

Raptor Pharmaceutical Corp
Form 424B3
July 22, 2011

Prospectus Supplement No. 3 Filed Pursuant to Rule 424(b)(3)
Registration No. 333-162374

Prospectus Supplement No. 3 dated July 21, 2011
(To Prospectus dated December 1, 2010)

3,747,558 SHARES OF COMMON STOCK
SERIES A WARRANTS TO PURCHASE UP TO 1,873,779 SHARES OF COMMON STOCK
SERIES B WARRANTS TO PURCHASE UP TO 1,873,779 SHARES OF COMMON

This prospectus supplement no. 3 supplements that certain prospectus dated December 1, 2010, as supplemented by that certain prospectus supplement no. 1, dated January 14, 2011 and prospectus supplement no. 2, dated April 13, 2011 (collectively, the "Prospectus") of Raptor Pharmaceutical Corp., a Delaware corporation (the "Company") relating to the offering for sale of 3,747,558 units, consisting of (i) 3,747,558 shares of the Company's common stock, (ii) warrants to purchase an aggregate of up to 1,873,779 shares of the Company's common stock (and the shares of common stock issuable from time to time upon exercise of such warrants), exercisable, subject to its terms, at \$2.45 per share, during the period beginning on June 20, 2010 and ending on December 22, 2014, and (iii) warrants to purchase an aggregate of up to 1,873,779 shares of the Company's common stock (and the shares of common stock issuable from time to time upon exercise of such warrants), exercisable, subject to its terms, at \$2.45 per share, during the period beginning on June 20, 2010 and ending on June 22, 2011.

This prospectus supplement no. 3 contains the Quarterly Report on Form 10-Q for the quarterly period ended May 31, 2011 filed by the Company with the Securities and Exchange Commission on July 13, 2011 (the "10-Q"). This prospectus supplement no. 3 is not complete without, and may not be delivered or used except in connection with, the Prospectus. This prospectus supplement no. 3 is qualified by reference to the Prospectus except to the extent that the information in this prospectus supplement no. 3 updates and supersedes the information contained in the Prospectus, including any supplements or amendments thereto.

INVESTING IN THE COMPANY'S COMMON STOCK INVOLVES SUBSTANTIAL RISKS. SEE THE SECTION TITLED "RISK FACTORS" BEGINNING ON PAGE 9 OF THE PROSPECTUS AND THE SECTION TITLED "RISK FACTORS THAT MAY AFFECT FUTURE RESULTS" BEGINNING ON PAGE 54 OF THE 10-Q TO READ ABOUT FACTORS YOU SHOULD CONSIDER BEFORE BUYING SHARES OF THE COMPANY'S COMMON STOCK.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THE PROSPECTUS OR THIS PROSPECTUS SUPPLEMENT NO. 3. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus supplement is July 21, 2011.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

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

For the quarterly period ended May 31, 2011

^{or}
TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 000-25571

Raptor Pharmaceutical Corp.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation
or organization)

86-0883978
(I.R.S. Employer Identification No.)

9 Commercial Blvd., Suite 200, Novato, CA 94949
(Address of principal executive offices) (Zip Code)

(415) 382-8111
(Registrant's telephone number, including area code)

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

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934, during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

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

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submit and post such files). Yes No

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

Large accelerated
filer

Accelerated filer

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

Smaller reporting
company

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

There were 34,595,103 shares of the registrant's common stock, \$.001 par value per share, outstanding at July 5, 2011.

RAPTOR PHARMACEUTICAL CORP.

FORM 10-Q FOR THE QUARTER ENDED MAY 31, 2011

Table of Contents

	Page
Part 1 - Financial Information	
Item 1	
Financial Statements	
Condensed Consolidated Balance Sheets as of May 31, 2011 (unaudited) and August 31, 2010	2
Unaudited Condensed Consolidated Statements of Operations for the three month periods ended May 31, 2011 and 2010	3
Unaudited Condensed Consolidated Statements of Operations for the nine month periods ended May 31, 2011 and 2010 and the cumulative period from September 8, 2005 (inception) to May 31, 2011	4
Unaudited Condensed Consolidated Statements of Cash Flows for the nine month periods ended May 31, 2011 and 2010 and the cumulative period from September 8, 2005 (inception) to May 31, 2011	5
Notes to Condensed Consolidated Financial Statements	6
Management's Discussion and Analysis of Financial Condition and Results of Operations	31
Quantitative and Qualitative Disclosures About Market Risk	53
Item 2	
Item 3	
Item 4	
Controls and Procedures	53
Part II - Other Information	
Item 1	
Legal Proceedings	53
Item 1A	
Risk Factors	54
Item 2	
Unregistered Sales of Equity Securities and Use of Proceeds	57
Item 3	
Defaults Upon Senior Securities	58
Item 4	
(Removed and Reserved)	58
Item 5	
Other Information	58
Item 6	
Exhibits	59
SIGNATURES	61

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

Raptor Pharmaceutical Corp.
(A Development Stage Company)
Condensed Consolidated Balance Sheets

ASSETS	May 31, 2011 (unaudited)	August 31, 2010 (1)
Current assets:		
Cash and cash equivalents	\$ 13,325,695	\$ 16,953,524
Restricted cash	114,282	-
Prepaid expenses and other	191,074	285,898
Total current assets	13,631,051	17,239,422
Intangible assets, net	3,397,417	3,512,542
Goodwill	3,275,403	3,275,403
Fixed assets, net	65,056	93,249
Deposits	104,906	102,906
Deferred offering costs	-	166,015
Total assets	\$ 20,473,833	\$ 24,389,537
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Liabilities		
Current liabilities:		
Accounts payable	\$ 1,144,624	\$ 637,321
Accrued liabilities	1,017,312	1,129,810
Common stock warrant liability	32,852,755	15,780,216
Deferred rent	27,029	2,673
Capital lease liability – current	3,106	4,865
Total current liabilities	35,044,826	17,554,885
Capital lease liability - long-term	-	1,811
Total liabilities	35,044,826	17,556,696
Commitments and contingencies		
Stockholders' equity (deficit):		
Preferred stock, \$0.001 par value, 15,000,000 shares authorized, zero shares issued and outstanding	-	-
Common stock, \$0.001 par value, 150,000,000 shares authorized, 33,127,556 and 30,076,758 shares issued and	33,128	30,077

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outstanding as at May 31, 2011 and August 31, 2010,
respectively

Additional paid-in capital	59,563,190	47,617,449
Accumulated other comprehensive loss	(395)	(7,854)
Deficit accumulated during development stage	(74,166,916)	(40,806,831)
Total stockholders' equity (deficit)	(14,570,993)	6,832,841
Total liabilities and stockholders' equity (deficit)	\$ 20,473,833	\$ 24,389,537

(1) Derived from the Company's audited consolidated financial statements as of August 31, 2010.

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

Raptor Pharmaceutical Corp.
(A Development Stage Company)
Condensed Consolidated Statements of Operations
(Unaudited)

For the three month periods from
March 1, 2011 to May 31,

	2011	2010
Revenues:	\$ -	\$ -
Operating expenses:		
General and administrative	1,733,218	938,113
Research and development	3,901,651	2,176,658
Total operating expenses	5,634,869	3,114,771
Loss from operations	(5,634,869)	(3,114,771)
Interest income	12,116	5,489
Interest expense	(486)	(814)
Foreign currency transaction loss	-	-
Adjustment to fair value of common stock warrants	(14,641,775)	(4,345,251)
Net loss	\$ (20,265,014)	\$ (7,455,347)
Loss per share from operations:		
Basic and diluted	\$ (0.17)	\$ (0.14)
Net loss per share:		
Basic and diluted	\$ (0.62)	\$ (0.33)
Weighted average shares outstanding used to compute:		
Basic and diluted	32,594,450	22,842,875

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

Raptor Pharmaceutical Corp.
(A Development Stage Company)
Condensed Consolidated Statements of Operations
(Unaudited)

	For the nine month periods from		For the cumulative period from
	September 1, 2010 to May 31, 2011	September 1, 2009 to May 31, 2010	September 8, 2005 (inception) to May 31, 2011
Revenues:	\$ -	\$ -	\$ -
Operating expenses:			
General and administrative	4,565,829	2,926,960	15,242,217
Research and development	10,266,027	6,271,997	34,474,391
In-process research and dev.	-	-	240,625
Total operating expenses	14,831,856	9,198,957	49,957,233
Loss from operations	(14,831,856)	(9,198,957)	(49,957,233)
Interest income	31,348	15,897	358,952
Interest expense	(1,484)	(2,649)	(115,371)
Foreign currency transaction gain (loss)	89	-	(368)
Adjustment to fair value of common stock warrants	(18,558,182)	(5,388,641)	(24,452,896)
Net loss	(33,360,085)	\$ (14,574,350)	\$ (74,166,916)
Loss per share from operations:			
Basic and diluted	\$ (0.47)	\$ (0.44)	
Net loss per share:			
Basic and diluted	\$ (1.06)	\$ (0.69)	
Weighted average shares outstanding used to compute:			
Basic and diluted	31,536,829	20,999,659	

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

Raptor Pharmaceutical Corp.
(A Development Stage Company)
Condensed Consolidated Statements of Cash Flows
(unaudited)

	For the nine month periods from September 1, 2010 to May 31, 2011	September 1, 2009 to May 31, 2010	For the cumulative period from September 8, 2005 (inception) to May 31, 2011
Cash flows from operating activities:			
Net loss	\$ (33,360,085)	\$ (14,574,350)	\$ (74,166,917)
Adjustments to reconcile net loss to net cash used in operating activities:			
Employee stock-based compensation expense	1,541,888	140,857	2,973,646
Consultant stock-based compensation expense	38,016	75,405	523,957
Fair value adjustment of common stock warrants	18,558,182	5,388,641	24,452,896
Amortization of intangible assets	115,125	113,875	512,583
Depreciation of fixed assets	58,182	55,026	481,363
In-process research and development	-	-	240,625
Amortization of capitalized finder's fee	-	-	102,000
Capitalized acquisition costs previously expensed	-	-	38,000
Changes in assets and liabilities:			
Prepaid expenses and other	94,824	75,933	(91,636)
Intangible assets	-	-	(150,000)
Deposits	(2,000)	(2,700)	(104,907)
Accounts payable	507,303	191,699	1,144,624
Accrued liabilities	(112,498)	(816,996)	336,586
Deferred rent	24,356	1,081	26,924
Net cash used in operating activities	(12,536,707)	(9,351,529)	(43,680,256)
Cash flows from investing activities:			
Purchase of fixed assets	(29,989)	(14,400)	(527,095)
Cash acquired in 2009 Merger	-	-	-