Advaxis, Inc.
Form 424B3
March 18, 2011

Filed Pursuant to Rule 424(b)(3) and Rule 424(c)

Registration No. 333-162632

PROSPECTUS SUPPLEMENT NO. 1

61,428,433 SHARES OF COMMON STOCK

ADVAXIS, INC.

This prospectus supplement amends the prospectus dated February 28, 2011, to allow the selling stockholders named in the prospectus (the "Selling Stockholders") to resell, from time to time, up to an aggregate of 61,428,433 shares of our common stock issuable upon the exercise of warrants held by the Selling Stockholders. Such number of shares includes 15,507,183 shares of our common stock issuable as a result of anti-dilution provisions in the warrants held by certain of the Selling Stockholders pursuant to Rule 416 of the Securities Act.

We will not receive any proceeds from any such sale of these shares. To the extent any of the warrants are exercised for cash, if at all, we will receive the exercise price for those warrants. This prospectus supplement is being filed to include the information set forth in (i) our Current Report on Form 8-K filed on March 15, 2011 and (ii) our Quarterly Report on Form 10-Q filed on March 17, 2011, each of which are set forth below. This prospectus supplement should be read in conjunction with the prospectus dated February 28, 2011, which is to be delivered with this prospectus supplement.

Our common stock is quoted on the OTCQB Marketplace, or OTCQB, under the symbol ADXS. On March 17, 2011, the last reported sale price per share for our common stock as reported by the OTCQB was $0.12.

Investing in our common stock involves a high degree of risk. We urge you to carefully consider the ''Risk Factors'' beginning on page 5 of the prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this Prospectus Supplement No. 1 is March 18, 2011.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON D.C. 20549

FORM 8-K

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

Date of Report (Date of earliest event reported): March 14, 2011

ADVAXIS, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

00028489	02-0563870
(Commission File Number)	(IRS Employer Identification Number)

Technology Centre of New Jersey
675 Rt. 1, Suite B113
North Brunswick, N.J. 08902
(Address of principal executive offices)

Registrant's telephone number, including area code: (732) 545-1590

Not applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

¨ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

¨ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

¨ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

¨ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 3.02 Unregistered Sales of Equity Securities.

On March 14, 2011, Advaxis, Inc. (the "Company") issued and sold 44 shares of non-convertible, redeemable Series B preferred stock ("Series B Preferred Stock") to Optimus Life Sciences Capital Partners LLC (the "Investor") pursuant to the terms of a Preferred Stock Purchase Agreement between the Company and the Investor dated July 19, 2010 (the "Purchase Agreement"). The aggregate purchase price for the shares of Series B Preferred Stock was $440,000 less an amount of approximately $20,000 offset against the purchase price for the early payment by the Investor of a portion of the purchase price. Under the terms of the Purchase Agreement, the Investor remains obligated, from time to time until July 19, 2013, to purchase up to an additional 284 shares of Series B Preferred Stock at a purchase price of $10,000 per share upon notice from the Company to the Investor, and subject to the satisfaction of certain conditions, as set forth in the Purchase Agreement. Among these conditions, the Company must have a sufficient number of registered shares underlying a warrant issued to an affiliate of the Investor. The Company currently has 50,038 registered shares available under its prospectus and will need to register additional warrant shares in order to require the Investor to purchase the remaining shares of Series B Preferred Stock.

The Series B Preferred Stock was offered and sold in a private placement transaction made in reliance upon exemptions from registration pursuant to Section 4(2) of the Securities Act of 1933, as amended, and Rule 506 of Regulation D promulgated thereunder.

Item 8.01 Other Events.

In connection with the issuance by the Company of the Series B Preferred Stock described above (the "Transaction"), an affiliate of the Investor exercised a warrant to purchase 3,960,000 shares of the Company's common stock, $0.001 par value (the "Common Stock") at an exercise price of $0.15 per share. The Company and the Investor also agreed to waive certain terms and conditions in the warrant in order to permit the affiliate of the Investor to exercise the warrants at the exercise price of $0.15 per share. As permitted by the terms of such warrant, the aggregate exercise price of $594,000 received by the Company is payable pursuant to a four-year full recourse promissory note bearing interest at the rate of 2% per year.

SIGNATURES

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

Dated: March 15, 2011	Advaxis, Inc.
	By: /S/ Mark J. Rosenblum Mark J. Rosenblum Chief Financial Officer and Secretary

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

FORM 10-Q

(Mark One)
x QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended January 31, 2011

¨ TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT

For the transition period from to ________________ to ________________

Commission file number 000-28489

ADVAXIS, INC.

(Exact name of registrant as specified in its charter)

Delaware	02-0563870
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

The Technology Centre of New Jersey, 675 Route 1, Suite 119, North Brunswick, NJ 08902

(Address of principal executive offices)

(732) 545-1590

(Registrant's telephone number)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x 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 (Section 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, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ¨	Accelerated filer ¨	Non-accelerated filer ¨	Smaller Reporting Company x

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

The number of shares of the registrant's common stock, $0.001 par value, outstanding as of March 15, 2011 was 214,605,862.

INDEX

All other items called for by the instructions to Form 10-Q have been omitted because the items are not applicable or the relevant information is not material.

1

PART I-FINANCIAL INFORMATION

Item 1. Financial Statements

ADVAXIS, INC.
(A Development Stage Company)
BALANCE SHEETS

	January 31, 2011	October 31, 2010
ASSETS		
Current Assets:		
Cash	$ 106,040	$ 108,381
Grant Receivable	-	244,479
Other Receivable	379,472	-
Prepaid expenses	22,648	38,511
Other Current Assets	77,221	-
Total Current Assets	585,381	391,371
Deferred expenses	296,580	233,322
Property and Equipment (net of accumulated depreciation)	18,622	28,406
Intangible Assets (net of accumulated amortization)	2,168,544	2,125,991
Deferred Financing Cost	25,000	-
Other Assets	136,682	96,096
TOTAL ASSETS	$ 3,230,809	$ 2,875,186
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current Liabilities:		
Accounts payable	$ 2,591,341	$ 2,586,008
Accrued expenses	952,624	647,125
Convertible Bridge Notes and fair value of embedded derivative	1,576,899	751,456
Notes payable – current portion, including interest payable	731,794	687,034
Total Current Liabilities	5,852,658	4,671,623
Common Stock Warrant	8,520,828	13,006,194
Total Liabilities	14,373,486	17,677,817
Shareholders' Deficiency:		
Preferred stock, $0.001 par value; 5,000,000 shares authorized; Series B Preferred Stock; issued and outstanding 696 at January 31, 2011 and 789 at October 31, 2010.		
Common Stock - $0.001 par value; authorized 500,000,000 shares, issued and outstanding 210,645,862 at January 31, 2011 and 198,100,817 at October 31, 2010.	210,646	198,101
Additional Paid-In Capital	24,710,220	23,074,978
Stock Subscription Receivable	(9,404,210)	(10,659,710)
Deficit accumulated during the development stage	(26,659,333)	(27,416,000)
Total Shareholders' Deficiency	(11,142,677)	(14,802,631)
TOTAL LIABILITIES & SHAREHOLDERS' DEFICIENCY	$ 3,230,809	$ 2,875,186

The accompanying notes and the report of independent registered public accounting firm should be read in conjunction with the financial statements.

2

ADVAXIS, INC.
(A Development Stage Company)
STATEMENTS OF OPERATIONS
(unaudited)

	Three Months Ended January 31, 2011	Three Months Ended January 31, 2010	Period from March 1, 2002 (Inception) to January 31, 2010
Revenue	$ -	$ -	$ 1,863,343
Research & Development Expenses	1,987,691	997,335	17,065,530
General & Administrative Expenses	981,956	589,015	17,221,854
Total Operating expenses	2,969,647	1,586,350	34,287,384
Loss from Operations	(2,969,647)	(1,586,350)	(32,424,041)
Other Income (expense):			
Interest expense	(532,349)	(1,666,139)	(6,282,703)
Other Income	37,330	2,271	363,948
Gain on note retirement	-	-	1,656,440
Net changes in fair value of common stock warrant liability and embedded derivative liability	3,841,861	(1,090,114)	8,490,434
Net Income (Loss) before income tax benefit	377,195	(4,340,332)	(28,195,922)
Income tax benefit	379,472	278,978	1,580,473
Net Income (Loss)	756,667	(4,061,354)	(26,615,449)
Dividends and redemption premium attributable to preferred shares	989,020	-	1,032,904
Net Loss applicable to Common Stock	$ (232,353)	$ (4,061,354)	$ (27,648,353)
Net Loss per share, basic	$ -	$ (.03)	
Net Loss per share, diluted	$ -	$ (.03)	
Weighted average number of shares outstanding, basic	206,807,491	118,277,623	
Weighted average number of shares outstanding, diluted	206,807,491	118,277,623	

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

ADVAXIS, INC.
(A Development Stage Company)
STATEMENTS OF CASH FLOWS
(unaudited)

	Three Months Ended January 31, 2011	Three Months Ended January 31, 2010	Period from March 1, 2002 (Inception) to January 31, 2011
OPERATING ACTIVITIES			
Net income/(Loss)	$ 756,667	$ (4,061,354)	$ (26,615,449)
Adjustments to reconcile net income (loss) to net cash used in operating activities:			
Non-cash charges to consultants and employees for options and stock	240,582	188,177	3,246,001
Amortization of deferred financing costs	-	-	260,000
Amortization of deferred expenses	(63,259)	41,008	211,149
Amortization of discount on Bridge Loans	73,364	225,320	747,250
Impairment of intangible assets	-	-	26,087
Non-cash interest expense	414,890	1,433,436	4,879,410
Loss (Gain) on change in value of warrants and embedded derivative	(3,841,861)	1,090,114	(8,490,434)
Warrant Expense	35,523	-	241,798
Value of penalty shares issued	-	-	149,276
Depreciation expense	9,784	9,412	177,050
Amortization expense of intangibles	32,265	21,267	494,617
Gain on note retirement	-	-	(1,656,440)
Decrease (Increase) in prepaid expenses	15,862	(6,464)	(22,648)
Decrease in grant receivable	244,479	-	-
(Increase) in income tax receivable	(379,472)	-	(379,472)
(Increase) in other current assets	(77,221)	-	(77,221)
Increase in other assets	(53,968)	-	(147,801)
(Decrease) increase in accounts payable	(11,526)	441,848	3,155,667
Increase (decrease) in accrued expenses	387,030	(244,234)	1,021,791
Increase (decrease) in interest payable	43,953	-	(116,456)
Net cash used in operating activities	(2,172,908)	(861,470)	(22,895,825)
INVESTING ACTIVITIES			
Cash paid on acquisition of Great Expectations	-	-	(44,940)
Purchase of property and equipment	-	(10,014)	(150,093)
Cost of intangible assets	(74,817)	(99,500)	(2,694,199)
Net cash used in Investing Activities	(74,817)	(109,514)	(2,889,232)
FINANCING ACTIVITIES			
Proceeds from (repayment of) convertible secured debenture	-	-	1,040,000
Cash paid for deferred financing costs	(25,000)	-	(584,493)
Principal Payments on notes payable	(187,582)	(213,382)	(2,109,292)
Proceeds from notes payable	1,380,000	472,500	7,640,859
Net proceeds of issuance of Preferred Stock	1,077,966	1,166,000	8,345,793
Cancellation of Warrants	-	-	(600,000)
Proceeds from exercise of Warrants	-	-	170,000

Net proceeds of issuance of Common Stock	-	-	11,988,230
Net cash provided by Financing Activities	2,245,384	1,425,118	25,891,097
Net (decrease) increase in cash	(2,341)	454,134	106,040
Cash at beginning of period	108,381	659,822	-
Cash at end of period	$ 106,040	$ 1,113,956	$ 106,040

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

Supplemental Disclosures of Cash Flow Information

	Three Months Ended January 31, 2011	Three Months Ended January 31, 2010	Period from March 1, 2002 (Inception) to January 31, 2011
Cash paid for Interest	$ 44,292	$ 114,419	$ 577,892

Supplemental Schedule of Noncash Investing and Financing Activities

	Three Months Ended January 31, 2011	Three Months Ended January 31, 2010	Period from March 1, 2002 (Inception) to January 31, 2011
Equipment acquired under notes payable		-	$ 45,580
Common stock issued to Founders		-	$ 40
Notes payable and accrued interest converted to Preferred Stock		-	$ 15,969
Stock dividend on Preferred Stock		-	$ 43,884
Accounts Payable from consultants settled with Common Stock		$ -	$ 51,978
Notes payable and embedded derivative liabilities converted to Common Stock		-	$ 5,835,250
Intangible assets acquired with notes payable		-	$ 360,000
Intangible assets acquired with common stock			70,000
Debt discount in connection with recording the original value of the embedded derivative liability	$ 200,569	267,800	$ 2,359,258
Allocation of the original secured convertible debentures to warrants		-	$ 214,950
Allocation of the warrants on Bridge Notes as debt discount	$ 651,846	410,116	$ 2,304,393
Cancellation of Note Receivable in connection with Preferred Stock Redemption	$ (3,051,000)	-	$ (3,051,000)
Note receivable in connection with exercise of warrants	$ 1,795,500	1,965,710	$ 12,455,210
Warrants Issued in connection with issuance of Common Stock	-	-	$ 1,505,550
Warrants Issued in connection with issuance of Preferred Stock	-	-	$ 3,587,625

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

ADVAXIS, INC.
NOTES TO THE FINANCIAL STATEMENTS
(unaudited)

1. NATURE OF OPERATIONS AND BASIS OF PRESENTATION

Nature of Operations

Advaxis, Inc. (the "Company") is a development stage biotechnology company with the intent to develop safe and effective cancer vaccines that utilize multiple mechanisms of immunity. The Company is developing a live Listeria vaccine technology under license from the University of Pennsylvania ("Penn") which secretes a protein sequence containing a tumor-specific antigen. The Company believes this vaccine technology is capable of stimulating the body's immune system to process and recognize the antigen as if it were foreign, generating an immune response able to attack the cancer. The Company believes this to be a broadly enabling platform technology that can be applied to the treatment of many types of cancers, infectious diseases and auto-immune disorders.

The discoveries that underlie this innovative technology are based upon the work of Yvonne Paterson, Ph.D., Professor of Microbiology at Penn. This technology involves the creation of genetically engineered Listeria that stimulate the innate immune system and induce an antigen-specific immune response involving both arms of the adaptive immune system. In addition, this technology supports, among other things, the immune response by altering tumors to make them more susceptible to immune attack, stimulating the development of specific blood cells that underlie a strong therapeutic immune response.

Since the Company's inception in 2002, it has focused its initial development efforts upon therapeutic cancer vaccines targeting cervical cancer, its predecessor condition, cervical intraepithelial neoplasia, head and neck cancer, breast cancer, prostate cancer, and other cancers. Although no products have been commercialized to date, research and development and investment continues to be placed behind the pipeline and the advancement of this technology. Pipeline development and the further exploration of the technology for advancement entail risk and expense. It is anticipated that ongoing operational costs for the Company will continue to increase significantly due to several ongoing clinical trials that began this fiscal year.

Basis of Presentation

The accompanying unaudited interim financial statements include all adjustments (consisting only of those of a normal recurring nature) necessary for a fair statement of the results of the interim period. The October 31, 2010 balance sheet is derived from the audited balance sheet included in the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 2010 (the "Form 10-K'). These interim financial statements should be read in conjunction with the Company's financial statements and notes for the fiscal year ended October 31, 2010 included in the Form 10-K. The Company believes these financial statements reflect all adjustments (consisting only of normal, recurring adjustments) that are necessary for a fair presentation of its financial position and results of operations for the periods presented. Management's plans are to continue to raise additional funds through the sales of debt or equity securities. Results of operations for the interim periods presented are not necessarily indicative of results to be expected for the year.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. There is a working capital deficiency, a shareholders' deficiency and recurring losses from operations that raise substantial doubt about its ability to continue as a going concern. The financial statements do not include any adjustments to the carrying amount and classification of recorded assets and liabilities should the Company be unable to continue operations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles required management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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 and the differences could be material. The most significant estimates impact the following transactions or account balances: stock compensation, liabilities (including the embedded derivative liability), warrant valuation, impairment of intangibles, fixed assets and projected operating results.

Net Loss Per Share

Basic net income or basic net loss per common share is computed by dividing net income available to common shareholders by the weighted average number of common shares outstanding during the periods. Diluted earnings per share give effect to dilutive options, warrants, convertible debt and other potential common stock outstanding during the period. Therefore, in the case of a net loss the impact of the potential common stock resulting from warrants, outstanding stock options and convertible debt are not included in the computation of diluted loss per share, as the effect would be anti-dilutive. In the case of net income the impact of the potential common stock resulting from these instruments that have intrinsic value are included in the diluted earnings per share. The table sets forth the number of potential shares of common stock that have been excluded from diluted net loss per share. Approximately 86.3 million warrants (excluding approximately 4.0 million warrants held by an affiliate of Optimus include anti-dilutive provisions to adjust the number and price of the warrants based on certain types of equity transactions.

	As of January 31,	
	2011	2010
Warrants	97,165,981	98,267,159
Stock Options	26,517,424	19,129,507
Convertible Debt (using the if-converted method)	13,275,133	-
Total	136,958,538	117,396,666

Research and Development Expenses

Research and development expenses include, but are not limited to, payroll and personnel expenses, lab expenses, clinical trial and related clinical manufacturing costs, facilities and related overhead costs.

Accounting for Stock-Based Compensation

Stock-based compensation is estimated at the grant date based on the award's fair value as calculated by the Black-Scholes-Merton option-pricing model (hereinafter referred to as the "BSM model") and is recognized as expense over the requisite service period. The BSM model requires various assumptions including volatility, forfeiture rates and expected option life. If any of the assumptions used in the BSM model change significantly, stock-based compensation expense may differ materially in the future from that recorded in the current period. See Note 5 for information on stock-based compensation expense incurred in the three months ending January 31, 2011.

Warrant Liability/Embedded Derivative Liability

The Company has outstanding Warrants and convertible features (Embedded Derivatives) in its outstanding Senior and Junior Subordinated Promissory Notes. The Warrants and Embedded Derivatives are recorded at their relative fair values at issuance and will continue to be recorded at fair value each subsequent balance sheet date. Any change in value between reporting periods will be recorded at each reporting date. Both derivatives will continue to be reported until such time as they are exercised, expire, or mature at which time these derivatives will be adjusted to fair value and reclassified from liabilities to equity.

Income Tax Benefit

On February 4, 2011, the Company received a net cash amount of $379,472 from the sale of our 2008 and 2009 State Net Operating Losses ("NOL") under the State of New Jersey Program for small business, which was recorded as a receivable as of January 31, 2011.

Recent Accounting Pronouncements

Management does not believe that any recently issued, but not yet effective, accounting standards if currently adopted would have a material effect on the accompanying financial statements.

3. INTANGIBLE ASSETS

Intangible assets primarily consist of legal and filing costs associated with obtaining patents and licenses. The license and patent costs capitalized primarily represent the value assigned to the Company's 20-year exclusive worldwide license agreement with Penn which are amortized on a straight-line basis over their remaining useful lives which are estimated to be twenty years from the effective date of Penn Agreement dated July 1, 2002. The value of the license and patents are based on management's assessment regarding the ultimate recoverability of the amounts paid and the potential for alternative future uses. This license now includes the exclusive right to exploit 32 patents issued and 33 patents pending and applied for in most of the largest markets in the world.

As of January 31, 2011, all gross capitalized costs associated with the licenses and patents filed and granted as well as costs associated with patents pending are $2,581,165 as shown under license and patents on the table below. The expirations of the existing patents range from 2014 to 2023 but the expirations can be extended based on market approval if granted and/or based on existing laws and regulations. Capitalized costs associated with patent applications that are abandoned without future value are charged to expense when the determination is made not to pursue the application. No other patent applications with future value were abandoned and charged to expense in the current or prior year. Amortization expense for licensed technology and capitalized patent cost is included in general and administrative expenses.

Under the amended and restated agreement we are billed actual patent expenses as they are passed through from Penn and or billed directly from our patent attorney. The following is a summary of intangible assets as of the end of the following fiscal periods:

	(Unaudited) January 31, 2011	October 31, 2010
License	$ 651,992	$ 651,992
Patents	1,929,173	1,854,355
Total intangibles	2,581,165	2,506,347
Accumulated Amortization	(412,621)	(380,356)
Intangible Assets	$ 2,168,544	$ 2,125,991

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An asset is considered to be impaired when the sum of the undiscounted future net cash flows expected to result from the use of the asset and its eventual disposition exceeds its carrying amount. The amount of impairment loss, if any, is measured as the difference between the net book value of the asset and its estimated fair value.

4. NOTES PAYABLE AND DERIVATIVE INSTRUMENTS

Moore Notes

On September 22, 2008, Advaxis entered into an agreement (the "Moore Agreement") with the Company's Chief Executive Officer, Thomas Moore, pursuant to which the Company agreed to sell senior promissory notes to Mr. Moore, from time to time ("the Moore Notes"). On June 15, 2009, Mr. Moore and the Company amended the Moore Notes to increase the amounts available pursuant to the Moore Agreement from $800,000 to $950,000 and change the maturity date of the Moore Notes from June 15, 2009 to the earlier of January 1, 2010 or the Company's next equity financing resulting in gross proceeds to the Company of at least $6 million. The Moore Agreement was amended per the terms of the June 18, 2009 Note Purchase Agreement (described below) retroactively to include the same warrant provision provided to investors purchasing notes under the Note Purchase Agreement.

On February 15, 2010, we agreed to amend the terms of the Moore Notes such that (i) Mr. Moore may elect, at his option, to receive accumulated interest thereon on or after March 17, 2010, (ii) we would begin to make monthly installment payments of $100,000 on the outstanding principal amount beginning on April 15, 2010; provided, however, that the balance of the principal will be repaid in full on consummation of our next equity financing resulting in gross proceeds to us of at least $6.0 million and (iii) we would retain $200,000 of the repayment amount for investment in our next equity financing.

For the three months ending January 31, 2011, the Company did not make any interest or principal payments to Mr. Moore. As of January 31, 2011, the Company was not in default under the terms of the Moore Agreement. As of January 31, 2011, the Company owed Mr. Moore approximately $578,000 under the Moore Notes.

Senior Convertible Promissory Notes

Effective June 18, 2009, the Company entered into a Note Purchase Agreement with certain accredited investors, pursuant to which such investors acquired senior convertible promissory notes of the Company. At January 31, 2011, the Company had one outstanding senior convertible promissory note with $88,824 in principal value and $26,471 in accrued interest remaining.

Junior Subordinated Convertible Promissory Notes

During the three months ended January 31, 2011 the Company entered into Junior Subordinated Convertible Promissory Notes in the aggregate principal value of $1,384,520 for an aggregate net purchase price of $1,230,000. These notes had maturity dates ranging from December 31, 2010 to September 30, 2011. The Company reached an agreement with six investors, whose notes were to mature on December 31, 2010, in the aggregate principal value of $326,316 (included in the above aggregate principal value of $1,384,520), to exchange their original notes for new notes due on or around March 31, 2011. In return for exchanging their notes, these investors received additional interest of $17,175 in total, plus additional warrants.

As of January 31, 2011, the Company had approximately $1,902,000 in outstanding junior subordinated convertible promissory notes with OID amounts ranging from 5% to 18% and with maturity dates ranging from July 30, 2010 to September 30, 2011. The Company has initiated discussions with past due Bridge Note holders (approximately $589,000 as of January 31, 2011) to repay amounts beginning in the second quarter of 2011.

We refer to all Senior Convertible Promissory Notes and Junior Subordinated Convertible Promissory Notes as “Bridge Notes”.

The Bridge Notes are convertible into shares of the Company’s common stock at an exercise price contingent on the completion of an equity financing. For every dollar invested in our Bridge Notes, each Investor received warrants to purchase between 1½ and 2 ½ shares of common stock (the “Bridge Warrants”) subject to adjustments upon the occurrence of certain events as more particularly described below and in the form of Warrant. As of January 31, 2011, substantially all of the Bridge Warrants have an exercise price of $.15 per share. The Bridge Notes may be prepaid in whole or in part at the option of the Company without penalty at any time prior to the Maturity Date. The warrants may be exercised on a cashless basis under certain circumstances.

Activity related to the Bridge Notes from issuance is as follows:

Bridge Note – Principal Value – Issued	$ 6,141,753
Principal payments on Bridge Notes	(1,730,113)
Bridge Note Conversions	(2,420,373)
Original Issue Discount, net of accreted interest	(120,269)
Fair Value of Attached Warrants at issuance	(2,304,393)
Fair Value of Embedded Derivatives at issuance	(2,359,258)
Accreted interest on embedded derivative and warrant liabilities	4,139,927
Convertible Bridge Notes- as of January 31, 2011	$ 1,347,274
Embedded Derivatives Liability at January 31, 2011	229,625

Convertible Bridge Notes and fair value of embedded derivative	$ 1,576,899

BioAdvance Note

BioAdvance Biotechnology Greenhouse of Southeastern Pennsylvania Notes ("BioAdvance") received notes from the Company for $10,000 dated November 13, 2003 and $40,000 dated December 17, 2003 that were each due on the fifth anniversary date thereof. During November 2009, the Company paid $14,788 in full payment of the November 13, 2003 note and BioAdvance agreed to extend the remaining note. As of January 31, 2011, the Company owes approximately $40,000 in principal and $13,000 in interest to BioAdvance. The terms of the outstanding note calls for accrual of 8% interest per annum on the unpaid principal.

9

Derivative Instruments

The table below lists the Company’s derivative instruments as of January 31, 2011:

Description	Principal	Original Issue Discount	Warrant Liability	Embedded Derivative Liability
Total Valuation at October 31, 2010	$777,154	$21,937	$13,006,194	$81,028
Issuance of November 2010 Bridge Notes	931,579	96,579	391,076	150,156
Exchange				