available to us at on commercially reasonable terms (including acceptable cost), if at all. Insurance that we obtain may not be adequate to cover claims against us. Regardless of whether they have any merit or not, and regardless of their eventual outcome, product liability claims may result in decreased demand for our product candidates, injury to our reputation, withdrawal of clinical trial participants or physicians, and/or loss of revenues. Thus, whether or not we are insured, a product liability claim or product recall may result in losses that could be material.

We may from time to time store, handle, use and dispose of controlled hazardous, radioactive and biological materials in our business. Our current use of these materials generally is below thresholds giving rise to burdensome regulatory requirements. Our development efforts, however, may result in our becoming subject to additional requirements, and if we fail to comply with applicable requirements we could be subject to substantial fines and other sanctions, delays in research and production, and increased operating costs. In addition, if regulated materials were improperly released or disposed of at our future facilities or at locations to which we send materials for disposal, we could be liable for substantial damages and costs, including cleanup costs and personal injury or property damages, and incur delays in research and production and increased operating costs.

Insurance covering certain types of claims of environmental damage, or injury resulting from the use of these materials, is available but can be expensive and is limited in its coverage. We have no insurance specifically covering environmental risks or personal injury from the use of these materials and if such use results in liability, our business may be seriously harmed.

Our intellectual property rights may not provide sufficient commercial protection for our product candidates, or third parties may infringe upon our intellectual property.

Patent laws afford only limited protection and may not protect our rights to the extent necessary to sustain any competitive advantage we may have. In addition, the laws of some foreign countries do not protect proprietary rights to the same extent as the laws of the United States, and we may encounter significant problems in protecting our proprietary rights in those countries. Moreover patents and patent applications relating to method of use often involve complex factual and legal issues, and may be subject to limitations and reduction in scope if found to infringe upon pre-existing compositional intellectual property or prior art – and as a result, are uncertain.

We have, through our license with Albert Einstein College of Medicine (AECOM), 1 patent granted in China and 12 patent applications pending in regard to our product candidates, and related matters. This issued patent, and the patent applications once granted, will expire at various dates from 2025-2026. Any issued patents, or patent applications that issue in the future may, at any time, be challenged, and such challenges may result in reductions in scope or invalidations. Such pending patent applications may not result in issued patents. Moreover, these patents and patent applications may not be sufficiently broad to prevent others from using substantially similar technologies or from developing competing products. We also face the risk that others may independently develop similar or alternative technologies, or design around these patented and patent pending technologies.

We have taken security measures (including execution of confidentiality agreements) to protect our proprietary information, especially proprietary information that is not covered by patents or patent applications. These measures, however, may not provide adequate protection for our trade secrets or other proprietary information. In addition, others may independently develop substantially equivalent proprietary information or techniques or otherwise gain access to our trade secrets.

Our success will depend, in part, on whether we can: obtain patents to protect our own products and technologies; obtain licenses to use the technologies of third parties if necessary, which may be protected by patents; and protect our trade secrets and know-how. Our inability to obtain and rely upon patents essential to our business may have a material adverse effect on our business, operating results and financial condition

We may be unable to maintain our licenses, patents or other intellectual property and could lose important protections that are material to continuing our operations and growth and our ability to achieve profitability.

Our license agreement with the AECOM and other such license agreements we may enter into require us to pay license fees, royalties and milestone payments and fees for patent filings and applications. Obtaining and maintaining patent protection and licensing rights also depends, in part, on our ability to pay the applicable filing and maintenance fees. Our failure to meet financial obligations under our license agreements in a timely manner or our non-payment or delay in payment of our patent fees could result in the loss of some or all of our rights to proprietary technology or the inability to secure or enforce intellectual property protection. The loss of any or all of our intellectual property rights could materially limit our ability to develop and/or market our services, which would materially and adversely affect our business, operating results and financial condition.

We may be exposed to claims or lawsuits – with or without merit – that our products infringe patents or other proprietary rights of other parties.

There is a substantial amount of litigation involving patent and other intellectual property rights in the biotechnology and biopharmaceutical industries generally. The patent landscape is especially uncertain in regard to products wherein the scientific mechanisms of disease are still evolving, such as is the case with Alzheimer's disease. Infringement and other intellectual property claims -- with or without merit -- can be expensive and time-consuming to litigate and can divert management's attention. In the future, we may be exposed to claims by third parties – with or without merit -- that our products infringe their intellectual property rights. Such claims or lawsuits may involve substantial costs and diversion of management attention to defend.

In addition, because patents can take many years to issue, and patent applications are not published until up to eighteen months after they are filed, there may be currently pending applications, unknown to us, which may later result in issued patents that our products may inadvertently infringe. There could also be existing patents of which we are not aware that one or more of our products may inadvertently infringe.

MoBA is currently our only therapeutic technology in development.

Unlike many pharmaceutical companies that have a number of products in development and which utilize many different technologies, we are largely dependent on the success of our MoBA platform technology. While the MoBA technology has a wide scope of potential use within the field of Dementia, if the core MoBA technology is not effective or is not commercially viable for a variety of reasons including but not limited to formulation, stability, and or efficacy, our business could fail. We are currently seeking development of our novel animal models NoMAD; however the economics of such are much different than a therapeutic drug. The Company is also exploring opportunities to in-license additional products to offset this risk but additional products will require significant capital to develop and as such adds additional risks to the Company, and will have its own set of commercial risk factors.

Our success partly depends on existing and future collaborators and third parties.

We work with scientists and medical professionals at academic and other institutions and contract research organizations, especially including the institution of the co-founder of RemeGenix (Dr. Luciano

D'Adamio), Albert Einstein College of Medicine. Some of these groups have previously conducted research for us or have assisted in developing our research and development strategy and we will rely on such groups continuing to provide such service at and at the level and quality it has previously. These scientists and medical professionals are collaborators and contractors, not our employees. They may have commitments to, or contracts with, other businesses or institutions that limit the amount of time they have available to work with us. We have little control over these individuals, organizations and companies. We can only expect that they devote time to us and our programs as required by any license, consulting, sponsored research agreements or other business agreements we may have with them. In addition, these individuals, organizations or companies may have arrangements with other companies to assist in developing technologies that may compete with our products. If these individuals do not devote sufficient time and resources to our programs, or if they provide substantial assistance to our competitors, our business could be seriously harmed.

The success of our business strategy may partially depend upon our ability to develop and maintain our relationships with such collaborators, organizations and companies and to manage the working relationship effectively. Due to concerns regarding our ability to continue our operations or the commercial feasibility of our MoBA, these third parties may decide not to conduct business with us or may conduct business with us on terms that are less favorable than those customarily extended by them. If either of these events occurs, our business could suffer significantly.

We may have disputes with our collaborators, which could be costly and time consuming. Failure to successfully defend our rights could seriously harm our business, financial condition and operating results. We intend to continue to enter into collaborations in the future. However, we may be unable to successfully negotiate any additional collaboration and any of these relationships, if established, may not be scientifically or commercially successful.

The Albert Einstein College of Medicine, Yeshiva University has the ability to exercise influence over the patent rights of our technology.

The terms of our exclusive license of the technology from the Albert Einstein College of Medicine, Yeshiva University provide for a certain level of control/joint approval of decisions. For example, should we seek to collaborate in the form of a sublicense with a third party on the technology programs, prior approval of the Albert Einstein College of Medicine would be required for any such sublicensing agreement. There can be no assurance they would grant approval for decisions requiring their consent. In addition, we previously entered into a sponsored research agreement with the University, pursuant to which they perform certain research activities for us, and expect to enter into additional agreements. Accordingly, we are highly dependent on the University's cooperation and performance in developing the technology. Further, the technology license agreement requires the payment of certain license fees, royalties and milestone payments, payments for patent filings and applications. Our failure to meet our current outstanding financial obligations as well as future financial and other obligations under the license and/or any sponsored research agreements in a timely manner could result in the loss of some or all of our rights to proprietary technology, such as the loss of exclusive rights or even termination of the agreements.

We have a very limited history of conducting our own research and development activities.

To support our research and development capabilities we rely largely on the collaboration of our CSO and AECOM. To pursue our business strategy fully, we must increase our internal research capabilities, which we are endeavoring to accomplish, by establishing relationships with additional third parties as well as planning to establish our own laboratory in close proximity to our CSO in New York. There can be no assurance that we will be successful in these efforts. Our additional research and development capacity also will require

adequate sources of funding, and availability of space, both of which may limit our success. There can be no assurance that any of these development efforts will produce a successful product or technology. Our failure to develop our products would have a material adverse effect on our business, operating results and financial condition.

Our business could be adversely affected by new legislation.

Changes in applicable legislation and/or regulatory policies or discovery of problems with the product, production process, site or manufacturer may result in delays in bringing products to market, the imposition of restrictions on the product's sale or manufacture, including the possible withdrawal of the product from the market, or may otherwise have an adverse effect on our business.

Our business could be adversely affected by animal rights activists.

Our business activities have involved animal testing, as such testing is required before new medical products can be tested in clinical trials in patients. Animal testing has been the subject of controversy and adverse publicity. Some organizations and individuals have attempted to stop animal testing by pressing for legislation and regulation in these areas. To the extent that the activities of such groups are successful, our business could be adversely affected. Negative publicity about us, our pre-clinical trials and our product candidates could also adversely affect our business.