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

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934
For the Fiscal Year Ended April 30, 2015
Commission File No. 001-34600

TENAX THERAPEUTICS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**26-2593535**
(State or other jurisdiction of Incorporation or organization)	**(I.R.S. Employer Identification No.)**

ONE Copley Parkway, Suite 490, Morrisville, NC 27560
(Address of Principal Executive Offices) (Zip Code)
Registrant's Telephone Number and area code: (919) 855-2100

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	**Name of Each Exchange on Which Registered**
Common Stock, $0.0001 par value per share	The NASDAQ Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: NONE

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes o No x

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No x

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 o

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to the this Form 10-K. o

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

Large accelerated filer o	Accelerated filer x	Non-accelerated filer o (Do not check if a smaller reporting company)	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 oNo x

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter: $95,681,069.

The number of shares outstanding of the registrant's class of $0.0001 par value common stock as of July 10, 2015 was 28,119,520.

DOCUMENTS INCORPORATED BY REFERENCE:

Proxy Statement for the 2015 Annual Meeting of Stockholders is incorporated by reference in Part III to the extent described therein.

PART I

FORWARD-LOOKING STATEMENTS

All statements contained in this report, other than statements of historical fact, which address activities, actions, goals, prospects, or new developments, that we expect or anticipate will or may occur in the future, including plans for clinical tests and other such matters pertaining to testing and development products, are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as “may”, “will”, “should”, “expects”, “plans”, “anticipates”, “believes”, “estimates”, “predicts”, “potential” or “continue” or the negative of such terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including, but not limited to, progress in our product development and testing activities, obtaining financing for operations, development of new technologies and other competitive pressures, legal and regulatory initiatives affecting our products, conditions in the capital markets, the risks discussed in Item 1A – “Risk Factors,” and the risks discussed elsewhere in this report that may cause our or our industry’s actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activities, performance or achievements expressed or implied by such forward-looking statements.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of such statements. We are under no duty to update any of the forward-looking statements after the date of filing of this report or to conform such statements to actual results, except as may be required by law.

All references in this Annual Report to “Tenax Therapeutics”, “we”, “our” and “us” means Tenax Therapeutics, Inc.

ITEM 1—BUSINESS

Tenax Therapeutics was originally formed as a New Jersey corporation in 1967 under the name Rudmer, David & Associates, Inc., and subsequently changed its name to Synthetic Blood International, Inc. Effective June 30, 2008, we changed the domiciliary state of the corporation to Delaware and changed the company name to Oxygen Biotherapeutics, Inc. On September 19, 2014, we changed the company name to Tenax Therapeutics, Inc.

Tenax Therapeutics, Inc. is a specialty pharmaceutical company focused on identifying, developing and commercializing products for the critical care market. On November 13, 2013, through our wholly owned subsidiary, Life Newco, Inc., or Life Newco, we acquired a license granting Life Newco an exclusive, sublicenseable right in the United States and Canada to develop and commercialize pharmaceutical products containing levosimendan, 2.5 mg/ml concentrate for solution for infusion / 5ml vial, for use in the reduction of morbidity and mortality in cardiac surgery patients at risk for developing Low Cardiac Output Syndrome, or LCOS. We initiated a Phase III trial with levosimendan in that indication and activated the initial sites during the third quarter of calendar year 2014.

We were previously developing Oxycyte®, a systemic perfluorocarbon, or PFC, product we believed to be a safe and effective oxygen carrier for use in situations of acute ischemia. In addition, we previously developed a family of perfluorocarbon-based oxygen carriers for use in personal care, topical wound healing, and other topical indications. We have suspended the development of these PFC products while we evaluate strategic alternatives for future development and commercialization of these product candidates.

Business Strategy

Our principal business objective is to discover, develop, and commercialize novel therapeutic products for disease indications that represent significant areas of clinical need and commercial opportunity. The key elements of our business strategy are outlined below.

Efficiently conduct clinical development to establish clinical proof of concept with our lead product candidates. Levosimendan represents novel therapeutic modalities for the treatment of LCOS, septic shock and other critical care conditions. We are conducting clinical development with the intent to establish proof of concept in a number of important disease areas where these therapeutics would be expected to have benefit. Our focus is on conducting well-designed studies to establish a robust foundation for subsequent development, partnership and expansion into complementary areas.

Efficiently explore new high potential therapeutic applications, leveraging third-party research collaborations and our results from related areas. Our product candidates have shown promise in multiple disease areas. We are committed to exploring potential clinical indications where our therapies may achieve best-in-class profile, and where we can address significant unmet medical needs. In order to achieve this goal, we have established collaborative research relationships with investigators from research and clinical institutions and our strategic partners. These collaborative relationships have enabled us to cost effectively explore where our product candidates may have therapeutic relevance, and how it may be utilized to advance treatment over current clinical care. Additionally, we believe we will be able to leverage clinical safety data and preclinical results from some programs to support accelerated clinical development efforts in other areas, saving substantial development time and resources compared to traditional drug development.

Continue to expand our intellectual property portfolio. Our intellectual property is important to our business and we take significant steps to protect its value. We have ongoing research and development efforts, both through internal activities and through collaborative research activities with others, which aim to develop new intellectual property and enable us to file patent applications that cover new applications of our existing technologies or product candidates.

Enter into licensing or product co-development arrangements in certain areas, while out-licensing opportunities in non-core areas. In addition to our internal development efforts, an important part of our product development strategy is to work with collaborators and partners to accelerate product development, reduce our development costs, and broaden our commercialization capabilities. We believe that this strategy will help us to develop a portfolio of high quality product development opportunities, enhance our clinical development and commercialization capabilities, and increase our ability to generate value from our proprietary technologies.

Our Current Programs

Levosimendan Background

Levosimendan was discovered and developed by Orion Pharma, a Finnish company. Levosimendan is a *calcium sensitizer/K-ATP activator* developed for intravenous use in hospitalized patients with acutely decompensated heart failure. It is currently approved in over 60 countries for this indication and not available in the United States or Canada. It is estimated that to date over 1,000,000 patients have been treated worldwide with levosimendan**.**

Levosimendan is a novel, first in class *calcium sensitizer/K-ATP activator*. The therapeutic effects of levosimendan are mediated through:

- Increased cardiac contractility by calcium sensitization of troponin C, resulting in a positive inotropic effect which is not associated with substantial increases in oxygen demand.
- Opening of potassium channels in the vasculature smooth muscle, resulting in a vasodilatory effect on all vascular beds.
- Opening of mitochondrial potassium channels in cardiomyocytes, resulting in a cardioprotective effect.

This triple mechanism of action helps to preserve heart function during cardiac surgery. Several studies have demonstrated that levosimendan protects the heart and improves tissue perfusion while minimizing tissue damage during cardiac surgery.

In 2013, we acquired certain assets of Phyxius Pharma, Inc., or Phyxius, including its North American rights to develop and commercials levosimendan in the US and Canada.

In 2014, we initiated a Phase III trial (LEVO-CTS) to investigate the safety and efficacy of pre-operative administration of levosimendan treatment to reduce the mortality and morbidity in cardiac surgery patients at risk for developing LCOS. The Phase III trial is being conducted under a United States Food and Drug Administration, or FDA, approved Special Protocol Assessment, or SPA, and with FDA granted Fast Track status for the development of levosimendan in cardiac surgery patients at risk of LCOS.

We announced a collaboration with Imperial College London in August of 2014 which provided supplemental funding to support the accelerated enrollment and completion of the ongoing LeoPARDS Trial (Levosimendan for the Prevention of Acute oRgan Dysfunction in Sepsis). The LeoPARDS trial is designed to determine whether levosimendan reduces the incidence and severity of acute organ dysfunction in adult patients who have septic shock, as well as evaluate its safety profile.

Levosimendan Development for Cardiac Surgery Patients

Levosimendan is under development in North America for reduction in morbidity and mortality of cardiac surgery patients at risk of LCOS. We have the exclusive rights in the United States and Canada to develop and commercialize intravenous levosimendan.

The FDA has granted Fast Track status for the development of levosimendan to reduce mortality and morbidity in cardiac surgery patients at risk of LCOS and has agreed to a SPA which represents agreement with the Phase III clinical trial's study protocol. The FDA has also provided guidance that a single successful trial will be sufficient to support approval of levosimendan in this indication. Pursuant to our license to levosimendan, we are required to use the "Simdax®" trademark to commercialize this product.

Substantial published scientific research indicates that levosimendan may provide important benefits to cardiac surgery patients, including 35 published prospectively designed clinical trials and multiple published meta-analyses. Many of these publications indicate that levosimendan provides substantial mortality and or morbidity benefits to cardiac surgery patients, particularly those at risk of developing LCOS.

LCOS is generally defined as a patient's inability to maintain a cardiac index >2.2 L/min/m2 and hence requiring use of inotropic agents and/or mechanical assist devices such as an intra-aortic balloon pump or a left ventricular assistance device. LCOS in the cardiac surgery setting is reported to occur in 5-10% of patients undergoing cardiac surgery and is associated with 10-15 fold higher mortality or severe sequelae as a result of poor organ perfusion.

Currently no pharmacologic therapies are approved for management or prevention of post-cardiotomy LCOS. While conventional inotropes are used to manage cardiac hemodynamics in the peri-operative setting, none have been shown to improve outcomes.

The LEVO-CTS trial design has been guided by the published literature, including important dosing refinements and inclusion of patients with low preoperative ejection fraction. In addition, we have relied heavily on the input of European clinicians who have significant personal clinical experience with the use of levosimendan in treating cardiac surgery patients.

Current data in cardiac surgery suggest that levosimendan is superior to traditional inotropes (dobutamine, phosphodiesterase [PDE]-inhibitors) as it achieves:

- sustained hemodynamic improvement;
- diminished myocardial injury;
- improved tissue perfusion;
- better outcomes and fewer hospital days;
- effects most favorable in patients with low left ventricular ejection fraction (LVEF) (< 40%); and
- opportunity to initiate therapy pre-operatively due to increased cardiac contractility without increasing intracellular calcium, without increasing oxygen consumption, or affecting cardiac rhythm and relaxation.

We have selected Duke University's Duke Clinical Research Institute, or DCRI, to conduct the Phase III trial of levosimendan. DCRI is the world's largest academic clinical research organization, with substantial experience in conducting cardiac surgery trials. The Phase III trial is being conducted in approximately 50-60 major cardiac surgery centers in North America. The trial is enrolling patients undergoing coronary artery bypass graphs, or CABG, and/or mitral valve surgery, and CABG with aortic valve surgery who are at risk for developing LCOS. The trial is designed as a double blind, randomized, placebo controlled study seeking to enroll 760 patients. Enrollment began in the third quarter of calendar year 2014, and will take approximately twenty-four months to complete. The protocol of the Phase III trial has been submitted to ClinicalTrials.gov.

Levosimendan Development for Septic Shock Patients

Septic shock is a serious life-threatening condition with high unmet medical need. Despite widespread adoption of international sepsis treatment guidelines, patients often experience acute organ dysfunction typically resulting in prolonged ICU care and hospitalization. Mortality in these patients can be as high as 30-50%. Data form the Agency for Healthcare Research and Quality indicate that inpatient stays for sepsis exceed 1,500,000 annually in the United States and ICD-9 codes indicate that as many 400,000-500,000 of these patients progress to septic shock.

Small clinical studies suggest that levosimendan may provide important benefits to septic shock patients in the form of improved cardiac function, renal function, organ perfusion, and mitochondrial function.

- *Evidence that Levosimendan Improves Cardiac Function in Septic Shock Patients*. Results from a small trial of 28 patients with septic shock and echocardiographically proven acute left ventricular dysfunction indicate that levosimendan improved several parameters of cardiac function(Morelli 2005). Similar improvements in right ventricular function have been reported in a randomized placebo controlled trial of 35 patients that evaluated the use of levosimendan in patients suffering from septic shock and acute respiratory distress syndrome (Morelli 2006). Other similar studies have demonstrated levosimendan improvements in microcirculatory flow (Morelli 2010), improved hemodynamics with reduced requirements for additional catecholamines (Alhashemi 2009) and improvements in cardiac output and mixed venous oxygen saturation (Vaitsis 2009).

- *Evidence that Levosimendan Improves Renal Function in Septic Shock Patients.* In a study of 28 patients with septic shock levosimendan increased creatinine clearance by 64% compared to dobutamine (Morelli 2005). Similarly, a retrospective analysis of 99 patients with septic shock who received levosimendan within 36 hours of admission to the ICU (Morelli 2009), showed levosimendan-treated patients demonstrated a 24% increase in glomerular filtration rate at 96 hours together with a reduced peak serum creatinine, when compared to matched controls.

- *Evidence that Levosimendan Improves Splanchnic/ Liver Perfusion*. One trial of 28 septic shock patients indicated that levosimendan compared to dobutamine increase gastric mucosal blood flow (Morelli 2005). Another trial of 30 patients showed improved hepatic perfusion as measured by indocyanine green clearance, with levosimendan compared to dobutamine (Memis 2012).

- *Evidence that Levosimendan Improves Mitochondrial Function*. A recently published (Morelli 2014) study of 26 septic shock patients provides evidence that the unique K-ATP channel mechanism of levosimendan may protect mitochondria from the significant oxidative stress that can occur in septic shock patients.

To date, no randomized controlled trials have been large enough to determine if levosimendan may reduce mortality in septic shock patients. However, a recently published 2015 meta-analysis of several small trials conducted by Zangrillo et al concluded that levosimendan reduced mortality in patients with severe sepsis and septic shock.

The LeoPARDS Trial is designed to evaluate the efficacy and safety of levosimendan in septic shock patients. The trial plans to enroll a total of 516 patients across approximately 35 clinical trial sites in the UK. While the LeoPARDS trial was not designed by us, we expect to learn a lot about the potential utility of levosimendan in the management of septic shock once the results are available. Furthermore, we initiated discussions with the FDA in a meeting in November 2014 to discuss the LeoPARDS trial design and to seek guidance on how the LeoPARDS trial data might be analyzed to support a regulatory filing.

Should levosimendan successfully progress in clinical testing and if it appears regulatory approval for one or more medical uses is likely, we intend to evaluate our options for commercializing the product. These options include licensing levosimendan to a third party for distribution, selling the product ourselves, or establishing some other form of strategic relationship for making and distributing levosimendan with a participant in the pharmaceutical industry. We are currently investigating and evaluating all options.

Other Products

In addition to our primary products described above, we have also developed Oxycyte, a PFC-based oxygen carrier, our Dermacyte® line of topical cosmetic products, which contain our patented PFC technology and other known cosmetic ingredients to promote the appearance of skin health and other desirable cosmetic benefits, as well as Wundecyte™, a novel gel developed under a contract agreement with a lab in Virginia that is designed to be used as a wound-healing gel. At this time, we do not expect that Oxycyte, Dermacyte or Wundecyte constitute a material portion of our business going forward.

Suppliers

Pursuant to the terms of our license for levosimendan, Orion Corporation is our sole manufacturing source for levosimendan.

Intellectual Property

We rely on a combination of patent applications, patents, trade secrets, proprietary know-how, trademarks, and contractual provisions to protect our proprietary rights. We believe that to have a competitive advantage, we must develop and maintain the proprietary aspects of our technologies. Currently, we require our officers, employees, consultants, contractors, manufacturers, outside scientific collaborators and sponsored researchers, and other advisors to execute confidentiality agreements in connection with their employment, consulting, or advisory relationships with us, where appropriate. We also require our employees, consultants, and advisors who we expect to work on our products to agree to disclose and assign to us all inventions conceived during the work day, developed using our property, or which relate to our business.

To date, we own or in-license the rights to seven U.S. and foreign patents. In addition, we have numerous U.S. patent applications pending that are complemented by the appropriate foreign patent applications related to our product candidates and proprietary processes, methods and technologies. Our issued and in-licensed patents, as well as our pending patents, expire between 2015 and 2030.

We have:

- three U.S. patents (5,824,703; 5,840,767; 6,167,887), and one Australian patents (759,557) pertaining to the use and application of PFCs as gas transport agents in blood substitutes and liquid ventilation with an average remaining life of approximately 2 years;
- exclusive in-licenses to three fundamental gas transport patent applications that represent the core technology used in our products and product candidates (other than levosimendan) with an average remaining life of approximately 14 years; and
- one U.S. patent (8,513,309) and numerous patent applications for treatment of several medical and dermatological conditions such as TBI, acne, burns and wounds with an average remaining life of approximately 15 years.

Our patent and patent applications include claims covering:

- methods to treat certain diseases and conditions and for biological gas exchange;
- therapies for burn and wound victims;
- delivery of oxygenated PFC;
- various formulations containing PFC; and
- methods and compositions for controlled and sustained production and delivery of peroxide and/or oxygen for biological and industrial applications.

We have received U.S. trademark registrations for Oxycyte®, Dermacyte®, Defense Medicine® and Oxygen Biotherapeutics, Employing O2, Preserving Life®. We have trademark applications pending for the following marks: Acnecyte™, Wundecyte™ and Vitavent™. Simdax® is owned by Orion and is licensed to us for sales and marketing purposes in the United States and Canada.

In September 2014, we discontinued the development of our Oxycyte product candidates. As part of the this change in business strategy, on May 5, 2015 we provided the Virginia Commonwealth University Intellectual Property Foundation (“VCUIPF”) their 90 day notice terminating the Exclusive License Agreement entered into between the two organizations, whose effective date was May 21, 2008. The Exclusive License Agreement gave the Company exclusive rights to intellectual property that was used for the development and commercialization of Oxycyte and is therefore no longer needed.

In addition, we own numerous domain names relevant to our business, such as www.tenaxthera.com, and others.

Government regulation

The manufacture and distribution of levosimendan will require the approval of United States government authorities as well as those of foreign countries. In the United States, the FDA regulates medical products. The Federal Food, Drug and Cosmetic Act and the Public Health Service Act govern the testing, manufacture, safety, effectiveness, labeling, storage, record keeping, approval, advertising and promotion of our medical products. In addition to FDA regulations, we are also subject to other federal and state regulations, such as the Occupational Safety and Health Act and the Environmental Protection Act. Product development and approval within this regulatory framework requires a number of years and involves the expenditure of substantial funds.

Preclinical tests include evaluation of product chemistry and studies to assess the safety and effectiveness of the product and its formulation. The results of the preclinical tests are submitted to the FDA as part of the application. The goal of clinical testing is the demonstration in adequate and well-controlled studies of substantial evidence of the safety and effectiveness of the product in the setting of its intended use. The results of preclinical and clinical testing are submitted to the FDA from time to time throughout the trial process. In addition, before approval for the commercial sale of a product can be obtained, results of the preclinical and clinical studies must be submitted to the FDA. The testing and approval process requires substantial time and effort and there can be no assurance that any approval will be granted on a timely basis, if at all. The approval process is affected by a number of factors, including the severity of the condition being treated, the availability of alternative treatments and the risks and benefits demonstrated in clinical trials. Additional preclinical studies or clinical trials may be requested during the FDA review process and may delay product approval. After FDA approval for its initial indications, further clinical trials may be necessary to gain approval for the use of a product for additional indications. The FDA may also require post-marketing testing, which can involve significant expense, to monitor for adverse effects.

Our regulatory strategy is to pursue Phase III clinical testing for levosimendan in the United States. We then intend to use the results of these tests to pursue FDA marketing approval of levosimendan in the United States.

Research and Development

Our research and development efforts will be focused on the development and commercialization of levosimendan for its use in clinical indications, primarily LCOS. Previously, we were also focused on furthering the development and manufacture of Oxycyte for its use in clinical indications, primarily TBI, spinal cord injury, and decompression sickness, however, we have suspended the development of Oxycyte while we evaluate strategic alternatives and attempt to identify partners to continue with future development and commercialization of this product candidate. We spent approximately $6.7 million and $3.0 million on research and development during each of the fiscal years ended April 30, 2015 and 2014, respectively.

Employees

We believe that our success will be based on, among other things, the quality of our clinical programs, our ability to invent and develop superior and innovative technologies and products, and our ability to attract and retain capable management and other personnel. We have assembled a high quality team of scientists, clinical development managers, and executives with significant experience in the biotechnology and pharmaceutical industries.

As of April 30, 2015, we had 11 full-time employees and 1 part-time employee. In addition to our employees, we also use the service and support of outside consultants and advisors. None of our employees are represented by a union, and we believe relationships with our employees are good.

ITEM 1A—RISK FACTORS

Risks Related to Our Financial Position and Need for Additional Capital

We have a limited operating history, and we expect a number of factors to cause our operating results to fluctuate on a quarterly and annual basis, which may make it difficult to predict our future performance.

Our operations, to date, have been primarily limited to organizing and staffing our company, developing our technology and undertaking preclinical studies and clinical trials of our product candidates. We have not yet obtained regulatory approvals for any of our clinical product candidates. Consequently, any predictions you make about our future success or viability may not be as accurate as they could be if we had a longer operating history.

Specifically, our financial condition and operating results have varied significantly in the past and will continue to fluctuate from quarter-to-quarter and year-to-year in the future due to a variety of factors, many of which are beyond our control. Factors relating to our business that may contribute to these fluctuations include the following factors, among others:

- our ability to obtain additional funding to develop our product candidates;
- the need to obtain regulatory approval of our most advanced product candidates;
- potential risks related to any collaborations we may enter into for our product candidates;
- delays in the commencement, enrollment and completion of clinical testing, as well as the analysis and reporting of results from such clinical testing;
- the success of clinical trials of our levosimendan product candidates or future product candidates;
- any delays in regulatory review and approval of product candidates in development;
- our ability to establish an effective sales and marketing infrastructure;
- competition from existing products or new products that may emerge;
- the ability to receive regulatory approval or commercialize our products;
- potential side effects of our product candidates that could delay or prevent commercialization;
- potential product liability claims and adverse events;
- potential liabilities associated with hazardous materials;
- our ability to maintain adequate insurance policies;
- our dependency on third-party manufacturers to supply or manufacture our products;
- our ability to establish or maintain collaborations, licensing or other arrangements;
- our ability, our partners' abilities, and third parties' abilities to protect and assert intellectual property rights;
- costs related to and outcomes of potential litigation;
- compliance with obligations under intellectual property licenses with third parties;
- our ability to adequately support future growth; and
- our ability to attract and retain key personnel to manage our business effectively.

Due to the various factors mentioned above, and others, the results of any prior quarterly or annual periods should not be relied upon as indications of our future operating performance.

We may need additional funding and if we are unable to raise capital when needed, we would be forced to delay, reduce or eliminate our product development programs.

Developing biopharmaceutical products, including conducting preclinical studies and clinical trials and establishing manufacturing capabilities, is expensive. We expect our research and development expenses to increase in connection with our ongoing activities, particularly as we focus on and proceed with our Phase III clinical program. In addition, our expenses could increase beyond expectations if applicable regulatory authorities, including the FDA, require that we perform additional studies to those that we currently anticipate, in which case the timing of any potential product approval may be delayed. As of April 30, 2015, we had $48.1 million of cash, including the fair value of our marketable securities on hand. Based on our current operating plans, we believe that our existing cash and cash equivalents will be sufficient to fund our projected operating requirements through the calendar year 2017. We will need substantial additional capital in the future in order to complete the commercialization of levosimendan and to fund the development and commercialization of future product candidates. Until we can generate a sufficient amount of product revenue, if ever, we expect to finance future cash needs through public or private equity offerings, debt financings or corporate collaboration and licensing arrangements. Such funding, if needed, may not be available on favorable terms, if at all. In the event we are unable to obtain additional capital, we may delay or reduce the scope of our current research and development programs and other expenses.

If adequate funds are not available, we may be required to delay, reduce the scope of, or eliminate one or more of our research or development programs or our commercialization efforts. To the extent that we raise additional funds by issuing equity securities, our stockholders may experience additional significant dilution, and debt financing, if available, may involve restrictive covenants. To the extent that we raise additional funds through collaboration and licensing arrangements, it may be necessary to relinquish some rights to our technologies or our product candidates or to grant licenses on terms that may not be favorable to us. We may seek to access the public or private capital markets whenever conditions are favorable, even if we do not have an immediate need for additional capital at that time.

Our forecast of the period of time through which our financial resources will be adequate to support our operations is a forward-looking statement and involves risks and uncertainties, and actual results could vary as a result of a number of factors, including the factors discussed elsewhere in this "Risk Factors" section. We have based this estimate on assumptions that may prove to be wrong, and we could utilize our available capital resources sooner than we currently expect. Our future funding requirements will depend on many factors, including, but not limited to:

- the scope, rate of progress and cost of our clinical trials and other research and development activities;
- the costs and timing of regulatory approval;
- the costs of filing, prosecuting, defending and enforcing any patent claims and other intellectual property rights;
- the effect of competing technological and market developments;
- the terms and timing of any collaboration, licensing or other arrangements that we may establish;
- the cost and timing of completion of clinical and commercial-scale manufacturing activities; and
- the costs of establishing sales, marketing and distribution capabilities for our cosmetic products and any product candidates for which we may receive regulatory approval.

Risks Related to Commercialization and Product Development

We are limited in the number of products we can simultaneously pursue and therefore our survival depends on our success with a small number of product opportunities.

We have limited financial resources, so at present we are primarily focusing these resources on developing levosimendan for the treatment of low cardiac output syndrome. We have suspended development on our Oxycyte PFC products until we find a licensing partner willing to pursue development. At present we intend to commit most of our resources to advancing levosimendan to the point it receives regulatory approval for one or more medical uses, and if this effort is unsuccessful we may not have resources to pursue development of our other products and our business would terminate. Furthermore, by delaying development of Oxycyte, this technology may become obsolete by the time we have sufficient capital to resume development and testing, so the funds expended on this product to date would be lost, as well as our opportunity to benefit if the product could be successfully developed.

We currently have no approved drug products for sale and we cannot guarantee that we will ever have marketable drug products.

We currently have no approved drug products for sale. The research, testing, manufacturing, labeling, approval, selling, marketing, and distribution of drug products are subject to extensive regulation by the FDA and other regulatory authorities in the United States and other countries, with regulations differing from country to country. We are not permitted to market our product in the United States until we receive approval of a new drug application, or an NDA, from the FDA for each product candidate. We have not submitted an NDA or received marketing approval for any of our product candidates. Obtaining approval of an NDA is a lengthy, expensive and uncertain process. Markets outside of the United States also have requirements for approval of drug candidates which we must comply with prior to marketing. Accordingly, we cannot guarantee that we will ever have marketable drug products.

The development of levosimendan is subject to a high level of technological risk.

We expect to devote a substantial portion of our financial and managerial resources to pursuing Phase III clinical trials for levosimendan over the next two years. The biomedical field has undergone rapid and significant technological changes. Technological developments may result in our products becoming obsolete or non-competitive before we are able to recover any portion of the research and development and other expenses we have incurred to develop and clinically test levosimendan. As our opportunity to generate substantial product revenues within the next three to four years is most likely dependent on successful testing and commercialization of levosimendan for surgical applications, any such occurrence would have a material adverse effect on our operations and could result in the cessation of our business.

We may be required to conduct additional clinical trials in the future, which are expensive and time consuming, and the outcome of the trials is uncertain.

We expect to commit a substantial portion of our financial and business resources over the next two years to clinical testing of levosimendan and advancing this product to regulatory approval for use in one or more medical applications. All of these clinical trials and testing will be expensive and time consuming and the timing of the regulatory review process is uncertain. The applicable regulatory agencies may suspend clinical trials at any time if they believe that the subjects participating in such trials are being exposed to unacceptable health risks. We cannot ensure that we will be able to complete our clinical trials successfully or obtain FDA or other governmental or regulatory approval of our products, or that such approval, if obtained, will not include limitations on the indicated uses for which our products may be marketed. Our business, financial condition and results of operations are critically dependent on obtaining capital to advance our testing program and receiving FDA and other governmental and regulatory approvals of our products. A significant delay in or failure of our planned clinical trials or a failure to achieve these approvals would have a material adverse effect on us and could result in major setbacks or jeopardize our ability to continue as a going concern.

The market may not accept our products.

Even if regulatory approval is obtained, there is a risk that the efficacy and pricing of our products, considered in relation to our products' expected benefits, will not be perceived by health care providers and third-party payers as cost-effective, and that the price of our products will not be competitive with other new technologies or products. Our results of operations may be adversely affected if the price of our products are not considered cost-effective or if our products do not otherwise achieve market acceptance.

Any collaboration we enter with third parties to develop and commercialize our product candidates may place the development of our product candidates outside our control, may require us to relinquish important rights or may otherwise be on terms unfavorable to us.

We may enter into collaborations with third parties to develop and commercialize our product candidates. Our dependence on future partners for development and commercialization of our product candidates would subject us to a number of risks, including:

- we may not be able to control the amount and timing of resources that our partners may devote to the development or commercialization of our product candidates or to their marketing and distribution;
- partners may delay clinical trials, provide insufficient funding for a clinical trial program, stop a clinical trial or abandon a product candidate, repeat or conduct new clinical trials or require a new formulation of a product candidate for clinical testing;
- disputes may arise between us and our partners that result in the delay or termination of the research, development or commercialization of our product candidates or that result in costly litigation or arbitration that diverts management's attention and resources;
- partners may experience financial difficulties;
- partners may not properly maintain or defend our intellectual property rights, or may use our proprietary information, in such a way as to invite litigation that could jeopardize or invalidate our intellectual property rights or proprietary information or expose us to potential litigation;
- business combinations or significant changes in a partner's business strategy may adversely affect a partner's willingness or ability to meet its obligations under any arrangement;
- a partner could independently move forward with a competing product candidate developed either independently or in collaboration with others, including our competitors; and
- the collaborations with our partners may be terminated or allowed to expire, which would delay the development and may increase the cost of developing our product candidates.

Delays in the enrollment and completion of clinical testing could result in increased costs to us and delay or limit our ability to obtain regulatory approval for our product candidates.

Delays in the enrollment and completion of clinical testing could significantly affect our product development costs. We do not know whether clinical trials for levosimendan will be completed on schedule, if at all. The completion of clinical trials requires us to identify and maintain a sufficient number of trial sites, many of which may already be engaged in other clinical trial programs for the same indication as our product candidates or may be required to withdraw from our clinical trial as a result of changing standards of care or may become ineligible to participate in clinical studies. The enrollment and completion of clinical trials can be delayed for a variety of other reasons, including delays related to:

- reaching agreements on acceptable terms with prospective trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among trial sites;
- obtaining institutional review board, or IRB, approval to conduct a clinical trial at numerous prospective sites;
- recruiting and enrolling patients to participate in clinical trials for a variety of reasons, including meeting the enrollment criteria for our study and competition from other clinical trial programs for the same indication as our product candidates;
- maintaining and supplying clinical trial material on a timely basis; and
- collecting, analyzing and reporting final data from the clinical trials.

In addition, a clinical trial may be suspended or terminated by us, the FDA or other regulatory authorities due to a number of factors, including:

- failure to conduct the clinical trial in accordance with regulatory requirements or our clinical protocols;
- inspection of the clinical trial operations or trial sites by the FDA or other regulatory authorities resulting in the imposition of a clinical hold;
- unforeseen safety issues or any determination that a trial presents unacceptable health risks; and
- lack of adequate funding to continue the clinical trial, including unforeseen costs due to enrollment delays, requirements to conduct additional trials and studies and increased expenses associated with the services of our CROs and other third parties.

Changes in regulatory requirements and guidance may occur and we may need to amend clinical trial protocols to reflect these changes with appropriate regulatory authorities. Amendments may require us to resubmit our clinical trial protocols to IRBs for re-examination, which may impact the costs, timing or successful completion of a clinical trial. If we experience delays in the completion of, or if we terminate, our clinical trials, the commercial prospects for our product candidates will be harmed, and our ability to generate product revenues will be delayed. In addition, many of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory approval of a product candidate. Even if we are able to ultimately commercialize our product candidates, other therapies for the same or similar indications may have been introduced to the market and established a competitive advantage.

Risks Relating to Regulatory Matters

Our activities are and will continue to be subject to extensive government regulation, which is expensive and time consuming, and we will not be able to sell our products without regulatory approval.

Our research, development, testing, manufacturing, marketing and distribution of levosimendan is, and will continue to be, subject to extensive regulation, monitoring and approval by the FDA and other regulatory agencies. There are significant risks at each stage of the regulatory scheme.

Product approval stage

During the product approval stage we attempt to prove the safety and efficacy of our product for its indicated uses. There are numerous problems that could arise during this stage, including:

- The data obtained from laboratory testing and clinical trials are susceptible to varying interpretations, which could delay, limit or prevent FDA and other regulatory approvals;
- Adverse events could cause the FDA and other regulatory authorities to halt trials;
- At any time the FDA and other regulatory agencies could change policies and regulations that could result in delay and perhaps rejection of our products; and
- Even after extensive testing and clinical trials, there is no assurance that regulatory approval will ever be obtained for any of our products.

Post-commercialization stage

Discovery of previously unknown problems with our products, or unanticipated problems with our manufacturing arrangements, even after FDA and other regulatory approvals of our products for commercial sale may result in the imposition of significant restrictions, including withdrawal of the product from the market.

Additional laws and regulations may also be enacted that could prevent or delay regulatory approval of our products, including laws or regulations relating to the price or cost-effectiveness of medical products. Any delay or failure to achieve regulatory approval of commercial sales of our products is likely to have a material adverse effect on our financial condition, results of operations and cash flows.

The FDA and other regulatory agencies continue to review products even after they receive agency approval. If and when the FDA or another regulatory agency outside the United States approves one of our products, its manufacture and marketing will be subject to ongoing regulation, which could include compliance with current good manufacturing practices, adverse event reporting requirements and general prohibitions against promoting products for unapproved or "off-label" uses. We are also subject to inspection and market surveillance by the FDA for compliance with these and other requirements. Any enforcement action resulting from failure, even by inadvertence, to comply with these requirements could affect the manufacture and marketing of levosimendan or our other products. In addition, the FDA or other regulatory agencies could withdraw a previously approved product from the market upon receipt of newly discovered information. The FDA or another regulatory agency could also require us to conduct additional, and potentially expensive, studies in areas outside our approved indicated uses.

We must continually monitor the safety of our products once approved and marketed for signs that their use may elicit serious and unexpected side effects and adverse events, which could jeopardize our ability to continue marketing the products. We may also be required to conduct post-approval clinical studies as a condition to licensing a product.

As with all pharmaceutical products, the use of our products could sometimes produce undesirable side effects or adverse reactions or events (referred to cumulatively as adverse events). For the most part, we would expect these adverse events to be known and occur at some predicted frequency. When adverse events are reported to us, we will be required to investigate each event and circumstances surrounding it to determine whether it was caused by our product and whether it implies that a previously unrecognized safety issue exists. We will also be required to periodically report summaries of these events to the applicable regulatory authorities.

In addition, the use of our products could be associated with serious and unexpected adverse events, or with less serious reactions at a greater than expected frequency. This may be especially true when our products are used in critically ill or otherwise compromised patient populations. When these unexpected events are reported to us, we will be required to make a thorough investigation to determine causality and implications for product safety. These events must also be specifically reported to the applicable regulatory authorities. If our evaluation concludes, or regulatory authorities perceive, that there is an unreasonable risk associated with the product, we would be obligated to withdraw the impacted lot(s) of that product. Furthermore, an unexpected adverse event of a new product could be recognized only after extensive use of the product, which could expose us to product liability risks, enforcement action by regulatory authorities and damage to our reputation and public image.

A serious adverse finding concerning the risk of our products by any regulatory authority could adversely affect our reputation, business and financial results.

When a new product is approved, the FDA or other regulatory authorities may require post-approval clinical trials, sometimes called Phase IV clinical trials. If the results of such trials are unfavorable, this could result in the loss of the license to market the product, with a resulting loss of sales

After our products are commercialized, we expect to spend considerable time and money complying with federal and state laws and regulations governing their sale, and, if we are unable to fully comply with such laws and regulations, we could face substantial penalties.

Health care providers, physicians and others will play a primary role in the recommendation and prescription of our clinical products. Our arrangements with third-party payers and customers may expose us to broadly applicable fraud and abuse and other health care laws and regulations that may constrain the business or financial arrangements and relationships through which we will market, sell and distribute our products. Applicable federal and state health care laws and regulations are expected to include, but not be limited to, the following:

- The federal anti-kickback statute is a criminal statute that makes it a felony for individuals or entities knowingly and willfully to offer or pay, or to solicit or receive, direct or indirect remuneration, in order to induce the purchase, order, lease, or recommending of items or services, or the referral of patients for services, that are reimbursed under a federal health care program, including Medicare and Medicaid;

- The federal False Claims Act imposes liability on any person who knowingly submits, or causes another person or entity to submit, a false claim for payment of government funds. Penalties include three times the government's damages plus civil penalties of $5,500 to $11,000 per false claim. In addition, the False Claims Act permits a person with knowledge of fraud, referred to as a qui tam plaintiff, to file a lawsuit on behalf of the government against the person or business that committed the fraud, and, if the action is successful, the qui tam plaintiff is rewarded with a percentage of the recovery;
- Health Insurance Portability and Accountability Act imposes obligations, including mandatory contractual terms, with respect to safeguarding the privacy, security and transmission of individually identifiable health information;
- The Social Security Act contains numerous provisions allowing the imposition of a civil money penalty, a monetary assessment, exclusion from the Medicare and Medicaid programs, or some combination of these penalties; and
- Many states have analogous state laws and regulations, such as state anti-kickback and false claims laws. In some cases, these state laws impose more strict requirements than the federal laws. Some state laws also require pharmaceutical companies to comply with certain price reporting and other compliance requirements.

Our failure to comply with any of these federal and state health care laws and regulations, or health care laws in foreign jurisdictions, could have a material adverse effect on our business, financial condition, result of operations and cash flows.

Health care reform and controls on health care spending may limit the price we can charge for our products and the amount we can sell.

As a result of Patient Protection and Affordable Care Act and the Health Care and Education Affordability Reconciliation Act of 2010 (collectively, the "ACA") enacted in March 2010, substantial changes have occurred and are expected to continue to occur in the system for paying for health care in the United States, including changes made in order to extend medical benefits to those who currently lack insurance coverage. This comprehensive health care reform legislation also included provisions to control health care costs and improve health care quality. Together with ongoing statutory and budgetary policy developments at a federal level, this health care reform legislation could include changes in Medicare and Medicaid payment policies and other health care delivery administrative reforms that could potentially negatively impact our business. Because not all the administrative rules implementing health care reform under the legislation have been finalized, and because of ongoing federal fiscal budgetary pressures not yet resolved for federal health programs, the full impact of the ACA and of further statutory actions to reform healthcare payment on our business is unknown, but there can be no assurances that health care reform legislation will not adversely impact either our operational results or the manner in which we operate our business. Cost of care could be reduced by reducing the level of reimbursement for medical services or products (including those biopharmaceuticals that we intend to produce and market), or by restricting coverage (and, thereby, utilization) of medical services or products. In either case, a reduction in the utilization of, or reimbursement for, our products could have a materially adverse impact on our financial performance.

Uncertainty of third-party reimbursement could affect our future results of operations.

Sales of medical products largely depend on the reimbursement of patients' medical expenses by governmental health care programs and private health insurers. We will be required to report detailed pricing information, net of included discounts, rebates and other concessions, to the Centers for Medicare and Medicaid Services, or CMS, for the purpose of calculating national reimbursement levels, certain federal prices, and certain federal rebate obligations. If we report pricing information that is not accurate to the federal government, we could be subject to fines and other sanctions that could adversely affect our business. In addition, the government could change its calculation of reimbursement, federal prices, or federal rebate obligations which could negatively impact us. There is no guarantee that government health care programs or private health insurers will reimburse for the sales of our products, or permit us to sell our products at high enough prices to generate a profit.

Governments outside the United States tend to impose strict price controls and reimbursement approval policies, which may adversely affect our prospects for generating revenue outside the United States.

In some countries, particularly European Union countries, the pricing of prescription pharmaceuticals is subject to governmental control. In these countries, pricing negotiations with governmental authorities can take considerable time (6 to 12 months or longer) after the receipt of marketing approval for a product. To obtain reimbursement or pricing approval in some countries with respect to any product candidate that achieves regulatory approval, we may be required to conduct a clinical trial that compares the cost-effectiveness of our product candidate to other available therapies. If reimbursement of our products upon approval, if at all, is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, our prospects for generating revenue, if any, could be adversely affected which would have a material adverse effect on our business and results of operations. Further, if we achieve regulatory approval of any product, we must successfully negotiate product pricing for such product in individual countries. As a result, the pricing of our products, if approved, in different countries may vary widely, thus creating the potential for third-party trade in our products in an attempt to exploit price differences between countries. This third-party trade of our products could undermine our sales in markets with higher prices.

Risks Relating to Our Dependence on Third Parties

We depend on third parties to manufacture our products.

We do not own or operate any manufacturing facilities for the commercial-scale production of our products. Instead, we rely on third party manufacturers. For example, pursuant to the terms of our license for levosimendan, Orion Corporation is our sole manufacturing source for levosimendan. Accordingly, our business is susceptible to disruption, and our results of operations can be adversely affected, by any disruption in supply or other adverse developments in our relationship with Orion Corporation. If supply from Orion Corporation is delayed or terminated, or if its facilities suffer any damage or disruption, we may need to successfully qualify an alternative supplier in a timely manner in order to not disrupt our business. If we cannot obtain an alternate manufacturer in a timely manner, we would experience a significant interruption in supply of levosimendan, which could negatively affect our financial condition, results of operations and cash flows.

We depend on the services of a limited number of key personnel.

Our success is highly dependent on the continued services of a limited number of scientists and support personnel. The loss of any of these individuals, in particular, John P. Kelley, our Chief Executive Officer, could have a material adverse effect on us. In addition, our success will depend, among other factors, on the recruitment and retention of additional highly skilled and experienced management and technical personnel. There is a risk that we will not be able to retain existing employees or to attract and retain additional skilled personnel on acceptable terms given the competition for such personnel among numerous large and well-funded pharmaceutical and health care companies, universities, and non-profit research institutions, which could negatively affect our financial condition, results of operations and cash flows.

We have limited experience in the sale and marketing of medical products.

We have limited experience in the sale and marketing of approved medical products and marketing the licensing of such products before FDA or other regulatory approval. We have not decided upon a commercialization strategy in these areas. We do not know of any third party that is prepared to distribute our products should they be approved. If we decide to establish our own commercialization capability, we will need to recruit, train and retain a marketing staff and sales force with sufficient technical expertise. We do not know whether we can establish a commercialization program at a cost that is acceptable in relation to revenue or whether we can be successful in commercializing our product. Factors that may inhibit our efforts to commercialize our products directly and without strategic partners include:

- Our inability to recruit and retain adequate numbers of effective sales and marketing personnel;
- The inability of sales personnel to obtain access to or persuade adequate numbers of physicians to prescribe our products;
- The lack of complementary products to be offered by sales personnel, which may put us at a competitive disadvantage relative to companies with more extensive product lines; and
- Unforeseen costs and expenses associated with creating and sustaining an independent sales and marketing organization.

Failure to successfully commercialize our products or to do so on a cost effective basis would likely result in failure of our business.

We may enter into distribution arrangements and marketing alliances for certain products and any failure to successfully identify and implement these arrangements on favorable terms, if at all, may impair our ability to commercialize our product candidates.

We do not anticipate having the resources in the foreseeable future to develop global sales and marketing capabilities for all of the products we develop, if any. We may pursue arrangements regarding the sales and marketing and distribution of one or more of our product candidates and our future revenues may depend, in part, on our ability to enter into and maintain arrangements with other companies having sales, marketing and distribution capabilities and the ability of such companies to successfully market and sell any such products. Any failure to enter into such arrangements and marketing alliances on favorable terms, if at all, could delay or impair our ability to commercialize our product candidates and could increase our costs of commercialization. Any use of distribution arrangements and marketing alliances to commercialize our product candidates will subject us to a number of risks, including the following:

- We may be required to relinquish important rights to our products or product candidates;
- We may not be able to control the amount and timing of resources that our distributors or collaborators may devote to the commercialization of our product candidates;
- Our distributors or collaborators may experience financial difficulties;
- Our distributors or collaborators may not devote sufficient time to the marketing and sales of our products; and
- Business combinations or significant changes in a collaborator's business strategy may adversely affect a collaborator's willingness or ability to complete its obligations under any arrangement.

We may need to enter into additional co-promotion arrangements with third parties where our own sales force is neither well situated nor large enough to achieve maximum penetration in the market. We may not be successful in entering into any co-promotion arrangements, and the terms of any co-promotion arrangements we enter into may not be favorable to us.

Risks Relating to Intellectual Property

It is difficult and costly to protect our proprietary rights, and we may not be able to ensure their protection.

Our commercial success will depend in part on obtaining and maintaining patent protection and trade secret protection of our product candidates and the methods used to manufacture them, as well as successfully defending these patents against third-party challenges. Our ability to stop third parties from making, using, selling, offering to sell or importing our products is dependent upon the extent to which we have rights under valid and enforceable patents or trade secrets that cover these activities.

We license certain intellectual property from third parties that covers our product candidates. We rely on certain of these third parties to file, prosecute and maintain patent applications and otherwise protect the intellectual property to which we have a license, and we have not had and do not have primary control over these activities for certain of these patents or patent applications and other intellectual property rights. We cannot be certain that such activities by third parties have been or will be conducted in compliance with applicable laws and regulations or will result in valid and enforceable patents and other intellectual property rights. Our enforcement of certain of these licensed patents or defense of any claims asserting the invalidity of these patents would also be subject to the cooperation of the third parties.

The patent positions of pharmaceutical and biopharmaceutical companies can be highly uncertain and involve complex legal and factual questions for which important legal principles remain unresolved. No consistent policy regarding the breadth of claims allowed in biopharmaceutical patents has emerged to date in the United States. The biopharmaceutical patent situation outside the United States is even more uncertain. Changes in either the patent laws or in interpretations of patent laws in the United States and other countries may diminish the value of our intellectual property. Accordingly, we cannot predict the breadth of claims that may be allowed or enforced in the patents we own or to which we have a license from a third-party. Further, if any of our patents are deemed invalid and unenforceable, it could impact our ability to commercialize or license our technology.

The degree of future protection for our proprietary rights is uncertain because legal means afford only limited protection and may not adequately protect our rights or permit us to gain or keep our competitive advantage. For example:

- others may be able to make compositions or formulations that are similar to our product candidates but that are not covered by the claims of our patents;
- we might not have been the first to make the inventions covered by our issued patents or pending patent applications;
- we might not have been the first to file patent applications for these inventions;
- others may independently develop similar or alternative technologies or duplicate any of our technologies;
- it is possible that our pending patent applications will not result in issued patents;
- our issued patents may not provide us with any competitive advantages, or may be held invalid or unenforceable as a result of legal challenges by third parties;
- we may not develop additional proprietary technologies that are patentable; or
- the patents of others may have an adverse effect on our business.

We also may rely on trade secrets to protect our technology, especially where we do not believe patent protection is appropriate or obtainable. However, trade secrets are difficult to protect. Although we use reasonable efforts to protect our trade secrets, our employees, consultants, contractors, outside scientific collaborators and other advisors may unintentionally or willfully disclose our information to competitors. Enforcing a claim that a third party illegally obtained and is using any of our trade secrets is expensive and time consuming, and the outcome is unpredictable. In addition, courts outside the United States are sometimes less willing to protect trade secrets. Moreover, our competitors may independently develop equivalent knowledge, methods and know-how.

We rely on confidentiality agreements that, if breached, may be difficult to enforce and could have a material adverse effect on our business and competitive position.

Our policy is to enter agreements relating to the non-disclosure and non-use of confidential information with third parties, including our contractors, consultants, advisors and research collaborators, as well as agreements that purport to require the disclosure and assignment to us of the rights to the ideas, developments, discoveries and inventions of our employees and consultants while we employ them. However, these agreements can be difficult and costly to enforce. Moreover, to the extent that our contractors, consultants, advisors and research collaborators apply or independently develop intellectual property in connection with any of our projects, disputes may arise as to the proprietary rights to the intellectual property. If a dispute arises, a court may determine that the right belongs to a third party, and enforcement of our rights can be costly and unpredictable. In addition, we rely on trade secrets and proprietary know-how that we seek to protect in part by confidentiality agreements with our employees, contractors, consultants, advisors or others. Despite the protective measures we employ, we still face the risk that:

- These agreements may be breached;
- These agreements may not provide adequate remedies for the applicable type of breach; or
- Our trade secrets or proprietary know-how will otherwise become known.

Any breach of our confidentiality agreements or our failure to effectively enforce such agreements would have a material adverse effect on our business and competitive position.

We may incur substantial costs as a result of litigation or other proceedings relating to patent and other intellectual property rights and we may be unable to protect our rights to, or use, our technology.

If we or our partners choose to go to court to stop someone else from using the inventions claimed in our patents, that individual or company has the right to ask the court to rule that these patents are invalid and/or should not be enforced against that third party. These lawsuits are expensive and would consume time and other resources even if we were successful in stopping the infringement of these patents. In addition, there is a risk that the court will decide that these patents are not valid and that we do not have the right to stop the other party from using the inventions. There is also the risk that, even if the validity of these patents is upheld, the court will refuse to stop the other party on the ground that such other party’s activities do not infringe our rights to these patents.

Furthermore, a third party may claim that we or our manufacturing or commercialization partners are using inventions covered by the third party's patent rights and may go to court to stop us from engaging in our normal operations and activities, including making or selling our product candidates. These lawsuits are costly and could affect our results of operations and divert the attention of managerial and technical personnel. There is a risk that a court would decide that we or our commercialization partners are infringing the third party's patents and would order us or our partners to stop the activities covered by the patents. In addition, there is a risk that a court will order us or our partners to pay the other party damages for having violated the other party's patents. We have agreed to indemnify certain of our commercial partners against certain patent infringement claims brought by third parties. The biotechnology industry has produced a proliferation of patents, and it is not always clear to industry participants, including us, which patents cover various types of products or methods of use. The coverage of patents is subject to interpretation by the courts, and the interpretation is not always uniform. If we are sued for patent infringement, we would need to demonstrate that our products or methods of use either does not infringe the patent claims of the relevant patent and/or that the patent claims are invalid, and we may not be able to do this. Proving invalidity, in particular, is difficult since it requires a showing of clear and convincing evidence to overcome the presumption of validity enjoyed by issued patents.

Because some patent applications in the United States may be maintained in secrecy until the patents are issued, because patent applications in the United States and many foreign jurisdictions are typically not published until eighteen months after filing and because publications in the scientific literature often lag behind actual discoveries, we cannot be certain that others have not filed patent applications for technology covered by our issued patents or our pending applications, or that we were the first to invent the technology. Our competitors may have filed, and may in the future file, patent applications covering technology similar to ours. Any such patent application may have priority over our patent applications or patents, which could further require us to obtain rights to issued patents by others covering such technologies. If another party has filed a U.S. patent application on inventions similar to ours, we may have to participate in an interference proceeding declared by the U.S. Patent and Trademark Office to determine priority of invention in the United States. The costs of these proceedings could be substantial, and it is possible that such efforts would be unsuccessful if, unbeknownst to us, the other party had independently arrived at the same or similar invention prior to our own invention, resulting in a loss of our U.S. patent position with respect to such inventions.

Some of our competitors may be able to sustain the costs of complex patent litigation more effectively than we can because they have substantially greater resources. In addition, any uncertainties resulting from the initiation and continuation of any litigation could have a material adverse effect on our ability to raise the funds necessary to continue our operations.

Our collaborations with outside scientists and consultants may be subject to restriction and change.

We work with chemists, biologists and other scientists at academic and other institutions, and consultants who assist us in our research, development, regulatory and commercial efforts, including the members of our scientific advisory board. These scientists and consultants have provided, and we expect that they will continue to provide, valuable advice on our programs. These scientists and consultants are not our employees, may have other commitments that would limit their future availability to us and typically will not enter into non-compete agreements with us. If a conflict of interest arises between their work for us and their work for another entity, we may lose their services. In addition, we will be unable to prevent them from establishing competing businesses or developing competing products. For example, if a key scientist acting as a principal investigator in any of our clinical trials identifies a potential product or compound that is more scientifically interesting to his or her professional interests, his or her availability to remain involved in our clinical trials could be restricted or eliminated.

Under current law, we may not be able to enforce all employees' covenants not to compete and therefore may be unable to prevent our competitors from benefiting from the expertise of some of our former employees.

We have entered into non-competition agreements with certain of our employees. These agreements prohibit our employees, if they cease working for us, from competing directly with us or working for our competitors for a limited period. Under current law, we may be unable to enforce these agreements against certain of our employees and it may be difficult for us to restrict our competitors from gaining the expertise our former employees gained while working for us. If we cannot enforce our employees' non-compete agreements, we may be unable to prevent our competitors from benefiting from the expertise of our former employees.

We may infringe or be alleged to infringe intellectual property rights of third parties.

Our products or product candidates may infringe on, or be accused of infringing on, one or more claims of an issued patent or may fall within the scope of one or more claims in a published patent application that may be subsequently issued and to which we do not hold a license or other rights. Third parties may own or control these patents or patent applications in the United States and abroad. These third parties could bring claims against us or our collaborators that would cause us to incur substantial expenses and, if successful against us, could cause us to pay substantial damages. Further, if a patent infringement suit were brought against us or our collaborators, we or they could be forced to stop or delay research, development, manufacturing or sales of the product or product candidate that is the subject of the suit.

If we are found to infringe the patent rights of a third party, or in order to avoid potential claims, we or our collaborators may choose or be required to seek a license from a third party and be required to pay license fees or royalties or both. These licenses may not be available on acceptable terms, or at all. Even if we or our collaborators were able to obtain a license, the rights may be nonexclusive, which could result in our competitors gaining access to the same intellectual property. Ultimately, we could be prevented from commercializing a product, or be forced to cease some aspect of our business operations, if, as a result of actual or threatened patent infringement claims, we or our collaborators are unable to enter into licenses on acceptable terms.

There have been substantial litigation and other proceedings regarding patent and other intellectual property rights in the pharmaceutical and biotechnology industries. In addition to infringement claims against us, we may become a party to other patent litigation and other proceedings, including interference proceedings declared by the United States Patent and Trademark Office and opposition proceedings in the European Patent Office, regarding intellectual property rights with respect to our products. Our products, after commercial launch, may become subject to Paragraph IV certification under the Hatch-Waxman Act, thus forcing us to initiate infringement proceedings against such third-party filers. The cost to us of any patent litigation or other proceeding, even if resolved in our favor, could be substantial. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their substantially greater financial resources. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could have a material adverse effect on our ability to compete in the marketplace. Patent litigation and other proceedings may also absorb significant management time.

Many of our employees were previously employed at universities or other biotechnology or pharmaceutical companies, including our competitors or potential competitors. We try to ensure that our employees do not use the proprietary information or know-how of others in their work for us. We may, however, be subject to claims that we or these employees have inadvertently or otherwise used or disclosed intellectual property, trade secrets or other proprietary information of any such employee's former employer. Litigation may be necessary to defend against these claims and, even if we are successful in defending ourselves, could result in substantial costs to us or be distracting to our management. If we fail to defend any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel.

Product liability lawsuits against us could cause us to incur substantial liabilities, limit sales of our existing products and limit commercialization of any products that we may develop.

Our business exposes us to the risk of product liability claims that are inherent in the manufacturing, distribution, and sale of biotechnology products. We face an inherent risk of product liability exposure related to the testing of our product candidates in human clinical trials and an even greater risk when we commercially sell any products. If we cannot successfully defend ourselves against claims that our product candidates or products caused injuries, we could incur substantial liabilities. Regardless of merit or eventual outcome, liability claims may result in:

- Decreased demand for our products and any product candidates that we may develop;
- Injury to our reputation;
- Withdrawal of clinical trial participants;
- Costs to defend the related litigation;
- Substantial monetary awards to trial participants or patients;
- Loss of revenue; and
- The inability to commercialize any products that we may develop.

We currently maintain limited product liability insurance coverage for our clinical trials in the total amount of $3 million. However, our profitability will be adversely affected by a successful product liability claim in excess of our insurance coverage. There can be no assurance that product liability insurance will be available in the future or be available on reasonable terms.

Risks Related to Owning Our Common Stock

Our share price has been volatile and may continue to be volatile which may subject us to securities class action litigation in the future.

The market price of shares of our common stock has been, and may be in the future, subject to wide fluctuations in response to many risk factors listed in this section, and others beyond our control, including:

- actual or anticipated fluctuations in our financial condition and operating results;
- status and/or results of our clinical trials;
- status of ongoing litigation;
- results of clinical trials of our competitors' products;
- regulatory actions with respect to our products or our competitors' products;
- actions and decisions by our collaborators or partners;
- actual or anticipated changes in our growth rate relative to our competitors;
- actual or anticipated fluctuations in our competitors' operating results or changes in their growth rate;
- competition from existing products or new products that may emerge;
- issuance of new or updated research or reports by securities analysts;
- fluctuations in the valuation of companies perceived by investors to be comparable to us;
- share price and volume fluctuations attributable to inconsistent trading volume levels of our shares;
- market conditions for biopharmaceutical stocks in general;
- status of our search and selection of future management and leadership; and
- general economic and market conditions.

On April 30, 2015 the closing price of our common stock was $3.42 as compared with $4.88 as of April 30, 2014. During the twelve months ended April 30, 2015, the lowest closing price of our common stock was $2.94 and the highest closing price was $5.05, all as adjusted for the 1-for-20 reverse stock split effective on May 10, 2013.

Some companies that have had volatile market prices for their securities have had securities class action lawsuits filed against them. Such lawsuits, should they be filed against us in the future, could result in substantial costs and a diversion of management's attention and resources. This could have a material adverse effect on our business, results of operations and financial condition.

We are likely to attempt to raise additional capital through issuances of debt or equity securities, which may cause our stock price to decline, dilute the ownership interests of our existing stockholders, and/or limit our financial flexibility.

Historically we have financed our operations through the issuance of equity securities and debt financings, and we expect to continue to do so for the foreseeable future. As of April 30, 2015, we had $48.1 million of cash and cash equivalents on hand. Based on our current operating plans, we believe that our existing cash and cash equivalents are sufficient to continue to fund operations through the calendar year 2017. To the extent that we raise additional funds by issuing equity securities, our stockholders may experience significant dilution of their ownership interests. Debt financing, if available, may involve restrictive covenants that limit our financial flexibility or otherwise restrict our ability to pursue our business strategies. Additionally, if we issue shares of common stock, or securities convertible or exchangeable for common stock, the market price of our existing common stock may decline. There can be no assurance that we will be successful in obtaining any additional capital resources in a timely manner, on favorable terms, or at all.

We have issued in the past, and may issue in the future, substantial amounts of instruments that are convertible into or exercisable for common stock, and our existing stockholders may face substantial dilution if such instruments are converted or exercised.

As of July 10, 2015, we had outstanding warrants and options, securities purchase agreements, and other instruments that are exercisable into an aggregate of 6,446,624 shares of our common stock, which, if exercised, would represent approximately 23% of our current outstanding common stock. These instruments carry a wide variety of different terms and prices, and there can be no assurance as to when or whether exercises of these instruments may occur. If all or any substantial portion of these instruments are exercised, our existing stockholders may face substantial dilution of their ownership interests.

Certain investors may be able to exercise significant influence over us.

As of July 10, 2015, JP SPC 3 obo OXBT FUND, SP, or OXBT Fund, held warrants that are exercisable into an aggregate of up to 2,251,742 shares of our common stock, which, if exercised, would represent 8.0% of our current outstanding common stock. Mr. Gregory Pepin, one of our directors, is the investment manager of the OXBT Fund. In addition, as of July 10, 2015, both John P. Kelly and Doug Randall, our Chief Executive Officer and Senior Vice President, Business and Commercial Operations, respectively, held 1,166,511 shares of our common stock, individually representing 4.2% of our outstanding common stock and Douglas Hay, PhD, our Senior Vice President, Regulatory Affairs, held 966,511 shares of our common stock, representing 3.4% of our outstanding common stock. As of July 10, 2015, each of Mr. Kelley, Mr. Randall and Dr. Hay also hold options to purchase 893,220 shares of our common stock, individually representing 3.2% of our outstanding common stock. Accordingly, these parties, either individually or as part of a group, may have a strong ability to influence our business, policies and affairs. We cannot be certain that their interests will be consistent with the interests of other holders of our common stock.

Risks Relating to Employee Matters and Managing Growth

We may need to increase the size of our company, and we may experience difficulties in managing growth.

As of July 10, 2015, we had 11 full-time employees. We may need to expand our managerial, operational, administrative, financial and other resources in order to manage and fund our operations and clinical trials, continue our development activities and commercialize our product candidates. To support this growth, we may hire additional employees within the next 12 months. Our management, personnel, systems and facilities currently in place may not be adequate to support this future growth. Our need to effectively manage our operations, growth and various projects requires that we continue to improve our operational, financial and management controls, reporting systems and procedures.

We may not be able to attract or retain qualified management and scientific personnel in the future. If we are unable to attract and retain necessary personnel to accomplish our business objectives, we may experience constraints that will significantly impede our achievement of our development objectives, our ability to raise additional capital and our ability to implement our business strategy.

In addition, we have scientific and clinical advisors who assist us in our product development and clinical strategies. These advisors are not our employees and may have commitments to, or consulting or advisory contracts with, other entities that may limit their availability to us, or may have arrangements with other companies to assist in the development of products that may compete with ours. Because our business depends on certain key personnel and advisors, the loss of such personnel and advisors could weaken our management team and we may experience difficulty in attracting and retaining qualified personnel and advisors.

ITEM 1B—UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 2—PROPERTIES

We own no real property. We lease our principal executive office at ONE Copley Parkway, Suite 490, Morrisville, North Carolina 27560. The current rent is approximately $9,492 per month for the facility.

ITEM 3—LEGAL PROCEEDINGS

The Company is subject to litigation in the normal course of business, none of which management believes will have a material adverse effect on the Company’s Consolidated Financial Statements.

ITEM 4— MINE SAFETY DISCLOSURES

Not applicable

PART II

ITEM 5—MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Price and Number of Stockholders

Our common stock is listed on the NASDAQ Capital Market under the symbol "TENX." The following table sets forth, for the past two fiscal years, the range of high and low sales prices in each fiscal quarter for our common stock, all as adjusted for the 1-for-20 reverse stock split effective on May 10, 2013.

Year-Ended April 30, 2014	High	Low
First Quarter	$ 5.69	$ 1.40
Second Quarter	$ 3.46	$ 1.19
Third Quarter	$ 11.40	$ 3.04
Fourth Quarter	$ 8.35	$ 4.46

Year-Ended April 30, 2015	High	Low
First Quarter	$ 5.18	$ 3.60
Second Quarter	$ 4.40	$ 3.34
Third Quarter	$ 4.76	$ 3.01
Fourth Quarter	$ 3.54	$ 2.88

As of July 9, 2015 there were 1,359 holders of record of our common stock. In addition, we believe that a significant number of beneficial owners of our common stock hold their shares in nominee or in "street name" accounts through brokers. On July 9, 2015, the last sale price reported on the NASDAQ Capital Market for our common stock was $3.70 per share.

Dividend Policy

Since our inception, we have not paid dividends on our common stock. We intend to retain any earnings for use in our business activities, so it is not expected that any dividends on our common stock will be declared and paid in the foreseeable future.

Repurchases of Common Stock

The following table lists all repurchases during the fourth quarter of fiscal 2015 of any of our securities registered under Section 12 of the Exchange Act by or on behalf of us or any affiliated purchaser.

Issuer Purchases of Equity Securities Period	Total Number of Shares Purchased (1)	Average Price Paid per Share (2)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
February 1, 2015 - February 28, 2015	-	$ -	-	$ -
March 1, 2015 - March 31, 2015	-	$ -	-	$ -
April 1, 2015 - April 30, 2015	51	$ 3.28	-	$ -
Total	51	$ 3.28	-	$ -

(1) Represents shares repurchased in connection with tax withholding obligations under the 1999 Amended Stock Plan.
(2) Represents the average price paid per share for the shares repurchased in connection with tax withholding obligations under the 1999 Amended Stock Plan.

Unregistered Sales of Equity Securities

None.

ITEM 6—SELECTED FINANCIAL DATA

Not Applicable.

ITEM 7—MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis together with the Consolidated Financial Statements and the related notes to those statements included in "Item 8 – Consolidated Financial Statements and Supplementary Data." This discussion contains forward-looking statements that involve risks and uncertainties. As a result of many factors, such as those set forth under "Risk Factors" and elsewhere in this Annual Report on Form 10-K, our actual results may differ materially from those anticipated in these forward-looking statements.

Results of operations- Comparison of the year ended April 30, 2015 and 2014

Revenue

Product Revenue and Gross Profit

In prior years, we generated revenue from the sale of Dermacyte® through distribution agreements, on-line retailers and direct sales to physician and medical spa facilities. Product revenue, cost of sales and gross profit, as well as corresponding percentage changes, for the years ended April 30, 2015 and 2014 are as follows:

	Year ended April 30,		Increase/ (Decrease)	% Increase/ (Decrease)
	2015	2014		
Product revenue	$ -	$ 25,731	$ (25,731)	(100) %
Cost of sales	-	129,800	(129,800)	(100) %
Gross profit	$ -	$ (104,069)	$ 104,069	(100) %

The decrease in product revenue for the year ended April 30, 2015 was due to our decision to stop producing and selling the Dermacyte product in the year ended April 30, 2014.

Gross profit as a percentage of revenue was (404) % for the year ended April 30, 2014. There was no gross profit during the year ended April 30, 2015 due to the write down of Dermacyte product in the prior year that is no longer being marketed for sale.

Government Grant Revenue

Revenues from a cost-reimbursement grant sponsored by the United States Army, or Grant Revenue, are recognized as milestones under the Grant program are achieved. Grant Revenue is earned through reimbursements for the direct costs of labor, travel, and supplies, as well as the pass-through costs of subcontracts with third-party CROs.

	Year ended April 30,		Increase/ (Decrease)	% Increase/ (Decrease)
	2015	2014		
Government grant revenue	$ 49,286	$ 262,995	$ (213,709)	(81) %

For the year ended April 30, 2015, we recorded approximately $49,000 in revenue under the grant program as compared to approximately $263,000 in revenue during the prior year. The decrease in revenue earned under the grant is due primarily to our completion of multiple studies in the prior year.

General and Administrative Expenses

General and administrative expenses consist primarily of compensation for executive, finance, legal and administrative personnel, including stock-based compensation. Other general and administrative expenses include facility costs not otherwise included in research and development expenses, legal and accounting services, other professional services, and consulting fees. General and administrative expenses and percentage changes for the year ended April 30, 2015 and 2014, respectively, are as follows:

	Year ended April 30,		Increase/ (Decrease)	% Increase/ (Decrease)
	2015	2014		
Legal and professional fees	$ 3,017,584	$ 2,556,643	$ 460,941	18%
Personnel costs	2,986,589	10,593,234	(7,606,645)	(72) %
Other costs	890,940	350,855	540,085	154%
Facilities	160,818	157,449	3,369	2%
Depreciation and amortization	114,848	115,042	(194)	(0) %

Legal and professional fees:

Legal and professional fees consist of the costs incurred for legal fees, accounting fees, recruiting costs and investor relations services, as well as fees paid to our Board of Directors. Legal and professional fees increased approximately $460,000 for the year ended April 30, 2015 compared to the prior year. This increase was primarily due to costs incurred for investor relations services, consulting fees and Board of Directors fees, partially offset by a decrease in legal fees.

- Costs associated with investor relations and communication increased approximately $636,000 in the current year. This increase was due primarily to the issuance of 175,000 warrants with a calculated fair value of approximately $475,000 and an increase of approximately $161,000 in fees paid to outsourced corporate communication firms for investor relations services and website development.

- Board of Directors fees increased in the current year by approximately $420,000. This increase was due primarily to approximately $280,000 in recognized expense for the vesting of stock options awarded and an increase of approximately $140,000 in fees paid due to the addition of a director and the restructuring of directors' fees in the current year.

- Consulting costs increased approximately $132,000 in the current year due primarily to fees paid for recruiting firms for placement services and contract labor in the current year.

- Legal, accounting and capital market fees decreased in the current year by approximately $600,000. This decrease was due primarily to a reduction of approximately $530,000 in accounting and legal fees incurred in the prior year related to the acquisition of the rights to develop levosimendan and the issuance of our Series C and Series D Preferred Stock and a reduction of approximately $70,000 in fees paid for the listing of additional shares with Nasdaq and SEC filings made during the prior year.

Personnel costs:

Personnel costs decreased approximately $7.6 million for the year ended April 30, 2015 compared to the prior year. The decrease was due primarily to the recognition of approximately $8.3 million of stock based compensation in the prior year, partially offset by an increase of approximately $633,000 in salaries and benefits paid during the current year.

- Stock based compensation and the vested value of issued stock options decreased approximately $8.3 million in the current period due primarily to the expense recognition of approximately $8.3 million for the granting and vesting of stock options and restricted stock in the prior year. These option grants were made pursuant to employment agreements, which were negotiated in connection with our acquisition of a license for levosimendan in November 2013.

- Salaries and benefits increased approximately $633,000 in the current period. This increase was due primarily to full-year salaries paid in the current year to our Chief Executive Officer and the two additional management positions added in connection with our acquisition of certain assets of Phyxius, and approximately $210,000 for severance payments related to the stoppage of Oxycyte development programs.

Other costs:

Other costs include costs incurred for travel, supplies, insurance and other miscellaneous charges. The approximately $540,000 increase in other costs was due primarily to an increase of approximately $320,000 in franchise tax payments made to North Carolina and Delaware in the current year, an increase of approximately $100,000 in banking fees paid to manage our investment portfolio, an increase of approximately $45,000 in travel related costs, an increase of approximately $45,000 in insurance costs related to our Phase III clinical study, and approximately $30,000 in relocation costs paid in the current year.

Facilities:

Facilities include costs paid for rent and utilities at our corporate headquarters in North Carolina. Facilities costs remained relatively consistent for the years ended April 30, 2015 and 2014.

Depreciation and Amortization:

Depreciation and amortization costs remained relatively consistent for the years ended April 30, 2015 and 2014.

Research and Development Expenses

Research and development expenses include, but are not limited to, (i) expenses incurred under agreements with CROs and investigative sites, which conduct our clinical trials and a substantial portion of our pre-clinical studies; (ii) the cost of manufacturing and supplying clinical trial materials; (iii) payments to contract service organizations, as well as consultants; (iv) employee-related expenses, which include salaries and benefits; and (v) facilities, depreciation and other allocated expenses, which include direct and allocated expenses for rent and maintenance of facilities and equipment, depreciation of leasehold improvements, equipment, laboratory and other supplies. All research and development expenses are expensed as incurred. Research and development expenses and percentage changes for the years ended April 30, 2015 and 2014, respectively, are as follows:

	Year ended April 30,		Increase/ (Decrease)	% Increase/ (Decrease)
	2015	2014		
Clinical and preclinical development	$ 6,034,702	$ 1,947,461	$ 4,087,241	210%
Personnel costs	525,561	818,264	(292,703)	(36) %
Consulting	35,106	153,506	(118,400)	(77) %
Depreciation	33,292	35,447	(2,155)	(6) %
Other costs	27,287	31,780	(4,493)	(14) %
Facilities	4,439	10,263	(5,824)	(57) %

Clinical and preclinical development:

Clinical and preclinical development costs include the costs associated with our Phase III and Phase II clinical trials for levosimendan and Oxycyte. The increase of approximately $4.1 million in clinical and preclinical development costs for the year ended April 30, 2015 compared to the prior year was primarily due to increased expenditures related to levosimendan and additional costs related to the decision to suspend the development of Oxycyte.

Levosimendan

We incurred approximately $4.5 million in research and development costs for levosimendan in the current year, an increase of approximately $4.3 million compared to the prior year. The increase in levosimendan development costs is due primarily to the direct costs of our Phase III Levo-CTS clinical trial for LCOS. In the current year, we recorded clinical trial costs of approximately $4.0 million for the management of the Phase III trial and pass-through site activation and enrolled patient costs. In addition to the costs associated with the Phase III trial, we incurred expenses of approximately $516,000 to support the development of levosimendan for septic shock by providing financial support for the LeoPaRDS trial, which is currently being conducted through the Imperial College of London.

Oxycyte

We incurred approximately $1.5 million in research and development costs for Oxycyte in the current year, a decrease of approximately $248,000 compared to prior year. The decrease in Oxycyte development costs was due primarily to our decision to suspend development of the Oxycyte product in the current year and close out all of our sites for the Phase II-B clinical trial for TBI. We recorded costs of approximately $837,000 for these close-out activities and we do not anticipate any significant additional costs in the future related to this clinical trial.

We incurred approximately $98,000 in preclinical research and development costs, a decrease of approximately $147,000 compared to the prior year. The decrease in preclinical development costs was due primarily to the completion and preparation of the final study reports for the Army funded safety studies and we do not anticipate any significant additional costs in the future related to these preclinical studies.

We incurred approximately $550,000 in manufacturing and stability costs for Oxycyte in the current year. These costs were due primarily to early termination fees for API and clinical drug manufacturing supply agreements due to our decision to suspend the development of Oxycyte, and we do not anticipate any significant additional costs in the future related to the manufacture and stability of Oxycyte.

Personnel costs:

Personnel costs decreased approximately $293,000 for the year ended April 30, 2015 compared to the prior year primarily due to headcount reductions in the current year, partially offset by the addition of our Chief Medical Officer in the fourth quarter of the current year. The headcount reductions were primarily in positions responsible for managing the manufacturing of Oxycyte clinical drug material, the preclinical safety studies for Oxycyte and the Phase II-B clinical trial for TBI.

Consulting fees:

Consulting fees decreased approximately $118,000 for the year ended April 30, 2015 compared to the prior year primarily due to approximately $142,000 of fees incurred to plan and prepare for clinical trial expansions and other clinical support activities for Oxycyte in the prior year, partially offset by an increase of approximately $24,000 of consulting fees associated with levosimendan development in the current year.

Depreciation:

Depreciation expense remained relatively consistent for the years ended April 30, 2015 and 2014.

Other costs:

Other costs remained relatively consistent for the years ended April 30, 2015 and 2014.

Facilities:

Facilities expense remained relatively consistent for the years ended April 30, 2015 and 2014.

Interest expense

Interest expense includes the interest payments due under our long-term debt, amortization of debt issuance costs and accretion of discounts recorded against our outstanding convertible notes. Interest expense and percentage changes for the year ended April 30, 2015 and 2014, respectively, are as follows:

	Year ended April 30,		Increase/ (Decrease)	% Increase/ (Decrease)
	2015	2014		
Interest expense	$ 49,081	$ 2,212,283	$ (2,163,202)	(98) %

During the year ended April 30, 2015, interest expense decreased approximately $2.2 million compared to the prior year. The decrease was due primarily to noncash interest charges recorded in the prior year related to our convertible notes which matured in the first quarter of the current year.

Other income and expense

Other income and expense includes non-operating income and expense items not otherwise recorded in our consolidated statement of operations. These items include, but are not limited to, revenue earned under sublease agreements for our California facility, changes in the fair value of financial assets and liabilities, interest income earned and fixed asset disposals. Other expense for the year ended April 30, 2015 and 2014, respectively, is as follows:

	Year ended April 30,		(Increase)/ Decrease
	2015	2014	
Other (income) expense, net	$ (784,012)	$ 718,436	$ (1,502,448)

Other income increased approximately $1.5 million for the year ended April 30, 2015 compared to the prior year. This increase was primarily due to approximately $393,000 in interest income, net of amortization of premiums and market adjustments, and the reduction of the recognized fair value of our derivative warrant liability during the current year.

Liquidity, capital resources and plan of operation

We have incurred losses since our inception and as of April 30, 2015 we had an accumulated deficit of approximately $151 million. We will continue to incur losses until we generate sufficient revenue to offset our expenses, and we anticipate that we will continue to incur net losses for at least the next several years. We expect to incur increased expenses related to our development and potential commercialization of levosimendan for LCOS and other product candidates, and, as a result, we will need to generate significant net product sales, royalty and other revenues to achieve profitability.

Liquidity

We have financed our operations since September 1990 through the issuance of debt and equity securities and loans from stockholders. We had total current assets of $17,511,176 and $58,966,033 and working capital of $12,993,966 and $56,394,986 as of April 30, 2015 and April 30, 2014, respectively. Our practice is to invest excess cash, where available, in short-term money market investment instruments and high quality corporate and government bonds.

Clinical and Preclinical Product Development

We are in the clinical trial stage in the development of our product candidates. We are currently conducting a Phase III clinical trial for levosimendan. We expect our primary focus will be on completing the Phase III clinical trials for levosimendan. Our ability to continue to pursue testing and development of our products beyond the calendar year 2017 may depend on obtaining license income or outside financial resources. There is no assurance that we will obtain any license agreement or outside financing or that we will otherwise succeed in obtaining any necessary resources.

Financings

During the years ended April 30, 2015 and 2014, we received approximately $544,000 and $7.1 million and issued 209,230 and 3,161,145 shares of common stock, respectively upon the exercise of our outstanding warrants.

On March 21, 2014, we sold 9,285,714 shares of common stock for net proceeds of approximately $55 million.

On July 23, 2013, we sold 5,369 shares of Series C 8% convertible preferred stock and warrants for net proceeds of approximately $4.9 million. Additionally, on August 22, 2013 we issued 4,600 shares of Series D convertible preferred stock and warrants in exchange for $4.6 million of convertible notes that were scheduled to mature in June 2014.

Cash Flows

The following table shows a summary of our cash flows for the periods indicated:

	Year ended April 30,	
	2015	2014
Net cash used in operating activities	$ (9,748,794)	$ (9,261,571)
Net cash used in investing activities	(40,925,860)	(147,038)
Net cash provided by financing activities	280,590	66,945,636

Net cash used in operating activities. Net cash used in operating activities was $9.75 million for the year ended April 30, 2015 compared to net cash used in operating activities of $9.26 million for the year ended April 30, 2014. The increase in cash used for operating activities was due primarily to an increase in our costs incurred for the Phase III clinical trials for LCOS and an increase in personnel costs, partially offset by the payment of approximately $1.25 million in assumed liabilities during the prior year.

Net cash used in investing activities. Net cash used in investing activities was $40.93 million for the year ended April 30, 2015 compared to net cash used in investing activities of $147,038 for the year ended April 30, 2014. The increase in cash used for investing activities was due primarily to our investment in marketable securities throughout the year.

Net cash provided by financing activities. Net cash provided by financing activities was $280,590 for the year ended April 30, 2015 compared to net cash provided by financing activities of $66.9 million for the year ended April 30, 2014. The decrease of net cash provided by financing activities was due primarily to net proceeds of $55 million received from the issuance of common stock, $4.9 million received from the issuance of Series C 8% Convertible Preferred Stock and proceeds of $7 million received from the exercise of certain warrants in the prior year.

Operating Capital and Capital Expenditure Requirements

Our future capital requirements will depend on many factors that include, but are not limited to the following:

- The initiation, progress, timing and completion of clinical trials for our product candidates and potential product candidates;
- The outcome, timing and cost of regulatory approvals and the regulatory approval process;
- Delays that may be caused by changing regulatory requirements;
- The number of product candidates that we pursue;
- The costs involved in filing and prosecuting patent applications and enforcing and defending patent claims;
- The timing and terms of future in-licensing and out-licensing transactions;
- The cost and timing of establishing sales, marketing, manufacturing and distribution capabilities;
- The cost of procuring clinical and commercial supplies of our product candidates;
- The extent to which we acquire or invest in businesses, products or technologies; and
- The possible costs of litigation.

Based on our working capital at April 30, 2015 we believe we have sufficient capital on hand to continue to fund operations through the calendar year 2017.

We will need substantial additional capital in the future in order to complete the commercialization of levosimendan, as well as to fund the development and commercialization of our future product candidates. Until we can generate a sufficient amount of product revenue, if ever, we expect to finance future cash needs through public or private equity offerings, debt financings or corporate collaboration and licensing arrangements. Such funding, if needed, may not be available on favorable terms, if at all. In the event we are unable to obtain additional capital, we may delay or reduce the scope of our current research and development programs and other expenses.

To the extent that we raise additional funds by issuing equity securities, our stockholders may experience additional significant dilution, and debt financing, if available, may involve restrictive covenants. To the extent that we raise additional funds through collaboration and licensing arrangements, it may be necessary to relinquish some rights to our technologies or our product candidates or grant licenses on terms that may not be favorable to us. We may seek to access the public or private capital markets whenever conditions are favorable, even if we do not have an immediate need for additional capital.

Off-Balance Sheet Arrangements

Since our inception, we have not engaged in any off-balance sheet arrangements, including the use of structured finance, special purpose entities or variable interest entities.

Summary of Significant Accounting Policies

Use of Estimates—The preparation of the accompanying Consolidated Financial Statements in conformity with accounting principles generally accepted in the United States of America, or GAAP, requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Consolidated Financial Statements and reported amounts of expenses during the reporting period. Actual results could differ from those estimates.

Preclinical Study and Clinical Accruals—We estimate our preclinical study and clinical trial expenses based on the services received pursuant to contracts with several research institutions and CROs that conduct and manage preclinical and clinical trials on our behalf. The financial terms of the agreements vary from contract to contract and may result in uneven expenses and payment flows. Preclinical study and clinical trial expenses include the following:

– Fees paid to CROs in connection with clinical trials,
– Fees paid to research institutions in conjunction with preclinical research studies, and
– Fees paid to contract manufacturers and service providers in connection with the production and testing of active pharmaceutical ingredients and drug materials for use in preclinical studies and clinical trials.

Revenue Recognition—Revenues from merchandise sales are recognized upon transfer of ownership, including passage of title to the customer and transfer of the risk of loss related to those goods. Revenues are reported on a net sales basis, which is computed by deducting from gross sales the amount of actual product returns received, discounts, incentive arrangements with retailers and an amount established for anticipated product returns.

Grant Revenue is recognized as milestones under the Grant program are achieved. Grant Revenue is earned through reimbursements for the direct costs of labor, travel, and supplies, as well as the pass-through costs of subcontracts with third-party CROs.

Stock-Based Compensation—We account for stock-based awards to employees in accordance with Accounting Standards Codification, or ASC, 718 Compensation — Stock Compensation, which provides for the use of the fair value based method to determine compensation for all arrangements where shares of stock or equity instruments are issued for compensation. Fair values of equity securities are determined by management based predominantly on the trading price of our common stock. The values of these awards are based upon their grant-date fair value. That cost is recognized over the period during which the employee is required to provide service in exchange for the reward.

We account for equity instruments issued to non-employees in accordance with ASC 505-50 Accounting for Equity Instruments That Are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling, Goods or Services. Equity instruments issued to non-employees are recorded at their fair value on the measurement date and are subject to periodic adjustment as the underlying equity instruments vest.

Impairment Testing—In accordance with GAAP, goodwill impairment testing is performed at the reporting unit level annually, or more frequently if indicated by events or conditions. We performed an evaluation and determined that there is only one reporting unit. In the course of the evaluation of the potential impairment of goodwill, either a qualitative or a quantitative assessment may be performed. If a qualitative evaluation determines that no impairment exists, then no further analysis is performed. If a qualitative evaluation is unable to determine whether impairment has occurred, a quantitative evaluation is performed. The quantitative impairment test first identifies potential impairments by comparing the fair value of the reporting unit with its carrying value. If the fair value exceeds the carrying amount, goodwill is not impaired. If the carrying value exceeds the fair value, the implied fair value of goodwill is calculated and an impairment is recorded if the implied fair value is less than the carrying amount. The determination of goodwill impairment is highly subjective. It considers many factors both internal and external and is subject to significant changes from period to period. No goodwill impairment charges have resulted from this analysis for the years ended April 30, 2015 and 2014.

Fair market value accounting (derivative warrant liability)—The most significant estimate that could have a material effect on net (loss) gain is the fair market value accounting for our derivative liability. Our derivative liability consists of free standing warrants that are recorded as liabilities due to the price protection anti-dilution provisions in the event of a subsequent equity sale. As a result, the warrants must be recorded as a liability at fair value. The changes in fair value are posted in other (income) expense. We utilize the Monte Carlo method to estimate the fair value of our warrants. The three most significant factors in the Monte Carlo method are (i) our stock price, (ii) the volatility of our stock price and (iii) the remaining term of the warrants. During the year ending April 30, 2015, a $1.46 decrease in the value of our stock was the primary cause of the $382,431 derivative gain.

Recent Accounting Pronouncements

In August 2014, the Financial Accounting Standards Board, or FASB, issued Accounting Standards Update, or ASU, 2014-15, *Presentation of Financial Statements—Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*. This ASU requires management to assess and evaluate whether conditions or events exist, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern within one year after the financial statements issue date. The provisions of ASU 2014-15 are effective for annual periods beginning after December 15, 2016 and for annual and interim periods thereafter; early adoption is permitted. We do not expect the adoption of ASU 2014-15 to have a material effect on our consolidated financial statements.

In June 2014, the FASB issued ASU No. 2014-12, *Compensation – Stock Compensation: Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could be Achieved after the Requisite Service Period*, which provides explicit guidance for the accounting treatment for these types of awards. The ASU requires that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition. As such, the performance target should not be reflected in estimating the grant-date fair value of the award. This update is effective for annual periods and interim periods within those annual periods beginning after December 15, 2015. Early adoption is permitted. We do not expect the adoption of ASU 2014-12 will have a material impact on our consolidated financial statements.

In June 2014, the Financial Accounting Standards Board, or FASB, issued Accounting Standards Update, or ASU, 2014-10, *Development Stage Entities (Topic 915)*. The objective of the amendments in this update is to improve financial reporting by reducing the cost and complexity associated with the incremental reporting requirements for development stage entities. Users of financial statements of development stage entities told the Board that the development stage entity distinction, the inception-to-date information, and certain other disclosures currently required under U.S. GAAP in the financial statements of development stage entities provide information that has limited relevance and is generally not decision useful. As a result, the amendments in this update remove all incremental financial reporting requirements from US GAAP for development stage entities, thereby improving financial reporting by eliminating the cost and complexity associated with providing that information. The amendments are effective for annual reporting periods beginning after December 15, 2014, and interim reporting periods beginning after December 15, 2015. Early adoption is permitted. We have elected to early adopt this guidance, and therefore we are no longer presenting the financial statements with inception to date disclosures.

In May 2014, the FASB issued Accounting Standard Update 2014-09, *Revenue from Contracts with Customers* (ASU 2014-09) providing a comprehensive new revenue recognition standard. ASU 2014-09 provides revised standards of recognition predicated on when an entity transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 is effective for us in our first quarter of fiscal 2018. ASU 2014-09 can be applied retrospectively with a modified retrospective application permitted. We do not expect the adoption of ASU 2014-09 will have a material impact on our consolidated financial statements.

In May 2013, the Committee of Sponsoring Organizations of the Treadway Commission (COSO) issued its updated Internal Control – Integrated Framework (the 2013 Framework) and related illustrative documents. The original COSO Framework was published in 1992 and was recognized as the leading guidance for designing, implementing and conducting internal controls over external financial reporting and assessing its effectiveness. The 2013 Framework is expected to help organizations design and implement internal control in light of many changes in business and operating environments since the issuance of the original Framework, broaden the application of internal control in addressing operations and reporting objectives, and clarify the requirements for determining what constitutes effective internal control. We transitioned from the 1992 framework to the 2013 framework during the first quarter of fiscal year ending April 30, 2015.

ITEM 7A—QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 8—CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

TENAX THERAPEUTICS, INC.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders
Tenax Therapeutics, Inc. Morrisville, North Carolina

We have audited the accompanying consolidated balance sheets of Tenax Therapeutics, Inc. and Subsidiary, formerly, Oxygen Biotherapeutics, Inc (the "Company") as of April 30, 2015 and 2014, and the related consolidated statements of operations and comprehensive loss, stockholders' equity, and cash flows for each of the years in the two-year period ended April 30, 2015. We also have audited the Company's internal control over financial reporting as of April 30, 2015, based on criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting included in Item 9A - Controls and Procedures in the Company's April 30, 2015 Annual Report on Form 10-K. Our responsibility is to express an opinion on these consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the consolidated financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of April 30, 2015 and 2014, and the results of its operations and its cash flows for each of the years in the two-year period ended April 30, 2015, in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of April 30, 2015, based on criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

For the period ended April 30, 2015, the Company recognized a net loss of approximately $14.1 million and, as of April 30, 2015, the Company had incurred cumulative net losses of approximately $150.7 million. Management's plans with regard to liquidity and capital resources are described in Note B.

/s/ CHERRY BEKAERT LLP
Raleigh, North Carolina
July 14, 2015

TENAX THERAPEUTICS, INC.

CONSOLIDATED BALANCE SHEETS

	April 30, 2015	April 30, 2014
ASSETS		
Current assets		
Cash and cash equivalents	$ 7,926,491	$ 58,320,555
Marketable securities	9,200,082	-
Accounts receivable	76,475	36,358
Government grant receivable	-	29,750
Prepaid expenses	249,505	401,964
Other current assets	58,623	177,406
Total current assets	17,511,176	58,966,033
Marketable securities	30,974,961	-
Property and equipment, net	50,322	124,374
Debt issuance costs, net	-	21,427
Intangible assets, net	22,000,000	22,999,744
Goodwill	11,265,100	11,265,100
Other assets	1,106,785	52,762
Total assets	$ 82,908,344	$ 93,429,440
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 1,183,939	$ 411,145
Accrued liabilities	2,660,666	858,136
Warrant liabilities	572,445	954,876
Notes payable, net	100,160	346,890
Total current liabilities	4,517,210	2,571,047
Other liabilities	-	10,932
Deferred tax liability	7,962,100	7,962,100
Total liabilities	12,479,310	10,544,079
Commitments and contingencies; see Note I		
Stockholders' equity		
Preferred stock, undesignated, authorized 10,000,000 and 9,947,439 shares; respectively, See Note G.	-	-
Common stock, par value $.0001 per share; authorized 400,000,000 shares; issued and outstanding 28,119,520 and 27,858,000, respectively	2,812	2,786
Additional paid-in capital	221,067,239	219,468,498
Accumulated other comprehensive gain	26,718	-
Accumulated deficit	(150,667,735)	(136,585,923)
Total stockholders' equity	70,429,034	82,885,361
Total liabilities and stockholders' equity	$ 82,908,344	$ 93,429,440

The accompanying notes are an integral part of these Consolidated Financial Statements.

TENAX THERAPEUTICS, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

	Year ended April 30,	
	2015	**2014**
Product revenue	$ -	$ 25,731
Cost of sales	-	129,800
Net product revenue	-	(104,069)
Government grant revenue	49,286	262,995
Total net revenue	49,286	158,926
Operating expenses		
General and administrative	7,170,779	13,773,325
Research and development	6,660,387	2,996,721
Loss on impairment of long-lived assets	1,034,863	-
Total operating expenses	14,866,029	16,770,046
Net operating loss	14,816,743	16,611,120
Interest expense	49,081	2,212,283
Other (income) expense	(784,012)	718,436
Net loss	$ 14,081,812	$ 19,541,839
Unrealized (gain) loss on marketable securities	(26,718)	-
Total comprehensive loss	$ 14,055,094	$ 19,541,839
Reconciliation of net loss to net loss attributable to common stockholders		
Net loss	$ 14,081,812	$ 19,541,839
Preferred stock dividend	-	5,803,362
Net loss attributable to common stockholders	$ 14,081,812	$ 25,345,201
Net loss per share, basic and diluted	$ (0.50)	$ (2.71)
Weighted average number of common shares outstanding, basic and diluted	28,077,963	9,362,031

The accompanying notes are an integral part of these Consolidated Financial Statements.

TENAX THERAPEUTICS, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Preferred Stock		Common Stock					
	Number of Shares	Amount	Number of Shares	Amount	Additional paid-in capital	Accumulated other comprehensive gain (loss)	Accumulated deficit	Total stockholders' equity
Balance at April 30, 2013	**987**	**$ 1**	**1,930,078**	**$ 193**	**$ 115,265,854**	**$ -**	**$ (117,044,084)**	**$ (1,778,036)**
Preferred stock sold, net of offering costs	5,369	1			4,895,187			4,895,188
Preferred stock issued for convertible debt	4,600	3			4,599,997			4,600,000
Common and preferred stock issued for asset purchase	32,992	3	1,366,844	137	24,046,860			24,047,000
Common stock sold, net of offering costs			10,678,571	1,068	54,907,282			54,908,350
Common stock issued for convertible preferred stock	(43,948)	(8)	9,056,415	906	(898)			-
Common stock issued as interest on convertible debt			4,881	1	220,040			220,041
Common stock issued as dividend on convertible preferred stock			1,407,485	140	(140)			-
Compensation on options and restricted stock issued			50,144	5	8,131,619			8,131,624
Common stock issued for services rendered			198,668	20	499,980			500,000
Exercise of warrants			3,161,145	316	7,135,753			7,136,069
Reclassification of warrants from equity to derivative liability					(233,036)			(233,036)
Fractional shares of common stock due to reverse stock split			3,769					-
Net loss							(19,541,839)	(19,541,839)
Balance at April 30, 2014	**-**	**$ -**	**27,858,000**	**$ 2,786**	**$ 219,468,498**	**$ -**	**$ (136,585,923)**	**$ 82,885,361**
Compensation on options and restricted stock issued			29,956	3	465,151			465,154
Common stock issued for services rendered			22,079	2	99,998			100,000
Common stock issued as interest on convertible debt			255	-	11,500			11,500
Issuance of warrants					478,115			478,115
Exercise of warrants			209,230	21	543,977			543,998
Unrealized gain (loss) on marketable securities						26,718	-	26,718
Net loss							(14,081,812)	(14,081,812)
Balance at April 30, 2015	**-**	**$ -**	**28,119,520**	**$ 2,812**	**$ 221,067,239**	**$ 26,718**	**$ (150,667,735)**	**$ 70,429,034**

The accompanying notes are an integral part of these Consolidated Financial Statements.

TENAX THERAPEUTICS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended April 30,	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Loss	$ (14,081,812)	$ (19,541,839)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization	148,140	150,489
Interest on debt instruments	45,606	2,181,955
Loss on impairment, disposal and write down of long-lived assets	1,034,863	-
Gain on disposal of property and equipment	(6,050)	2,519
Issuance and vesting of compensatory stock options and warrants	769,906	8,042,662
Issuance of common stock as compensation	117,295	651,460
Change in the fair value of warrants	(382,431)	721,840
Amortization of premium on marketable securities	674,378	-
Changes in operating assets and liabilities		
Accounts receivable, prepaid expenses and other assets	(793,148)	519,255
Inventory	-	99,204
Accounts payable and accrued liabilities	2,724,459	(2,089,116)
Net cash used in operating activities	(9,748,794)	(9,261,571)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of marketable securities	(55,142,333)	-
Sale of marketable securities	14,319,630	-
Purchase of property and equipment	(4,234)	(9,804)
Proceeds from the sale of property and equipment	6,500	-
Capitalization of patent costs and license rights	(105,423)	(137,234)
Net cash used in investing activities	(40,925,860)	(147,038)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from sale of common stock and exercise of stock options and warrants, net of related expenses and payments	543,998	62,044,419
Proceeds from issuance of notes payable, net of issuance costs	172,025	141,320
Proceeds for issuance of convertible preferred stock, net of issuance costs	-	4,895,188
Payments on notes - short-term	(435,433)	(135,291)
Net cash provided by financing activities	280,590	66,945,636
Net change in cash and cash equivalents	(50,394,064)	57,537,027
Cash and cash equivalents, beginning of period	58,320,555	783,528
Cash and cash equivalents, end of period	$ 7,926,491	$ 58,320,555
Cash paid for:		
Interest	$ 3,475	$ 30,328

The accompanying notes are an integral part of these Consolidated Financial Statements.

Non-cash financing activities during the year ended April 30, 2015:

- The Company issued 255 shares of restricted common stock for the payment of interest accrued on convertible notes. The shares were issued at a conversion price of $45.10 per share for the payment of $11,500 interest payable on convertible notes with a gross carrying value of $300,000.

Non-cash financing activities during the year ended April 30, 2014:

- The Company issued 4,881 shares of restricted common stock for the payment of interest accrued on convertible notes. The shares were issued at a conversion price of $45.10 for the payment of $220,041 interest payable on convertible notes with a gross carrying value of $4,900,000.

- The Company issued 831,401 shares of its common stock for the payment of $1,300,204 as dividends on the Series C 8% Convertible Preferred stock.

- The Company issued 4,600 shares of Series D 8% Convertible Preferred Stock as consideration for cancellation of $4.6 million in outstanding principal amount of a convertible promissory note issued by the Company on July 1, 2011.

- The Company issued 576,084 shares of its common stock for the payment of $1,104,000 as dividends on the Series D 8% Convertible Preferred stock.

- The Company issued 1,366,844 shares of its common stock that had a fair value of approximately $8.7 million and 32,992 shares of its Series E Convertible Preferred Stock, which are convertible into an aggregate of 3,299,200 shares of common stock that had a fair value of approximately $15.3 million in exchange for the assets of Phyxius Pharma, Inc. The Company recorded Goodwill of $11,265,100 as a result of this issuance.

The accompanying notes are an integral part of these Consolidated Financial Statements.

NOTE A—DESCRIPTION OF BUSINESS

Description of Business—Tenax Therapeutics (the "Company") was originally formed as a New Jersey corporation in 1967 under the name Rudmer, David & Associates, Inc., and subsequently changed its name to Synthetic Blood International, Inc. On June 17, 2008, the stockholders of Synthetic Blood International approved the Agreement and Plan of Merger dated April 28, 2008, between Synthetic Blood International and Oxygen Biotherapeutics, Inc., a Delaware corporation. Oxygen Biotherapeutics was formed on April 17, 2008, by Synthetic Blood International to participate in the merger for the purpose of changing the state of domicile of Synthetic Blood International from New Jersey to Delaware. Certificates of Merger were filed with the states of New Jersey and Delaware, and the merger was effective June 30, 2008. Under the Plan of Merger, Oxygen Biotherapeutics was the surviving corporation and each share of Synthetic Blood International common stock outstanding on June 30, 2008 was converted to one share of Oxygen Biotherapeutics common stock. On September 19, 2014, the Company changed its name to Tenax Therapeutics, Inc.

On October 18, 2013, the Company created a wholly owned subsidiary, Life Newco, Inc., a Delaware corporation ("Life Newco"), to acquire certain assets of Phyxius Pharma, Inc., a Delaware corporation ("Phyxius"), pursuant to an Asset Purchase Agreement, dated October 21, 2013 (the "Asset Purchase Agreement"), by and among the Company, Life Newco, Phyxius and the stockholders of Phyxius (the "Phyxius Stockholders"). As further discussed in Note D below, on November 13, 2013, under the terms and subject to the conditions of the Asset Purchase Agreement, Life Newco acquired certain assets, including a license granting Life Newco an exclusive, sublicenseable right to develop and commercialize pharmaceutical products containing Levosimedan, 2.5 mg/ml concentrate for solution for infusion / 5ml vial in the United States and Canada.

Reverse Stock Split

The Company initiated a 1-for-20 reverse stock split effective May 10, 2013. All shares and per share amounts in these Consolidated Financial Statements and notes thereto have been retroactively adjusted to give effect to the reverse stock split.

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

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

On an ongoing basis, management reviews its estimates to ensure that these estimates appropriately reflect changes in the Company's business and new information as it becomes available. If historical experience and other factors used by management to make these estimates do not reasonably reflect future activity, the Company's results of operations and financial position could be materially impacted.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts and transactions of Tenax Therapeutics, Inc. and Life Newco, Inc. All material intercompany transactions and balances have been eliminated in consolidation.

Goodwill

Acquired businesses are accounted for using the acquisition method of accounting, which requires that assets acquired, including identifiable intangible assets, and liabilities assumed be recorded at fair value, with limited exceptions. Any excess of the purchase price over the fair value of the net assets acquired is recorded as goodwill. If the acquired net assets do not constitute a business, the transaction is accounted for as an asset acquisition and no goodwill is recognized.

Goodwill is reviewed for impairment on an annual basis or more frequently if events or circumstances indicate potential impairment. The Company's goodwill evaluation is based on both qualitative and quantitative assessments regarding the fair value of goodwill relative to its carrying value. The Company assesses qualitative factors to determine if its sole reporting unit's fair value is more likely than not to exceed its carrying value, including goodwill. In the event the Company determines that it is more likely than not that its reporting unit's fair value is less than its carrying amount, quantitative testing is performed comparing recorded values to estimated fair values. If the fair value exceeds the carrying value, goodwill is not impaired. If the carrying value exceeds the fair value, an impairment charge is recognized through a charge to operations based upon the excess of the carrying value of goodwill over the implied fair value. There was no impairment to goodwill recognized during 2015 and 2014.

Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity date of three months or less, when acquired, to be cash equivalents.

Cash Concentration Risk

On July 21, 2010, the Wall Street Reform and Consumer Protection Act permanently increased the Federal Deposit Insurance Corporation (the "FDIC") insurance limits to $250,000 per depositor per insured bank. At April 30, 2015, the Company had $7,190,971 of cash balances uninsured by the FDIC.

Liquidity and Capital Resources

The Company has financed its operations since September 1990 through the issuance of debt and equity securities and loans from stockholders. The Company had total current assets of $17,511,176 and $58,966,033 and working capital of $12,993,966 and $56,394,986 as of April 30, 2015 and April 30, 2014, respectively. The Company's practice is to invest excess cash, where available, in short-term money market investment instruments.

Cash resources, including the fair value of the Company's available for sale marketable securities as of April 30, 2015 were approximately $48.1 million, compared to approximately $58.3 million as of April 30, 2014. Based on its resources at April 30, 2015, and the current plan of expenditure on continuing development of the Company's current product candidates, the Company believes that it has sufficient capital to fund its operations through the calendar year 2017. However, the Company will need substantial additional financing in order to fund its operations beyond such period and thereafter until it can achieve profitability, if ever. The Company depends on its ability to raise additional funds through various potential sources, such as equity and debt financing, or to license its product candidates to another pharmaceutical company. The Company will continue to fund operations from cash on hand and through sources of capital similar to those previously described. The Company cannot assure that it will be able to secure such additional financing, or if available, that it will be sufficient to meet its needs.

To the extent that the Company raises additional funds by issuing shares of its common stock or other securities convertible or exchangeable for shares of common stock, stockholders will experience dilution, which may be significant. In the event the Company raises additional capital through debt financings, the Company may incur significant interest expense and become subject to covenants in the related transaction documentation that may affect the manner in which the Company conducts its business. To the extent that the Company raises additional funds through collaboration and licensing arrangements, it may be necessary to relinquish some rights to its technologies or product candidates, or grant licenses on terms that may not be favorable to the Company. Any or all of the foregoing may have a material adverse effect on the Company's business and financial performance.

Deferred financing costs

Deferred financing costs represent legal, due diligence and other direct costs incurred to raise capital or obtain debt. Direct costs include only "out-of-pocket" or incremental costs directly related to the effort, such as a finder's fee and accounting and legal fees. These costs will be capitalized if the efforts are successful, or expensed when unsuccessful. Indirect costs are expensed as incurred. Deferred financing costs related to debt are amortized over the life of the debt. Deferred financing costs related to issuing equity are charged to Additional Paid-in Capital.

Derivative financial instruments

The Company does not use derivative instruments to hedge exposures to cash flow, market or foreign currency risk. Terms of convertible promissory note instruments and other convertible equity instruments are reviewed to determine whether or not they contain embedded derivative instruments that are required under FASB ASC 815, Derivatives and Hedging ("ASC 815") to be accounted for separately from the host contract, and recorded on the balance sheet at fair value. The fair value of derivative liabilities, if any, is required to be revalued at each reporting date, with corresponding changes in fair value recorded in current period operating results.

Freestanding warrants issued by the Company in connection with the issuance or sale of debt and equity instruments are considered to be derivative instruments, and are evaluated and accounted for in accordance with the provisions of ASC 815. Pursuant to ASC 815, an evaluation of specifically identified conditions is made to determine whether the fair value of warrants issued is required to be classified as equity or as a derivative liability.

Beneficial conversion and warrant valuation

In accordance with FASB ASC 470-20, Debt with Conversion and Other Options, the Company records a beneficial conversion feature ("BCF") related to the issuance of convertible debt that have conversion features at fixed rates that are in-the-money when issued and the fair value of warrants issued in connection with those instruments. The BCF for the convertible instruments is recognized and measured by allocating a portion of the proceeds to warrants, based on their relative fair value, and as a reduction to the carrying amount of the convertible debt equal to the intrinsic value of the conversion feature. As described in Note F, the discount recorded in connection with the BCF and warrant valuation is recognized as non-cash interest expense and is amortized over the life of the convertible note.

Preclinical Study and Clinical Accruals

The Company estimates its preclinical study and clinical trial expenses based on the services received pursuant to contracts with several research institutions and contract research organizations ("CROs") that conduct and manage preclinical and clinical trials on its behalf. The financial terms of the agreements vary from contract to contract and may result in uneven expenses and payment flows. Preclinical study and clinical trial expenses include the following:

– Fees paid to CROs in connection with clinical trials,
– Fees paid to research institutions in conjunction with preclinical research studies, and
– Fees paid to contract manufacturers and service providers in connection with the production and testing of active pharmaceutical ingredients and drug materials for use in preclinical studies and clinical trials.

Property and Equipment, Net

Property and equipment are stated at cost, subject to adjustments for impairment, less accumulated depreciation and amortization. Depreciation and amortization are computed using the straight-line method over the following estimated useful lives:

Laboratory equipment	3 – 5 years
Office equipment	5 years
Office furniture and fixtures	7 years
Computer equipment and software	3 years
Leasehold improvements	Shorter of useful life or remaining lease term

Maintenance and repairs are charged to expense as incurred, improvements to leased facilities and equipment are capitalized.

Impairment of Long-Lived Assets

The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Revenue Recognition

Revenues from merchandise sales are recognized upon transfer of ownership, including passage of title to the customer and transfer of the risk of loss related to those goods. Revenues are reported on a net sales basis, which is computed by deducting from gross sales the amount of actual product returns received, discounts, incentive arrangements with retailers and an amount established for anticipated product returns. The Company's practice is to accept product returns from retailers only if properly requested, authorized and approved. As a percentage of gross sales, returns were less than 5% in fiscal years 2014.

Revenues from a cost-reimbursement grant sponsored by the United States Army ("Grant Revenue"), are recognized as milestones under the Grant program are achieved. Grant Revenue is earned through reimbursements for the direct costs of labor, travel, and supplies, as well as the pass-through costs of subcontracts with third-party CROs.

Research and Development Costs

Research and development costs include, but are not limited to, (i) expenses incurred under agreements with CROs and investigative sites, which conduct our clinical trials and a substantial portion of our preclinical studies; (ii) the cost of manufacturing and supplying clinical trial materials; (iii) payments to contract service organizations, as well as consultants; (iv) employee-related expenses, which include salaries and benefits; and (v) facilities, depreciation and other allocated expenses, which include direct and allocated expenses for rent and maintenance of facilities and equipment, depreciation of leasehold improvements, equipment, laboratory and other supplies. All research and development expenses are expensed as incurred.

Income Taxes

Deferred tax assets and liabilities are recorded for differences between the financial statement and tax bases of the assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is recorded for the amount of income tax payable or refundable for the period increased or decreased by the change in deferred tax assets and liabilities during the period.

Stock-Based Compensation

The Company accounts for stock based compensation in accordance with ASC 718 Compensation — Stock Compensation, which requires the measurement and recognition of compensation expense for all stock-based payment awards granted, modified and settled to our employees and directors. The Company chose the "straight-line" attribution method for allocating compensation costs of each stock option on a straight-line basis over the requisite service period using the Black-Scholes Option Pricing Model to calculate the grant date fair value.

Loss Per Share

Basic loss per share, which excludes antidilutive securities, is computed by dividing loss available to common shareholders by the weighted-average number of common shares outstanding for that particular period. In contrast, diluted loss per share considers the potential dilution that could occur from other equity instruments that would increase the total number of outstanding shares of common stock. Such amounts include shares potentially issuable under outstanding options, warrants and convertible debentures. A reconciliation of the numerator and denominator used in the calculation of basic and diluted net loss per share follows.

	Year ended April 30,	
	2015	2014
Historical net loss per share:		
Numerator		
Net loss attributable to common stockholders	$ (14,081,812)	$ (25,345,201)
Less: Effect of amortization of interest expense on convertible notes	-	-
Net loss attributable to common stockholders (diluted)	(14,081,812)	(25,345,201)
Denominator		
Weighted-average common shares outstanding	28,077,963	9,362,031
Effect of dilutive securities	-	-
Denominator for diluted net loss per share	28,077,963	9,362,031
Basic and diluted net loss per share	$ (0.50)	$ (2.71)

The following outstanding options, convertible note shares and warrants were excluded from the computation of basic and diluted net loss per share for the periods presented because including them would have had an anti-dilutive effect.

	Year ended April 30,	
	2015	2014
Options to purchase common stock	3,718,298	3,647,858
Warrants to purchase common stock	2,728,236	2,762,466
Restricted stock grants	90	42,629
Convertible preferred shares outstanding	-	6,652

Operating Leases

The Company maintains operating leases for its office and laboratory facilities. The lease agreements may include rent escalation clauses and tenant improvement allowances. The Company recognizes scheduled rent increases on a straight-line basis over the lease term beginning with the date the company takes possession of the leased space. Differences between rental expense and actual rental payments are recorded as deferred rent liabilities and are included in “Other liabilities” on the consolidated balance sheets.

Recent Accounting Pronouncements

In August 2014, the FASB issued ASU No. 2014-15 ("ASU 2014-15"), *Presentation of Financial Statements—Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*. This ASU requires management to assess and evaluate whether conditions or events exist, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern within one year after the financial statements issue date. The provisions of ASU 2014-15 are effective for annual periods beginning after December 15, 2016 and for annual and interim periods thereafter; early adoption is permitted. The Company does not expect the adoption of ASU 2014-15 to have a material effect on its consolidated financial statements.

In June 2014, the FASB issued ASU No. 2014-12 ("ASU 2014-12"), *Compensation – Stock Compensation: Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could be Achieved after the Requisite Service Period*, which provides explicit guidance for the accounting treatment for these types of awards. The ASU requires that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition. As such, the performance target should not be reflected in estimating the grant-date fair value of the award. This update is effective for annual periods and interim periods within those annual periods beginning after December 15, 2015. Early adoption is permitted. The Company does not expect the adoption of ASU 2014-12 will have a material impact on its consolidated financial statements.

In June 2014, the FASB issued ASU 2014-10 ("ASU 2014-10"), *Development Stage Entities (Topic 915)*. The objective of the amendments in this update is to improve financial reporting by reducing the cost and complexity associated with the incremental reporting requirements for development stage entities. Users of financial statements of development stage entities told the Board that the development stage entity distinction, the inception-to-date information, and certain other disclosures currently required under U.S. GAAP in the financial statements of development stage entities provide information that has limited relevance and is generally not decision useful. As a result, the amendments in this update remove all incremental financial reporting requirements from US GAAP for development stage entities, thereby improving financial reporting by eliminating the cost and complexity associated with providing that information. The amendments are effective for annual reporting periods beginning after December 15, 2014, and interim reporting periods beginning after December 15, 2015. Early adoption is permitted. The Company has elected to early adopt this guidance, and therefore the Company is no longer presenting the financial statements with inception to date disclosures.

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09 ("ASU 2014-09"), *Revenue from Contracts with Customers (Topic 606)* to create a single, joint revenue standard that is consistent across all industries and markets for companies that prepare their financial statements in accordance with GAAP. Under ASU 2014-09, an entity is required to recognize revenue upon the transfer of promised goods or services to customers in an amount that reflects the consideration the entity expects to be entitled to receive in exchange for those goods or services. This update is effective for annual periods and interim periods within those annual periods beginning after December 15, 2016. The Company does not expect the adoption of ASU 2014-09 will have a material impact on its consolidated financial statements.

In May 2013, the Committee of Sponsoring Organizations of the Treadway Commission (COSO) issued its updated Internal Control – Integrated Framework (the 2013 Framework) and related illustrative documents. The original COSO Framework was published in 1992 and was recognized as the leading guidance for designing, implementing and conducting internal controls over external financial reporting and assessing its effectiveness. The 2013 Framework is expected to help organizations design and implement internal control in light of many changes in business and operating environments since the issuance of the original Framework, broaden the application of internal control in addressing operations and reporting objectives, and clarify the requirements for determining what constitutes effective internal control. The Company transitioned from the 1992 framework to the 2013 framework during the first quarter of fiscal year ending April 30, 2015.

Fair Value

The Company records its financial assets and liabilities in accordance with the FASB Accounting Standards Codification ("ASC") 820 Fair Value Measurements. The Company's balance sheet includes the following financial instruments: cash and cash equivalents, investments in marketable securities, short-term notes payable, and warrant liabilities. The Company considers the carrying amount of its cash and cash equivalents and short-term notes payable to approximate fair value due to the short-term nature of these instruments.

Accounting for fair value measurements involves a single definition of fair value, along with a conceptual framework to measure fair value, with a fair value defined as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date." The fair value measurement hierarchy consists of three levels:

Level one	Quoted market prices in active markets for identical assets or liabilities;
Level two	Inputs other than level one inputs that are either directly or indirectly observable; and
Level three	Unobservable inputs developed using estimates and assumptions; which are developed by the reporting entity and reflect those assumptions that a market participant would use.

The Company applies valuation techniques that (1) place greater reliance on observable inputs and less reliance on unobservable inputs and (2) are consistent with the market approach, the income approach and/or the cost approach, and include enhanced disclosures of fair value measurements in the Company's consolidated financial statements.

Investments in Marketable Securities

The Company classifies all of its investments as available-for-sale. Unrealized gains and losses on investments are recognized in comprehensive income/(loss), unless an unrealized loss is considered to be other than temporary, in which case the unrealized loss is charged to operations. The Company periodically reviews its investments for other than temporary declines in fair value below cost basis and whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Company believes the individual unrealized losses represent temporary declines primarily resulting from interest rate changes. Realized gains and losses are reflected in other income (expense) in the Consolidated Statements of Operations and are determined using the specific identification method with transactions recorded on a settlement date basis. The Company recognized a gain of $1,025 and $0 for the years ended April 30, 2015 and 2014, respectively.

Investments with original maturities at date of purchase beyond three months and which mature at or less than 12 months from the balance sheet date are classified as current. Investments with a maturity beyond 12 months from the balance sheet date are classified as long-term. At April 30, 2015, the Company believes that the costs of its investments are recoverable in all material respects.

The following tables summarize the fair value of the Company's investments by type. The estimated fair value of the Company's fixed income investments are classified as Level 2 in the fair value hierarchy as defined in U.S. GAAP. These fair values are obtained from independent pricing services which utilize Level 2 inputs:

	April 30, 2015				
	Amortized Cost	Accrued Interest	Gross Unrealized Gains	Gross Unrealized losses	Estimated Fair Value
Obligations of U.S. Government and its agencies	$ 2,448,987	$ 7,233	$ 1,122	$ -	$ 2,457,342
Corporate debt securities	37,373,264	318,841	45,034	(19,438)	37,717,701
Total investments	$ 39,822,251	$ 326,074	$ 46,156	$ (19,438)	$ 40,175,043

The following table summarizes the scheduled maturity for the Company's investments at April 30, 2015 and 2014, respectively:

	April 30, 2015	April 30, 2014
Maturing in one year or less	$ 9,200,082	$ -
Maturing after one year through three years	30,974,961	-
Total investments	$ 40,175,043	$ -

Warrant liability

On July 23, 2013, the Company issued common stock warrants in connection with the issuance of Series C 8% Preferred Stock (the "Series C Warrants"). As part of the offering, the Company issued 2,753,348 warrants at an exercise price of $2.60 per share and contractual term of 6 years. On November 11, 2013, the Company satisfied certain contractual obligations pursuant to the Series C offering which caused certain "down-round" price protection clauses in the outstanding warrants to become effective on that date. In accordance with ASC 815-40-35-9, the Company reclassified these warrants as a current liability and recorded a warrant liability of $1,380,883, which represents the fair market value of the warrants at that date. The initial fair value recorded as warrants within stockholders' equity of $233,036 was reversed and the subsequent changes in fair value are recorded as a component of other expense.

Financial assets or liabilities are considered Level 3 when their fair values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable. The Series C Warrants are measured using the Monte Carlo valuation model which is based, in part, upon inputs for which there is little or no observable market data, requiring the Company to develop its own assumptions. The assumptions used in calculating the estimated fair value of the warrants represent the Company's best estimates; however, these estimates involve inherent uncertainties and the application of management judgment. As a result, if factors change and different assumptions are used, the warrant liabilities and the change in estimated fair value of the warrants could be materially different.

Inherent in the Monte Carlo valuation model are assumptions related to expected stock-price volatility, expected life, risk-free interest rate and dividend yield. The Company estimates the volatility of its common stock based on historical volatility that matches the expected remaining life of the warrants. The risk-free interest rate is based on the U.S. Treasury zero-coupon yield curve on the grant date for a maturity similar to the expected remaining life of the warrants. The expected life of the warrants is assumed to be equivalent to their remaining contractual term. The dividend rate is based on the historical rate, which the Company anticipates to remain at zero.

The Monte Carlo model is used for the Series C Warrants to appropriately value the potential future exercise price adjustments triggered by the anti-dilution provisions. This requires Level 3 inputs which are based on the Company's estimates of the probability and timing of potential future financings and fundamental transactions. The other assumptions used by the Company are summarized in the following table for the Series C Warrants that were outstanding as of April 30, 2015 and April 30, 2014:

Series C Warrants	**April 30, 2015**	**April 30, 2014**
Closing stock price	$ 3.42	$ 4.88
Expected dividend rate	0%	0%
Expected stock price volatility	83.53%	90.32%
Risk-free interest rate	1.23%	1.75%
Expected life (years)	4.23	5.23

As of April 30, 2015, the fair value of the warrant liability was $572,445. The Company recorded a gain of $382,431 and a loss of $721,840 for the change in fair value as a component of other expense on the consolidated statement of operations for the years ended April 30, 2015 and 2014, respectively.

A roll-forward of fair value measurements using significant unobservable inputs (Level 3) for the warrants for the years ended April 30, 2015 and 2014 are as follows:

	Year ended April 30, 2015
Balance, at April 30, 2013	**$ -**
Issuance of warrants	233,036
Exercise of warrants	-
Loss included in income from change in fair value of warrants for the period	721,840
Balance, at April 30, 2014	**$ 954,876**
Issuance of warrants	-
Exercise of warrants	-
Gain included in income from change in fair value of warrants for the period	(382,431)
Balance, at April 30, 2015	**$ 572,445**

As of April 30, 2015, 240,523 Series C Warrants are outstanding.

The following tables summarize information regarding assets and liabilities measured at fair value on a recurring basis as of April 30, 2015 and April 30, 2014:

		Fair Value Measurements at Reporting Date Using		
	Balance as of April 30, 2015	Quoted prices in Active Markets for Identical Securities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Current Assets				
Cash and cash equivalents	$ 7,926,491	$ 7,926,491	$ -	$ -
Marketable securities	$ 9,200,082	$ -	$ 9,200,082	$ -
Long-term Assets				
Marketable securities	$ 30,974,961	$ -	$ 30,974,961	$ -
Current Liabilities				
Warrant liabilities	$ 572,445	$ -	$ -	$ 572,445

		Fair Value Measurements at Reporting Date Using		
	Balance as of April 30, 2014	Quoted prices in Active Markets for Identical Securities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Current Assets				
Cash and cash equivalents	$ 58,320,555	$ 58,320,555	$ -	$ -
Current Liabilities				
Warrant liabilities	$ 954,876	$ -	$ -	$ 954,876

There were no significant transfers between levels during the year ended April 30, 2015.

Change in Fiscal Year

On April 9, 2015, the Company's Board of Directors approved a change in the Company's fiscal year to a fiscal year beginning on January 1 and ending on December 31 of each year, such change beginning as of January 1, 2016. This Annual Report on Form 10-K will be the last annual filing under the old fiscal year. In accordance with certain rules promulgated under the Securities Exchange Act of 1934, as amended, the Company will file a Transition Report on Form 10-K with the Securities and Exchange Commission for the eight-month period ending December 31, 2015. The Company will subsequently file its quarterly and annual reports for the new fiscal year ending December 31.

NOTE C—BALANCE SHEET COMPONENTS

Other current assets

Other current assets consist of the following:

	April 30, 2015	April 30, 2014
R&D materials	$ 29,479	$ 177,406
Other	29,144	-
	$ 58,623	$ 177,406

Property and equipment, net

Property and equipment consist of the following:

	April 30, 2015	April 30, 2014
Laboratory equipment	$ 514,214	$ 683,632
Computer equipment and software	123,295	142,380
Office furniture and fixtures	130,192	130,192
	767,701	956,204
Less: Accumulated depreciation	(717,379)	(831,830)
	$ 50,322	$ 124,374

Depreciation and amortization expense was $77,836 and $88,300 for the years ended April 30, 2015 and 2014, respectively.

Accrued liabilities

Accrued liabilities consist of the following:

	April 30, 2015	April 30, 2014
Operating costs	$ 2,053,597	$ 76,632
Employee related	596,137	609,130
Restructuring liability	10,932	43,728
Deferred revenue	-	124,521
Convertible note interest payable	-	4,125
	$ 2,660,666	$ 858,136

Other liabilities

As further discussed in Note H below, following the closing of the Company's research and development facility in California, the Company entered into a long-term sublease agreement with an unrelated third party covering the vacated space which extends through the termination date. The Company recorded a liability for the remaining lease payments due under its long-term, non-cancelable operating lease for this facility, net of sublease payments, which expires in July 2015. The table below summarizes the net future minimum payments due under this lease agreement.

	April 30, 2015	April 30, 2014
Net non-cancelable operating lease obligation	$ 10,932	$ 54,660
Less: current portion	(10,932)	(43,728)
Long-term portion of net non-cancelable operating lease obligation	$ -	$ 10,932

NOTE D—ACQUISITION

On November 13, 2013, the Company, through its wholly owned subsidiary, Life Newco, acquired certain assets of Phyxius pursuant to the Asset Purchase Agreement. The acquisition was accounted for under the acquisition method of accounting for business combinations in accordance with FASB ASC 805, *Business Combinations*, which requires, among other things that the assets acquired and liabilities assumed be recognized at their fair values as of the acquisition date. Acquisition-related costs are not included as a component of the acquisition accounting, but are recognized as expenses in the periods in which the costs are incurred. Any changes within the measurement period resulting from facts and circumstances that existed as of the acquisition date may result in retrospective adjustments to the provisional amounts recorded at the acquisition date.

Under the terms and subject to the conditions of the Asset Purchase Agreement, Life Newco acquired (the "Acquisition") certain assets, including that certain License Agreement (the "License"), dated September 20, 2013 by and between Phyxius and Orion Corporation, a global healthcare company incorporated under the laws of Finland ("Orion"), and that certain Side Letter, dated October 15, 2013 by and between Phyxius and Orion. The License grants Life Newco an exclusive, sublicenseable right to develop and commercialize pharmaceutical products containing Levosimedan, 2.5 mg/ml concentrate for solution for infusion / 5ml vial (the "Product") in the United States and Canada (the "Territory"). Pursuant to the License, Life Newco must use Orion's "Simdax®" trademark to commercialize the Product. The License also grants to Life Newco a right of first refusal to commercialize new developments of the Product, including developments as to the formulation, presentation, means of delivery, route of administration, dosage or indication. Orion's ongoing role under the License includes sublicense approval, serving as the sole source of manufacture, holding a first right to enforce intellectual property rights in the Territory, and certain regulatory participation rights. Additionally, Life Newco must grant back to Orion a broad non-exclusive license to any patents or clinical trial data related to the Product developed by Life Newco under the License. The License has a fifteen (15) year term, provided, however, that the License will continue after the end of the fifteen year term in each country in the Territory until the expiration of Orion's patent rights in the Product in such country (the "Term"). Orion had the right to terminate the License if the human clinical trial using the Product and studying reduction in morbidity and mortality of cardiac surgery patients at risk of low cardiac output syndrome (LCOS) as described in the US Food and Drug Administration (the "FDA") agreed upon clinical study protocol (the "Study") was not started by July 31, 2014. While the Company did not commence the trial by that date, on September 9, 2014, Orion notified the Company in writing that it did not intend to terminate the License so long as the trial was commenced on or before October 31, 2014. The Company subsequently commenced the human clinical trial for levosimendan on September 18, 2014 when the first patient was enrolled.

The following table summarizes the consideration transferred to acquire Phyxius and the amounts of identified assets acquired and liabilities assumed at the acquisition date.

Fair Value of Consideration Transferred:

Common stock	8,747,802
Series E convertible preferred stock	15,299,198
Total	24,047,000

The Company issued 1,366,844 shares of its common stock that had a total fair value of approximately $8.7 million based on the closing market price on November 13, 2013, the acquisition date. The Company also issued 32,992 shares of its Series E Convertible Preferred Stock (the “Series E Stock”), which are convertible into an aggregate of 3,299,200 shares of common stock that had a total fair value of approximately $15.3 million.

The rights, preferences and privileges of the Series E Stock are set forth in the Certificate of Designation of Series E Convertible Preferred Stock that the Company filed with the Secretary of State of the State of Delaware on November 13, 2013. Each share of Series E Stock automatically converted into 100 shares of common stock following receipt of stockholder approval for the transaction at the special meeting of stockholders held on March 13, 2014. Approximately 11% of the shares of converted common stock vested immediately upon receipt of stockholder approval for the transaction, while the remainder vested upon the closing of the Company’s underwritten offering of 9,285,714 shares of common stock on March 21, 2014, which resulted in net proceeds of approximately $55 million.

The Series E Stock was convertible into restricted common shares using a 100-for-one ratio at any time and in accordance with a vesting schedule contingent upon achievement of Company-specific non-financial conditions. As a result, the fair value of the Preferred Shares was inferred based on their common stock equivalent value given the conversion terms. The conditional vesting of the Series E Stock was accounted for by subtracting the fair value of an equal number of put options that would effectively protect the common stock equivalent stock value as of the closing date. The terms of the put options were as follows:

- Exercise price equal to the common stock price as of the Valuation Date.

- Term based on management’s risk-adjusted expected time to meeting the vesting condition, which was further increased by 6 months to reflect the marketability restriction of the unregistered stock, consistent with SEC Rule 144 of the Securities Act.

- Volatility was consistent with the term for the individual milestone payments derived from the median historical asset volatility for a set of comparable guideline companies. The volatility was then relevered to estimate the equity volatility of the Company.

In accordance with the provisions of FASB ASC 805, the following table presents the preliminary allocation of the total fair value of consideration transferred, as discussed above, to the acquired tangible and intangible assets and assumed liabilities of Phyxius based on their estimated fair values as of the closing date of the transaction, measurement period adjustments recorded since the acquisition date and the adjusted allocation of the total fair value:

	November 13, 2013 (As initially reported)	Measurement Period Adjustments (1)	November 13, 2013 (As adjusted)
IPR&D	$ 22,000,000	$ -	$ 22,000,000
Trade and other payables	(256,000)	-	(256,000)
Liabilities arising from a contingency	(1,000,000)	-	(1,000,000)
Deferred tax liability related to intangibles acquired	-	(7,962,100)	(7,962,100)
Total identifiable net assets	20,744,000	(7,962,100)	12,781,900
Goodwill	3,303,000	7,962,100	11,265,100
Total fair value of consideration	$ 24,047,000	$ -	$ 24,047,000

(1) The measurement period adjustments primarily reflect the recording of a deferred tax liability and resulting goodwill. The measurement period adjustments were made to reflect facts and circumstances existing as of the acquisition date and did not result from intervening events subsequent to the acquisition date.

The fair value of the acquired in-process research and development, ("IPR&D"), intangible asset of approximately $22.0 million was determined using the multi-period excess earnings method. The Company did not acquire any other class of assets as a result of the acquisition.

Pursuant to the terms of the License, the Company paid to Orion a non-refundable up-front payment in the amount of $1 million.

The License also includes the following development milestones for which the Company shall make non-refundable payments to Orion no later than twenty-eight (28) days after the occurrence of the applicable milestone event: (i) $2.0 million upon the grant of FDA approval, including all registrations, licenses, authorizations and necessary approvals, to develop and/or commercialize the Product in the United States; and (ii) $1.0 million upon the grant of regulatory approval for the Product in Canada. Once commercialized, the Company is obligated to make certain non-refundable commercialization milestone payments to Orion, aggregating up to $13.0 million, contingent upon achievement of certain cumulative net sales amounts in the Territory. The Company must also pay Orion tiered royalties based on net sales of the Product in the Territory made by the Company and its sublicensees. After the end of the Term, the Company must pay Orion a royalty based on net sales of the Product in the Territory for as long as the Company sells the Product in the Territory.

In connection with the closing of the Acquisition, Phyxius' co-founder, Chief Executive Officer and stockholder, John Kelley, became the Company's Chief Executive Officer and two other Phyxius employees and stockholders, Doug Randall and Douglas Hay, PhD became employees of the Company as Vice President, Business and Commercial Operations and Vice President, Regulatory Affairs, respectively. Michael Jebsen, the Company's prior Interim Chief Executive Officer and current Chief Financial Officer, continued serving as the Company's Chief Financial Officer. In addition, Mr. Kelley was subsequently appointed to the Company's Board of Directors, and Gerald T. Proehl, a designee of the Phyxius Stockholders, was appointed to the Board of Directors on April 3, 2014 following receipt of stockholder approval for the transaction. Pursuant to the Asset Purchase Agreement, the Company agreed to propose that its stockholders approve an amendment to the Company's 1999 Stock Plan to increase the amount of stock options authorized for issuance under the 1999 Stock Plan to not less than 4,000,000 shares of common stock. On March 13, 2014, the Company received stockholder approval to increase the option plan. In accordance with terms of the Acquisition, the Company issued an aggregate of 3,572,880 stock options with a grant date fair value of $15,818,512, to the individuals described above. See Note G for additional details.

The common stock and Series E Stock issued as the consideration in the Acquisition were issued and sold without registration under the Securities Act of 1933 (the "Securities Act") in reliance on the exemptions provided by Section 4(a)(2) of the Securities Act and/or Regulation D promulgated thereunder and in reliance on similar exemptions under applicable state laws. Accordingly, the Phyxius Stockholders may sell the shares of common stock and Series E Stock only pursuant to an effective registration statement under the Securities Act covering the resale of those securities, an exemption under Rule 144 under the Securities Act or another applicable exemption under the Securities Act.

The table below presents unaudited pro forma information as if the Company's acquisition of Phyxius had occurred at the beginning of the earliest period presented, which was May 1, 2013. The pro forma financial information is not indicative of the results of operations that would have occurred had the transaction been effected on the assumed date or of the results that may occur in the future:

	Year ended April 30,	
	2015	2014
Total net revenue	49,286	158,926
Net loss	$ 14,081,812	$ 19,975,030
Net loss attributable to common stockholders	$ 14,081,812	$ 25,778,392
Net loss per share, basic	$ (0.50)	$ (2.56)
Weighted average number of common shares outstanding, basic	28,077,963	10,086,186

NOTE E—INTANGIBLE ASSETS

The following table summarizes our intangible assets as of April 30, 2015:

Asset Category	Weighted Average Amortization Period (in Years)	Value Assigned	Accumulated Amortization	Impairments	Carrying Value (Net of Impairments and Accumulated Amortization)
IPR&D	N/A	$ 22,000,000	$ -	$ -	$ 22,000,000
Patents	10.3	806,771	(327,476)	(479,295)	-
License Rights	13.6	630,666	(181,484)	(449,182)	-
Trademarks	N/A	106,386		(106,386)	-
Total		$ 23,543,823		$ (1,034,863)	$ 22,000,000

The following table summarizes our intangible assets as of April 30, 2014:

Asset Category	Weighted Average Amortization Period (in Years)	Value Assigned	Accumulated Amortization	Impairments	Carrying Value (Net of Impairments and Accumulated Amortization)
IPR&D	N/A	$ 22,000,000	$ -	$ -	$ 22,000,000
Patents	10.8	724,067	(289,943)	-	434,124
License Rights	14.6	607,947	(148,713)	-	459,234
Trademarks	N/A	106,386		-	106,386
Total		$ 23,438,400		$ -	$ 22,999,744

For the years ended April 30, 2015 and 2014, the aggregate amortization expense on the above intangibles was $70,304 and $62,189, respectively.

In Process Research and Development— The levosimendan product in Phase III clinical trial represents an IPR&D asset. The IPR&D asset is a research and development project rather than a product or processes already in service or being sold. Research and development intangible assets are considered indefinite-lived until the abandonment or completion of the associated research and development efforts. If abandoned, the assets would be impaired. Research and development expenditures that are incurred after the acquisition, including those for completing the research and development activities related to the acquired intangible research and development assets, are generally expensed as incurred.

Patents and License Rights—The Company currently holds, has filed for, or owns exclusive rights to, U.S. and worldwide patents covering 9 various methods and uses of its perfluorocarbon ("PFC") technology. It capitalizes amounts paid to third parties for legal fees, application fees and other direct costs incurred in the filing and prosecution of its patent applications. These capitalized costs are amortized on a straight-line method over their useful life or legal life, whichever is shorter. The Company capitalized patent costs of approximately $105,000 and $137,000 for the year ended April 30, 2015 and 2014, respectively.

The Company completed its annual impairment test of its patents and license rights during the fourth quarter of fiscal years 2015 and 2014. The Company wrote-off approximately $929,000 and $0 of capitalized costs for patent applications that were withdrawn or abandoned during the years ended April 30, 2015 and 2014, respectively. These asset impairment charges primarily related to the Company's Oxycyte and other PFC formulations which were determined not to be a core component of the Company's development strategy.

Trademarks—The Company currently holds, or has filed for, trademarks to protect the use of names and descriptions of its products and technology. It capitalizes amounts paid to third parties for legal fees, application fees and other direct costs incurred in the filing and prosecution of its trademark applications. These trademarks are evaluated annually for impairment in accordance with ASC 350, Intangibles – Goodwill and other. The Company evaluates (i) its expected use of the underlying asset, (ii) any laws, regulations, or contracts that may limit the useful life, (iii) the effects of obsolescence, demand, competition, and stability of the industry, and (iv) the level of costs to be incurred to commercialize the underlying asset. The Company wrote-off trademark costs of approximately $106,000 and $0, for the years ended April 30, 2015 and 2014, respectively. These asset impairment charges primarily related to the Company's Oxycyte and other PFC formulations which were determined not to be a core component of the Company's development strategy.

NOTE F—NOTES PAYABLE

The following table summarizes the Company's outstanding notes payable as of April 30, 2015 and 2014:

	April 30, 2015	April 30, 2014
Notes payable, net	$ 100,160	$ 63,568
Convertible notes payable	-	300,000
Less: Unamortized discount	-	(16,678)
Notes payable, net	$ 100,160	$ 346,890

Convertible Note

On June 29, 2011, the Company issued a note (the "June Note") with a principal amount of approximately $300,000 and Warrants to purchase 6,652 shares of common stock. On July 1, 2011, the Company issued a separate note (together with the June Note, the "Notes") with a principal amount of $4,600,000 and warrants to purchase 101,996 shares of common stock. The aggregate gross proceeds to the Company from the offering were approximately $4.9 million, excluding any proceeds from the exercise of any warrants. The aggregate placement agent fees were $297,000 and legal fees associated with the offering were $88,839. These costs have been capitalized as debt issue costs and will be amortized as interest expense over the life of the Notes. The Company recorded amortization of debt issue costs of $21,427 and $128,616 for the years ended April 30, 2015 and 2014, respectively. All debt issue costs were fully amortized in the first quarter of the current year.

Interest on the Notes accrues at a rate of 15% annually and will be paid in quarterly installments commencing on the third month anniversary of issuance. The Notes were scheduled to mature 36 months from the date of issuance. The Notes may be converted into shares of common stock at a conversion price of $45.10 per share (subject to adjustment for stock splits, dividends and combinations, recapitalizations and the like) (the "Conversion Price") in whole or in part, at any time at the option of the holders of the Notes. The Notes also will automatically convert into shares of common stock at the Conversion Price at the election of a majority-in-interest of the holders of notes issued under the purchase agreement or upon the acquisition or sale of all or substantially all of the assets of the Company. The Company could make each applicable interest payment or payment of principal in cash, shares of common stock at the Conversion Price, or any combination thereof. The Company could elect to prepay all or any portion of the Notes without prepayment penalties only with the approval of a majority-in-interest of the note holders under the purchase agreement at the time of the election. The Notes contained various events of default such as failing to timely make any payment under the Note when due, which would have resulted in all outstanding obligations under the Note becoming immediately due and payable.

On August 22, 2013 holders of $4.6 million of the Notes received 4,600 shares of the Company's Series D 8% Convertible Preferred Stock (the "Series D Stock") as consideration for cancelling their outstanding Notes. On that date, the Company recognized non-cash interest expense of $1,311,847 for the remaining unamortized debt discount associated with this Notes.

On June 29, 2014, the Company paid the remaining principal balance of $300,000 to the June Note holders upon maturity.

The Company recorded interest expense of $45,606 and $2,181,955 for the years ended April 30, 2015 and 2014, respectively.

The total value allocated to the warrants was $1,960,497 and was recorded as a debt discount against the proceeds of the notes. In addition, the beneficial conversion features related to the Notes were determined to be $2,939,504. As a result, the aggregate discount on the Notes totaled $4,900,001, and was amortized over the term of the notes. The Company recorded interest expense for the amortization of debt discount of $16,678 and $483,330 for the years ended April 30, 2015 and 2014, respectively.

NOTE G—STOCKHOLDERS' EQUITY

Preferred Stock

Under the Company's Certificate of Incorporation, the Board of Directors is authorized, without further stockholder action, to provide for the issuance of up to 10,000,000 shares of preferred stock, par value $0.0001 per share, in one or more series, to establish from time to time the number of shares to be included in each such series, and to fix the designation, powers, preferences and rights of the shares of each such series and the qualifications, limitations and restrictions thereof.

On November 13, 2013, the Company filed a Certificate of Designation with the Secretary of State of the State of Delaware designating 32,992 shares of its authorized but unissued shares of preferred stock as Series E Stock.

On August 22, 2013, the Company filed a Certificate of Designation with the Secretary of State of the State of Delaware designating 4,600 shares of its authorized but unissued shares of preferred stock as Series D Stock.

On July 22, 2013, the Company filed a Certificate of Designation with the Secretary of State of the State of Delaware designating 5,369 shares of its authorized but unissued shares of preferred stock as Series C Stock.

On February 25, 2013, the Company filed a Certificate of Designation with the Secretary of State of the State of Delaware designating 1,600 shares and 500 shares of its authorized but unissued shares of preferred stock as Series B-1 Convertible Preferred Stock (the "Series B-1 Stock") and Series B-2 Convertible Preferred Stock (the "Series B-2 Stock" and together with the Series B-1 Stock, the "Series B Stock"), respectively.

On December 8, 2011, the Company filed a Certificate of Designation with the Secretary of State of the State of Delaware designating 7,500 shares of its authorized but unissued shares of preferred stock as Series A Stock.

Series E Stock

As further discussed in Note D above, on November 13, 2013 the Company issued 32,992 shares of its Series E Stock, which are convertible into an aggregate of 3,299,200 shares of common stock, as partial consideration to acquire certain assets of Phyxius Pharma, Inc. pursuant to the Asset Purchase Agreement.

The rights, preferences and privileges of the Series E Stock are set forth in the Certificate of Designation of Series E Convertible Preferred Stock (the "Certificate of Designation") that the Company filed with the Secretary of State of the State of Delaware on November 13, 2013. Each share of Series E Stock will automatically convert into 100 shares of common stock following receipt of stockholder approval for the transaction. Approximately 11% of the shares of converted common stock vest immediately upon receipt of stockholder approval for the transaction, while the remainder will vest upon achievement of certain performance milestones related to the development and commercialization of the levosimendan product in North America. In addition, all unvested converted common stock will vest if certain change of control transactions or significant equity financings occur within 24 months of the closing of the Acquisition. The number of shares of common stock into which the Series E Stock converts is subject to adjustment in the case of stock splits, stock dividends, combinations of shares and similar recapitalization transactions. The Series E Stock does not carry dividend or a liquidation preference. The Series E Stock carries voting rights aggregating 4.99% of the Company's common stock voting power immediately prior to the closing of the Acquisition.

During the year ended April 30, 2014, all 32,992 shares of Series E Stock were converted into 3,299,200 shares of common stock. As of April 30, 2015 there were no shares of Series E Stock outstanding.

Series D Stock

On August 22, 2013, the Company closed its private placement of an aggregate of $4.6 million of shares of the Company's Series D Stock to JP SPC 3 obo OXBT FUND, SP ("OXBT Fund"). In connection with the purchase of shares of Series D Stock, OXBT Fund received a warrant to purchase 2,358,975 shares of common stock at an exercise price equal to $2.60 (the "Series D Warrant"). As consideration for the sale of the Series D Stock and Series D Warrant, $4.6 million in outstanding principal amount of a Note issued by the Company on July 1, 2011 and held by OXBT Fund was cancelled. The Note carried interest at a rate of 15% per annum and matured on July 1, 2014. Mr. Gregory Pepin, one of the Company's directors, is the investment manager of OXBT Fund. Pursuant to the terms of a lock-up agreement (the "Lock-Up Agreement") executed prior to the closing, OXBT Fund and its affiliates are prohibited from engaging in certain transactions with respect to shares of the Company's common stock and common stock equivalents until such time as the lead investor in the Company's offering of Series C Stock ceases to own at least 25% of the shares of Series C Stock originally issued to such investor.

The table below sets forth a summary of the designation, powers, preferences and rights of the Series D Stock.

Conversion	Subject to certain ownership limitations, the Series D Stock is convertible at any time at the option of the holder into shares of the Company's common stock at a conversion ratio determined by dividing the stated value of the Series C Stock (or $1,000) by a conversion price of $1.95 per share. The conversion price is subject to adjustment in the case of stock splits, stock dividends, combinations of shares and similar recapitalization transactions. Until such time that for at least 25 trading days during any 30 consecutive trading days, the volume weighted average price of the Company's common stock exceeds 250% of the initial conversion price, if the Company sells or grants any option to purchase or sell any common stock or common stock equivalents entitling any person to acquire shares of common stock at an effective price per share that is lower than the then conversion price, or the Base Conversion Price, then the conversion price shall be reduced to equal the Base Conversion Price
Dividends and Make-Whole Payment	Until the third anniversary of the date of issuance of the Series D Stock, the holder of the Series D Stock is entitled to receive dividends at the rate of 8% per annum of the stated value for each share of Series D Stock held by such holder payable quarterly on January 1, April 1, July 1 and October 1, beginning on the first such date after the original issue date, and on each dividend payment date. The Company can elect to pay the dividends in cash or in duly authorized, validly issued, fully paid and non-assessable shares of common stock, or a combination thereof. If the Company pays the dividends in shares of common stock, the shares used to pay the dividends will be valued at 90% of the average volume weighted average price for the 20 consecutive trading days ending on the trading day immediately prior to the applicable dividend payment date. From and after the third anniversary of the date of issuance of the Series D Stock, the holder of Series D Stock will be entitled to receive dividends equal, on an as-if-converted to common stock basis, to and in the same form as dividends actually paid on shares of common stock when, as, and if such dividends are paid on shares of common stock. The Company has never paid dividends on its common stock and the Company does not intend to do so for the foreseeable future. In the event OXBT Fund converts its Series D Stock prior to the third anniversary of the date of issuance of the Series D Stock, the Company must also pay to OXBT Fund in cash, or at the Company's option in common stock valued as described above, or a combination of cash and shares of common stock, with respect to the Series D Stock so converted, an amount equal to $240 per $1,000 of the stated value of the Series D Stock, less the amount of any dividends paid in cash or in common stock on such Series D Stock on or before the date of conversion.
Liquidation	Upon any liquidation, dissolution or winding up of the Company after payment or provision for payment of debts and other liabilities of the Company, but before any distribution or payment is made to the holders of any junior securities, the holder of Series D Stock shall be entitled to be paid out of the assets of the Company available for distribution to its stockholders an amount equal to $1,000 per share, after which any remaining assets of the Company shall be distributed among the holders of the other class or series of stock in accordance with the Company's Certificate of Incorporation.
Voting rights	Shares of Series D Stock will generally have no voting rights, except as required by law and except that the consent of the holder of the outstanding Series D Stock will, among other things, be required to amend the terms of the Series D Stock.

During the year ended April 30, 2014, 4,600 shares of Series D Stock were converted into 2,358,974 shares of common stock and the Company issued 576,084 shares of its common stock in the form of Series D Stock dividends. As of April 30, 2015 there were no shares of Series D Stock outstanding.

Series C Stock

On July 21, 2013, the Company entered into a Securities Purchase Agreement with certain investors providing for the issuance and sale by the Company (the "Series C Offering") of an aggregate of approximately $5.4 million of shares of the Company's Series C Stock, which are convertible into a combined total of 2,753,348 shares of common stock (the "Conversion Shares"). In connection with the purchase of shares of Series C Stock in the Series C Offering, each investor will receive a warrant to purchase a number of shares of common stock equal to 100% of the number of Conversion Shares at an exercise price equal to $2.60 (the "Warrants"). On July 23, 2013, the Company sold 5,369 units for net proceeds of approximately $4.9 million.

The table below sets forth a summary of the designation, powers, preferences and rights of the Series C Stock.

Conversion	Subject to certain ownership limitations, the Series C Stock is convertible at any time at the option of the holder into shares of the Company's common stock at a conversion ratio determined by dividing the stated value of the Series C Stock (or $1,000) by a conversion price of $1.95 per share. The conversion price is subject to adjustment in the case of stock splits, stock dividends, combinations of shares and similar recapitalization transactions. Until such time that for at least 25 trading days during any 30 consecutive trading days, the volume weighted average price of the Company's common stock exceeds 250% of the initial conversion price, if the Company sells or grants any option to purchase or sell any common stock or common stock equivalents entitling any person to acquire shares of common stock at an effective price per share that is lower than the then conversion price, or the Base Conversion Price, then the conversion price shall be reduced to equal the Base Conversion Price
Dividends and Make-Whole Payment	Until the third anniversary of the date of issuance of the Series C Stock, each holder of the Series C Stock is entitled to receive dividends at the rate of 8% per annum of the stated value for each share of Series C Stock held by such holder payable quarterly on January 1, April 1, July 1 and October 1, beginning on the first such date after the original issue date, and on each dividend payment date. The Company can elect to pay the dividends in cash or in duly authorized, validly issued, fully paid and non-assessable shares of common stock, or a combination thereof. If the Company pays the dividends in shares of common stock, the shares used to pay the dividends will be valued at 90% of the average volume weighted average price for the 20 consecutive trading days ending on the trading day immediately prior to the applicable dividend payment date. From and after the third anniversary of the date of issuance of the Series C Stock, each holder of Series C Stock will be entitled to receive dividends equal, on an as-if-converted to common stock basis, to and in the same form as dividends actually paid on shares of common stock when, as, and if such dividends are paid on shares of common stock. The Company has never paid dividends on its common stock and the Company does not intend to do so for the foreseeable future. In the event a holder converts his, her or its Series C Stock prior to the third anniversary of the date of issuance of the Series C Stock, the Company must also pay to the holder in cash, or at the Company's option in common stock valued as described above, or a combination of cash and shares of common stock, with respect to the Series C Stock so converted, an amount equal to $240 per $1,000 of the stated value of the Series C Stock, less the amount of any dividends paid in cash or in common stock on such Series C Stock on or before the date of conversion.
Liquidation	Upon any liquidation, dissolution or winding up of the Company after payment or provision for payment of debts and other liabilities of the Company, but before any distribution or payment is made to the holders of any junior securities, the holders of Series C Stock shall be entitled to be paid out of the assets of the Company available for distribution to its stockholders an amount equal to $1,000 per share, after which any remaining assets of the Company shall be distributed among the holders of the other class or series of stock in accordance with the Company's Certificate of Incorporation.
Voting rights	Shares of Series C Stock will generally have no voting rights, except as required by law and except that the consent of holders of a majority of the outstanding Series C Stock will, among other things, be required to amend the terms of the Series C Stock.

During the year ended April 30, 2014, 5,369 shares of Series C Stock were converted into 2,753,327 shares of common stock and the Company issued 831,401 shares of its common stock for the payment of $1,288,560 as dividends on the Series C Stock. As of April 30, 2015 there were no shares of Series C Stock outstanding.

Series B Stock

On February 22, 2013, the Company entered into a Securities Purchase Agreement with an institutional investor providing for the issuance and sale by the Company of $1.6 million of shares of the Company's Series B-1 Stock and $0.5 million of shares of the Company's Series B-2 Stock which are convertible into a combined total of 420,000 shares of common stock, subject to adjustment for subsequent equity sales.

On February 27, 2013, the Company sold 2,100 units for net proceeds of approximately $1.9 million. Each unit sold consisted of (i) one share of the Company's Series B Stock and (ii) a Warrant representing the right to purchase 300 shares of common stock at a price of $1,000 per unit, less issuance costs. The shares of Series B Stock were immediately convertible upon issuance.

The table below sets forth a summary of the designation, powers, preferences and rights of the Series B Stock.

Dividends	No dividends shall be paid on shares of Preferred Stock.
Conversion	Holders may elect to convert shares of Series B Stock into shares of common stock at the then-existing conversion price at any time. The initial conversion price is $5.00 per share of common stock, and is subject to certain adjustments, including an anti-dilution provision that reduces the conversion price upon the issuance of any common stock or securities convertible into common stock at an effective price per share less than the conversion price and a one-time price reset following the effectiveness of a reverse split of the Company's outstanding common stock.
Liquidation preference	In the event of the Company's voluntary or involuntary dissolution, liquidation or winding up, each holder of Series B Stock will be entitled to be paid a liquidation preference equal to the initial stated value of such holder's Series B Stock of $1,000 per share, plus accrued and unpaid dividends and any other payments that may be due on such shares, before any distribution of assets may be made to holders of capital stock ranking junior to the Series B Stock.
Voting rights	Shares of Series B Stock will generally have no voting rights, except as required by law and except that the consent of holders of a majority of the outstanding Series B Stock will among other things, be required to amend the terms of the Series B Stock.

The Company will not affect any conversion of the Series B Stock, nor shall a holder convert its shares of Series B Stock, to the extent that such conversion would cause the holder to have acquired, through conversion of the Series B Stock or otherwise, beneficial ownership of a number shares of common stock in excess of 4.99% of the common stock outstanding immediately preceding the conversion.

During the year ended April 30, 2014, 987 shares of Series B Stock were converted into 644,915 shares of common stock. As of April 30, 2015 there were no shares of Series B Stock outstanding.

Series A Stock

On December 12, 2011, the Company sold 3,500 units for net proceeds of approximately $3.2 million. Each unit sold consisted of (i) one share of the Company's Series A Stock and (ii) a warrant representing the right to purchase 11.275 shares of common stock (the "2011 Warrants"), at a price of $1,000 per unit, less issuance costs. The shares of Series A Stock were immediately convertible and the 2011 Warrants are exercisable on the one-year anniversary of the closing date.

On June 15, 2012, the Company sold an additional 2,500 units for net proceeds of approximately $2.3 million. Each unit sold consisted of (i) one share of the Company's Series A Stock and (ii) a 2011 Warrant, at a price of $1,000 per unit, less issuance costs. The shares of Series A Stock were immediately convertible and the 2011 Warrants are exercisable beginning on the one-year anniversary of the closing date.

During fiscal 2013, the final outstanding shares of Series A Stock were converted into shares of common stock and there were no shares of Series A Stock outstanding as of April 30, 2015 and April 30, 2014.

On February 23, 2015, the Company filed certificates of elimination (the "Certificates of Elimination") with the Secretary of State of Delaware effecting the elimination of the Certificates of Designations with respect to the Series A Stock, Series B-1 Stock, Series B-2 Stock, Series C Stock, Series D Stock and Series E Stock. No shares of the Preferred Stock were outstanding at the time of the filing of the Certificates of Elimination. The Certificates of Elimination, which were effective upon filing, canceled the Company's Series A Stock, Series B-1 Stock, Series B-2 Stock, Series C Stock, Series D Stock and Series E Stock. At the time of filing the Certificates of Elimination, no shares of preferred stock remained outstanding. As of April 30, 2015, 10,000,000 shares of preferred stock are undesignated.

Common Stock

The Company's Certificate of Incorporation authorizes it to issue 400,000,000 shares of $0.0001 par value common stock. As of April 30, 2015 and 2014, there were 28,119,520 and 27,858,000 shares of common stock issued and outstanding.

Warrants

On November 11, 2014, the Company issued common stock warrants in connection with the execution of a service agreement for investor relations and corporate communications. As part of the compensation under the agreement, the Company issued up to 175,000 warrants at an exercise price of $4.00 per share and contractual term of 5 years. The warrant is initially exercisable for 25,000 shares of common stock, and the number of shares of common stock exercisable under this warrant will be automatically increased by 50,000 upon the first occurrence of market price goals of $6.00, $8.00 and $10.00, respectively, during the eighteen month period beginning on the effective date. In accordance with ASC 815, these warrants are classified as equity and their estimated fair-value of $478,115 was recorded as an operating expense in the consolidated statement of operations and as additional paid in capital during the year ended April 30, 2015. The estimated fair value is determined using the Black-Scholes Option Pricing Model which is based on the value of the underlying common stock at the valuation measurement date, the remaining contractual term of the warrants, risk-free interest rates, expected dividends and expected volatility of the price of the underlying common stock.

Series D Warrants

On August 22, 2013, the Company closed its private placement of an aggregate of $4.6 million shares of the Company's Series D Stock to OXBT Fund. In connection with the purchase of shares of Series D Stock, OXBT Fund received the Series D Warrant to purchase 2,358,975 shares of common stock at an exercise price equal to $2.60 and contractual term of 6 years. In accordance with ASC 815, these warrants are classified as equity and their relative fair-value of $1,531,167 was recognized as a deemed dividend on the Series D Stock during the year ended April 30, 2014. The estimated fair value is determined using the Black-Scholes Option Pricing Model which is based on the value of the underlying common stock at the valuation measurement date, the remaining contractual term of the warrants, risk-free interest rates, expected dividends and expected volatility of the price of the underlying common stock.

The Series D Warrant is exercisable beginning on the date of issuance and expires on August 22, 2019. The exercise price and the number of shares issuable upon exercise of Series D Warrant is subject to appropriate adjustment in the event of recapitalization events, stock dividends, stock splits, stock combinations, reclassifications, reorganizations or similar events affecting the Company's common stock, and also upon any distributions of assets, including cash, stock or other property to the Company's stockholders. In addition, if stockholder approval for the transaction is obtained, the Series D Warrant will be subject to anti-dilution provisions until such time that for 25 trading days during any 30 consecutive trading day period, the volume weighted average price of the Company's common stock exceeds $6.50 and the daily dollar trading volume exceeds $350,000 per trading day.

On January 30, 2014, the Company entered into an agreement with the OXBT Fund to amend the terms of the outstanding Series D Warrants. The amendment replaced the price protection anti-dilution provision of each warrant with a covenant that the Company will not issue common stock or common stock equivalents at an effective price per share below the exercise price of such warrant without prior written consent, subject to certain exceptions.

The Series D Stock and the Series D Warrant were issued and sold without registration under the Securities Act in reliance on the exemptions provided by Section 4(a)(2) of the Securities Act and/or Regulation D promulgated thereunder and in reliance on similar exemptions under applicable state laws. Accordingly, OXBT Fund may exercise the Warrant and sell the Series D Stock and underlying shares only pursuant to an effective registration statement under the Securities Act covering the resale of those securities, an exemption under Rule 144 under the Securities Act or another applicable exemption under the Securities Act.

During the year ended April 30, 2015, the Company received proceeds of $544,000 and issued 209,230 shares of common stock upon the exercise of the Series D warrants. As of April 30, 2015, 2,149,745 Series D Warrants are outstanding.

Series C Warrants

On July 23, 2013, as part of the offering of Series C Stock, the Company issued 2,753,348 Series C Warrants at an exercise price of $2.60 per share and contractual term of 6 years. In accordance with ASC 815, these warrants are classified as equity and their relative fair-value of $1,867,991 was recognized as a deemed dividend on the Series C Stock during the year ended April 30, 2014. The estimated fair value is determined using the Black-Scholes Option Pricing Model which is based on the value of the underlying common stock at the valuation measurement date, the remaining contractual term of the warrants, risk-free interest rates, expected dividends and expected volatility of the price of the underlying common stock.

In connection with the Series C Offering described above, the Company entered into a Placement Agency Agreement (the "Placement Agency Agreement") with Ladenburg Thalmann & Co. Inc. (the "Placement Agent") pursuant to which the Placement Agent agreed to act as the Company's exclusive placement agent for the Series C Offering. In accordance with the Placement Agency Agreement, on July 23, 2013 the Company issued to the Placement Agent warrants to purchase 53,539 shares of common stock at an exercise price of $2.4375 per share and a contractual term of 3 years. In accordance with ASC 815, these warrants are classified as equity and their relative fair-value of $51,231 was recognized as additional paid in capital during the year ended April 30, 2014. The estimated fair value is determined using the Black-Scholes Option Pricing Model which is based on the value of the underlying common stock at the valuation measurement date, the remaining contractual term of the warrants, risk-free interest rates, expected dividends and expected volatility of the price of the underlying common stock.

During the year ended April 30, 2014, the Company received cash of approximately $6.5 million and issued 2,512,825 shares of common stock upon the exercise of outstanding Series C Warrants. As of April 30, 2015, 240,523 Series C Warrants are outstanding.

In accordance with ASC 815-40-35-8, the company reassessed the classification of the remaining Series C Warrants. On November 11, 2013, the Company satisfied certain contractual obligations pursuant to the Series C offering which caused certain "down-round" price protection clauses in the outstanding warrants to become effective on that date. In accordance with ASC 815-40-35-9, on November 11, 2013, the Company reclassified these warrants as a current liability and recorded a warrant liability of $1,082,941 which represents the fair market value of the warrants at that date. The initial fair value recorded as warrants within stockholders' equity of $233,036 was reversed and the change in fair value was recorded as a component of other expense.

The estimated fair value is determined using the Monte Carlo Model which is based on the value of the underlying common stock at the valuation measurement date, the remaining contractual term of the warrants, risk-free interest rates, expected dividends, expected volatility of the price of the underlying common stock as well as other estimates and assumptions.

As of April 30, 2015, the fair value of the warrant liability was $572,445. The Company recorded a gain of $382,431 and a loss of $721,840 for the change in fair value of this warrant liability on the consolidated statement of operations for the years ended April 30, 2015 and 2014, respectively.

Series B Warrants

In connection with the issuance of 2,100 shares of Series B Preferred Stock described above, on February 27, 2013 the Company issued Class A and Class B warrants to purchase an aggregate of 630,000 shares of common stock. The warrants were issued at an initial exercise price equal to $10.00 and were immediately exercisable. The Class A warrants were issued with a six-year term and the Class B warrants were issued with a two-year term.

During the year ended April 30, 2014, the Company received proceeds of $567,000 and issued 630,000 shares of common stock upon the exercise of the Series B warrants. As of April 30, 2015, there were no Series B warrants outstanding.

The following table summarizes the Company's warrant activity for the year ended April 30, 2015 and 2014:

	Warrants	Weighted Average Exercise Price
Outstanding at April 30, 2013	**759,410**	**$ 11.00**
Issued	5,165,862	2.60
Exercised	(3,161,145)	2.26
Forfeited	(1,661)	126.00
Outstanding at April 30, 2014	**2,762,466**	**$ 4.28**
Issued	175,000	4.00
Exercised	(209,230)	2.60
Outstanding at April 30, 2015	**2,728,236**	**$ 4.39**

During the years ended April 30, 2015 and 2014, the Company received approximately $544,000 and $7.1 million and issued 209,230 and 3,161,145 shares of common stock, respectively upon the exercise of outstanding warrants.

1999 Amended Stock Plan

In October 2000, the Company adopted the 1999 Stock Plan, as amended and restated on June 17, 2008 (the "Plan"). Under the Plan, with the approval of the Compensation Committee of the Board of Directors, the Company may grant stock options, restricted stock, stock appreciation rights and new shares of common stock upon exercise of stock options. On September 30, 2011, the Company's stockholders approved an amendment to the Plan which increased the amount of shares authorized for issuance under the Plan to 300,000, up from 40,000 previously authorized.

Pursuant to the Asset Purchase Agreement described in Note D above, the Company agreed to propose that its stockholders approve an amendment to the Company's 1999 Stock Plan to increase the amount of stock options authorized for issuance under the 1999 Stock Plan to not less than 4,000,000 shares of common stock. On March 13, 2014, at the special meeting of stockholders, the Company's stockholders approved an amendment to the Plan to increase the number of shares of common stock authorized for issuance under the Plan to 4,000,000 shares of common stock. In accordance with terms of the Acquisition, the Company issued an aggregate of 3,572,880 stock options with a grant date fair value of $15,818,512, to the Chief Executive Officer, the Chief Financial Officer, the Executive Vice President, Business and Commercial Operations and the Executive Vice President, Regulatory Affairs. During the year ended April 30, 2014, the Company recorded approximately $7.9 million of compensation expense for the vested options in its consolidated statements of operations. An additional $7.9 million of compensation expense related to these grants will be recognized as performance vesting conditions are achieved.

As of April 30, 2015 the Company had 122,399 shares of common stock available for grant under the Plan.

The following table summarizes the shares available for grant under the Plan for the year ended April 30, 2015 and 2014:

	Shares Available for Grant
Balances, at April 30, 2013	282,726
Additional shares reserved	3,600,000
Options granted	(3,637,822)
Options cancelled/forfeited	1,300
Restricted stock granted	(135,662)
Restricted stock cancelled/forfeited	44,866
Balances, at April 30, 2014	155,408
Options granted	(50,225)
Options cancelled/forfeited	4,785
Restricted stock granted	(2,624)
Restricted stock cancelled/forfeited	15,055
Balances, at April 30, 2015	122,399

Plan Stock Options

Stock options granted under the Plan may be either incentive stock options ("ISOs"), or nonqualified stock options ("NSOs"). ISOs may be granted only to employees. NSOs may be granted to employees, consultants and directors. Stock options under the Plan may be granted with a term of up to ten years and at prices no less than fair market value for ISOs and no less than 85% of the fair market value for NSOs. Stock options granted generally vest over one to three years.

The following table summarizes the outstanding stock options under the Plan for the years ended April 30, 2015 and 2014:

	Outstanding Options		
	Number of Shares	Weighted Average Exercise Price	Aggregate Intrinsic Value
Balances, at April 30, 2013	11,336	$ 57.00	-
Options granted	3,637,822	$ 5.64	
Options cancelled	(1,300)	$ 43.90	
Balances, at April 30, 2014	3,647,858	$ 5.79	
Options granted	50,225	$ 4.82	
Options cancelled	(4,785)	$ 63.84	
Balances, at April 30, 2015	3,693,298	$ 5.70	$ 3(1)

(1) Amount represents the difference between the exercise price and $3.42, the closing price of Tenax Therapeutics' stock on April 30, 2015, as reported on The NASDAQ Capital Market, for all in-the-money options outstanding.

The following table summarizes all options outstanding as of April 30, 2015:

	Options Outstanding at April 30, 2015		Options Exercisable and Vested at April 30, 2015	
Exercise Price	Number of Options	Weighted Average Remaining Contractual Life (Years)	Number of Options	Weighted Average Exercise Price
$ 3.22 to $5.65	3,712,818	5.1	1,851,196	$ 5.63
$ 14.80 to $59.80	4,477	5.7	4,445	$ 39.30
$ 60.80 to $102.00	297	4.6	297	$ 82.28
$ 111.60 to $138.00	706	4.3	706	$ 122.66
	3,718,298	5.1	1,856,644	$ 5.77

The following table summarizes options outstanding that have vested and are expected to vest based on options outstanding as of April 30, 2015:

	Number of Option Shares	Weighted Average Exercise Price	Aggregate Intrinsic Value (1)	Weighted Average Remaining Contractual Life (Years)
Vested	1,856,644	$ 5.77	$ 3	5.1
Vested and expected to vest	3,516,820	$ 5.68	$ 7,509	5.1

(1) Amount represents the difference between the exercise price and $3.42, the closing price of Tenax Therapeutics' stock on April 30, 2015, as reported on The NASDAQ Capital Market, for all in-the-money options outstanding.

The Company chose the "straight-line" attribution method for allocating compensation costs of each stock option over the requisite service period using the Black-Scholes Option Pricing Model to calculate the grant date fair value.

The Company used the following assumptions to estimate the fair value of options granted under its stock option plans for the years ended April 30, 2015 and 2014:

	For the year ended April	
	2015	2014
Risk-free interest rate (weighted average)	2.23%	1.80%
Expected volatility (weighted average)	98.43%	98.20%
Expected term (in years)	7	6
Expected dividend yield	0.00%	0.00%

Risk-Free Interest Rate	The risk-free interest rate assumption was based on U.S. Treasury instruments with a term that is consistent with the expected term of the Company's stock options.
Expected Volatility	The expected stock price volatility for the Company's common stock was determined by examining the historical volatility and trading history for its common stock over a term consistent with the expected term of its options.
Expected Term	The expected term of stock options represents the weighted average period the stock options are expected to remain outstanding. It was calculated based on the historical experience that the Company has had with its stock option grants.
Expected Dividend Yield	The expected dividend yield of 0% is based on the Company's history and expectation of dividend payouts. The Company has not paid and do not anticipate paying any dividends in the near future.
Forfeitures	As stock-based compensation expense recognized in the statement of operations for the years ended April 30, 2015 and 2014 is based on awards ultimately expected to vest, it has been reduced for estimated forfeitures. ASC 718 requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Forfeitures were estimated based on the Company's historical experience.

The weighted-average grant-date fair value of options granted during the years ended April 30, 2015 and 2014 was $4.82 and $5.64, respectively.

As of April 30, 2015, there were unrecognized compensation costs of approximately $8 million related to non-vested stock option awards granted after May 1, 2004 that will be recognized on a straight-line basis over the weighted average remaining vesting period of 1.5 years.

Inducement Stock Options

The table below summarizes the employment inducement stock option award for 25,000 shares of common stock made to our chief medical officer on February 15, 2015. This employment inducement stock option was awarded in accordance with the employment inducement award exemption provided by NASDAQ Rule 5635(c)(4) and was therefore not awarded under the Company's stockholder approved equity plan. The option award will vest over a three year period, with one-third vesting per year, beginning one year from the grant date. The options have a 10-year term and an exercise price of $3.22 per share, the February 13, 2015 closing price of the Company's common stock.

A summary of the activity and related information for our stock options follows:

	Number of Shares	Weighted Average Exercise Price
Inducement Stock Options outstanding at April 30, 2014	-	$ -
Options granted	25,000	3.22
Options exercised	-	-
Options forfeited or expired	-	-
Inducement Stock Options outstanding at April 30, 2015	25,000	3.22
Options exercisable at April 30, 2015	-	$ -

Inducement stock option compensation expense totaled $9,830 and $0 for the years ended April 30, 2015 and 2014, respectively. At April 30, 2015, there was $54,513 of remaining unrecognized compensation expense related to the inducement stock options. Inducement stock options outstanding as of April 30, 2015 had a weighted average remaining contractual life of 9.79 years.

The estimated weighted average fair value per inducement option share granted was $64,343 in 2015 using a Black-Scholes option pricing model based on market prices and the following assumptions at the date of inducement option grant: weighted average risk-free interest rate of 1.84%, dividend yield of 0%, volatility factor for our common stock of 93.90% and a weighted average expected life of 7 years for inducement options not forfeited.

Restricted Stock Grants

The following table summarizes the restricted stock grants under the Plan for the year ended April 30, 2015:

	Outstanding Restricted Stock Grants	
	Number of Shares	Weighted Average Grant Date Fair Value
Balances, at April 30, 2013	1,917	$ 48.40
Restricted stock granted	135,662	$ 3.00
Restricted stock vested	(50,235)	$ 2.30
Restricted stock cancelled	(31,503)	$ 1.67
Restricted stock forfeited	(13,363)	$ 4.49
Balances, at April 30, 2014	42,478	$ 6.39
Restricted stock granted	2,624	$ 4.90
Restricted stock vested	(29,957)	$ 5.99
Restricted stock cancelled	(15,055)	$ 6.95
Balances, at April 30, 2015	90	$ 4.01

The Company recorded compensation expense for these restricted stock grants of $18,092 and $356,639 for the years ended April 30, 2015 and April 30, 2014, respectively.

As of April 30, 2015, there were unrecognized compensation costs of approximately $361 related to the non-vested restricted stock grants that will be recognized on a straight-line basis over the remaining vesting period.

NOTE H—RESTRUCTURING EXPENSE

In May 2012, the Company decided to consolidate its operations and relocate its research and development function to North Carolina from Costa Mesa, California. To allow for this transition period, all existing development work had been completed and all of the manufacturing of the Company's PFC-based products had been transferred to contract manufacturers. As part of these initiatives, the Company terminated all related research and development activities and a workforce reduction was implemented. In September 2012, the Company entered into a sublease agreement with an unrelated third party that extends throughout the remaining term of the existing lease for the vacated facility.

The following table summarizes the impact of the work force reductions and other associated costs on operating expenses and payments for the year ended April 30, 2015, and the liability remaining on the balance sheet as of April 30, 2015.

	Charges Incurred During the Year Ended April 30, 2015	Amounts Paid Through April 30, 2015	Amounts Accrued at April 30, 2015
Future lease obligations, net of sublease revenue	$ -	$ 130,952	$ 10,932

The Company recorded all restructuring expenses as operating expenses on the consolidated statement of operations. All restructuring costs were paid by April 30, 2015, with the exception of approximately $11,000 of future lease obligations, net of sublease revenue.

NOTE I—COMMITMENTS AND CONTINGENCIES

Operating Leases

The Company leases its office space under an operating lease that includes fixed annual increases and expires in February 2016. Total rent expense was $111,171 and $107,946 for the years ended April 30, 2015 and 2014, respectively.

The future minimum payments for the long-term, non-cancelable lease are as follows:

Year ending April 30, 2016	$ 94,917

Simdax license agreement

As further discussed in Note D above, on November 13, 2013 the Company acquired the License which granted it an exclusive, sublicenseable right to develop and commercialize pharmaceutical products containing Levosimedan in the United States and Canada. Pursuant to the License, the Company must use Orion's "Simdax®" trademark to commercialize the Product. The License also grants to the Company a right of first refusal to commercialize new developments of the Product, including developments as to the formulation, presentation, means of delivery, route of administration, dosage or indication.

Orion's ongoing role under the License includes sublicense approval, serving as the sole source of manufacture, holding a first right to enforce intellectual property rights in the Territory, and certain regulatory participation rights. Additionally, the Company must grant back to Orion a broad non-exclusive license to any patents or clinical trial data related to the Product developed by the Company under the License. The License has a fifteen (15) year term, provided, however, that the License will continue after the end of the fifteen year term in each country in the Territory until the expiration of Orion's patent rights in the Product in such country. Orion had the right to terminate the License if the Study is not started by July 31, 2014. While the Company did not commence the trial by that date, on September 9, 2014, Orion notified the Company in writing that it did not intend to terminate the License so long as the trial was commenced on or before October 31, 2014. The Company subsequently commenced the human clinical trial for levosimendan on September 18, 2014 when the first patient was enrolled.

The License includes the following development milestones for which the Company shall make non-refundable payments to Orion no later than twenty-eight (28) days after the occurrence of the applicable milestone event: (i) $2.0 million upon the grant of FDA approval, including all registrations, licenses, authorizations and necessary approvals, to develop and/or commercialize the Product in the United States; and (ii) $1.0 million upon the grant of regulatory approval for the Product in Canada. Once commercialized, the Company is obligated to make certain non-refundable commercialization milestone payments to Orion, aggregating up to $13.0 million, contingent upon achievement of certain cumulative net sales amounts in the Territory. The Company must also pay Orion tiered royalties based on net sales of the Product in the Territory made by the Company and its sublicensees. After the end of the Term, the Company must pay Orion a royalty based on net sales of the Product in the Territory for as long as Life Newco sells the Product in the Territory.

As of April 30, 2015, the Company has not met any of the developmental milestones and, accordingly, has not recorded any liability for the contingent payments due to Orion.

Agreement with Virginia Commonwealth University

In May 2008 the Company entered into a license agreement with Virginia Commonwealth University ("Licensor", "VCU") whereby it obtained a worldwide, exclusive license to valid claims under three of the Licensor's patent applications that relate to methods for non-pulmonary delivery of oxygen to tissue and the products based on those valid claims used or useful for therapeutic and diagnostic applications in humans and animals. The license includes the right to sub-license to third parties. The term of the agreement is the life of the patents covered by the patent applications unless the Company elects to terminate the agreement prior to patent expiration. Under the agreement the Company has an obligation to diligently pursue product development and pursue, at its own expense, prosecution of the patent applications covered by the agreement. As part of the agreement, the Company is required to pay to VCU nonrefundable payments upon achieving development and regulatory milestones. As of April 30, 2015, the Company has not met any of the developmental milestones.

The agreement with VCU also requires the Company to pay royalties to VCU at specified rates based on annual net sales derived from the licensed technology. Pursuant to the agreement, the Company must make minimum annual royalty payments to VCU totaling $70,000 as long as the agreement is in force. These payments are fully creditable against royalty payments due for sales and sublicense revenue earned during the fiscal year as described above. This fee is recorded as an other current asset and is amortized over the fiscal year. Amortization expense was $70,000 for each of the years ended April 30, 2015 and 2014.

In September 2014, the Company discontinued the development of its Oxycyte product candidates. As part of the this change in business strategy, on May 5, 2015 the Company provided VCU its 90 day notice terminating the license agreement entered into with the Licensor, whose effective date was May 21, 2008. The license agreement gave the Company exclusive rights to intellectual property that was used for the development and commercialization of Oxycyte and is therefore no longer needed.

Litigation

The Company is subject to litigation in the normal course of business, none of which management believes will have a material adverse effect on the Company's Consolidated Financial Statements.

NOTE J—401(k) BENEFIT PLAN

The Company sponsors a 401(k) Retirement Savings Plan (the "401(k) Plan") for all eligible employees. Full-time employees over the age of 18 are eligible to participate in the 401(k) Plan after 90 days of continuous employment. Participants may elect to defer earnings into the 401(k) Plan up to the annual IRS limits and the Company provides a matching contribution up to 5% of the participants' annual salary in accordance with the 401(k) Plan documents. The 401(k) Plan is managed by a third-party trustee. For the periods ended April 30, 2015 and 2014, the Company recorded $82,185 and $47,087 respectively, for matching contributions expense.

NOTE K—INCOME TAXES

The Company has not recorded any income tax expense (benefit) for the periods ended April 30, 2015 and 2014 due to its history of net operating losses.

The reconciliation of income tax expenses (benefit) at the statutory federal income tax rate of 34% for the periods ended April 30, 2015 and 2014 is as follows:

	2015	2014
U.S. federal taxes (benefit) at statutory rate	$ (4,787,816)	$ (6,644,225)
State income tax benefit, net of federal benefit	(551,276)	(765,026)
Stock compensation	4,612	3,099,270
Nondeductible interest	-	827,284
Other permanent differences	(140,532)	292,355
Other, including expiration of NOL carryforwards	425,567	53,621
Change in state tax rate	-	(8,377)
Change in valuation allowance	5,049,445	3,145,098
	$ -	$ -

The tax effects of temporary differences and carry forwards that give rise to significant portions of the deferred tax assets are as follows:

Deferred Tax Assets	2015	2014
Net operating Loss Carryforwards	$ 35,404,245	$ 30,748,100
Accruals and other	618,400	230,900
Valuation allowance	(35,994,545)	(30,945,100)
Net deferred tax assets	28,100	33,900
Deferred Tax Liabilities		
IPR&D	(7,962,100)	(7,962,100)
Other liabilities	(28,100)	(33,900)
Net Deferred Tax Liabilities	$ (7,962,100)	$ (7,962,100)

The Company has established a valuation allowance against net deferred tax assets due to the uncertainty that such assets will be realized. The Company periodically evaluates the recoverability of the deferred tax assets. At such time that it is determined that it is more likely than not that deferred tax assets will be realizable, the valuation allowance will be reduced.

As of April 30, 2015, the Company had Federal and State net operating loss carryforwards of approximately $95.3 million and $76.6 million available to offset future federal and state taxable income, respectively. The federal net operating loss carryforwards began to expire in 2013 and the state net operating loss carryforwards begin to expire in 2023.

Utilization of the net operating loss carryforwards may be subject to an annual limitation due to the ownership percentage change limitations provided by the Internal Revenue Code of 1986 and similar state provisions. The annual limitations may result in the expiration of the net operating losses before utilization.

Management has evaluated all other tax positions that could have a significant effect on the financial statements and determined the Company had no uncertain income tax positions at April 30, 2015.

The Company files U.S. and state income tax returns with varying statutes of limitations. The tax years 2000 and forward remain open to examination due to the carryover of unused net operating losses or tax credits.

ITEM 9—CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A—CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Our disclosure controls and procedures, as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act, are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in rules and forms adopted by the Securities and Exchange Commission, or SEC, and that such information is accumulated and communicated to management, including the Chief Executive Officer and the Chief Financial Officer, to allow timely decisions regarding required disclosures.

Management, with the participation of our Chief Executive Officer and our Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Form 10-K. Based on such evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that, as of April 30, 2015, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Controls over Financial Reporting

From time to time, we may review and make changes to our internal control over financial reporting that are intended to enhance the effectiveness of our internal control over financial reporting and which do not have a material effect on our overall internal control over financial reporting. During the three months ended April 30, 2015, we made no changes to our internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, that we believe materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting, as defined in rules promulgated under the Exchange Act, is a process designed by, or under the supervision of, our Chief Executive Officer and Chief Financial Officer and affected by our Board of Directors, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with GAAP. Internal control over financial reporting includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Financial Statements in accordance with GAAP, and that our receipts and expenditures are being made only in accordance with authorizations of our management and our Board of Directors; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our Consolidated Financial Statements.

Internal control over financial reporting cannot provide absolute assurance of achieving financial reporting objectives because of its inherent limitations. Internal control over financial reporting is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper override. Because of such limitations, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process, and it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

Our management assessed the effectiveness of our internal control over financial reporting as of April 30, 2015. In making its assessment, management used the criteria established by the Committee of Sponsoring Organizations of the Treadway Commission, or COSO in its 2013 *Internal Control — Integrated Framework*. Based on its assessment, management has concluded that our internal control over financial reporting was effective as of April 30, 2015.

The effectiveness of our internal control over financial reporting as of April 30, 2015 has been audited by Cherry Bekaert LLP, an independent registered public accounting firm, as stated in their report in Item 8 of this Annual Report on Form 10-K.

ITEM 9B—OTHER INFORMATION

There is no information to report under this item for the quarter ended April 30, 2015.

PART III

ITEM 10— DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

The information required by this item is incorporated by reference to our Proxy Statement for our 2015 Annual Meeting of Stockholders.

ITEM 11— EXECUTIVE COMPENSATION

The information required by this item is incorporated by reference to our Proxy Statement for our 2015 Annual Meeting of Stockholders.

ITEM 12— SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this item is incorporated by reference to our Proxy Statement for our 2015 Annual Meeting of Stockholders.

ITEM 13— CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this item is incorporated by reference to our Proxy Statement for our 2015 Annual Meeting of Stockholders.

ITEM 14— PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this item is incorporated by reference to our Proxy Statement for our 2015 Annual Meeting of Stockholders.

PART IV

ITEM 15—EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(A)(1) The Consolidated Financial Statements and information listed below are included in this report in Part II, Item 8.

– Report of Independent Registered Public Accounting Firm.
– Consolidated Balance Sheets as of April 30, 2015 and 2014.
– Consolidated Statements of Operations for each of the two years ended April 30, 2015 and April 30, 2014.
– Consolidated Statements of Stockholders' Equity for each of the two years ended April 30, 2015 and April 30, 2014.
– Consolidated Statements of Cash Flows for each of the two years ended April 30, 2015 and April 30, 2014.
– Notes to the Consolidated Financial Statements.

(A)(2) No schedules have been included because they are not applicable or the required information is shown in our Consolidated Financial Statements or our notes thereto.

(A)(3) The exhibits required by Item 601 of Regulation S-K are listed in the Exhibit Index immediately following the signature pages to this report.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TENAX THERAPEUTICS, INC.

Date: July 14, 2015

By: /s/ John P. Kelley
John P. Kelley
Chief Executive Officer
(Principal Executive Officer)

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that each individual whose signature appears below constitutes and appoints John P. Kelley and Michael B. Jebsen, and each of them, his true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments to this report, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ John P. Kelley John P. Kelley	Chief Executive Officer and Director (Principal Executive Officer)	July 14, 2015
/s/ Michael B. Jebsen Michael B. Jebsen	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	July 14, 2015
/s/ Ronald R. Blanck, DO Ronald R. Blanck, DO	Director	July 14, 2015
/s/ Gregory Pepin Gregory Pepin	Director	July 14, 2015
/s/ William A. Chatfield William A. Chatfield	Director	July 14, 2015
/s/ Chris A. Rallis Chris A. Rallis	Director	July 14, 2015
/s/ Anthony DiTonno Anthony DiTonno	Director	July 14, 2015
/s/ Gerald Proehl Gerald Proehl	Director	July 14, 2015

EXHIBIT INDEX

Exhibit No.	Exhibits Required by Item 601 of Regulation S-K
2.1	Agreement and Plan of Merger dated April 28, 2008 (1)
2.2	Asset Purchase Agreement by and between Oxygen Biotherapeutics, Inc., Life Newco, Inc., Phyxius Pharma, Inc., and the stockholders of Phyxius Pharma, Inc. dated October 21, 2013 (33)
3.1	Certificate of Incorporation (1)
3.2	Certificate of Amendment of the Certificate of Incorporation (14)
3.3	Certificate of Amendment of the Certificate of Incorporation (30)
3.4	Certificate of Amendment of the Certificate of Incorporation (37)
3.5	Amended and Restated Bylaws (22)
4.1	Specimen Stock Certificate (19)
10.1	Agreement with Leland C. Clark, Jr., Ph.D. dated November 20, 1992 with amendments, Assignment of Intellectual Property/ Employment (2)
10.2	Agreement between the Registrant and Keith R. Watson, Ph.D. Assignment of Invention (2)
10.3	Children's Hospital Research Foundation License Agreement dated February 28, 2001 (2)
10.4	Exclusive License Agreement with Virginia Commonwealth University dated May 22, 2008 (9)
10.5	Amendment no. 1 to the Exclusive License Agreement with Virginia Commonwealth University Intellectual Property Foundation (10)
10.6	Amendment no. 2 to the Exclusive License Agreement with Virginia Commonwealth University Intellectual Property Foundation (10)
10.7	Form of Option issued to Executive Officers and Directors (2)
10.8	Form of Option issued to Employees (2)
10.9	Form of Inducement Stock Option Award*
10.10	Restricted Stock Award Agreement (22)
10.11	Form of Warrant issued to Unsecured Note Holders 2006-2007 (3)
10.12	Form of Convertible Note – 2008 (4)

10.13	Form of Warrant issued to Convertible Note Holders (4)
10.14	Form of Purchase Agreement – US Purchase (without exhibits, which are included as exhibits 10.16 and 10.17, above) (4)
10.15	Form of Purchase Agreement – Non-US Purchase (without exhibits, which are included as exhibits 10.16 and 10.17, above) (4)
10.16	Form of Purchase Agreement – US Note Exchange (without exhibits, which are included as exhibits 10.16 and 10.17, above) (4)
10.7	Form of Purchase Agreement – Non-US Note Exchange (without exhibits, which are included as exhibits 10.16 and 10.17, above) (4)
10.18	Form of Warrant issued to Financing Consultants (5)
10.19	1999 Amended Stock Plan (amended 2008) (5)
10.20	Amendment No. 1 to Oxygen Biotherapeutics, Inc. 1999 Amended Stock Plan (38)
10.21	Amendment No. 2 to Oxygen Biotherapeutics, Inc. 1999 Amended Stock Plan (38)
10.22	Employment Agreement with John Kelley dated November 13, 2013 (34)
10.23	First Amendment to Employment Agreement with John Kelley dated June 18, 2015 (36)
10.24	Amended and Restated Employment Agreement with Michael B. Jebsen dated May 19, 2011 (20)
10.25	Second Amended and Restated Employment Agreement with Michael Jebsen dated November 13, 2013 (34)
10.26	First Amendment to Second Amended and Restated Employment Agreement with Michael Jebsen dated June 18, 2015 (36)
10.27	Form of Indemnification Agreement (20)
10.28	Description of Non-Employee Director Compensation (25)
10.29	Securities Purchase Agreement (including exhibits) between Oxygen Biotherapeutics and Vatea Fund, Segregated Portfolio dated June 8, 2009 (6)
10.30	Amendment no. 1 to the Securities Purchase Agreement between Oxygen Biotherapeutics and Vatea Fund, Segregated Portfolio (11)
10.31	Amendment no. 2 to the Securities Purchase Agreement between Oxygen Biotherapeutics and Vatea Fund, Segregated Portfolio (12)
10.32	Amendment no. 3 to the Securities Purchase Agreement between Oxygen Biotherapeutics and Vatea Fund, Segregated Portfolio (23)
10.33	Form of Exchange Agreement dated July 20, 2009 (7)
10.34	Waiver—Convertible Note (10)

10.35	Amendment—Common Stock Purchase Warrant (10)
10.36	Form of Warrant for May 2010 offering (13)
10.37	Form of Subscription Agreement for May 2010 offering (13)
10.38	Warrant issued to Blaise Group International, Inc. (14)
10.39	Note Purchase Agreement between Oxygen Biotherapeutics and JP SPC 1 Vatea, Segregated Portfolio (15)
10.40	Form of Promissory Note under Note Purchase Agreement between Oxygen Biotherapeutics and JP SPC 1 Vatea, Segregated Portfolio (15)
10.41	First Amendment to Note Purchase Agreement between Oxygen Biotherapeutics and JP SPC 1 Vatea, Segregated Portfolio (17)
10.42	Lease Agreement for North Carolina corporate office (18)
10.43	Standard Industrial Lease relating to OBI's California facility (12)
10.44	Task Order between the Company and NextPharma, dated November 15, 2011 (23)
10.45	Form of Convertible Note for July 2011 offering (included in exhibit 10.56)
10.46	Form of Warrant for July 2011 offering (included in exhibit 10.56)
10.47	Form of Convertible Note and Warrant Purchase Agreement for July 2011 offering (21)
10.48	Placement Agency Agreement, dated December 8, 2011, between Oxygen Biotherapeutics, Inc. and William Blair & Company, L.L.C., as placement agent (24)
10.49	Form of Warrant for December 2011 offering (24)
10.50	Form of Securities Purchase Agreement for December 2011 offering (24)
10.51	Form of Amendment Agreement for December 2011 offering (26)
10.52	Form of Lock-up Agreement for December 2011 offering (24)
10.53	Form of Amendment Agreement for December 2011 offering (27)
10.54	Fluoromed Supply Agreement (28)
10.55	Form of Warrant for February 2013 offering (29)
10.56	Placement Agency Agreement, dated February 22, 2013, between Oxygen Biotherapeutics, Inc. and Ladenburg Thalmann & Co. Inc., as placement agent (29)
10.57	Form of Securities Purchase Agreement for February 2013 offering (29)
10.58	Form of Registration Rights Agreement for February 2013 offering (29)

10.59	Form of Warrant Exchange Agreement, dated February 21, 2013, between Oxygen Biotherapeutics, Inc. and certain institutional investors party to the Securities Purchase Agreement for December 2011 Offering (29)
10.60	License and Supply Agreement dated February 5, 2013, between Oxygen Biotherapeutics, Inc. and Valor SA (38)
10.61	Settlement Agreement, dated March 14, 2013, among Oxygen Biotherapeutics, Inc., Tenor Opportunity Master Fund Ltd., Aria Opportunity Fund, Ltd., and Parsoon Opportunity Fund, Ltd. (38)
10.62	Form of Warrant for Series C 8% Convertible Preferred Stock Offering (31)
10.63	Placement Agency Agreement, dated July 21, 2013, between Oxygen Biotherapeutics, Inc. and Ladenburg Thalmann & Co. Inc., as placement agent (31)
10.64	Form of Securities Purchase Agreement for Series C 8% Convertible Preferred Stock Offering (31)
10.65	Lock-Up Agreement, dated August 16, 2013, between Oxygen Biotherapeutics, Inc. and JPS SPC 3 obo OXBT Fund, SP (32)
10.66	Warrant for Series D 8% Convertible Preferred Stock Offering (32)
10.67	Form of February Warrant Amendment (32)
10.68	Form of July Warrant Amendment (32)
10.69	Form of Securities Purchase Agreement for Series D 8% Convertible Preferred Stock Offering (33)
10.70	License Agreement dated September 20, 2013 by and between Phyxius Pharma, Inc. and Orion Corporation (35)
10.71	Amendment to Common Stock Purchase Agreement (35)
10.72	Sales Agreement dated as of February 23, 2015, between Tenax Therapeutics, Inc. and Cowen and Company, LLC*
21.1	Subsidiaries of Tenax Therapeutics, Inc.*
23.1	Consent of Independent Registered Accounting Firm*
31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350*
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350*
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

(1) These documents were filed as exhibits to the current report on Form 8-K filed by Tenax Therapeutics with the SEC on June 30, 2008, and are incorporated herein by this reference.

(2) These documents were filed as exhibits to the annual report on Form 10-K filed by Tenax Therapeutics with the SEC on August 13, 2004, and are incorporated herein by this reference.

(3) These documents were filed as exhibits to the current report on Form 8-K filed by Tenax Therapeutics with the SEC on September 6, 2006, and are incorporated herein by this reference.

(4) These documents were filed as exhibits to the quarterly report on Form 10-Q filed by Tenax Therapeutics with the SEC on March 21, 2008, and are incorporated herein by this reference.

(5) These documents were filed as exhibits to the annual report on Form 10-K filed by Tenax Therapeutics with the SEC on August 13, 2008, and are incorporated herein by this reference.

(6) This document was filed as an exhibit to the current report on Form 8-K filed by Tenax Therapeutics with the SEC on June 8, 2009, and is incorporated herein by this reference.

(7) This document was filed as an exhibit to the current report on Form 8-K filed by Tenax Therapeutics with the SEC on July 21, 2009, and is incorporated herein by this reference.

(9) This document was filed as an exhibit to the quarterly report on Form 10-Q filed by Tenax Therapeutics with the SEC on September 22, 2008, and is incorporated herein by this reference.

(10) These documents were filed as exhibits to the quarterly report on Form 10-Q filed by Tenax Therapeutics with the SEC on March 19, 2010, and are incorporated herein by this reference.

(11) This document was filed as an exhibit to the current report on Form 8-K filed by Tenax Therapeutics with the SEC on September 2, 2009, and is incorporated herein by this reference.

(12) These documents were filed as exhibits to the current report on Form 8-K filed by Tenax Therapeutics with the SEC on April 28, 2010, and are incorporated herein by this reference.

(13) These documents were filed as exhibits to the current report on Form 8-K filed by Tenax Therapeutics with the SEC on May 4, 2010, and are incorporated herein by this reference.

(14) These documents were filed as exhibits to the current report on Form 8-K filed by Tenax Therapeutics with the SEC on November 13, 2009, and are incorporated herein by reference.

(15) These documents were filed as exhibits to the current report on Form 8-K filed by Tenax Therapeutics with the SEC on October 13, 2010, and are incorporated herein by this reference.

(16) These documents were filed as exhibits to the quarterly report on Form 10-Q filed by Tenax Therapeutics with the SEC on December 9, 2010, and are incorporated herein by this reference.

(17) This document was filed as an exhibit to the current report on Form 8-K filed by Tenax Therapeutics with the SEC on December 30, 2010, and is incorporated herein by this reference.

(18) These documents were filed as exhibits to the quarterly report on Form 10-Q filed by Tenax Therapeutics with the SEC on March 21, 2011, and are incorporated herein by this reference.

(19) These documents were filed as exhibits to the annual report on Form 10-K filed by Tenax Therapeutics with the SEC on July 23, 2010, and are incorporated herein by this reference.

(20) This document was filed as an exhibit to the annual report on Form 10-K filed by Tenax Therapeutics with the SEC on July 15, 2011, and is incorporated herein by this reference.

(21) This document was filed as an exhibit to the current report on Form 8-K/A filed by Tenax Therapeutics with the SEC on July 1, 2011, and is incorporated herein by this reference.

(22) This document was filed as an exhibit to the quarterly report on Form 10-Q filed by Tenax Therapeutics with the SEC on December 15, 2011, and is incorporated herein by this reference.

(23) These documents were filed as exhibits to the current report on Form 8-K filed by Tenax Therapeutics with the SEC on November 16, 2011, and are incorporated herein by this reference.

(24) These documents were filed as exhibits to the current report on Form 8-K filed by Tenax Therapeutics with the SEC on December 9, 2011, and are incorporated herein by this reference.

(25) This document was filed as an exhibit to the quarterly report on Form 10-Q filed by Tenax Therapeutics with the SEC on March 15, 2012, and is incorporated herein by this reference.

(26) This document was filed as an exhibit to the current report on Form 8-K filed by Tenax Therapeutics with the SEC on June 15, 2012, and is incorporated herein by this reference.

(27) This document was filed as an exhibit to the current report on Form 8-K filed by Tenax Therapeutics with the SEC on June 15, 2012, and is incorporated herein by reference.

(28) These documents were filed as exhibits to the annual report on Form 10-K filed by Tenax Therapeutics with the SEC on July 25, 2012, and are incorporated herein by this reference.

(29) These documents were filed as exhibits to the current report on Form 8-K filed by Tenax Therapeutics with the SEC on February 25, 2013, and are incorporated herein by this reference.

(30) This document was filed as an exhibit to the current report on Form 8-K filed by Tenax Therapeutics with the SEC on May 15, 2013, and is incorporated herein by this reference.

(31) These documents were filed as exhibits to the current report on Form 8-K filed by Tenax Therapeutics with the SEC on July 25, 2013, and are incorporated herein by reference.

(32) These documents were filed as exhibits to the current report on Form 8-K filed by Tenax Therapeutics with the SEC on August 26, 2013, and are incorporated herein by reference.

(33) This document was filed as an exhibit to the current report on Form 8-K filed by Tenax Therapeutics with the SEC on October 25, 2013, and is incorporated herein by reference.

(34) These documents were filed as exhibits to the current report on Form 8-K filed by Tenax Therapeutics with the SEC on November 19, 2013, and are incorporated herein by reference

(35) These documents were filed as exhibits to the quarterly report on Form 10-Q filed by Tenax Therapeutics with the SEC on March 17, 2014, and are incorporated herein by this reference.

(36) These documents were filed as exhibits to the current report on Form 8-K filed by Tenax Therapeutics with the SEC on June 19, 2015, and are incorporated herein by reference.

(37) This document was filed as an exhibit to the quarterly report on Form 10-Q filed by Tenax Therapeutics with the SEC on December 15, 2015, and is incorporated herein by this reference.

(38) These documents were filed as exhibits to the annual report on Form 10-K filed by Tenax Therapeutics with the SEC on July 29, 2014, and are incorporated herein by this reference.

* Filed herewith.

Exhibit 10.9

TENAX THERAPEUTICS, INC.
STOCK OPTION AGREEMENT

This Stock Option Agreement (this "Agreement") is made and entered into as of [_____] by and between Tenax Therapeutics, Inc. (the "Company") and [_____] ("Optionee").

WHEREAS, Optionee is an individual who is to render valuable services to the Company or one or more Subsidiaries; and

WHEREAS, the Compensation Committee of the Company's Board of Directors desires to award a stock option to Optionee as an employment inducement grant (within the meaning of NASDAQ Listing Rule 5635(c)(4)).

NOW, THEREFORE, it is hereby agreed as follows:

1. **Grant of Option**. Subject to and upon the terms and conditions set forth in this Agreement, the Company hereby grants to Optionee, as of the grant date (the "Grant Date") specified in the accompanying Notice of Grant, an Option to purchase up to that number of shares of Common Stock (the "Optioned Stock") as is specified in the Notice of Grant, in accordance with the employment inducement grant exception to the shareholder approval requirements of the NASDAQ Stock Market LLC (the "NASDAQ") set forth in NASDAQ Listing Rule 5635(c)(4). Such Optioned Stock shall be purchased from time to time during the Option term at the exercise price (the "Exercise Price") specified in the Notice of Grant. It is understood that the grant of such Option is not made pursuant to the Company's 1999 Amended Stock Plan, as amended and restated June 17, 2008 (the "Plan") or any other equity-based incentive plan of the Company; provided, however, that, unless inconsistent with the express terms of this Agreement, this Agreement shall be interpreted, and the Option shall be administered, consistent with the provisions of the Plan, the terms of which are herein incorporated by reference. All capitalized terms used herein and not otherwise defined shall have the meaning ascribed to such terms in the Plan.

2. **Option Term**. This Option shall expire at the close of business on the expiration date (the "Expiration Date") specified in the Notice of Grant, unless sooner terminated under the Plan.

3. **Limited Transferability**. This Option shall be exercisable only by Optionee during Optionee's lifetime and shall not be transferable or assigned by Optionee other than by will or by the laws of descent and distribution following Optionee's death.

4. **Exercisability**. This Option shall become exercisable for the Optioned Stock in accordance with the vesting schedule, if any, specified in the Notice of Grant. As the Option becomes exercisable for one or more installments, those installments shall accumulate, and the Option shall remain exercisable for the accumulated installments until the Expiration Date or sooner termination of the Option (a) on the date that is three months following the date of termination of the Optionee's Continuous Status as an Employee or Consultant, as provided in Section 7(c)(iii) of the Plan, (b) on the date that is 12 months following the date of termination of the Optionee's Continuous Status as an Employee or Consultant due to disability, as provided in Section 7(c)(iv) of the Plan, (c) on the date that is 12 months following the date of termination of the Optionee's Continuous Status as an Employee or Consultant due to death, as provided in Section 7(c)(v) of the Plan, or (d) the date of termination of the Option pursuant to Section 18 of the Plan. Except as provided in the Notice of Grant, this Option shall not become exercisable for any additional Optioned Stock following termination of the Optionee's Continuous Status as an Employee or Consultant.

5. **Privilege of Stock Ownership**. The holder of this Option shall not have any of the rights of a stockholder with respect to the Optioned Stock until such individual shall have exercised the Option and paid the exercise price for the Optioned Stock so purchased.

6. **Exercising Option.** In order to exercise this Option with respect to all or any part of the Optioned Stock for which this Option is at the time exercisable, Optionee (or in the case of exercise after Optionee's death, Optionee's executor, administrator, heir or legatee, as the case may be) must take the following actions and otherwise comply with the requirements of the Plan:

(a) Deliver to the Corporate Secretary of the Company an executed notice of exercise in substantially the form of Appendix I to this Agreement (the "Exercise Notice") in which there is specified the number of shares of Optioned Stock that are to be purchased under the exercised Option.

(b) Pay the aggregate Exercise Price for the purchased shares through one or more of the following alternatives, subject to any limitations or restrictions set forth in the Plan:

(1) full payment in cash or by check made payable to the Company's order;

(2) by means of a "cashless exercise" in which the Optionee shall be entitled to receive a certificate for the number of shares (subject to any tax withholding or adjustment) equal to the quotient obtained by dividing [(A-B) (X)] by (A), where:

(A) = the Fair Market Value per share on the trading day immediately preceding the date of exercise;

(B) = the purchase price per share under the Option Agreement; and

(X) = the number of shares with respect to which the Option is exercised as stated in the notice of exercise.

7. **Governing Law.** The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the state of Delaware without resort to that state's conflict-of-laws provisions.

8. **No Employment/Service Contracts.** Nothing in this Agreement or in the Plan shall confer upon Optionee any right to continue in the Service of the Company (or any Subsidiary employing or retaining Optionee) for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company (or any such Subsidiary) or Optionee, which rights are hereby expressly reserved by each party, to terminate Optionee's Service at any time for any reason whatsoever, with or without cause.

9. **Notices.** Any notice required to be given or delivered to the Company under the terms of this Agreement shall be in writing and addressed to the Company in care of the Company Chief Financial Officer at the Company's offices at ONE Copley Parkway, Suite 490, Morrisville, NC 27560. Any notice required to be given or delivered to Optionee shall be in writing and addressed to Optionee at the address indicated on the Notice of Grant. All notices shall be deemed to have been given or delivered upon personal delivery or upon deposit in the U. S. Mail, by registered or certified mail, postage prepaid and properly addressed to the party to be notified.

10. **Construction.** This Agreement and the Option evidenced hereby are made and granted pursuant to the Plan and are in all respects limited by and subject to the express terms and provisions of the Plan, unless, in the specific instance, a provision in this Agreement states that it supersedes a provision in the Plan. All decisions of the Administrator with respect to any question or issue arising under the Plan or this Agreement shall be conclusive and binding on all persons having an interest in this Option.

11. **Additional Terms Applicable to an Incentive Stock Option.** In the event this Option is designated an Incentive Stock Option in the Notice of Grant, the following terms and conditions shall also apply to the grant:

a. If this Option is to become exercisable in a series of installments as indicated in the Notice of Grant, no such installment shall qualify for favorable tax treatment as an Incentive Stock Option under the Federal tax laws if (and to the extent) the aggregate Fair Market Value (determined at the Grant Date) of the shares of the Company's Common Stock for which such installment first becomes exercisable hereunder will, when added to the aggregate value (determined as of the respective date or dates of grant) of the Common Stock or other securities for which this Option or one or more other Incentive Stock Options granted to Optionee prior to the Grant Date (whether under the Plan or any other option plan of the Company or any Subsidiary) first become exercisable during the same calendar year, exceed $100,000 in the aggregate. Should the number of shares of Common Stock for which this Option first becomes exercisable in any calendar year exceed the applicable $100,000 limitation, the Option may nevertheless be exercised for those excess shares in such calendar year as a non-statutory option.

b. Should the exercisability of this Option be accelerated upon a merger or corporate reorganization, then this Option shall qualify for favorable tax treatment as an Incentive Stock Option under the Federal tax laws only to the extent the aggregate Fair Market Value (determined at the Grant Date) of the number of shares of the Company's Common Stock for which this Option first becomes exercisable in the calendar year in which the corporate transaction occurs does not, when added to the aggregate value (determined as of the respective date or dates of grant) of the shares of Common Stock or other securities for which this Option or one or more other Incentive Stock Options granted to Optionee prior to the Grant Date (whether under the Plan or any other option plan of the Company or any Subsidiary) first become exercisable during the same calendar year, exceed $100,000 in the aggregate. Should the number of shares of Common Stock for which this Option first becomes exercisable in the calendar year of such corporate transaction exceed the applicable $100,000 limitation, the Option may nevertheless be exercised for the excess shares in such calendar year as a non-statutory option.

c. Should Optionee hold, in addition to this Option, one or more other options to purchase shares of the Company's Common Stock which become exercisable for the first time in the same calendar year as this Option, then the foregoing limitations on the exercisability of such options as Incentive Stock Options under the Federal tax laws shall be applied on the basis of the order in which such options are granted.

d. To the extent this Option should fail to qualify for Incentive Stock Option treatment under the Federal tax laws, Optionee shall recognize compensation income at the time the Option is exercised in an amount equal to the Fair Market Value of the Optioned Stock so purchased less the aggregate Exercise Price paid for those shares, and Optionee must make appropriate arrangements with the Company or any Subsidiary employing Optionee for the satisfaction of all Federal, state or local income and employment tax withholding requirements applicable to such compensation income.

12. Additional Terms Applicable to a Non-Statutory Stock Option. In the event this Option is designated a non-statutory stock option in the Notice of Grant, Optionee shall make appropriate arrangements with the Company or any Subsidiary employing Optionee for the satisfaction of all Federal, state or local income and employment tax withholding requirements applicable to the exercise of this Option.

13. Restrictions Under Securities Laws. The shares of Common Stock issuable upon exercise of the Option have not been registered under the Securities Act of 1933 and applicable state statutes, and can only be sold in reliance on exemptions from the registration provisions of the Securities Act of 1933 and applicable state statutes. The Optionee agrees and acknowledges that any purported exercise of the Option is conditioned on, and subject to, any compliance with requirements of applicable Federal and state securities laws deemed necessary by the Company, and the inability or failure of the Company to satisfy any such requirements and, therefore, reject exercise of the Option, shall not subject the Company to any liability to the Optionee. The shares of Common Stock issued on exercise of the Option shall be (unless registered under applicable Federal and state securities laws) unregistered or "restricted" securities and may be sold by the Optionee only if registered under the Securities Act of 1933 and, in some cases, under the applicable state securities laws or under an exemption from such registration requirements.

FORM OF PURCHASE
(to be signed only upon exercise of Option)

TO: Tenax Therapeutics, Inc.

The Optionee, holder of the attached Option, hereby irrevocable elects to exercise the purchase rights represented by the Option for, and to purchase thereunder, _____ shares of Common Stock of Tenax Therapeutics, Inc., and herewith makes payment therefor, and requests that the certificate(s) for such shares be delivered to the Optionee at:

_____

_____

_____

The Optionee agrees and acknowledges that this purported exercise of the Option is conditioned on, and subject to, any compliance with requirements of applicable federal and state securities laws deemed necessary by the Company, and to Optionee's satisfaction of all Federal, state or local income and employment tax withholding requirements applicable to this exercise.

DATED this _____ day of _____, _____.

_____
Signature

TENAX THERAPEUTICS, INC.
NOTICE OF GRANT OF STOCK OPTION

Notice is hereby given of the following stock option grant (the "Option") to purchase shares of the Common Stock of Tenax Therapeutics, Inc. (the "Company"):

Optionee: **[_____]**
[_____]
[_____]

Grant Date: **[_____]**

Expiration Date: **[_____]**

Exercise Price: $**[_____]** per share

No. of Shares of Optioned Stock: **[_____]**

Type of Option:
o Incentive Stock Option
o Non-Statutory Option

Plan: Optionee understands and agrees that the Option is granted subject to and in accordance with the express terms and conditions of the Company's 1999 Amended Stock Plan, as amended and restated June 17, 2008 (the "Plan"). Optionee further agrees to be bound by the terms and conditions of the Plan and the terms and conditions of the Option as set forth in the Option Agreement attached hereto as Exhibit A. The Company shall provide to Optionee a copy of the Plan upon written request to the Company.

Vesting Schedule: The Option shall vest and become exercisable for purchase of the Optioned Stock on the following schedule: [____]. The Option shall not vest for any Optioned Stock that has not vested prior to the date the Optionee's Continuous Status as an Employee or Consultant (as defined in the Plan) terminates.

Dated:

Optionee	**Tenax Therapeutics, Inc**
Name **[_____]**	By: Michael Jebsen Title: Chief Financial Officer

TENAX THERAPEUTICS, INC.

$40,000,000

SALES AGREEMENT

February 23, 2015

Cowen and Company, LLC
599 Lexington Avenue
New York, NY 10022

Ladies and Gentlemen:

Tenax Therapeutics, Inc. (the "**Company**"), confirms its agreement (this "**Agreement**") with Cowen and Company, LLC ("**Cowen**"), as follows:

1. Issuance and Sale of Shares. The Company agrees that, from time to time during the term of this Agreement, on the terms and subject to the conditions set forth herein, it may issue and sell through Cowen, acting as agent and/or principal, up to 40,000,000 shares (the "**Placement Shares**") of the Company's common stock, par value $0.0001 per share (the "**Common Stock**") having an aggregate offering price of up to $40,000,000. Notwithstanding anything to the contrary contained herein, the parties hereto agree that compliance with the limitations set forth in this Section 1 on the number of shares of Common Stock issued and sold under this Agreement shall be the sole responsibility of the Company, and Cowen shall have no obligation in connection with such compliance. The issuance and sale of Common Stock through Cowen will be effected pursuant to the Registration Statement (as defined below) to be filed by the Company and declared effective by the Securities and Exchange Commission (the "**Commission**"), although nothing in this Agreement shall be construed as requiring the Company to use the Registration Statement (as defined below) to issue the Common Stock.

The Company shall file, in accordance with the provisions of the Securities Act of 1933, as amended, and the rules and regulations thereunder (collectively, the "**Securities Act**"), with the Commission a registration statement on Form S-3, including one or more base prospectuses, relating to certain securities, including the Placement Shares, to be issued from time to time by the Company, and which incorporates by reference documents that the Company has filed or will file in accordance with the provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder (collectively, the "**Exchange Act**"). The Company may prepare a prospectus supplement specifically relating to the Placement Shares (the "**Prospectus Supplement**") to the base prospectus included as part of such registration statement. The Company shall furnish to Cowen, for use by Cowen, copies of the prospectus included as part of such registration statement, as supplemented, if at all, by the Prospectus Supplement, relating to the Placement Shares. Except where the context otherwise requires, such registration statement, as amended when it becomes effective, including all documents filed as part thereof or incorporated by reference therein, and including any information contained in a Prospectus (as defined below) subsequently filed with the Commission pursuant to Rule 424(b) under the Securities Act or deemed to be a part of such registration statement pursuant to Rule 430B or 462(b) of the Securities Act, is herein called the "**Registration Statement.**" The base prospectus relating to the Common Stock to be issued from time to time by the Company pursuant to this Agreement, including all documents incorporated therein by reference, included in the Registration Statement, as it may be supplemented by the Prospectus Supplement, in the form in which such prospectus and/or Prospectus Supplement have most recently been filed by the Company with the Commission pursuant to Rule 424(b) under the Securities Act, together with any "issuer free writing prospectus," as defined in Rule 433 of the Securities Act regulations ("**Rule 433**"), relating to the Common Stock that (i) is required to be filed with the Commission by the Company or (ii) is exempt from filing pursuant to Rule 433(d)(5)(i), in each case in the form filed or required to be filed with the Commission or, if not required to be filed, in the form retained in the Company's records pursuant to Rule 433(g), is herein called the "**Prospectus**." Any reference herein to the Registration Statement, the Prospectus or any amendment or supplement thereto shall be deemed to refer to and include the documents incorporated by reference therein, and any reference herein to the terms "amend," "amendment" or "supplement" with respect to the Registration Statement or the Prospectus shall be deemed to refer to and include the filing after the execution hereof of any document with the Commission deemed to be incorporated by reference therein (the "**Incorporated Documents**"). For purposes of this Agreement, all references to the Registration Statement, the Prospectus or to any amendment or supplement thereto shall be deemed to include any copy filed with the Commission pursuant to either the Electronic Data Gathering Analysis and Retrieval System or Interactive Data Electronic Applications (collectively "**IDEA**").

2. Placements. Each time that the Company wishes to issue and sell Placement Shares hereunder (each, a "**Placement**"), it will notify Cowen by email notice (or other method mutually agreed to in writing by the parties) (a "**Placement Notice**") containing the parameters in accordance with which it desires the Placement Shares to be sold, which shall at a minimum include the number of shares of Placement Shares to be issued, the time period during which sales are requested to be made, any limitation on the number of shares of Placement Shares that may be sold in any one Trading Day (as defined in Section 3) and any minimum price below which sales may not be made, a form of which containing such minimum sales parameters necessary is attached hereto as **Schedule 1**. The Placement Notice shall originate from any of the individuals from the Company set forth on **Schedule 2** (with a copy to each of the other individuals from the Company listed on such schedule), and shall be addressed to each of the individuals from Cowen set forth on **Schedule 2**, as such **Schedule 2** may be amended from time to time. The Placement Notice shall be effective upon receipt by Cowen unless and until (i) in accordance with the notice requirements set forth in Section 4, Cowen declines to accept the terms contained therein for any reason, in its sole discretion, (ii) the entire amount of the Placement Shares thereunder have been sold, (iii) in accordance with the notice requirements set forth in Section 4, the Company suspends or terminates the Placement Notice, (iv) the Company issues a subsequent Placement Notice with parameters superseding those on the earlier dated Placement Notice, or (v) this Agreement has been terminated under the provisions of Section 11. The amount of any discount, commission or other compensation to be paid by the Company to Cowen in connection with the sale of the Placement Shares shall be calculated in accordance with the terms set forth in **Schedule 3.** It is expressly acknowledged and agreed that neither the Company nor Cowen will have any obligation whatsoever with respect to a Placement or any Placement Shares unless and until the Company delivers a Placement Notice to Cowen and Cowen does not decline such Placement Notice pursuant to the terms set forth above, and then only upon the terms specified therein and herein. In the event of a conflict between the terms of this Agreement and the terms of a Placement Notice, the terms of the Placement Notice will control.

3. Sale of Placement Shares by Cowen. Subject to the terms and conditions herein set forth, upon the Company's issuance of a Placement Notice, and unless the sale of the Placement Shares described therein has been declined, suspended, or otherwise terminated in accordance with the terms of this Agreement, Cowen, for the period specified in the Placement Notice, will use its commercially reasonable efforts consistent with its normal trading and sales practices and applicable state and federal laws, rules and regulations and the rules of the Nasdaq Stock Market, LLC ("**Nasdaq**") to sell such Placement Shares up to the amount specified, and otherwise in accordance with the terms of such Placement Notice. Cowen will provide written confirmation to the Company (including by email correspondence to each of the individuals of the Company set forth on **Schedule 2**, if receipt of such correspondence is actually acknowledged by any of the individuals to whom the notice is sent, other than via auto-reply) no later than the opening of the Trading Day (as defined below) immediately following the Trading Day on which it has made sales of Placement Shares hereunder setting forth the number of Placement Shares sold on such day, the compensation payable by the Company to Cowen pursuant to Section 2 with respect to such sales, and the Net Proceeds (as defined below) payable to the Company, with an itemization of the deductions made by Cowen (as set forth in Section 5(a)) from the gross proceeds that it receives from such sales. Cowen may sell Placement Shares by any method permitted by law deemed to be an "at the market" offering as defined in Rule 415 of the Securities Act, including without limitation sales made through Nasdaq, on any other existing trading market for the Common Stock or to or through a market maker. If expressly authorized by the Company in a Placement Notice, Cowen may also sell Placement Shares by any other method permitted by law, including but not limited to negotiated transactions. Notwithstanding the provisions of Section 6(ff), Cowen shall not purchase Placement Shares for its own account as principal unless expressly authorized to do so by the Company in a Placement Notice. The Company acknowledges and agrees that (i) there can be no assurance that Cowen will be successful in selling Placement Shares, and (ii) Cowen will incur no liability or obligation to the Company or any other person or entity if it does not sell Placement Shares for any reason other than a failure by Cowen to use its commercially reasonable efforts consistent with its normal trading and sales practices to sell such Placement Shares as required under this Section 3. For the purposes hereof, "**Trading Day**" means any day on which the Company's Common Stock is purchased and sold on the principal market on which the Common Stock is listed or quoted.

4. Suspension of Sales.

(a) The Company or Cowen may, upon notice to the other party in writing (including by email correspondence to each of the individuals of the other party set forth on **Schedule 2**, if receipt of such correspondence is actually acknowledged by any of the individuals to whom the notice is sent, other than via auto-reply) or by telephone (confirmed immediately by verifiable facsimile transmission or email correspondence to each of the individuals of the other party set forth on **Schedule 2**), suspend any sale of Placement Shares; *provided, however*, that such suspension shall not affect or impair either party's obligations with respect to any Placement Shares sold hereunder prior to the receipt of such notice. Each of the Parties agrees that no such notice under this Section 4 shall be effective against the other unless it is made to one of the individuals named on **Schedule 2** hereto, as such schedule may be amended from time to time.

(b) Notwithstanding any other provision of this Agreement, during any period in which the Company is in possession of material non-public information, the Company and Cowen agree that (i) no sale of Placement Shares will take place, (ii) the Company shall not request the sale of any Placement Shares, and (iii) Cowen shall not be obligated to sell or offer to sell any Placement Shares.

5. Settlement.

(a) Settlement of Placement Shares. Unless otherwise specified in the applicable Placement Notice, settlement for sales of Placement Shares will occur on the third (3rd) Trading Day (or such earlier day as is industry practice for regular-way trading) following the date on which such sales are made (each, a "**Settlement Date**" and the first such settlement date, the "**First Delivery Date**"). The amount of proceeds to be delivered to the Company on a Settlement Date against receipt of the Placement Shares sold (the "**Net Proceeds**") will be equal to the aggregate sales price received by Cowen at which such Placement Shares were sold, after deduction for (i) Cowen's commission, discount or other compensation for such sales payable by the Company pursuant to Section 2 hereof, (ii) any other amounts due and payable by the Company to Cowen hereunder pursuant to Section 7(g) (Expenses) hereof, and (iii) any transaction fees imposed by any governmental or self-regulatory organization in respect of such sales.

(b) Delivery of Placement Shares. On or before each Settlement Date, the Company will, or will cause its transfer agent to, electronically transfer the Placement Shares being sold by crediting Cowen's or its designee's account (provided Cowen shall have given the Company written notice of such designee at least one (1) Trading Day prior to the Settlement Date) at The Depository Trust Company through its Deposit and Withdrawal at Custodian System ("**DWAC**") or by such other means of delivery as may be mutually agreed upon by the parties hereto which in all cases shall be freely tradeable, transferable, registered shares in good deliverable form. On each Settlement Date, Cowen will deliver the related Net Proceeds in same day funds to an account designated by the Company on, or prior to, the Settlement Date. Cowen will be responsible for providing DWAC instructions or instructions for delivery by other means with regard to the transfer of Placement Shares being sold. The Company agrees that if the Company, or its transfer agent (if applicable), defaults in its obligation to deliver duly authorized Placement Shares on a Settlement Date (other than as a result of a failure by Cowen to provide instructions for delivery), the Company agrees that in addition to and in no way limiting the rights and obligations set forth in Section 9(a) (Indemnification and Contribution) hereto, it will (i) hold Cowen harmless against any loss, claim, damage, or reasonable, documented expense (including reasonable and documented legal fees and expenses), as incurred, arising out of or in connection with such default by the Company and (ii) pay to Cowen (without duplication) any commission, discount, or other compensation to which it would otherwise have been entitled absent such default.

6. Representations and Warranties of the Company. Except as disclosed in the Registration Statement, the Prospectus or any prospectus supplement (including the Incorporated Documents), the Company represents and warrants to, and agrees with, Cowen that as of the effective date of the Registration Stratement, each Representation Date, the date on which a Placement Notice is given, and any date on which Placement Shares are sold hereunder:

(a) Compliance with Registration Requirements. The Registration Statement has been declared effective by the Commission under the Securities Act. The Company has complied to the Commission's satisfaction with all requests of the Commission for additional or supplemental information. No stop order suspending the effectiveness of the Registration Statement or any Rule 462(b) Registration Statement is in effect and no proceedings for such purpose have been instituted or are pending or, to the best knowledge of the Company, contemplated or threatened by the Commission. The Company meets the requirements for use of Form S-3 under the Securities Act. The aggregate market value of the Company's voting and non-voting common equity held by non-affiliates of the Company was at least $75 million within 60 days prior to the date of filing the Registration Statement or the most recent Annual Report on Form 10-K.

(b) No Misstatement or Omission. Each of the Registration Statement, any Rule 462(b) Registration Statement, the Prospectus and any post-effective amendments or supplements thereto, at the time it became effective or its date, as applicable, and as of each of the Settlement Dates, if any, complied in all material respects with the Securities Act and did not and, as of each Settlement Date, if any, will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. The Prospectus, as amended or supplemented, as of its date and as of each of the Settlement Dates, if any, will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The representations and warranties set forth in the two immediately preceding sentences do not apply to statements in or omissions from the Registration Statement, any Rule 462(b) Registration Statement, or any post-effective amendment thereto, or the Prospectus, or any amendments or supplements thereto, made in reliance upon and in conformity with information relating to Cowen furnished to the Company in writing by Cowen expressly for use therein. There are no contracts or other documents required to be described in the Prospectus or to be filed as exhibits to the Registration Statement which have not been described or filed as required.

(c) Offering Materials Furnished to Cowen. The Company has delivered to Cowen one complete copy of the Registration Statement and a copy of each consent and certificate of experts filed as a part thereof, and conformed copies of the Registration Statement (without exhibits) and the Prospectus, as amended or supplemented, in such quantities and at such places as Cowen has reasonably requested.

(d) Distribution of Offering Material By the Company. The Company has not distributed and will not distribute, prior to the completion of Cowen's distribution of the Placement Shares pursuant to this Agreement, any offering material in connection with the offering and sale of the Placement Shares other than the Prospectus or the Registration Statement.

(e) The Sales Agreement. This Agreement has been duly authorized, executed and delivered by, and is a valid and binding agreement of, the Company, enforceable against the Company in accordance with its terms, except as rights to indemnification hereunder may be limited by applicable law and except as the enforcement hereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the rights and remedies of creditors or by general equitable principles.

(f) Authorization of the Common Stock. The Placement Shares have been duly authorized for issuance and sale pursuant to this Agreement and, when issued and delivered by the Company against payment therefor pursuant to this Agreement, will be validly issued, fully paid and nonassessable.

(g) No Applicable Registration or Other Similar Rights. There are no persons with registration or other similar rights to have any equity or debt securities registered for sale under the Registration Statement or included in the offering contemplated by this Agreement, except for such rights as have been duly waived.

(h) No Material Adverse Change. Except as otherwise disclosed in the Prospectus, subsequent to the respective dates as of which information is given in the Prospectus: (i) there has been no material adverse change, or any development that would reasonably be expected to result in a material adverse change, in the condition, financial or otherwise, or in the earnings, business, operations or prospects, whether or not arising from transactions in the ordinary course of business, of the Company and Life Newco (as defined below), considered as one entity (any such change is called a "**Material Adverse Change**"); (ii) the Company and Life Newco, considered as one entity, have not incurred any material liability or obligation, indirect, direct or contingent, not in the ordinary course of business nor entered into any material transaction or agreement not in the ordinary course of business; and (iii) there has been no dividend or distribution of any kind declared, paid or made by the Company or by Life Newco on any class of capital stock or repurchase or redemption by the Company or Life Newco of any class of capital stock.

(i) Independent Accountants. Cherry Bekaert LLP, who have expressed their opinion with respect to the financial statements (which term as used in this Agreement includes the related notes thereto) and supporting schedules filed with the Commission or incorporated by reference as a part of the Registration Statement and included in the Prospectus, is an independent registered public accounting firm as required by the Securities Act and the Exchange Act.

(j) Preparation of the Financial Statements. The financial statements filed with the Commission as a part of or incorporated by reference in the Registration Statement and included in the Prospectus present fairly, in all material respects, the consolidated financial position of the Company and Life Newco as of and at the dates indicated and the results of their operations and cash flows for the periods specified. The supporting schedules included in or incorporated in the Registration Statement present fairly, in all material respects, the information required to be stated therein. Such financial statements and supporting schedules have been prepared in accordance with generally accepted accounting principles as applied in the United States applied on a consistent basis throughout the periods involved, except as may be expressly stated in the related notes thereto. No other financial statements or supporting schedules are required to be included in or incorporated in the Registration Statement. The financial data set forth or incorporated in the Prospectus under the captions "Ratio of Earnings to Fixed Charges" and "Selected Financial Data" fairly present the information set forth therein on a basis consistent with that of the audited financial statements contained, incorporated or deemed to be incorporated in the Registration Statement.

(k) XBRL. The interactive data in eXtensible Business Reporting Language included or incorporated by reference in the each Registration Statement fairly presents the information called for in all material respects and has been prepared in accordance with the Commission's rules and guidelines applicable thereto.

(l) Incorporation and Good Standing of the Company and its Subsidiaries. The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware and has corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Prospectus and to enter into and perform its obligations under this Agreement. Life Newco, Inc. ("**Life Newco**") is the Company's only subsidiary. Life Newco has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware and has corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Prospectus. Each of the Company and Life Newco is duly qualified as a foreign corporation to transact business and is in good standing in the State of North Carolina and each other jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except for such jurisdictions where the failure to so qualify or to be in good standing would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Change. Except as described in the Prospectus, all of the issued and outstanding capital stock of Life Newco have been duly authorized and validly issued, are fully paid and nonassessable and are owned by the Company free and clear of any security interest, mortgage, pledge, lien, encumbrance or adverse claim.'

(m) Capital Stock Matters. The Common Stock conforms in all material respects to the description thereof contained in the Prospectus. All of the issued and outstanding shares of Common Stock have been duly authorized and validly issued, are fully paid and nonassessable and have been issued in compliance with federal and state securities laws. None of the outstanding shares of Common Stock were issued in violation of any preemptive rights, rights of first refusal or other similar rights to subscribe for or purchase securities of the Company. There are no authorized or outstanding options, warrants, preemptive rights, rights of first refusal or other rights to purchase, or equity or debt securities convertible into or exchangeable or exercisable for, any capital stock of the Company or Life Newco other than those accurately described in all material respects in the Prospectus. The description of the Company's stock option, stock bonus and other stock plans or arrangements, and the options or other rights granted thereunder, set forth in the Prospectus accurately and fairly presents in all material respects the information required to be shown with respect to such plans, arrangements, options and rights.

(n) Non-Contravention of Existing Instruments; No Further Authorizations or Approvals Required. Neither the Company nor Life Newco is in violation of its charter or by-laws or is in default (or, with the giving of notice or lapse of time, would be in default) ("**Default**") under any indenture, mortgage, loan or credit agreement, note, contract, franchise, lease or other instrument to which the Company or Life Newco is a party or by which it may be bound, or to which any of the property or assets of the Company or Life Newco is subject (each, an "**Existing Instrument**"), except for such Defaults as would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Change. The Company's execution, delivery and performance of this Agreement and consummation of the transactions contemplated hereby and by the Prospectus (i) have been duly authorized by all necessary corporate action and will not result in any violation of the provisions of the charter or by-laws of the Company or Life Newco, (ii) will not conflict with or constitute a breach of, or Default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or Life Newco pursuant to, or require the consent of any other party to, any Existing Instrument, except for such conflicts, breaches, Defaults, liens, charges or encumbrances as would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Change and (iii) will not result in any violation of any law, administrative regulation or administrative or court decree applicable to the Company or Life Newco. No consent, approval, authorization or other order of, or registration or filing with, any court or other governmental or regulatory authority or agency, is required for the Company's execution, delivery and performance of this Agreement and consummation of the transactions contemplated hereby and by the Prospectus, except such as have been obtained or made by the Company under the Securities Act and are in full force and effect or that may be required under applicable state securities or blue sky laws and from the Financial Industry Regulatory Authority ("**FINRA**") or Nasdaq.

(o) No Material Actions or Proceedings. Except as disclosed in the Prospectus, there are no legal or governmental actions, suits or proceedings pending or, to the best of the Company's knowledge, threatened (i) against or affecting the Company or Life Newco, (ii) which has as the subject thereof any officer or director of, or property owned or leased by, the Company or Life Newco or (iii) relating to environmental or discrimination matters, where in any such case (A) there is a reasonable possibility that such action, suit or proceeding might be determined adversely to the Company or Life Newco and (B) any such action, suit or proceeding, if so determined adversely, would reasonably be expected to result in a Material Adverse Change or adversely affect the consummation of the transactions contemplated by this Agreement. No material labor dispute with the employees of the Company or Life Newco exists or, to the best of the Company's knowledge, is threatened or imminent.

(p) All Necessary Permits, etc. Each of the Company and Life Newco possess such valid and current certificates, authorizations or permits issued by the appropriate state, federal or foreign regulatory agencies or bodies necessary to conduct their respective businesses as currently conducted by it and described in the Registration Statement and Prospectus, other than those the failure to possess or own would not reasonably be expected to result in a Material Adverse Change, and neither the Company nor Life Newco has received any notice of proceedings relating to the revocation or modification of, or non-compliance with, any such certificate, authorization or permit which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would reasonably be expected to result in a Material Adverse Change.

(q) Tax Law Compliance. The Company and Life Newco have filed all necessary federal, state and foreign income, property and franchise tax returns (or have properly requested extensions thereof) and have paid all taxes required to be paid by any of them and, if due and payable, any related or similar assessment, fine or penalty levied against any of them except as may be being contested in good faith and by appropriate proceedings. The Company has made adequate charges, accruals and reserves in the applicable financial statements referred to in Section 6(i) above in respect of all federal, state and foreign income, property and franchise taxes for all periods as to which the tax liability of the Company or Life Newco has not been finally determined.

(r) Company Not an "Investment Company". The Company has been advised of the rules and requirements under the Investment Company Act of 1940, as amended (the "**Investment Company Act**"). The Company is not, and after receipt of payment for the Common Stock will not be, an "investment company" within the meaning of Investment Company Act.

(s) Insurance. Except as otherwise described in the Prospectus, the Company and Life Newco are insured by insurers of recognized financial responsibility with policies in such amounts and with such deductibles and covering such risks as are generally deemed prudent and customary for their businesses as currently conducted and described in the Registration Statement and Prospectus including, but not limited to, policies covering real and personal property owned or leased by the Company and Life Newco against theft, damage, destruction, acts of vandalism and earthquakes. The Company has no reason to believe that it or Life Newco will not be able (i) to renew its existing insurance coverage as and when such policies expire or (ii) to obtain comparable coverage from similar institutions as may be necessary or appropriate to conduct its business as now conducted and at a cost that would not reasonably be expected to result in a Material Adverse Change.

(t) No Price Stabilization or Manipulation. The Company has not taken and will not take, directly or indirectly, any action designed to or that might be reasonably expected to cause or result in stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Placement Shares.

(u) Related Party Transactions. There are no business relationships or related-party transactions involving the Company or Life Newco or any other person required to be described in the Prospectus which have not been described as required.

(v) Exchange Act Compliance. The documents incorporated or deemed to be incorporated by reference in the Prospectus (other than exhibits to such documents), at the time they were or hereafter are filed with the Commission, complied and will comply in all material respects with the requirements of the Exchange Act, and, when read together with the other information in the Prospectus, at the Settlement Dates, will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(w) No Unlawful Contributions or Other Payments. Neither the Company nor Life Newco nor, to the Company's knowledge, any employee or agent of the Company or Life Newco, has made any contribution or other payment to any official of, or candidate for, any federal, state or foreign office in violation of any law or of the character required to be disclosed in the Prospectus.

(x) Company's Accounting System. The Company maintains a system of accounting controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles in the United States and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(y) Compliance with Environmental Laws. Except as otherwise described in the Prospectus, and except as would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Change (i) neither the Company nor Life Newco is in violation of any federal, state, local or foreign law or regulation relating to pollution or protection of human health, the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including without limitation, laws and regulations relating to emissions, discharges, releases or threatened releases of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum and petroleum products (collectively, "**Materials of Environmental Concern**"), or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Materials of Environmental Concern (collectively, "**Environmental Laws**"), which violation includes, but is not limited to, noncompliance with any permits or other governmental authorizations required for the operation of the business of the Company or Life Newco under applicable Environmental Laws, or noncompliance with the terms and conditions thereof, nor has the Company or Life Newco received any written communication, whether from a governmental authority, citizens group, employee or otherwise, that alleges that the Company or Life Newco is in violation of any Environmental Law; (ii) there is no claim, action or cause of action filed with a court or governmental authority, no investigation with respect to which the Company has received written notice, and no written notice by any person or entity alleging potential liability for investigatory costs, cleanup costs, governmental responses costs, natural resources damages, property damages, personal injuries, attorneys' fees or penalties arising out of, based on or resulting from the presence, or release into the environment, of any Material of Environmental Concern at any location owned, leased or operated by the Company or Life Newco, now or in the past (collectively, "**Environmental Claims**"), pending or, to the best of the Company's knowledge, threatened against the Company or Life Newco or any person or entity whose liability for any Environmental Claim the Company or Life Newco has retained or assumed either contractually or by operation of law; and (iii) to the best of the Company's knowledge, there are no past or present actions, activities, circumstances, conditions, events or incidents, including, without limitation, the release, emission, discharge, presence or disposal of any Material of Environmental Concern, that reasonably could result in a violation of any Environmental Law or form the basis of a potential Environmental Claim against the Company or Life Newco or against any person or entity whose liability for any Environmental Claim the Company or Life Newco has retained or assumed either contractually or by operation of law.

(z) Intellectual Property. The Company and Life Newco own or possess the valid right to use all (i) valid and enforceable patents, patent applications, trademarks, trademark registrations, service marks, service mark registrations, Internet domain name registrations, copyrights, copyright registrations, licenses, trade secret rights ("**Intellectual Property Rights**") and (ii) inventions, software, works of authorships, trade names, databases, formulae, know how, Internet domain names and other intellectual property (including trade secrets and other unpatented and/or unpatentable proprietary confidential information, systems, or procedures) (collectively, "**Intellectual Property Assets**") necessary to conduct their respective businesses as currently conducted, and as proposed to be conducted and described in the Prospectus. The Company and Life Newco have not received any opinion from their legal counsel concluding that any activities of their respective businesses infringe, misappropriate, or otherwise violate, valid and enforceable Intellectual Property Rights of any other person, and have not received written notice of any challenge, which is to their knowledge still pending, by any other person to the rights of the Company and Life Newco with respect to any Intellectual Property Rights or Intellectual Property Assets owned or used by the Company or Life Newco. To the knowledge of the Company, the Company and Life Newco's respective businesses as now conducted do not give rise to any infringement of, any misappropriation of, or other violation of, any valid and enforceable Intellectual Property Rights of any other person. All licenses for the use of the Intellectual Property Rights described in the Prospectus are valid, binding upon, and enforceable by or against the parties thereto in accordance to its terms. The Company has complied in all material respects with, and is not in breach nor has received any asserted or threatened claim of breach of any Intellectual Property license, and the Company has no knowledge of any breach or anticipated breach by any other person to any Intellectual Property license. Except as described in the Prospectus, no claim has been made against the Company alleging the infringement by the Company of any patent, trademark, service mark, trade name, copyright, trade secret, license in or other intellectual property right or franchise right of any person. The Company has taken all reasonable steps to protect, maintain and safeguard its Intellectual Property Rights, including the execution of appropriate nondisclosure and confidentiality agreements. The consummation of the transactions contemplated by this Agreement will not result in the loss or impairment of or payment of any additional amounts with respect to, nor require the consent of any other person in respect of, the Company's right to own, use, or hold for use any of the Intellectual Property Rights as owned, used or held for use in the conduct of the business as currently conducted.

(aa) Regulatory Authorizations. Except as disclosed in the Prospectus, each of the Company and Life Newco possesses all certificates, authorizations and permits issued by the appropriate federal, state or foreign regulatory authorities necessary to conduct its business as currently conducted (including without limitation, those required for the manufacture and distribution of its product candidates for clinical and nonclinical testing, and the clinical and nonclinical testing of any product candidates) as disclosed in the Prospectus, except where the failure to possess such certificates, authorizations and permits would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Change.

(bb) Compliance with Certain Laws, Rules, Procedures, Etc. Except as disclosed in the Prospectus, to the Company's knowledge, the conduct of the preclinical and clinical testing, and manufacture of the products of the Company or Life Newco is in compliance, in all material respects, with all laws, rules and regulations applicable to such activities, including without limitation applicable good laboratory practices, good clinical practices and good manufacturing practices, except for such non-compliance as would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Change. The descriptions of the results of such tests and trials contained in the Prospectus are accurate in all material respects. Except as otherwise disclosed in the Prospectus, the Company has not received notice of adverse finding, warning letter or clinical hold notice from the U.S. Food and Drug Administration (the "**FDA**") or any non-U.S. counterpart of any of the foregoing, or any untitled letter or other correspondence or notice from the FDA or any other governmental authority or agency or any institutional or ethical review board alleging or asserting noncompliance with any law, rule or regulation applicable in any jurisdiction, except notices, letters, and correspondences and non-U.S. counterparts thereof alleging or asserting such noncompliance as would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Change. Except as disclosed in the Prospectus, neither the Company nor Life Newco has, either voluntarily or involuntarily, initiated, conducted or issued, or caused to be initiated, conducted or issued, any recall, field correction, market withdrawal or replacement, safety alert, warning, "dear doctor" letter, investigator notice, or other notice or action relating to an alleged or potential lack of safety or efficacy of any product of the Company or Life Newco, any alleged product defect of any product of the Company or Life Newco, or any violation of any material applicable law, rule, regulation or any clinical trial or marketing license, approval, permit or authorization for any product of the Company or Life Newco, and the Company is not aware of any facts or information that would cause it to initiate any such notice or action and has no knowledge or reason to believe that the FDA, the European Medicines Evaluation Agency or any other governmental agency or authority or any institutional or ethical review board or other non-governmental authority intends to impose, require, request or suggest such notice or action, except in each case as would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Change. The Company has not received and is otherwise not aware of any notices, correspondence or other communication from the FDA or other governmental regulatory agency or subdivision thereof, or any institutional or ethical review boards, asserting non-compliance with any applicable statutes, rules, regulations, orders, or other laws, or requiring or requesting the termination, suspension or modification of any preclinical or clinical studies, tests, investigations, or trials conducted by, or on behalf of, the Company or Life Newco or in which the Company or Life Newco has participated.

(cc) Brokers. Except as contemplated by this Agreement, there is no broker, finder or other party that is entitled to receive from the Company any brokerage or finder's fee or other fee or commission as a result of any transactions contemplated by this Agreement.

(dd) No Outstanding Loans or Other Indebtedness. Except as described in the Prospectus, there are no outstanding loans, advances (except normal advances for business expenses in the ordinary course of business) or guarantees or indebtedness by the Company to or for the benefit of any of the officers or directors of the Company or any of the immediate family members of any of them.

(ee) No Reliance. The Company has not relied upon Cowen or legal counsel for Cowen for any legal, tax or accounting advice in connection with the offering and sale of the Placement Shares.

(ff) Cowen Purchases. The Company acknowledges and agrees that Cowen has informed the Company that Cowen may, to the extent permitted under the Securities Act, the Exchange Act and this Agreement, purchase and sell shares of Common Stock for its own account while this Agreement is in effect.

(gg) Compliance with Laws. The Company has not been advised, and has no reason to believe, that it and Life Newco are not conducting business in compliance with all applicable laws, rules and regulations of the jurisdictions in which it is conducting business, except where failure to be so in compliance would not reasonably be expected to result in a Material Adverse Change.

Any certificate signed by an officer of the Company and delivered to Cowen or to counsel for Cowen in connection with this Agreement shall be deemed to be a representation and warranty by the Company to Cowen as to the matters set forth therein.

The Company acknowledges that Cowen and, for purposes of the opinions to be delivered pursuant to Section 7 hereof, counsel to the Company and counsel to Cowen, will rely upon the accuracy and truthfulness of the foregoing representations and hereby consents to such reliance.

7. Covenants of the Company. The Company covenants and agrees with Cowen that, during the term of this Agreement, unless otherwise specified:

(a) Registration Statement Amendments. After the date of this Agreement and during any period in which a Prospectus relating to any Placement Shares is required to be delivered by Cowen under the Securities Act (including in circumstances where such requirement may be satisfied pursuant to Rule 172 under the Securities Act), (i) the Company will notify Cowen promptly of the time when any subsequent amendment to the Registration Statement, other than documents incorporated by reference or amendments not related to any Placement, has been filed with the Commission and/or has become effective or any subsequent supplement to the Prospectus has been filed and of any request by the Commission for any amendment or supplement to the Registration Statement or Prospectus related to any Placement or for additional information related to any Placement; (ii) the Company will prepare and file with the Commission, promptly upon Cowen's request, any amendments or supplements to the Registration Statement or Prospectus that, in Cowen's reasonable opinion, may be necessary or advisable in connection with the distribution of the Placement Shares by Cowen (*provided, however*, that the failure of Cowen to make such request shall not relieve the Company of any obligation or liability hereunder, or affect Cowen's right to rely on the representations and warranties made by the Company in this Agreement); (iii) the Company will not file any amendment or supplement to the Registration Statement or Prospectus, other than documents incorporated by reference, relating to the Placement Shares or a security convertible into the Placement Shares unless a copy thereof has been submitted to Cowen within a reasonable period of time before the filing and Cowen has not reasonably objected thereto (*provided, however*, that (A) the failure of Cowen to make such objection shall not relieve the Company of any obligation or liability hereunder, or affect Cowen's right to rely on the representations and warranties made by the Company in this Agreement, (B) the Company has no obligation to provide Cowen any advance copy of such filing or to provide Cowen an opportunity to object to such filing if the filing does not name Cowen or does not relate to the transaction herein provided, and (C) the only remedy Cowen shall have with respect to the failure by the Company to provide Cowen with such copy or the filing of such amendment or supplement despite Cowen's objection shall be to cease making sales under this Agreement) and the Company will furnish to Cowen at the time of filing thereof a copy of any document that upon filing is deemed to be incorporated by reference into the Registration Statement or Prospectus, except for those documents available via IDEA; and (iv) the Company will cause each amendment or supplement to the Prospectus, other than documents incorporated by reference, to be filed with the Commission as required pursuant to the applicable paragraph of Rule 424(b) of the Securities Act.

(b) Notice of Commission Stop Orders. The Company will advise Cowen, promptly after it receives notice or obtains knowledge thereof, of the issuance or threatened issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement, of the suspension of the qualification of the Placement Shares for offering or sale in any jurisdiction, or of the initiation or threatening of any proceeding for any such purpose; and it will promptly use its commercially reasonable efforts to prevent the issuance of any stop order or to obtain its withdrawal if such a stop order should be issued.

(c) Delivery of Prospectus; Subsequent Changes. During any period in which a Prospectus relating to the Placement Shares is required to be delivered by Cowen under the Securities Act with respect to a pending sale of the Placement Shares, (including in circumstances where such requirement may be satisfied pursuant to Rule 172 under the Securities Act), the Company will comply in all material respects with all requirements imposed upon it by the Securities Act, as from time to time in force, and to file on or before their respective due dates all reports and any definitive proxy or information statements required to be filed by the Company with the Commission pursuant to Sections 13(a), 13(c), 14, 15(d) or any other provision of or under the Exchange Act. If during such period any event occurs as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances then existing, not misleading, or if during such period it is necessary to amend or supplement the Registration Statement or Prospectus to comply with the Securities Act, the Company will promptly notify Cowen to suspend the offering of Placement Shares during such period and the Company will promptly amend or supplement the Registration Statement or Prospectus (at the expense of the Company) so as to correct such statement or omission or effect such compliance.

(d) Listing of Placement Shares. During any period in which the Prospectus relating to the Placement Shares is required to be delivered by Cowen under the Securities Act with respect to a pending sale of the Placement Shares (including in circumstances where such requirement may be satisfied pursuant to Rule 172 under the Securities Act), the Company will use its commercially reasonable efforts to cause the Placement Shares to be listed on Nasdaq and to qualify the Placement Shares for sale under the securities laws of such jurisdictions as Cowen reasonably designates and to continue such qualifications in effect so long as required for the distribution of the Placement Shares; *provided, however,* that the Company shall not be required in connection therewith to qualify as a foreign corporation or dealer in securities or file a general consent to service of process in any jurisdiction.

(e) Delivery of Registration Statement and Prospectus. The Company will furnish to Cowen and its counsel (at the expense of the Company) copies of the Registration Statement, the Prospectus (including all documents incorporated by reference therein) and all amendments and supplements to the Registration Statement or Prospectus that are filed with the Commission during any period in which a Prospectus relating to the Placement Shares is required to be delivered under the Securities Act (including all documents filed with the Commission during such period that are deemed to be incorporated by reference therein), in each case as soon as reasonably practicable and in such quantities as Cowen may from time to time reasonably request and, at Cowen's request, will also furnish copies of the Prospectus to each exchange or market on which sales of the Placement Shares may be made; *provided, however,* that the Company shall not be required to furnish any document (other than the Prospectus) to Cowen to the extent such document is available on IDEA.

(f) Earnings Statement. The Company will make generally available to its security holders as soon as practicable, but in any event not later than 15 months after the end of the Company's current fiscal quarter, an earnings statement covering a 12-month period that satisfies the provisions of Section 11(a) and Rule 158 of the Securities Act.

(g) Expenses. The Company, whether or not the transactions contemplated hereunder are consummated or this Agreement is terminated, in accordance with the provisions of Section 11 hereunder, will pay the following expenses all incident to the performance of its obligations hereunder, including, but not limited to, expenses relating to (i) the preparation, printing and filing of the Registration Statement and each amendment and supplement thereto, of each Prospectus and of each amendment and supplement thereto, (ii) the preparation, issuance and delivery of the Placement Shares, (iii) the qualification of the Placement Shares under securities laws in accordance with the provisions of Section 7(d) of this Agreement, including filing fees (provided, however, that any fees or disbursements of counsel for Cowen in connection therewith shall be paid by Cowen except as set forth in (vii) below), (iv) the printing and delivery to Cowen of copies of the Prospectus and any amendments or supplements thereto, and of this Agreement, (v) the fees and expenses incurred in connection with the listing or qualification of the Placement Shares for trading on Nasdaq, (vi) filing fees and expenses, if any, of the Commission and the FINRA Corporate Financing Department and (vii) the reasonable fees and disbursements of Cowen's counsel in an aggregate amount not to exceed $50,000.

(h) Use of Proceeds. The Company will use the Net Proceeds as described in the Prospectus in the section entitled "Use of Proceeds."

(i) Notice of Other Sales. During the pendency of any Placement Notice given hereunder, and for 5 trading days following the termination of any Placement Notice given hereunder, the Company shall provide Cowen notice as promptly as reasonably possible before it offers to sell, contracts to sell, sells, grants any option to sell or otherwise disposes of any shares of Common Stock (other than Placement Shares offered pursuant to the provisions of this Agreement) or securities convertible into or exchangeable for Common Stock, warrants or any rights to purchase or acquire Common Stock; *provided*, that such notice shall not be required in connection with the (i) issuance, grant or sale of Common Stock, options to purchase shares of Common Stock or Common Stock issuable upon the exercise of options or other equity awards pursuant to the any stock option, stock bonus or other stock plan or arrangement described in the Prospectus, (ii) the issuance of securities in connection with an acquisition, merger or sale or purchase of assets or (iii) the issuance or sale of Common Stock pursuant to any dividend reinvestment plan that the Company may adopt from time to time provided the implementation of such is disclosed to Cowen in advance or (iv) any shares of common stock issuable upon the exchange, conversion or redemption of securities or the exercise of warrants, options or other rights in effect or outstanding.

(j) Change of Circumstances. The Company will, at any time during a fiscal quarter in which the Company intends to tender a Placement Notice or sell Placement Shares, advise Cowen promptly after it shall have received notice or obtained knowledge thereof, of any information or fact that would alter or affect in any material respect any opinion, certificate, letter or other document provided to Cowen pursuant to this Agreement.

(k) Due Diligence Cooperation. During the term of the Agreement, the Company will cooperate with any reasonable due diligence review conducted by Cowen or its agents in connection with the transactions contemplated hereby, including, without limitation, providing information and making available documents and senior corporate officers, during regular business hours and at the Company's principal offices, as Cowen may reasonably request.

(l) Required Filings Relating to Placement of Placement Shares. To the extent that the filing of a prospectus supplement with the Commission with respect to a placement of Placement Shares becomes required under Rule 424(b) under the Securities Act, the Company agrees that on or before such dates as the Securities Act shall require, the Company will (i) file a prospectus supplement with the Commission under the applicable paragraph of Rule 424(b) under the Securities Act (each and every filing under Rule 424(b), a "**Filing Date**"), which prospectus supplement will set forth, within the relevant period, the amount of Placement Shares sold through Cowen, the Net Proceeds to the Company and the compensation payable by the Company to Cowen with respect to such Placement Shares (provided that the Company may satisfy its obligations under this Section 7(l)(i) by effecting a filing in accordance with the Exchange Act with respect to such information), and (ii) deliver such number of copies of each such prospectus supplement to each exchange or market on which such sales were effected as may be required by the rules or regulations of such exchange or market.

(m) Representation Dates; Certificate. On or prior to the First Delivery Date and, thereafter, each time the Company (i) files the Prospectus relating to the Placement Shares or amends or supplements the Registration Statement or the Prospectus relating to the Placement Shares (other than a prospectus supplement filed in accordance with Section 7(l) of this Agreement) by means of a post-effective amendment, sticker, or supplement but not by means of incorporation of document(s) by reference to the Registration Statement or the Prospectus relating to the Placement Shares; (ii) files an annual report on Form 10-K under the Exchange Act; (iii) files its quarterly reports on Form 10-Q under the Exchange Act; or (iv) files a current report on Form 8-K containing amended financial information (other than an earnings release) under the Exchange Act (each date of filing of one or more of the documents referred to in clauses (i) through (iv) shall be a **"Representation Date"**); the Company shall furnish Cowen with a certificate, in the form attached hereto as Exhibit 7(m) within three (3) Trading Days of any Representation Date. The requirement to provide a certificate under this Section 7(m) shall be automatically waived for any Representation Date occurring at a time at which no Placement Notice is pending, which waiver shall continue until the earlier to occur of the date the Company delivers a Placement Notice hereunder (which for such calendar quarter shall be considered a Representation Date) and the next occurring Representation Date; *provided*, *however*, that such waiver shall not apply for any Representation Date on which the Company files its annual report on Form 10-K. Notwithstanding the foregoing, if the Company subsequently decides to sell Placement Shares following a Representation Date when the Company relied on such waiver and did not provide Cowen with a certificate under this Section 7(m), then before the Company delivers the Placement Notice or Cowen sells any Placement Shares, the Company shall provide Cowen with a certificate, in the form attached hereto as Exhibit 7(m), dated the date of the Placement Notice.

(n) Legal Opinion. On or prior to the First Delivery Date and within three (3) Trading Days of each Representation Date with respect to which the Company is obligated to deliver a certificate in the form attached hereto as Exhibit 7(m) for which no waiver is applicable, the Company shall cause to be furnished to Cowen a written opinion and negative assurance statement of Smith, Anderson, Blount, Dorsett, Mitchell & Jernigan, L.L.P. ("Company Counsel"), or other counsel reasonably satisfactory to Cowen, in form and substance reasonably satisfactory to Cowen and its counsel, dated the date that the opinion is required to be delivered; *provided*, *however*, the Company shall not be required to furnish any such opinion if the Company does not intend to deliver a Placement Notice in such calendar quarter until such time as the Company delivers its next Placement Notice; *provided*, *further*, that in lieu of such opinions for subsequent Representation Dates, counsel may furnish Cowen with a letter (a "**Reliance Letter**") to the effect that Cowen may rely on a prior opinion delivered under this Section 7(n) to the same extent as if it were dated the date of such letter (except that statements in such prior opinion shall be deemed to relate to the Registration Statement and the Prospectus as amended or supplemented at such Representation Date).

(o) Comfort Letter. On or prior to the First Delivery Date and within three (3) Trading Days of each Representation Date with respect to which the Company is obligated to deliver a certificate in the form attached hereto as Exhibit 7(m) for which no waiver is applicable, the Company shall cause its independent accountants to furnish Cowen letters (the **"Comfort Letters"**), dated the date the Comfort Letter is delivered, in form and substance satisfactory to Cowen, (i) confirming that they are an independent registered public accounting firm within the meaning of the Securities Act and the PCAOB, (ii) stating, as of such date, the conclusions and findings of such firm with respect to the financial information and other matters ordinarily covered by accountants' "comfort letters" to Cowen in connection with registered public offerings (the first such letter, the **"Initial Comfort Letter"**) and (iii) updating the Initial Comfort Letter with any information that would have been included in the Initial Comfort Letter had it been given on such date and modified as necessary to relate to the Registration Statement and the Prospectus, as amended and supplemented to the date of such letter.

(p) Market Activities. The Company will not, directly or indirectly, (i) take any action designed to cause or result in, or that constitutes or might reasonably be expected to constitute, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Placement Shares or (ii) sell, bid for, or purchase the Placement Shares to be issued and sold pursuant to this Agreement, or pay anyone any compensation for soliciting purchases of the Placement Shares other than Cowen; provided, however, that the Company may bid for and purchase shares of its common stock in accordance with Rule 10b-18 under the Exchange Act.

(q) Insurance. The Company and Life Newco shall maintain, or caused to be maintained, insurance in such amounts and covering such risks as is reasonable and customary for the business for which it is engaged.

(r) Compliance with Laws. The Company and Life Newco shall maintain, or cause to be maintained, all material environmental permits, licenses and other authorizations required by federal, state and local law in order to conduct their businesses as described in the Prospectus, and the Company and Life Newco shall conduct their businesses, or cause their businesses to be conducted, in substantial compliance with such permits, licenses and authorizations and with applicable environmental laws, except where the failure to maintain or be in compliance with such permits, licenses and authorizations would not reasonably be expected to result in a Material Adverse Change.

(s) Investment Company Act. The Company will conduct its affairs in such a manner so as to reasonably ensure that neither it nor Life Newco will be or become, at any time prior to the termination of this Agreement, an "investment company," as such term is defined in the Investment Company Act, assuming no change in the Commission's current interpretation as to entities that are not considered an investment company.

(t) Securities Act and Exchange Act. The Company will use its best efforts to comply with all requirements imposed upon it by the Securities Act and the Exchange Act as from time to time in force, so far as necessary to permit the continuance of sales of, or dealings in, the Placement Shares as contemplated by the provisions hereof and the Prospectus.

(u) No Offer to Sell. Other than a free writing prospectus (as defined in Rule 405 under the Act) approved in advance by the Company and Cowen in its capacity as principal or agent hereunder, neither Cowen nor the Company (including its agents and representatives, other than Cowen in its capacity as such) will make, use, prepare, authorize, approve or refer to any written communication (as defined in Rule 405 under the Act), required to be filed with the Commission, that constitutes an offer to sell or solicitation of an offer to buy Placement Shares hereunder.

(v) Sarbanes-Oxley Act. The Company and Life Newco will use their best efforts to comply with all effective applicable provisions of the Sarbanes-Oxley Act.

8. Conditions to Cowen's Obligations. The obligations of Cowen hereunder with respect to a Placement will be subject to the continuing accuracy and completeness of the representations and warranties made by the Company herein, to the due performance by the Company of its obligations hereunder, to the completion by Cowen of a due diligence review satisfactory to Cowen in its reasonable judgment, and to the continuing satisfaction (or waiver by Cowen in its sole discretion) of the following additional conditions:

(a) Registration Statement Effective. The Registration Statement shall be effective and shall be available for (i) all sales of Placement Shares issued pursuant to all prior Placement Notices and (ii) the sale of all Placement Shares contemplated to be issued by any Placement Notice.

(b) No Material Notices. None of the following events shall have occurred and be continuing: (i) receipt by the Company or Life Newco of any request for additional information from the Commission or any other federal or state governmental authority during the period of effectiveness of the Registration Statement, the response to which would require any post-effective amendments or supplements to the Registration Statement or the Prospectus; (ii) the issuance by the Commission or any other federal or state governmental authority of any stop order suspending the effectiveness of the Registration Statement or the initiation of any proceedings for that purpose; (iii) receipt by the Company of any notification from the Commission or any other federal or state governmental authority with respect to the suspension of the qualification or exemption from qualification of any of the Placement Shares for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; or (iv) the occurrence of any event that makes any material statement made in the Registration Statement or the Prospectus or any material document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires the making of any changes in the Registration Statement, the related Prospectus or such documents so that, in the case of the Registration Statement, it will not contain any materially untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading and, that in the case of the Prospectus, it will not contain any materially untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(c) No Misstatement or Material Omission. Cowen shall not have advised the Company that the Registration Statement or Prospectus, or any amendment or supplement thereto, contains an untrue statement of fact that in Cowen's reasonable opinion is material, or omits to state a fact that in Cowen's opinion is material and is required to be stated therein or is necessary to make the statements therein not misleading.

(d) Material Changes. Except as contemplated in the Prospectus, or disclosed in the Company's reports filed with the Commission, there shall not have been any material adverse change, on a consolidated basis, in the authorized capital stock of the Company or any Material Adverse Change or any development that would reasonably be expected to result in a Material Adverse Change, or any downgrading in or withdrawal of the rating assigned to any of the Company's securities (other than asset backed securities) by any rating organization or a public announcement by any rating organization that it has under surveillance or review its rating of any of the Company's securities (other than asset backed securities), the effect of which, in the case of any such action by a rating organization described above, in the reasonable judgment of Cowen (without relieving the Company of any obligation or liability it may otherwise have), is so material as to make it impracticable or inadvisable to proceed with the offering of the Placement Shares on the terms and in the manner contemplated in the Prospectus.

(e) Company Counsel Legal Opinion. Cowen shall have received the opinions of Company Counsel required to be delivered pursuant Section 7(n) on or before the date on which such delivery of such opinion is required pursuant to Section 7(n).

(f) Cowen Counsel Legal Opinion. Cowen shall have received from LeClairRyan, A Professional Corporation, counsel for Cowen, such opinion or opinions, on or before the date on which the delivery of the Company Counsel legal opinion is required pursuant to Section 7(n), with respect to such matters as Cowen may reasonably require, and the Company shall have furnished to such counsel such documents as they request for enabling them to pass upon such matters.

(g) Comfort Letter. Cowen shall have received the Comfort Letter required to be delivered pursuant Section 7(o) on or before the date on which such delivery of such opinion is required pursuant to Section 7(o).

(h) Representation Certificate. Cowen shall have received the certificate required to be delivered pursuant to Section 7(m) on or before the date on which delivery of such certificate is required pursuant to Section 7(m).

(i) No Suspension. Trading in the Common Stock shall not have been suspended on Nasdaq at the time of such Placement.

(j) Other Materials. On each date on which the Company is required to deliver a certificate pursuant to Section 7(m), the Company shall have furnished to Cowen such appropriate further information, certificates and documents as Cowen may have reasonably requested. All such opinions, certificates, letters and other documents shall have been in compliance with the provisions hereof. The Company will furnish Cowen with such conformed copies of such opinions, certificates, letters and other documents as Cowen shall have reasonably requested.

(k) Securities Act Filings Made. All filings with the Commission required by Rule 424 under the Securities Act to have been filed prior to the issuance of any Placement Notice hereunder shall have been made within the applicable time period prescribed for such filing by Rule 424.

(l) Approval for Listing. The Placement Shares shall either have been (i) approved for listing on Nasdaq, subject only to notice of issuance, or (ii) the Company shall have filed an application for listing of the Placement Shares on Nasdaq at, or prior to, the issuance of any Placement Notice.

(m) No Termination Event. There shall not have occurred any event that would permit Cowen to terminate this Agreement pursuant to Section 11(a).

9. Indemnification and Contribution.

(a) Company Indemnification. The Company agrees to indemnify and hold harmless Cowen, the directors, officers, partners, employees and agents of Cowen and each person, if any, who (i) controls Cowen within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, or (ii) is controlled by or is under common control with Cowen (a "**Cowen Affiliate**") from and against any and all losses, claims, liabilities, expenses and damages (including, but not limited to, any and all reasonable investigative, legal and other expenses incurred in connection with, and any and all amounts paid in settlement (in accordance with Section 9(c)) of, any action, suit or proceeding between any of the indemnified parties and any third party, or any claim asserted), as and when incurred, to which Cowen, or any such person, may become subject under the Securities Act, the Exchange Act or other federal or state statutory law or regulation, at common law or otherwise, insofar as such losses, claims, liabilities, expenses or damages arise out of or are based, directly or indirectly, on (x) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or the Prospectus or any amendment or supplement to the Registration Statement or the Prospectus or in any free writing prospectus or in any application or other document executed by or on behalf of the Company or based on written information furnished by or on behalf of the Company filed in any jurisdiction in order to qualify the Common Stock under the securities laws thereof or filed with the Commission, (y) the omission or alleged omission to state in any such document a material fact required to be stated in it or necessary to make the statements in it not misleading or (z) any breach by any of the indemnifying

parties of any of their respective representations, warranties and agreements contained in this Agreement; *provided*, *however*, that this indemnity agreement shall not apply to the extent that such loss, claim, liability, expense or damage arises from the sale of the Placement Shares pursuant to this Agreement and is caused directly or indirectly by an untrue statement or omission made in reliance upon and in conformity with written information relating to Cowen and furnished to the Company by Cowen expressly for inclusion in any document described in clause (x) of this Section 9(a). This indemnity agreement will be in addition to any liability that the Company might otherwise have.

(b) Cowen Indemnification. Cowen agrees to indemnify and hold harmless the Company and its directors and each officer of the Company that signed the Registration Statement, and each person, if any, who (i) controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act or (ii) is controlled by or is under common control with the Company against any and all loss, liability, claim, damage and expense described in the indemnity contained in Section 9(a), as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the Registration Statement (or any amendments thereto) or the Prospectus (or any amendment or supplement thereto) in reliance upon and in conformity with written information relating to Cowen and furnished to the Company by Cowen expressly for inclusion in any document described in clause (x) of Section 9(a).

(c) Procedure. Any party that proposes to assert the right to be indemnified under this Section 9 will, promptly after receipt of notice of commencement of any action against such party in respect of which a claim is to be made against an indemnifying party or parties under this Section 9, notify each such indemnifying party of the commencement of such action, enclosing a copy of all papers served, but the omission so to notify such indemnifying party will not relieve the indemnifying party from (i) any liability that it might have to any indemnified party otherwise than under this Section 9 and (ii) any liability that it may have to any indemnified party under the foregoing provision of this Section 9 unless, and only to the extent that, such omission results in the forfeiture of substantive rights or defenses by the indemnifying party. If any such action is brought against any indemnified party and it notifies the indemnifying party of its commencement, the indemnifying party will be entitled to participate in and, to the extent that it elects by delivering written notice to the indemnified party promptly after receiving notice of the commencement of the action from the indemnified party, jointly with any other indemnifying party similarly notified, to assume the defense of the action, with counsel reasonably satisfactory to the indemnified party, and after notice from the indemnifying party to the indemnified party of its election to assume the defense, the indemnifying party will not be liable to the indemnified party for any legal or other expenses except as provided below and except for the reasonable costs of investigation subsequently incurred by the indemnified party in connection with the defense. The indemnified party will have the right to employ its own counsel in any such action, but the fees, expenses and other charges of such counsel will be at the expense of such indemnified party unless (1) the employment of counsel by the indemnified party has been authorized in writing by the indemnifying party, (2) the indemnified party has reasonably concluded (based on advice of counsel) that there may be legal defenses available to it or other indemnified parties that are different from or in addition to those available to the indemnifying party, (3) a conflict or potential conflict exists (based on advice of counsel to the indemnified party) between the indemnified party and the indemnifying party (in which case the indemnifying party will not have the right to direct the defense of such action on behalf of the indemnified party) or (4) the indemnifying party has not in fact employed counsel to assume the defense of such action within a reasonable time after receiving notice of the commencement of the action, in each of which cases the reasonable fees, disbursements and other charges of counsel will be at the expense of the indemnifying party or parties. It is understood that the indemnifying party or parties shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the reasonable fees, disbursements and other charges of more than one separate firm admitted to practice in such jurisdiction at any one time for all such indemnified party or parties. All such fees, disbursements and other charges will be reimbursed by the indemnifying party promptly as they are incurred. An indemnifying party will not, in any event, be liable for any settlement of any action or claim effected without its written consent. No indemnifying party shall, without the prior written consent of each indemnified party, settle or compromise or consent to the entry of any judgment in any pending or threatened claim, action or proceeding relating to the matters contemplated by this Section 9 (whether or not any indemnified party is a party thereto), unless such settlement, compromise or consent (1) includes an unconditional release of each indemnified party from all liability arising or that may arise out of such claim, action or proceeding; and (2) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) Contribution. In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in the foregoing paragraphs of this Section 9 is applicable in accordance with its terms but for any reason is held to be unavailable from the Company or Cowen, the Company and Cowen will contribute to the total losses, claims, liabilities, expenses and damages (including any investigative, legal and other expenses reasonably incurred in connection with, and any amount paid in settlement of, any action, suit or proceeding or any claim asserted, but after deducting any contribution received by the Company from persons other than Cowen, such as persons who control the Company within the meaning of the Securities Act, officers of the Company who signed the Registration Statement and directors of the Company, who also may be liable for contribution) to which the Company and Cowen may be subject in such proportion as shall be appropriate to reflect the relative benefits received by the Company on the one hand and Cowen on the other. The relative benefits received by the Company on the one hand and Cowen on the other hand shall be deemed to be in the same proportion as the total Net Proceeds from the sale of the Placement Shares (before deducting expenses) received by the Company bear to the total compensation received by Cowen from the sale of Placement Shares on behalf of the Company. If, but only if, the allocation provided by the foregoing sentence is not permitted by applicable law, the allocation of contribution shall be made in such proportion as is appropriate to reflect not only the relative benefits referred to in the foregoing sentence but also the relative fault of the Company, on the one hand, and Cowen, on the other, with respect to the statements or omission that resulted in such loss, claim, liability, expense or damage, or action in respect thereof, as well as any other relevant equitable considerations with respect to such offering. Such relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company or Cowen, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and Cowen agree that it would not be just and equitable if contributions pursuant to this Section 9(d) were to be determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to herein. The amount paid or payable by an indemnified party as a result of the loss, claim, liability, expense, or damage, or action in respect thereof, referred to above in this Section 9(d) shall be deemed to include, for the purpose of this Section 9(d), any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim to the extent consistent with Section 9(c) hereof. Notwithstanding the foregoing provisions of this Section 9(d), Cowen shall not be required to contribute any amount in excess of the commissions received by it under this Agreement and no person found guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section 9(d), any person who controls a party to this Agreement within the meaning of the Securities Act, and any officers, directors, partners, employees or agents of Cowen, will have the same rights to contribution as that party, and each officer and director of the Company who signed the Registration Statement will have the same rights to contribution as the Company, subject in each case to the provisions hereof. Any party entitled to contribution, promptly after receipt of notice of commencement of any action against such party in respect of which a claim for contribution may be made under this Section 9(d), will notify any such party or parties from whom contribution may be sought, but the omission to so notify will not relieve that party or parties from whom contribution may be sought from any other obligation it or they may have under this Section 9(d) except to the extent that the failure to so notify such other party materially prejudiced the substantive rights or defenses of the party from whom contribution is sought. Except for a settlement entered into pursuant to the last sentence of Section 9(c) hereof, no party will be liable for contribution with respect to any action or claim settled without its written consent if such consent is required pursuant to Section 9(c) hereof.

10. Representations and Agreements to Survive Delivery. The indemnity and contribution agreements contained in Section 9 of this Agreement and all representations and warranties of the Company herein or in certificates delivered pursuant hereto shall survive, as of their respective dates, regardless of (i) any investigation made by or on behalf of Cowen, any controlling persons, or the Company (or any of their respective officers, directors or controlling persons), (ii) delivery and acceptance of the Placement Shares and payment therefor or (iii) any termination of this Agreement.

11. Termination.

(a) Cowen shall have the right by giving notice as hereinafter specified at any time to terminate this Agreement if (i) any Material Adverse Change, or any development that would reasonably be expected to result in a Material Adverse Change has occurred that, in the reasonable judgment of Cowen, may materially impair the ability of Cowen to sell the Placement Shares hereunder, (ii) the Company shall have failed, refused or been unable to perform any agreement on its part to be performed hereunder; *provided, however,* in the case of any failure of the Company to deliver (or cause another person to deliver) any certification, opinion, or letter required under Sections 7(m), 7(n), or 7(o), Cowen's right to terminate shall not arise unless such failure to deliver (or cause to be delivered) continues for more than thirty (30) days from the date such delivery was required, (iii) any other condition of Cowen's obligations hereunder is not fulfilled, or (iv), any suspension or limitation of trading in the Placement Shares or in securities generally on Nasdaq shall have occurred. Any such termination shall be without liability of any party to any other party except that the provisions of Section 7(g) (Expenses), Section 9 (Indemnification and Contribution), Section 10 (Representations and Agreements to Survive Delivery), Section 16 (Applicable Law; Consent to Jurisdiction) and Section 17 (Waiver of Jury Trial) hereof shall remain in full force and effect notwithstanding such termination. If Cowen elects to terminate this Agreement as provided in this Section 11(a), Cowen shall provide the required notice as specified in Section 12 (Notices).

(b) The Company shall have the right, by giving ten (10) days notice as hereinafter specified to terminate this Agreement in its sole discretion at any time after the date of this Agreement. Any such termination shall be without liability of any party to any other party except that the provisions of Section 7(g) (Expenses), Section 9 (Indemnification and Contribution), Section 10 (Representations and Agreements to Survive Delivery), Section 16 (Applicable Law; Consent to Jurisdiction) and Section 17 (Waiver of Jury Trial) hereof shall remain in full force and effect notwithstanding such termination.

(c) Cowen shall have the right, by giving ten (10) days notice as hereinafter specified to terminate this Agreement in its sole discretion at any time after the date of this Agreement. Any such termination shall be without liability of any party to any other party except that the provisions of Section 7(g) (Expenses), Section 9 (Indemnification and Contribution), Section 10 (Representations and Agreements to Survive Delivery), Section 16 (Applicable Law; Consent to Jurisdiction) and Section 17 (Waiver of Jury Trial) hereof shall remain in full force and effect notwithstanding such termination.

(d) Unless earlier terminated pursuant to this Section 11, this Agreement shall automatically terminate upon the issuance and sale of all of the Placement Shares through Cowen on the terms and subject to the conditions set forth herein; *provided* that the provisions of Section 7(g) (Expenses), Section 9 (Indemnification and Contribution), Section 10 (Representations and Agreements to Survive Delivery), Section 16 (Applicable Law; Consent to Jurisdiction) and Section 17 (Waiver of Jury Trial) hereof shall remain in full force and effect notwithstanding such termination.

(e) This Agreement shall remain in full force and effect unless terminated pursuant to Sections 11(a), (b), (c), or (d) above or otherwise by mutual agreement of the parties; *provided, however,* that any such termination by mutual agreement shall in all cases be deemed to provide that Section 7(g) (Expenses), Section 9 (Indemnification and Contribution), Section 10 (Representations and Agreements to Survive Delivery), Section 16 (Applicable Law; Consent to Jurisdiction) and Section 17 (Waiver of Jury Trial) shall remain in full force and effect.

(f) Any termination of this Agreement shall be effective on the date specified in such notice of termination; *provided, however,* that such termination shall not be effective until the close of business on the date of receipt of such notice by Cowen or the Company, as the case may be. If such termination shall occur prior to the Settlement Date for any sale of Placement Shares, such Placement Shares shall settle in accordance with the provisions of this Agreement.

12. Notices. All notices or other communications required or permitted to be given by any party to any other party pursuant to the terms of this Agreement shall be in writing, unless otherwise specified in this Agreement, and if sent to Cowen, shall be delivered to:

Cowen at Cowen and Company, LLC
599 Lexington Avenue
New York, NY 10022
Attention: General Counsel
Telephone: 212- 201-4841
e-mail: owen.littman@cowen.com
Fax: 646-562-1124

with a copy to:

LeClairRyan
885 Third Avenue, Sixteenth Floor
New York, NY 10022
Attention: James T. Seery
Telephone: 973- 491-3315
e-mail: james.seery@leclairryan.com
Fax: 973- 491-3415

and if sent to the Company, shall be delivered to:

Tenax Therapeutics, Inc.
One Copley Parkway, Suite 490
Morrisville, NC 27560
Attention: Michael Jebsen
Telephone: 919-855-2123
e-mail: m.jebsen@tenaxthera.com
Fax: 919-855-2133

with a copy to:

Smith, Anderson, Blount, Dorsett, Mitchell & Jernigan, L.L.P.
150 Fayetteville Street, Suite 2300
Raleigh, NC 27601
Attention: Margaret Rosenfeld
Telephone: 919-821-6714
e-mail: mrosenfeld@smithlaw.com
Fax: 919-821-6800

Each party to this Agreement may change such address for notices by sending to the parties to this Agreement written notice of a new address for such purpose. Each such notice or other communication shall be deemed given (i) when delivered personally, by e-mail or by verifiable facsimile transmission (with an original to follow) on or before 4:30 p.m., New York City time, on a Business Day (as defined below), or, if such day is not a Business Day on the next succeeding Business Day, (ii) on the next Business Day after timely delivery to a nationally-recognized overnight courier and (iii) on the Business Day actually received if deposited in the U.S. mail (certified or registered mail, return receipt requested, postage prepaid). For purposes of this Agreement, "**Business Day**" shall mean any day on which Nasdaq and commercial banks in the City of New York are open for business.

13. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the Company and Cowen and their respective successors and the affiliates, controlling persons, officers and directors referred to in Section 9 hereof. References to any of the parties contained in this Agreement shall be deemed to include the successors and permitted assigns of such party. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and permitted assigns any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement. Neither party may assign its rights or obligations under this Agreement without the prior written consent of the other party; *provided*, *however*, that Cowen may assign its rights and obligations hereunder to an affiliate of Cowen without obtaining the Company's consent.

14. Adjustments for Share Splits. The parties acknowledge and agree that all share-related numbers contained in this Agreement shall be adjusted to take into account any share split, share dividend or similar event effected with respect to the Common Stock.

15. Entire Agreement; Amendment; Severability. This Agreement (including all schedules and exhibits attached hereto and Placement Notices issued pursuant hereto) constitutes the entire agreement and supersedes all other prior and contemporaneous agreements and undertakings, both written and oral, among the parties hereto with regard to the subject matter hereof. Neither this Agreement nor any term hereof may be amended except pursuant to a written instrument executed by the Company and Cowen. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable as written by a court of competent jurisdiction, then such provision shall be given full force and effect to the fullest possible extent that it is valid, legal and enforceable, and the remainder of the terms and provisions herein shall be construed as if such invalid, illegal or unenforceable term or provision was not contained herein, but only to the extent that giving effect to such provision and the remainder of the terms and provisions hereof shall be in accordance with the intent of the parties as reflected in this Agreement.

16. Applicable Law; Consent to Jurisdiction. This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of New York without regard to the principles of conflicts of laws. Each party hereby irrevocably submits to the non-exclusive jurisdiction of the state and federal courts sitting in the City of New York, borough of Manhattan, for the adjudication of any dispute hereunder or in connection with any transaction contemplated hereby, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof (certified or registered mail, return receipt requested) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law.

17. Waiver of Jury Trial. The Company and Cowen each hereby irrevocably waives any right it may have to a trial by jury in respect of any claim based upon or arising out of this Agreement or any transaction contemplated hereby.

18. Effect of Headings. The section and Exhibit headings herein are for convenience only and shall not affect the construction hereof.

19. Absence of Fiduciary Relationship. The Company acknowledges and agrees that:

(a) Cowen has been retained solely to act as sales agent in connection with the sale of the Common Stock and that no fiduciary, advisory or agency relationship between the Company and Cowen has been created in respect of any of the transactions contemplated by this Agreement, irrespective of whether Cowen has advised or is advising the Company on other matters;

(b) the Company is capable of evaluating and understanding and understands and accepts the terms, risks and conditions of the transactions contemplated by this Agreement;

(c) the Company has been advised that Cowen and its affiliates are engaged in a broad range of transactions which may involve interests that differ from those of the Company and that Cowen has no obligation to disclose such interests and transactions to the Company by virtue of any fiduciary, advisory or agency relationship; and

(d) the Company waives, to the fullest extent permitted by law, any claims it may have against Cowen, for breach of fiduciary duty or alleged breach of fiduciary duty and agrees that Cowen shall have no liability (whether direct or indirect) to the Company in respect of such a fiduciary claim or to any person asserting a fiduciary duty claim on behalf of or in right of the Company, including stockholders, partners, employees or creditors of the Company.

20. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery of an executed Agreement by one party to the other may be made by facsimile or electronic transmission.

[Remainder of Page Intentionally Blank]

If the foregoing correctly sets forth the understanding between the Company and Cowen, please so indicate in the space provided below for that purpose, whereupon this letter shall constitute a binding agreement between the Company and Cowen.

Very truly yours,

COWEN AND COMPANY, LLC

By: /s/ Kevin Raidy
Name: Kevin Raidy
Title: Managing Director

ACCEPTED as of the date first-above written:

TENAX THERAPEUTICS, INC.

By: /s/ Michael Jebsen
Name: Michael Jebsen
Title: President and Chief Financial Officer

SCHEDULE 1

FORM OF PLACEMENT NOTICE

From: [ ]
Cc: [ ]
To: [ ]
Subject: Cowen at the Market Offering—Placement Notice

Ladies and Gentlemen:

Pursuant to the terms and subject to the conditions contained in the Sales Agreement between Tenax Therapeutics, Inc. (the "Company"), and Cowen and Company, LLC ("Cowen") dated February 23, 2015 (the "Agreement"), I hereby request on behalf of the Company that Cowen sell up to [ ] shares of the Company's common stock, par value $0.0001 per share, at a minimum market price of $_____ per share. Sales should begin on the date of this Notice and shall continue until [DATE] [all shares are sold] [the aggregate sales price of the shares reaches $[___]].

SCHEDULE 2

The Company

John P. Kelley	Chief Executive Officer
Michael B. Jebsen	Chief Financial Officer

Cowen

Rob Sine	Director
William Follis	Director

Compensation

Cowen shall be paid compensation equal to 3.0% of the gross proceeds from the sales of Common Stock pursuant to the terms of this Agreement.

OFFICER CERTIFICATE

The undersigned, the duly qualified and elected _____, of Tenax Therapeutics, Inc. ("**Company**"), a Delaware corporation, does hereby certify in such capacity and on behalf of the Company, pursuant to Section 7(m) of the Sales Agreement dated February 23, 2015 (the "**Sales Agreement**") between the Company and Cowen and Company, LLC, that to the best of the knowledge of the undersigned.

(i) The representations and warranties of the Company in Section 6 of the Sales Agreement (A) to the extent such representations and warranties are subject to qualifications and exceptions contained therein relating to materiality or Material Adverse Change, are true and correct on and as of the date hereof with the same force and effect as if expressly made on and as of the date hereof, except for those representations and warranties that speak solely as of a specific date and which were true and correct as of such date, and (B) to the extent such representations and warranties are not subject to any qualifications or exceptions, are true and correct in all material respects as of the date hereof as if made on and as of the date hereof with the same force and effect as if expressly made on and as of the date hereof except for those representations and warranties that speak solely as of a specific date and which were true and correct as of such date; and

(ii) The Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied pursuant to the Sales Agreement at or prior to the date hereof.

Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Sales Agreement.

TENAX THERAPEUTICS, INC.

Date:

By: /s/ _____
Name
Title

Exhibit 21.1

SUBSIDIARIES OF TENAX THERAPEUTICS, INC.

Company Name	Jurisdiction
Life Newco, Inc.	Delaware

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in the Registration Statement on Form S-3 (No. 333-202244), filed on February 24, 2015, Form S-8 (No. 333-196464) filed on June 2, 2014, Form S-3 (No. 333-196468), filed on June 2, 2014, of Tenax Therapeutics, Inc. and Subsidiary, formerly, Oxygen Biotherapeutics, Inc. (the "Company") of our report dated July 14, 2015, with respect to the consolidated financial statements and internal controls of the Company included in the Company's Annual Report on Form 10-K, as of and for the years ended April 30, 2015 and 2014 filed on July 14, 2015.

/s/ CHERRY BEKAERT LLP

Raleigh, North Carolina
July 14, 2015

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, John P. Kelley, certify that:

1. I have reviewed this Annual Report on Form 10-K of Tenax Therapeutics, Inc.;

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

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

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

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

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

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

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

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

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

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

Date: July 14, 2015

TENAX THERAPEUTICS, INC.

By: /s/ John P. Kelley
John P. Kelley
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Michael B. Jebsen, certify that:

1. I have reviewed this Annual Report on Form 10-K of Tenax Therapeutics, Inc.;

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

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

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

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

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

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

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

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

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

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

Date: July 14, 2015

TENAX THERAPEUTICS, INC.

By: /s/ Michael B. Jebsen
Michael B. Jebsen
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

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

In connection with the Annual Report of Tenax Therapeutics, Inc. (the "Company") on Form 10-K for the year ended April 30, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John P. Kelley, Chief Executive Officer (Principal Executive Officer) of the Company, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 14, 2015

/s/ John P. Kelley
John P. Kelley
Chief Executive Officer
(Principal Executive Officer)

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. Section 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

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

In connection with the Annual Report of Tenax Therapeutics, Inc. (the "Company") on Form 10-K for the period year April 30, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael B. Jebsen, Chief Financial Officer (Principal Financial Officer) of the Company, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 14, 2015

/s/ Michael B. Jebsen
Michael B. Jebsen
Chief Financial Officer
(Principal Financial Officer)

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. Section 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.