GeoVax Labs, Inc.
Form S-1/A
September 17, 2010

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As filed with the Securities and Exchange Commission on September 17, 2010
Registration No. 333-165828

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

Amendment No. 5 to
Form S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

GEOVAX LABS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**2834**	**87-0455038**
(State or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

1900 Lake Park Dr., Suite 380, Smyrna Georgia 30080, (678) 384-7220
(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

Robert T. McNally, Ph.D.
President & Chief Executive Officer
GeoVax Labs, Inc.
1900 Lake Park Dr., Suite 380
Smyrna Georgia 30080
Telephone: (678) 384-7220
Facsimile: (678) 384-7281
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this registration statement.

With Copies To:

T. Clark Fitzgerald III, Esq.
Womble Carlyle Sandridge & Rice, PLLC
271 17th Street, NW, Suite 2400
Atlanta, Georgia 30363
Telephone: (404) 879-2455
Facsimile: (404) 870-4869

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. þ

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. 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 þ	Non-accelerated filer o	Smaller reporting company o (Do not check if a smaller reporting company)

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

PRELIMINARY PROSPECTUS, SUBJECT TO COMPLETION DATED SEPTEMBER 17, 2010

PROSPECTUS

GEOVAX LABS, INC.

FROM TO UNITS, EACH CONSISTING OF ONE SHARE OF COMMON STOCK AND A WARRANT TO PURCHASE ONE ADDITIONAL SHARE OF COMMON STOCK

This is a best efforts offering of a minimum of $5,000,000 (units) and a maximum of $10,000,000 (units) at a price of $ per unit. Each unit consists of one share of GeoVax Labs, Inc. common stock ($0.001 par value) and a five-year callable warrant to purchase one additional share of GeoVax Labs, Inc. common stock at an exercise price of $, or 20% above the offering price of the units. The units will separate immediately upon issuance and trade separately. Proceeds will be deposited in an escrow account and returned to investors in full, without interest or deduction, unless at least units offered hereby are sold during the offering period. Investors will have no right to the return of their funds during the term of the escrow.

Our common stock is quoted on the OTC Bulletin Board under the symbol GOVX. On September 16, 2010, the last reported sale price for our common stock on the OTC Bulletin Board was $1.85 per share. We do not intend to apply for listing of the warrants on any securities exchange.

Investing in the common stock involves certain risks. See Risk Factors beginning on page 5 for a discussion of these risks.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Unit	Total Minimum Offering	Total Maximum Offering
Public offering price	$	$ 5,000,000	$ 10,000,000
Placement agents commissions	$	$ 400,000	$ 800,000
Proceeds to us(1)	$	$ 4,600,000	$ 8,200,000

(1) Before deducting expenses of this offering payable by us estimated to be approximately $700,000.

We have agreed to pay our placement agents an aggregate commission of 8% of the price of each unit sold, and to reimburse certain expenses, up to $174,999. See Plan of Distribution. The placement agents are not required to sell any specific number of units or dollar amount of units but will use their best efforts to sell the units. Brokers or dealers effecting transactions in these shares should confirm that the units are registered under the applicable state law or that an exemption from registration is available.

This offering will terminate on , 2010, unless the offering is fully subscribed before that date or we decide to terminate the offering prior to that date. In either event, the offering may be closed without further notice to you. All costs associated with the registration will be borne by us.

Global Hunter Securities LLC **Gilford Securities Incorporated**

The date of this Prospectus is , 2010

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You should rely only on the information contained in this prospectus and in any accompanying prospectus supplement. We have not authorized anyone to provide you with different information.

We have not authorized anyone to make an offer of these shares of common stock in any jurisdiction where the offer is not permitted.

You should not assume that the information in this prospectus or prospectus is accurate as of any date other than the date on the front of this prospectus.

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PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. It does not contain all of the information that you should consider before investing in our securities. Please read the entire prospectus carefully, including the section entitled Risk Factors and our consolidated financial statements and the related notes. We have not authorized anyone else to provide you with different information, and if you receive any unauthorized information you should not rely on it. The information appearing in this prospectus is accurate only as of its date. Our business, financial condition, results of operations and prospects may have changed since that date.

You should not invest unless you can afford to lose your entire investment.

Unless otherwise indicated, all share amounts and prices in the registration statement of which this prospectus is a part reflect the 1-for-50 reverse stock split we implemented on April 27, 2010.

Company Overview

We are a biotechnology company dedicated to developing vaccines that prevent and fight human immunodeficiency virus (commonly known as HIV) infections that result in acquired immunodeficiency syndrome, also known as AIDS. We have preventative vaccines being evaluated in a Phase 2a human clinical trial in individuals who are not HIV infected and are currently enrolling prospective participants in a Phase 1 human therapeutic clinical trial in individuals who are HIV infected.

Our preventative vaccines are designed to prevent or control infection by HIV, reduce the rate of disease progression to AIDS and reduce the risk of HIV transmission. Our therapeutic vaccines target viral replication to reduce viral load in HIV infected individuals with a goal of reducing or eliminating the need for anti-HIV medications, and thereby reduce both the cost of treatment and the occurrence of detrimental side effects associated with current drug treatments.

Our vaccines are designed to function against the subtype, known as clade B, of the HIV virus that is most prevalent in the developed world. Our vaccines have been shown to induce strong T-cell, which are a type of white blood cell, and antibody immune responses in non-human primates against the simian immunodeficiency virus, the primate version of the HIV virus. Our goals include manufacturing and testing these vaccines consistent with guidelines issued by the United States Food and Drug Administration, or FDA, conducting human trials for vaccine safety and effectiveness, and obtaining regulatory approvals to advance the development and commercialization of our vaccines.

Our preventative vaccine is one of only five vaccine candidates out of more than 80 tested by the HIV Vaccine Trials Network, which we refer to as the HVTN, in Phase 1 human clinical trials to have progressed to Phase 2 testing. Based on current enrollment progress, we expect the Phase 2a clinical trial to be completed during 2011.

The Investigational New Drug, or IND, application to test our therapeutic vaccine in a Phase 1 human clinical trial is based on promising data from three pilot studies we conducted using therapeutic vaccination in simian immunodeficiency virus infected non-human primates. We expect the Phase 1 trial to begin generating vaccine safety and performance data during the first half of 2011, with trial completion in the 2012-2013 timeframe.

Our vaccine candidates incorporate two delivery components: a recombinant deoxyribonucleic acid, or DNA, and a recombinant poxvirus designated modified vaccinia Ankara, or MVA, which both deliver genes that encode inactivated HIV-derived proteins and provide them to the immune system. Both components are designed to support

production of non-infectious virus-like particles in vaccinated individuals that prime and boost immune responses. When properly administered in series, our vaccine candidates induce strong T-cell and antibody responses in non-human primates against multiple HIV proteins.

Both the DNA and MVA vaccines contain sufficient HIV genes to support the production of non-infectious virus-like particles in vaccinated people which display forms of proteins that appear authentic to the

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immune system. When used together, the recombinant DNA component is used to prime immune responses which are boosted by administration n of the recombinant MVA component. In certain settings, the recombinant MVA alone may be sufficient for priming and boosting the immune responses. We are also testing use of the recombinant MVA component alone in our ongoing Phase 2a clinical trial.

Work on our vaccines began during the 1990s at Emory University in Atlanta, Georgia, under the direction of Dr. Harriet L. Robinson, who is now our Chief Scientific Officer. The vaccine technology was developed in collaboration with researchers at the United States National Institutes of Health, or the NIH, National Institute of Allergy and Infectious Disease, or the NIAID, and the United States Centers for Disease Control and Prevention, or the CDC. The technology developed at Emory University is exclusively licensed to us. We also have nonexclusive rights through our license to certain patents owned by the NIH and exclusive license rights to certain manufacturing process patents of MFD, Inc.

In 2005, a Phase 1 human clinical trial to test our preventative vaccine concluded successfully. After receiving Safe to Proceed status for a new IND by the FDA, a Phase 1 clinical trial combining low doses of the DNA vaccine with the MVA vaccine began in May 2006. An additional Phase 1 human clinical trial began in September 2006 to test full doses of the vaccines. In total, this Phase 1 testing included four clinical trial stages. The different clinical trial stages were designed to test various combinations and doses of our DNA and MVA vaccines in human volunteers for their ability to induce HIV-specific immune responses and to document safety. Successful results from all stages of the Phase 1 clinical trial supported the initiation of the first Phase 2 clinical trial which began in January 2009 and will ultimately involve 300 participants at sites in the United States and South America.

We are also conducting pre-clinical research on the impact of adding adjuvants, which are immune system stimulants, to our vaccine components to see if this can improve the effectiveness of our vaccine candidates. This work is being funded by the NIH through an Integrated Pre-clinical/Clinical AIDS Vaccine Development Grant, or an IPCAVD grant, to GeoVax. Pre-clinical animal trials have been conducted with very encouraging results, and we plan to pursue a second clinical program for the development of the next generation of our HIV/AIDS vaccines.

All of the human clinical testing completed to date on our vaccines, except for the therapeutic trial, has been conducted by the HVTN using funding from the NIH. Separately, in September 2007, we received a five-year IPCAVD grant from the NIH. The total award of more than $18 million is limited to meritorious HIV/AIDS prevention vaccine programs and subject to annual renewal. The funds we are raising in this offering will be used for general corporate purposes and to expand and accelerate our ability to fund research and clinical trials in hopes of accelerating the date our preventative and therapeutic vaccines receive required regulatory approval for commercial distribution.

Our common stock is quoted on the OTC Bulletin Board under the symbol GOVX. On September 16, 2010, the last reported sale price for our common stock on the OTC Bulletin Board was $1.85 per share. We do not intend to apply for listing of the warrants on any securities exchange.

As used herein, GeoVax, the Company, we, our, and similar terms include GeoVax Labs, Inc., and its operating subsidiary, GeoVax, Inc., unless the context indicates otherwise.

We are incorporated under the laws of the State of Delaware. Our principal executive offices are located at 1900 Lake Park Drive, Suite 380, Smyrna, Georgia 30080 (metropolitan Atlanta). Our telephone number is (678) 384-7220. The address of our website is www.geovax.com. Information on our website is not part of this prospectus.

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SUMMARY FINANCIAL INFORMATION

The following summary financial data are derived from our consolidated financial statements. The historical results presented below are not necessarily indicative of the results to be expected for any future period. You should read the information set forth below in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations, and our consolidated financial statements and the related notes, beginning on page F-1 of this prospectus.

	Six Months Ended June 30,		Years Ended December 31,				
ent of Operations Data	2010	2009	2009	2008	2007	2006	20
evenues (grant income)	$ 3,075,729	$ 1,462,955	$ 3,668,195	$ 2,910,170	$ 237,004	$ 852,905	$ 67
s	$ (1,623,878)	$ (2,210,163)	$ (3,284,252)	$ (3,728,187)	$ (4,241,796)	$ (584,166)	$ (1,61
nd diluted net loss per n share(1)	$ (0.10)	$ (0.15)	$ (0.22)	$ (0.25)	$ (0.30)	$ (0.07)	$

	June 30,		December 31,				
Balance Sheet Data:	2010	2009	2009	2008	2007	2006	2005
Total assets	$ 3,847,636	$ 2,432,108	$ 4,315,597	$ 3,056,241	$ 3,246,404	$ 2,396,330	$ 1,685,218
Redeemable convertible preferred stock	$	$	$	$	$	$	$ 1,016,555
Total stockholders equity (deficit)	$ 2,623,129	$ 2,099,486	$ 3,744,232	$ 2,709,819	$ 2,647,866	$ 2,203,216	$ (500,583)

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THE OFFERING

Securities Offered	From to units representing an aggregate price of $5,000,000 to $10,000,000. Each unit will consist of one share of our common stock and a warrant to purchase another share of our common stock.
Number of Shares Outstanding Prior to the Offering	15,654,846 shares. (1)
Number of Shares to be Outstanding After the Offering	Minimum: shares(1) Maximum: shares (1)
Description of Unit Warrants:	The five-year callable warrants will have an exercise price of $ per share, or 20% above the offering price of the units. See Description of Capital Stock and Unit Warrants.
Use of Proceeds	To have vaccines manufactured for our clinical trials; to conduct a second human clinical trial for the therapeutic use of our vaccine; toward conducting a Phase 1 human clinical trial of an adjuvanted version of our vaccine, toward conducting our planned Phase 2b human clinical trial for a preventative HIV vaccine in the at risk population; and for working capital and general corporate purposes.
OTC Bulletin Board Symbol for Our Common Stock	**GOVX**
Risk Factors	The securities offered by this prospectus are speculative and involve a high degree of risk and investors purchasing securities should not purchase the securities unless they can afford the loss of their entire investment. See Risk Factors beginning on page 5.

(1) The number of shares of our common stock to be outstanding after this offering is based on the number of shares outstanding as of September 16, 2010, and excludes:

1,037,529 shares of common stock reserved for future issuance under our equity incentive plans. As of September 16, 2010, there were options to purchase 1,035,756 shares of our common stock outstanding under our equity incentive plans with a weighted average exercise price of $5.87 per share;

907,594 shares of common stock issuable upon exercise of currently outstanding warrants as of September 16, 2010, with exercise prices ranging from $7.00 per share to $16.50 per share; and

From to shares of common stock that will be issuable upon exercise of the unit warrants at an exercise price of $ per share (20% above the offering price per unit) sold as part of the units in this offering.

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RISK FACTORS

You should carefully consider the risks, uncertainties and other factors described below before you decide whether to buy units. Any of the factors could materially and adversely affect our business, financial condition, operating results and prospects and could negatively impact the market price of our securities. Also, you should be aware that the risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties, of which we are not yet aware, or that we currently consider to be immaterial, may also impair our business operations. You should also refer to the other information contained in this prospectus, including our financial statements and the related notes.

Risks Related to Our Financial Results and Need for Additional Financing

We have a history of operating losses, and we expect losses to continue for the foreseeable future.

We have had no product revenue to date and there can be no assurance that we will ever generate any product revenue. We have experienced operating losses since we began operations in 2001. As of June 30, 2010, we had an accumulated deficit of approximately $19.2 million. We expect to incur additional operating losses and expect cumulative losses to increase as our research and development, pre-clinical, clinical, manufacturing and marketing efforts expand. Our ability to generate revenue and achieve profitability depends on our ability to successfully complete the development of our product candidates, conduct pre-clinical tests and clinical trials, obtain the necessary regulatory approvals, and manufacture and market the resulting products. Unless we are able to successfully meet these challenges, we will not be profitable and may not remain in business.

Our business will require continued funding. If we do not receive adequate funding, we will not be able to continue our operations.

To date, we have financed our operations principally through the private placement of equity securities and through NIH grants. We will require substantial additional financing at various intervals for our operations, including clinical trials, operating expenses, intellectual property protection and enforcement, for pursuit of regulatory approvals, and for establishing or contracting out manufacturing, marketing and sales functions. There is no assurance that such additional funding will be available on terms acceptable to us or at all. If we are not able to secure the significant funding that is required to maintain and continue our operations at current levels, or at levels that may be required in the future, we may be required to delay clinical studies or clinical trials, curtail operations, or obtain funds through collaborative arrangements that may require us to relinquish rights to some of our products or potential markets.

The costs of conducting all of our human clinical trials to date have been borne by the HVTN, funded by the NIH, with GeoVax incurring costs associated with manufacturing the clinical vaccine supplies and other study support. This includes the cost of conducting the ongoing Phase 2a human clinical study of our preventative vaccine. We cannot predict the level of support we will receive from the HVTN or the NIH for any additional clinical trials. We are currently not receiving any governmental support for our Phase 1 therapeutic vaccine human clinical trial.

Our operations are also partially supported by the IPCAVD grant awarded to us to support our HIV/AIDS vaccine program. The project period for the grant, which is renewable annually, covers a five year period which commenced October 2007. The most recent annual award under the grant is for the period from September 1, 2010 through August 31, 2011 in the amount of $3.7 million. We intend to pursue additional grants from the federal government. However, as we progress to the later stages of our vaccine development activities, government financial support may be more difficult to obtain, or may not be available at all. Therefore, it will be necessary for us to look to other sources

of funding in order to finance our development activities.

We believe that our current working capital, combined with proceeds from the IPCAVD grant awarded from the NIH, and without consideration given to net proceeds from this offering will be sufficient to support our planned level of operations into the first quarter of 2011, with no changes to our current business plan.

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Assuming the minimum amount of units is sold, we expect to have sufficient funding to support our planned operations through at least the first quarter of 2012. Assuming the maximum amount of units is sold, we expect to have sufficient funding to support our planned and expanded operations at least through the end of 2012. Should the financing we require to sustain our working capital needs be unavailable or prohibitively expensive when we require it, the consequences could have a material adverse effect on our business, operating results, financial condition and prospects.

The current economic downturn may adversely impact our ability to raise capital.

The recession and adverse conditions in the national and global markets may negatively affect both our ability to raise capital and our operations in the future. The volatile equity markets and adverse credit markets may make it difficult for us to raise capital or procure credit in the future to fund the growth of our business, which could have a negative impact on our business and results of operations.

Risks Related to Development and Commercialization of Product Candidates and Dependence on Third Parties

Our products are still being developed and are unproven. These products may not be successful.

To become profitable, we must generate revenue through sales of our products. However our products are in varying stages of development and testing. Our products have not been proven in human clinical trials and have not been approved by any government agency for sale. If we cannot successfully develop and prove our products and processes, or if we do not develop other sources of revenue, we will not become profitable and at some point we would discontinue operations.

Whether we are successful will be dependent, in part, upon the leadership provided by our management. If we were to lose the services of any of these individuals, our business and operations may be adversely affected. Further, we may not carry key man insurance on our executive officers or directors.

Whether our business will be successful will be dependent, in part, upon the leadership provided by our officers, particularly our President and Chief Executive Officer and our Chief Scientific Officer. The loss of the services of these individuals may have an adverse effect on our operations. Although we carry some key man insurance on Dr. Harriet L. Robinson, the amount of such coverage may not be sufficient to offset any adverse economic effects on our operations and we do not carry key man insurance on any of our other executive officers or directors. Further, our employees, including our executive officers and directors, are not subject to any covenants not to compete against the Company, and our business could be adversely affected if any of our employees or directors engaged in an enterprise competitive with the Company.

Regulatory and legal uncertainties could result in significant costs or otherwise harm our business.

To manufacture and sell our products, we must comply with extensive domestic and international regulation. In order to sell our products in the United States, approval from the FDA is required. Satisfaction of regulatory requirements, including FDA requirements, typically takes many years, and if approval is obtained at all, it is dependent upon the type, complexity and novelty of the product, and requires the expenditure of substantial resources. We cannot predict whether our products will be approved by the FDA. Even if they are approved, we cannot predict the time frame for approval. Foreign regulatory requirements differ from jurisdiction to jurisdiction and may, in some cases, be more stringent or difficult to meet than FDA requirements. As with the FDA, we cannot predict if or when we may obtain these regulatory approvals. If we cannot demonstrate that our products can be used safely and successfully in a broad segment of the patient population on a long-term basis, our products would likely be denied approval by the FDA and the regulatory agencies of foreign governments.

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We will face intense competition and rapid technological change that could result in products that are superior to the products we will be commercializing or developing.

The market for vaccines that protect against or treat HIV/AIDS is intensely competitive and is subject to rapid and significant technological change. We will have numerous competitors in the United States and abroad, including, among others, large companies with substantially greater resources than us. These competitors may develop technologies and products that are more effective or less costly than any of our future technology or products or that could render our technology or products obsolete or noncompetitive. If our technology or products are not competitive, we may not be able to remain in business.

Our product candidates are based on new medical technology and, consequently, are inherently risky. Concerns about the safety and efficacy of our products could limit our future success.

We are subject to the risks of failure inherent in the development of product candidates based on new medical technologies. These risks include the possibility that the products we create will not be effective, that our product candidates will be unsafe or otherwise fail to receive the necessary regulatory approvals, and that our product candidates will be hard to manufacture on a large scale or will be uneconomical to market.

Many pharmaceutical products cause multiple potential complications and side effects, not all of which can be predicted with accuracy and many of which may vary from patient to patient. Long term follow-up data may reveal additional complications associated with our products. The responses of potential physicians and others to information about complications could materially affect the market acceptance of our products, which in turn would materially harm our business.

We may experience delays in our clinical trials that could adversely affect our financial results and our commercial prospects.

We do not know whether planned clinical trials will begin on time or whether we will complete any of our clinical trials on schedule, if at all. Product development costs will increase if we have delays in testing or approvals or if we need to perform more or larger clinical trials than planned. Significant delays may adversely affect our financial results and the commercial prospects for our products, and delay our ability to become profitable.

We rely heavily on the HVTN, independent clinical investigators, and other third party service providers for successful execution of our clinical trials, but do not control many aspects of their activities. We are responsible for ensuring that each of our clinical trials is conducted in accordance with the general investigational plan and protocols for the trial. Moreover, the FDA requires us to comply with standards, commonly referred to as Good Clinical Practices, for conducting, recording, and reporting the results of clinical trials to assure that data and reported results are credible and accurate and that the rights, integrity and confidentiality of trial participants are protected. Our reliance on third parties that we do not control does not relieve us of these responsibilities and requirements. Third parties may not complete activities on schedule, or may not conduct our clinical trials in accordance with regulatory requirements or our stated protocols. The failure of these third parties to carry out their obligations could delay or prevent the development, approval and commercialization of our product candidates.

Failure to obtain timely regulatory approvals required to exploit the commercial potential of our products could increase our future development costs or impair our future sales.

None of our vaccines are approved by the FDA for sale in the United States or by other regulatory authorities for sale in foreign countries. To exploit the commercial potential of our technologies, we are conducting and planning to conduct additional pre-clinical studies and clinical trials. This process is expensive and can require a significant

amount of time. Failure can occur at any stage of testing, even if the results are favorable. Failure to adequately demonstrate safety and efficacy in clinical trials could delay or preclude regulatory approval and restrict our ability to commercialize our technology or products. Any such failure may severely harm our business. In addition, any approvals we obtain may not cover all of the clinical indications for which approval is sought, or may contain significant limitations in the form of narrow indications,

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warnings, precautions or contraindications with respect to conditions of use, or in the form of onerous risk management plans, restrictions on distribution, or post-approval study requirements.

State pharmaceutical marketing compliance and reporting requirements may expose us to regulatory and legal action by state governments or other government authorities.

In recent years, several states have enacted legislation requiring pharmaceutical companies to establish marketing compliance programs and file periodic reports on sales, marketing, pricing and other activities. Similar legislation is being considered in other states. Many of these requirements are new and uncertain, and available guidance is limited. Unless we are in full compliance with these laws, we could face enforcement action and fines and other penalties and could receive adverse publicity, all of which could harm our business.

We may be subject to new federal and state legislation to submit information on our open and completed clinical trials to public registries and databases.

In 1997, a public registry of open clinical trials involving drugs intended to treat serious or life-threatening diseases or conditions was established under the FDA Modernization Act, or the FDMA, to promote public awareness of and access to these clinical trials. Under the FDMA, pharmaceutical manufacturers and other trial sponsors are required to post the general purpose of these trials, as well as the eligibility criteria, location and contact information of the trials. Since the establishment of this registry, there has been significant public debate focused on broadening the types of trials included in this or other registries, as well as providing for public access to clinical trial results. A voluntary coalition of medical journal editors has adopted a resolution to publish results only from those trials that have been registered with a no-cost, publicly accessible database, such as www.clinicaltrials.gov. Federal legislation was introduced in the fall of 2004 to expand www.clinicaltrials.gov and to require the inclusion of trial results in this registry. The Pharmaceutical Research and Manufacturers of America also issued voluntary principles for its members to make results from certain clinical trials publicly available and established a website for this purpose. Other groups have adopted or are considering similar proposals for clinical trial registration and the posting of clinical trial results. Failure to comply with any clinical trial posting requirements could expose us to negative publicity, fines and other penalties, all of which could materially harm our business.

We will face uncertainty related to pricing and reimbursement and health care reform.

In both domestic and foreign markets, sales of our products will depend in part on the availability of reimbursement from third-party payers such as government health administration authorities, private health insurers, health maintenance organizations and other health care-related organizations. Reimbursement by such payers is presently undergoing reform and there is significant uncertainty at this time how this will affect sales of certain pharmaceutical products.

Medicare, Medicaid and other governmental healthcare programs govern drug coverage and reimbursement levels in the United States. Federal law requires all pharmaceutical manufacturers to rebate a percentage of their revenue arising from Medicaid-reimbursed drug sales to individual states. Generic drug manufacturers agreements with federal and state governments provide that the manufacturer will remit to each state Medicaid agency, on a quarterly basis, 11% of the average manufacturer price for generic products marketed and sold under abbreviated new drug applications covered by the state s Medicaid program. For proprietary products, which are marketed and sold under new drug applications, manufacturers are required to rebate the greater of (a) 15.1% of the average manufacturer price or (b) the difference between the average manufacturer price and the lowest manufacturer price for products sold during a specified period.

Both the federal and state governments in the United States, and foreign governments, continue to propose and pass new legislation, rules and regulations designed to contain or reduce the cost of health care. Existing regulations that affect the price of pharmaceutical and other medical products may also change before any of our products are approved for marketing. Cost control initiatives could decrease the price that we receive for any product developed in the future. In addition, third-party payers are increasingly challenging the price and cost-effectiveness of medical products and services and litigation has been filed against a number of

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pharmaceutical companies in relation to these issues. Additionally, some uncertainty may exist as to the reimbursement status of newly approved injectable pharmaceutical products. Our products may not be considered cost-effective or adequate third-party reimbursement may not be available to enable us to maintain price levels sufficient to realize an adequate return on our investment.

We may not be successful in establishing collaborations for product candidates we may seek to commercialize, which could adversely affect our ability to discover, develop, and commercialize products.

We expect to seek collaborations for the development and commercialization of product candidates in the future. The timing and terms of any collaboration will depend on the evaluation by prospective collaborators of the clinical trial results and other aspects of our vaccine s safety and efficacy profile. If we are unable to reach agreements with suitable collaborators for any product candidate, we will be forced to fund the entire development and commercialization of such product candidates, ourselves, and we may not have the resources to do so. If resource constraints require us to enter into a collaboration agreement early in the development of a product candidate, we may be forced to accept a more limited share of any revenues this product may eventually generate. We face significant competition in seeking appropriate collaborators. Moreover, these collaboration arrangements are complex and time-consuming to negotiate and document. We may not be successful in our efforts to establish collaborations or other alternative arrangements for any product candidate. Even if we are successful in establishing collaborations, we may not be able to ensure fulfillment by collaborators of their obligations or our expectations.

We do not have manufacturing, sales or marketing experience and our lack of experience may restrict our success in commercializing our product candidates.

We do not have experience in manufacturing, marketing, or selling vaccines. We may be unable to establish satisfactory arrangements for manufacturing, marketing, sales, and distribution capabilities necessary to commercialize and gain market acceptance for our products. To obtain the expertise necessary to successfully manufacture, market, and sell our vaccines, we will require the development of our own commercial infrastructure and/or collaborative commercial arrangements and partnerships. Our ability to make that investment and also execute our current operating plan is dependent on numerous factors, including, the performance of third party collaborators with whom we may contract. Accordingly, we may not have sufficient funds to successfully commercialize our vaccines in the United States or elsewhere.

Furthermore, our products may not gain market acceptance among physicians, patients, healthcare payers and the medical community. Significant factors in determining whether we will be able to compete successfully include:

- the efficacy and safety of our vaccines;
- the time and scope of regulatory approval;
- reimbursement coverage from insurance companies and others;
- the price and cost-effectiveness of our products; and
- the ability to maintain patent protection.

We may be required to defend lawsuits or pay damages for product liability claims.

Product liability is a major risk in testing and marketing biotechnology and pharmaceutical products. We may face substantial product liability exposure in human clinical trials and for products that we sell after regulatory approval.

We carry product liability insurance and we expect to continue such policies. However, product liability claims, regardless of their merits, could exceed policy limits, divert management s attention, and adversely affect our reputation and the demand for our products.

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Risks Related to Our Intellectual Property

We could lose our license rights to our important intellectual property if we do not fulfill our contractual obligations to our licensors.

Our rights to significant parts of the technology we use in our vaccines are licensed from third parties and are subject to termination if we do not fulfill our contractual obligations to our licensors. Termination of intellectual property rights under any of our license agreements could adversely impact our ability to produce or protect our vaccines. Our obligations under our license agreements include requirements that we make milestone payments to our licensors upon the achievement of clinical development and regulatory approval milestones, royalties as we sell commercial products, and reimbursement of patent filing and maintenance expenses. Should we become insolvent or bankrupt or otherwise unable to fulfill our contractual obligations, our licensors could terminate our rights to critical technology that we rely upon.

Other parties may claim that we infringe their intellectual property or proprietary rights, which could cause us to incur significant expenses or prevent us from selling products.

Our success will depend in part on our ability to operate without infringing the patents and proprietary rights of third parties. The manufacture, use and sale of new products have been subject to substantial patent rights litigation in the pharmaceutical industry. These lawsuits generally relate to the validity and infringement of patents or proprietary rights of third parties. Infringement litigation is prevalent with respect to generic versions of products for which the patent covering the brand name product is expiring, particularly since many companies that market generic products focus their development efforts on products with expiring patents. Pharmaceutical companies, biotechnology companies, universities, research institutions or other third parties may have filed patent applications or may have been granted patents that cover aspects of our products or our licensors products, product candidates or other technologies.

Future or existing patents issued to third parties may contain patent claims that conflict with our products. We expect to be subject to infringement claims from time to time in the ordinary course of business, and third parties could assert infringement claims against us in the future with respect to our current products or with respect to products that we may develop or license. Litigation or interference proceedings could force us to:

- stop or delay selling, manufacturing or using products that incorporate, or are made using, the challenged intellectual property;
- pay damages; or
- enter into licensing or royalty agreements that may not be available on acceptable terms, if at all.

Any litigation or interference proceedings, regardless of their outcome, would likely delay the regulatory approval process, be costly and require significant time and attention of our key management and technical personnel.

Any inability to protect intellectual property rights in the United States and foreign countries could limit our ability to manufacture or sell products.

We will rely on trade secrets, unpatented proprietary know-how, continuing technological innovation and, in some cases, patent protection to preserve our competitive position. Our patents and licensed patent rights may be challenged, invalidated, infringed or circumvented, and the rights granted in those patents may not provide proprietary protection or competitive advantages to us. We and our licensors may not be able to develop patentable products.

Even if patent claims are allowed, the claims may not issue, or in the event of issuance, may not be sufficient to protect the technology owned by or licensed to us. If patents containing competitive or conflicting claims are issued to third parties, we may be prevented from commercializing the products covered by such patents, or may be required to obtain or develop alternate technology. In addition, other parties may duplicate, design around or independently develop similar or alternative technologies.

We may not be able to prevent third parties from infringing or using our intellectual property, and the parties from whom we may license intellectual property may not be able to prevent third parties from

infringing or using the licensed intellectual property. We generally will attempt to control and limit access to, and the distribution of, our product documentation and other proprietary information. Despite efforts to protect this proprietary information, unauthorized parties may obtain and use information that we may regard as proprietary. Other parties may independently develop similar know-how or may even obtain access to these technologies.

The laws of some foreign countries do not protect proprietary information to the same extent as the laws of the United States, and many companies have encountered significant problems and costs in protecting their proprietary information in these foreign countries.

Neither the U.S. Patent and Trademark Office nor the courts have established a consistent policy regarding the breadth of claims allowed in pharmaceutical patents. The allowance of broader claims may increase the incidence and cost of patent interference proceedings and the risk of infringement litigation. On the other hand, the allowance of narrower claims may limit the value of our proprietary rights.

Risks Related to This Offering and Our Securities

We will have broad discretion over the use of the net proceeds from this offering.

We intend to use the proceeds as described in Use of Proceeds. However, the allocation of proceeds will depend in part upon how much money we raise and future developments in our business. Our judgment as to such allocations may not result in positive returns on your investment and you will not have an opportunity to evaluate the economic, financial, or other information upon which we base our decisions.

Future sales by our stockholders may adversely affect our stock price and our ability to raise funds in new stock offerings.

Sales of substantial amounts of our common stock in the public market following this offering, or the perception that these sales could occur, could cause the market price of our common stock to decline. These sales could also make it more difficult for us to sell equity or equity-related securities in the future at a time and price that we deem appropriate. Most of the outstanding shares held by our affiliates will be eligible for sale upon the expiration of lock-up agreements 180 days after the date of this prospectus, subject in some cases to volume and other restrictions of Rule 144 under the Securities Act. The lock-up period may be extended in certain cases for up to 18 additional days.

There is no public market for the warrants to purchase common stock being offered in this offering.

There is no established public trading market for the warrants being offered in this offering, and we do not expect a market to develop. In addition, we do not intend to apply for listing the warrants on any securities exchange. Without an active market, the liquidity of the warrants will be limited.

If the registration statement covering the shares issuable upon exercise of the warrants contained in the units is no longer effective, the shares issuable upon exercise of the warrants will be issued with restrictive legends unless such shares are eligible for sale under Rule 144.

There is no firm commitment to purchase units, and there can be no assurance we will sell the minimum amount of units.

The Company is offering the units through the placement agents on a best efforts minimum/maximum basis. The placement agents have made no commitment to purchase any units offered hereby. Consequently, there can be no

assurance that the units offered hereby will be sold. In the event that the minimum number of units offered hereby is not sold within thirty days of the date of this prospectus, all proceeds received will be refunded in full to investors without interest or deduction. Therefore, investors subscribing to purchase the units offered hereby may lose the use of their funds for the escrow period of up to thirty days.

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Investors in this offering will experience immediate and substantial dilution and may experience additional dilution in the future.

Investors in this offering will incur immediate and substantial dilution as a result of this offering. After giving effect to the sale by us of all of units offered in this offering at a public offering price of $ per unit, and after deducting placement agent commissions and estimated offering expenses payable by us, our net tangible book value per share, as of June 30, 2010, would have been $, representing an immediate dilution of $ per share, or %, of the public offering price, assuming no exercise of the warrants. In addition, in the past, we issued options and warrants to acquire shares of common stock. To the extent these options and warrants are ultimately exercised at prices below the then-current market value, investors in this offering will sustain future dilution.

The market price of our common stock is highly volatile.

The market price of our common stock has been, and is expected to continue to be, highly volatile. Certain factors, including announcements of new developments by us or other companies, regulatory matters, new or existing medicines or procedures, concerns about our financial position, operating results, litigation, government regulation, developments or disputes relating to agreements, patents or proprietary rights, may have a significant impact on the market price of our stock. In addition, potential dilutive effects of future sales of shares of common stock by our stockholders and by us, including those sold pursuant to this prospectus, and subsequent sales of common stock by the holders of warrants and options could have an adverse effect on the market price of our shares.

Our common stock does not have a vigorous trading market and you may not be able to sell your securities when desired.

We have a limited active public market for our common shares. A more active public market, allowing you to sell large quantities of our common stock, may never develop. Consequently, you may not be able to liquidate your investment in the event of an emergency or for any other reason.

We have never paid dividends and have no plans to do so.

Holders of shares of our common stock are entitled to receive such dividends as may be declared by our Board of Directors. To date, we have paid no cash dividends on our shares of common stock and we do not expect to pay cash dividends on our common stock in the foreseeable future. We intend to retain future earnings, if any, to provide funds for operations of our business. Therefore, any potential return investors in our common stock may have will be in the form of appreciation, if any, in the market value of their shares of common stock.

If we fail to maintain an effective system of internal controls, we may not be able to accurately report our financial results or prevent fraud.

We are subject to reporting obligations under the United States securities laws. The Securities and Exchange Commission, or the SEC, as required by the Sarbanes-Oxley Act of 2002, adopted rules requiring every public company to include a management report on such company s internal controls over financial reporting in its annual report. Effective internal controls are necessary for us to produce reliable financial reports and are important to help prevent fraud. As a result, our failure to achieve and maintain effective internal controls over financial reporting could result in the loss of investor confidence in the reliability of our financial statements, which in turn could negatively impact the trading price of our stock.

If we fail to remain current in our reporting requirements, our securities could be removed from the OTC Bulletin Board, which would limit the ability of broker-dealers to sell our securities and the ability of stockholders

to sell their securities in the secondary market.

United States companies trading on the OTC Bulletin Board must be reporting issuers under Section 12 of the Exchange Act, and must be current in their reports under Section 13. If we fail to remain current on our

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reporting requirements, we could be removed from the OTC Bulletin Board. As a result, the market liquidity for our securities could be severely adversely affected by limiting the ability of broker-dealers to sell our securities and the ability of stockholders to sell their securities in the secondary market.

We may need additional capital, and the sale of additional shares or other equity securities could result in additional dilution to our stockholders.

We believe that our current cash and cash equivalents, anticipated cash flow from operations and the net proceeds from this financing will be sufficient to meet our anticipated cash needs through 2012. We may, however, require additional cash resources. If our resources are insufficient to satisfy our cash requirements, we may seek to sell additional equity securities or borrow money. The sale of additional equity securities could result in additional dilution to our stockholders. The incurrence of indebtedness would result in debt service obligations and could result in operating and financing covenants that would restrict our operations. We cannot assure you that financing will be available in amounts or on terms acceptable to us, if at all.

Our directors and executive officers beneficially own a significant amount of our common stock and will be able to exercise significant influence on matters requiring stockholder approval.

Our directors and executive officers collectively beneficially own approximately 18.0% of our common stock as of September 16, 2010. After the offering and assuming all units offered hereby are sold, our directors and executive officers will collectively beneficially own approximately % of our common stock. Consequently, our directors and executive officers as a group will continue to be able to exert significant influence over the election of directors and the outcome of most corporate actions requiring stockholder approval and our business, which may have the effect of delaying or precluding a third party from acquiring control of us. Furthermore, Emory University beneficially owns 29.5% of our common stock as of September 16, 2010, and will beneficially own approximately % if all units offered hereby are sold. If our directors and executive officers move to act in concert with Emory University, their ability to influence stockholder actions will be even more significant.

Certain provisions of our certificate of incorporation may make it more difficult for a third party to effect a change in control.

Our certificate of incorporation authorizes our Board of Directors to issue up to 10,000,000 shares of preferred stock. The preferred stock may be issued in one or more series, the terms of which may be determined at the time of issuance by our Board of Directors without further action by the stockholders. These terms may include voting rights including the right to vote as a series on particular matters, preferences as to dividends and liquidation, conversion rights, redemption rights and sinking fund provisions. The issuance of any preferred stock could diminish the rights of holders of our common stock, and therefore could reduce the value of our common stock. In addition, specific rights granted to future holders of preferred stock could be used to restrict our ability to merge with, or sell assets to, a third party. The ability of our Board of Directors to issue preferred stock could make it more difficult, delay, discourage, prevent or make it more costly to acquire or effect a change-in-control, which in turn could prevent the stockholders from recognizing a gain in the event that a favorable offer is extended and could materially and negatively affect the market price of our common stock.

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FORWARD-LOOKING STATEMENTS

The information contained in this prospectus, includes forward-looking statements as defined in the Private Securities Reform Act of 1995. These forward-looking statements are often identified by words such as may, will, expect, intend, anticipate, believe, estimate, continue, plan, their negatives, and similar expressions, although not all forward-looking statements contain these identifying words. These statements involve estimates, assumptions and uncertainties that could cause actual results to differ materially from those expressed for the reasons described in this prospectus. You should not place undue reliance on these forward-looking statements.

The forward-looking statements contained in this prospectus are based on our expectations, which reflect estimates and assumptions made by our management. These estimates and assumptions reflect our best judgment based on currently known industry developments, our scientific work, contractual arrangements, and other factors. Although we believe such estimates and assumptions to be reasonable, they are inherently uncertain and involve a number of risks and uncertainties that are beyond our control. In addition, our assumptions about future events may prove to be inaccurate. We caution all readers that the forward-looking statements contained in this prospectus are not guarantees of future performance, and we cannot assure any reader that such statements will be realized or the forward-looking events and circumstances will occur. Actual results may differ materially from those anticipated or implied in the forward-looking statements due to the factors listed in the Risk Factors section and elsewhere in this prospectus. All forward-looking statements speak only as of the date of this prospectus. We do not intend to publicly update or revise any forward-looking statements as a result of new information, future events or otherwise. These cautionary statements qualify all forward-looking statements attributable to us, or persons acting on our behalf. The risks, contingencies and uncertainties relate to, among other matters, the following: our history of operating losses, our need for continued funding, the development stage of our vaccines, regulatory and legal uncertainties, competition, the difficulty of obtaining timely regulatory approvals, uncertainty as to third party reimbursements, the impact of healthcare reform, difficulties related to our intellectual property, and other factors discussed under Risk Factors.

Other factors besides those described in this prospectus and any prospectus supplement could also affect our actual results. These forward-looking statements are largely based on our expectations and beliefs concerning future events, which reflect estimates and assumptions made by our management. These estimates and assumptions reflect our best judgment based on currently known market conditions and other factors relating to our operations and business environment, all of which are difficult to predict and many of which are beyond our control.

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USE OF PROCEEDS

We estimate that the net proceeds, after commissions of 8% and after expenses estimated at $550,000, from the sale of the units will be approximately $4.1 million assuming that we sell the minimum number of such units, and $8.7 million assuming we sell the maximum number of such units we are offering pursuant to this prospectus. We will retain broad discretion over the use of the net proceeds to us from any sale of the units under this prospectus.

Sources and Uses	Minimum Offering		Maximum Offering	
Sources:				
Gross Proceeds	$ 5,000,000	(100.0)%	$ 10,000,000	(100.0)%
Uses:				
Commissions	$ 400,000	(8.0)%	$ 800,000	(8.0)%
Offering expenses, other than commissions	$ 550,000	(11.0)%	$ 550,000	(5.5)%
Manufacture vaccine for clinical trials	$ 1,500,000	(30.0)%	$ 1,500,000	(15.0)%
Phase 1/2 clinical trials for therapeutic use of our HIV vaccine	$ 1,000,000	(20.0)%	$ 1,500,000	(15.0)%
Phase 2b clinical trial for preventative use of our HIV vaccine	$	(0.0)%	$ 2,500,000	(25.0)%
Phase 1 clinical trial for preventative use of our HIV adjuvanted vaccine	$ 1,000,000	(20.0)%	$ 2,500,000	(25.0)%
Working capital and general corporate purposes	$ 550,000	(11.0)%	$ 650,000	(6.5)%
TOTAL	$ 5,000,000	(100.0)%	$ 10,000,000	(100)%

We plan to apply the proceeds in approximately the order listed above. However, as our business develops, the amount to be allocated to particular uses may change. For example, if a clinical trial is extended or terminated, then a greater or lesser amount of funds will be required.

We may receive proceeds from the exercise of warrants included within the units sold pursuant to this offering. Since the warrants may or may not be exercised and, if exercised, may be exercised in whole or in part using a cashless exercise mechanism, we cannot predict the amount or timing of sums we may receive as a result of any warrant exercises.

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MARKET FOR REGISTRANT S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Information

Our common stock is currently traded on the OTC Bulletin Board market under the symbol GOVX. The following table sets forth the high and low bid prices for our common stock for the periods indicated. The prices represent quotations between dealers and do not include retail mark-up, markdown, or commission, and do not necessarily represent actual transactions:

	High	Low
2010		
Third Quarter (through September 16, 2010)	$ 3.35	$ 1.85
Second Quarter	$ 6.50	$ 2.25
First Quarter	$ 9.00	$ 5.00
2009		
Fourth Quarter	$ 12.50	$ 7.00
Third Quarter	$ 16.50	$ 6.00
Second Quarter	$ 19.00	$ 5.00
First Quarter	$ 10.00	$ 4.50
2008		
Fourth Quarter	$ 10.00	$ 4.50
Third Quarter	$ 10.00	$ 6.50
Second Quarter	$ 14.50	$ 6.00
First Quarter	$ 9.50	$ 5.50

Holders

On September 16, 2010, there were approximately 1,200 holders of record of our common stock. The number of record holders does not reflect the number of beneficial owners of our common stock for whom shares are held by brokerage firms and other institutions.

Dividends

We have not paid any dividends since our inception and do not contemplate paying dividends in the foreseeable future.

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CAPITALIZATION

The following table sets forth our capitalization as of June 30, 2010:

on an actual basis; and

on a pro forma as adjusted basis giving effect to the sale of units, each of which will include one share of common stock, in this offering at an assumed public offering price of $ per unit, after deducting the estimated commissions and estimated offering expenses payable by us, and application of net proceeds.

		Pro Forma as Adjusted(1)	
	Actual	Minimum Offering	Maximum Offering
Common stock, $0.001 par value 40,000,000 shares authorized, 15,684,846 shares outstanding at June 30, 2010, shares outstanding if the minimum number of units is sold, shares outstanding if the maximum number of units is sold	$ 15,655	$	$
Preferred stock, $0.001 par value, 10,000,000 shares authorized, none outstanding	$	$	$
Additional paid-in-capital	$ 21,769,200	$	$
Deficit accumulated during the development stage	$ (19,161,726)	$ (19,161,726)	$ (19,161,726)
Total Stockholders Equity	$ 2,623,129	$	$

(1) These columns do not reflect the issuance or exercise of any warrants included within the units sold as part of this offering.

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SELECTED FINANCIAL DATA

The following selected financial data are derived from our consolidated financial statements. The historical results presented below are not necessarily indicative of the results to be expected for any future period. You should read the information set forth below in conjunction with the information contained in Management s Discussion and Analysis of Financial Condition and Results of Operations, and our consolidated financial statements and the related notes, beginning on page F-1 of this prospectus.

Statement of Operations Data	Six Months Ended June 30, 2010	Six Months Ended June 30, 2009	Years Ended December 31, 2009	Years Ended December 31, 2008	Years Ended December 31, 2007	Years Ended December 31, 2006	Years Ended December 31, 2005
Total revenues (grant income)	$ 3,075,729	$ 1,462,955	$ 3,668,195	$ 2,910,170	$ 237,004	$ 852,905	$ 670,467
Net loss	$ (1,623,878)	$ (2,210,163)	$ (3,284,252)	$ (3,728,187)	$ (4,241,796)	$ (584,166)	$ (1,611,086)
Basic and diluted net loss per common share(1)	$ (0.10)	$ (0.15)	$ (0.22)	$ (0.25)	$ (0.30)	$ (0.07)	$ (0.26)

Balance Sheet Data:	June 30, 2010	June 30, 2009	December 31, 2009	December 31, 2008	December 31, 2007	December 31, 2006	December 31, 2005
Total assets	$ 3,847,636	$ 2,432,108	$ 4,315,597	$ 3,056,241	$ 3,246,404	$ 2,396,330	$ 1,685,218
Redeemable convertible preferred stock	$	$	$	$	$	$	$ 1,016,555
Total stockholders equity (deficit)	$ 2,623,129	$ 2,099,486	$ 3,744,232	$ 2,709,819	$ 2,647,866	$ 2,203,216	$ (500,583)

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MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read together with the discussion under Selected Financial Data and our consolidated financial statements included in this prospectus beginning at page F-1. This discussion contains forward-looking statements that involve risks and uncertainties because they are based on current expectations and relate to future events and our future financial performance. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of many important factors, including those set forth under Risk Factors and elsewhere in this prospectus.

Overview

GeoVax, a biotechnology company, focuses on developing vaccines to protect against or to treat diseases caused by HIV. We have exclusively licensed vaccine technology from Emory University that was developed at Emory University in collaboration with the NIH and the CDC.

Our major ongoing research and development programs are focused on the clinical development of our DNA and MVA vaccines designed for use together in a prime-boost system for the prevention and/or treatment of HIV/AIDS. We are developing two clinical pathways for our vaccine candidates (i) as a preventative vaccine to prevent or control infection of individuals who are exposed to the HIV virus, and (ii) as a therapeutic vaccine to prevent development of AIDS in those individuals who have already been infected with the HIV virus.

Our HIV vaccine candidates have successfully completed pre-clinical efficacy testing in non-human primates and our preventative HIV vaccine candidate has completed Phase 1 clinical testing trials in humans.

Our lead preventative vaccine candidate is currently in a Phase 2a clinical trial, being conducted by the HIV Vaccine Trials Network, or the HVTN , with funding from the NIH. We expect to complete this trial during 2011.

With regard to our therapeutic vaccine candidate, we recently initiated a Phase 1 human clinical trial and are currently recruiting patients. We expect the Phase 1 clinical trial to begin generating vaccine safety and performance data during the first half of 2011 with trial completion in the 2012-2013 timeframe.

In addition to our clinical development program for our vaccine candidates, we are conducting pre-clinical research on the impact of adding adjuvants (immune system stimulants) to the DNA priming component of our vaccine to investigate whether they can improve the effectiveness of our vaccine candidates. This work is being funded by the NIH through an Integrated Pre-clinical / Clinical AIDS Vaccine Development Grant, or the IPCAVD, grant to GeoVax. We are currently formulating plans to begin Phase 1 human clinical testing of this product during 2011, which may result in a second generation of our preventative HIV vaccine.

Critical Accounting Policies and Estimates

This discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. On an ongoing basis, management evaluates its estimates and adjusts the estimates as necessary. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the

circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ materially from these estimates under different assumptions or conditions.

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Our significant accounting policies are summarized in Note 2 to our consolidated financial statements for the year ended December 31, 2009. We believe the following critical accounting policies affect our more significant judgments and estimates used in the preparation of our consolidated financial statements:

Impairment of Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the assets to the future net cash flows expected to be generated by such assets. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the discounted expected future net cash flows from the assets.

Revenue Recognition

We recognize revenue in accordance with the SEC s Staff Accounting Bulletin No. 101, Revenue Recognition in Financial Statements, as amended by Staff Accounting Bulletin No. 104, Revenue Recognition, or SAB 104 provides guidance in applying U.S. generally accepted accounting principles to revenue recognition issues, and specifically addresses revenue recognition for upfront, non-refundable fees received in connection with research collaboration agreements. Our revenue consists solely of grant funding received from the NIH. Revenue from this arrangement is approximately equal to the costs incurred and is recorded as income as the related costs are incurred.

Stock-Based Compensation

We account for stock-based transactions in which the Company receives services from employees, directors or others in exchange for equity instruments based on the fair value of the award at the grant date. Compensation cost for awards of common stock is estimated based on the price of the underlying common stock on the date of issuance. Compensation cost for stock options or warrants is estimated at the grant date based on each instrument s fair-value as calculated by the Black-Scholes option pricing model. The Company recognizes stock-based compensation cost as expense ratably on a straight-line basis over the requisite service period for the award.

Liquidity and Capital Resources

At June 30, 2010, we had cash and cash equivalents of $1,807,647 and total assets of $3,847,636, as compared to $3,515,784 and $4,315,597, respectively, at December 31, 2009. Working capital totaled $1,723,854 at June 30, 2010, compared to $3,309,355 at December 31, 2009.

Sources and Uses of Cash

We are a development-stage company as defined by Financial Accounting Standards Board, or FASB, Accounting Standards Codification, or ASC, Topic 915, *Development Stage Entities* and do not have any products approved for sale. Due to our significant research and development expenditures, we have not been profitable and have generated operating losses since our inception in 2001. Our primary sources of cash are from sales of our equity securities and from government grant funding.

Cash Flows from Operating Activities

Net cash used in operating activities was $1,367,461 for the six month period ended June 30, 2010 as compared to $1,197,935 for the comparable period in 2009. Net cash used in operating activities was $1,425,150, $2,367,886, and $3,265,743 for the years ended December 31, 2009, 2008 and 2007, respectively. Generally, the differences between

periods are due to fluctuations in our net losses which, in turn, result from fluctuations in expenditures from our research activities, offset by net changes in our assets and liabilities.

The costs of conducting all of our human clinical trials to date, except for the therapeutic trial, have been borne by the HVTN, funded by the NIH, with GeoVax incurring costs associated with manufacturing the

clinical vaccine supplies and other study support. The HVTN and the NIH are bearing the cost of conducting our ongoing Phase 2a human clinical trial, but we cannot predict the level of support we will receive from the HVTN or the NIH for any additional clinical trials. We are currently not receiving any governmental support for our Phase 1 therapeutic vaccine trial, but we have applied for certification of up to $7.7 million of our qualified expenditures during 2009 and 2010 (including expenditures for the Phase 1 trial) under the Qualifying Therapeutic Discovery Project, or QTDP, Program enacted as part of the Patient Protection and Affordable Care Act of 2010. If our application is approved, it may result in a cash grant to us of up to $3.8 million (50% of qualified expenditures) during 2011. We cannot, however, predict whether our application will be approved, or whether we will receive the full amount of our request.

Our operations are also partially funded by the IPCAVD grant awarded to us in September 2007 by the NIH to support our HIV/AIDS vaccine program. The project period for the grant, which is renewable annually, covers a five-year period which commenced in October 2007, with an expected annual award of generally between $3 and $4 million per year (approximately $18.3 million in the aggregate). The most recent annual award under the grant is for the period from September 1, 2010 through August 31, 2011 in the amount of $3.7 million. We are utilizing this funding to further our HIV/AIDS vaccine development, optimization and production for human clinical trial testing, primarily with regard to our research into vaccine adjuvants. The funding we receive pursuant to this grant is recorded as revenue at the time the related expenditures are incurred, and thus partially offsets our net losses. As of June 30, 2010, there is approximately $950,000 remaining from the current grant year s award. Assuming that the remaining budgeted amounts under the grant are awarded annually to us, there is an additional $7.5 million available through the grant for the remainder of the original five year project period ending August 31, 2012. If the annual grant does not occur, we will experience a shortfall in anticipated cash flow and will be required to promptly seek other funds to address the shortfall.

We intend to pursue additional grants from the federal government. However, as we progress to the later stages of our vaccine development activities, government financial support may be more difficult to obtain, or may not be available at all. Therefore, it will be necessary for us to look to other sources of funding in order to finance our development activities.

Cash Flows from Investing Activities

Our investing activities have consisted predominantly of capital expenditures. There were no capital expenditures during the six month period ended June 30, 2010 or for the comparable period in 2009. Capital expenditures for the years ended December 31, 2009, 2008 and 2007, were $270,246, $99,831, and $0, respectively.

Cash Flows from Financing Activities

Net cash used by financing activities was $340,676 for the six month period ended June 30, 2010, as compared to net cash provided by financing activities of $830,000 for the comparable period in 2009. The cash used by financing activities during the 2010 period relates to costs associated with this offering. The cash generated from financing activities during the 2009 period relates to the sale of our common stock to an investor pursuant to a stock purchase agreement that provided us the right to sell shares to the investor through July 31, 2010. We chose not to sell any of our stock pursuant to this agreement during the 2010 period and this agreement has now expired.

Net cash provided by financing activities was $3,020,000, $2,668,541, and $3,167,950 for the years ended December 31, 2009, 2008 and 2007, respectively. During 2009, we received $1,500,000 from the exercise of a stock purchase warrant. During 2009 and 2008, we received $1,520,000 and $406,091, respectively, net of associated costs, from the sale of our common stock pursuant to the stock purchase agreement. The remaining cash generated by our financing activities relates to the sale of our common stock and warrants to individual accredited investors.

Our capital requirements, particularly as they relate to product research and development, have been and will continue to be significant. We will not generate revenues from the sale of our technology or products for

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at least several years, if at all. We will be dependent on obtaining financing from third parties in order to maintain our operations, including our clinical program. Due to the existing uncertainty in the capital and credit markets, and adverse regional and national economic conditions that may persist or worsen, capital may not be available on terms acceptable to the Company or at all. If we fail to obtain additional funding when needed, we would be forced to scale back or terminate our operations, or to seek to merge with or to be acquired by another company.

In any event, we anticipate raising additional capital during the remainder of 2010, although there can be no assurance that we will be able to do so. While we believe that we will be successful in obtaining the necessary financing to fund our operations through grants, this offering, exercise of options and warrants, and/or other sources, there can be no assurances that such additional funding will be available to us on reasonable terms or at all.

The units sold in this offering will include only shares and warrants offered by the Company. There can be no assurance that we will be able to successfully complete the offering, or that we will be able to sell all of the units offered.

We believe that our current working capital combined with the proceeds from the IPCAVD grant awarded from the NIH, and without consideration given to net proceeds from this offering will be sufficient to support our planned level of operations into the first quarter of 2011, with no changes to our current business plan. Assuming the minimum amount of units is sold, we expect to have sufficient funding to support our planned operations into at least the first quarter of 2012. Assuming the maximum amount of units is sold, we expect to have sufficient funding to support our planned and expanded operations through at least the end of 2012. Should the financing we require to sustain our working capital needs be unavailable or prohibitively expensive when we require it, the consequences could have a material adverse effect on our business, operating results, financial condition and prospects.

We have no off-balance sheet arrangements that are likely or reasonably likely to have a material effect on our financial condition or results of operations.

Contractual Obligations

As of June 30, 2010, we had firm purchase obligations of approximately $505,000 as compared to less than $10,000 at December 31, 2009; the increase relates primarily to initiation of a vaccine manufacturing contract. We have no committed lines of credit and no other committed funding or long-term debt. We entered into a new employment agreement with a newly employed executive officer in January 2010. There have been no other material changes to our contractual obligations since December 31, 2009.

The following table represents our contractual obligations as of December 31, 2009, aggregated by type (in thousands):

		Payments Due by Period			
Contractual Obligations	**Total**	**Less than 1 Year**	**1-3 Years**	**4-5 Years**	**More than 5 years**
Operating Lease Obligations(1)	$ 609	$ 115	$ 365	$ 129	$
Emory University License Agreement(2)					
Total	$ 609	$ 115	$ 365	$ 129	$

(1) Our operating lease obligations relate to the facility lease for our 8,430 square foot facility in Smyrna, Georgia, which houses our laboratory operations and our administrative offices. The lease, which was effective November 1, 2009, expires on December 31, 2014.

(2) Pursuant to the Emory License, we have committed to make potential future milestone and royalty payments which are contingent upon the occurrence of future events. Such events include development milestones, regulatory approvals and product sales. Because the achievement of these milestones is currently neither probable nor reasonably estimable, the contingent payments have not been included in the table above or recorded on our consolidated balance sheets. The aggregate total of all potential milestone payments included in the Emory License (excluding royalties on net sales) is approximately $3.5 million.

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As of December 31, 2009, except as disclosed in the table above, we had no other material firm purchase obligations or commitments for capital expenditures and no committed lines of credit or other committed funding or long-term debt. We have employment agreements with our executive officers and a consulting agreement with the Chairman of our Board of Directors, each of which may be terminated with no more than 90 days advance written notice.

Net Operating Loss Carryforwards

At December 31, 2009, we had consolidated net operating loss carryforwards for income tax purposes of $72.2 million, which will expire in 2010 through 2029 if not utilized. Approximately $59.7 million of our net operating loss carryforwards relate to the operations of our predecessor, Dauphin Technology, Inc. prior to the 2006 merger between Dauphin Technology, Inc. and GeoVax, Inc. We also have research and development tax credits of $522,000 available to reduce income taxes, if any, which will expire in 2022 through 2028 if not utilized. The amount of net operating loss carryforwards and research tax credits available to reduce income taxes in any particular year may be limited in certain circumstances. Based on an assessment of all available evidence including, but not limited to, our limited operating history in our core business and lack of profitability, uncertainties of the commercial viability of our technology, the impact of government regulation and healthcare reform initiatives, and other risks normally associated with biotechnology companies, we have concluded that it is more likely than not that these net operating loss carryforwards and credits will not be realized and, as a result, a 100% deferred tax valuation allowance has been recorded against these assets.

Results of Operations Six months ended June 30, 2010 compared to six months ended June 30, 2009

Net Loss

We recorded a net loss of $933,089 for the three months ended June 30, 2010 as compared to a net loss of $1,348,654 for the three months ended June 30, 2009. For the six months ended June 30, 2010, we recorded a net loss of $1,623,878, as compared to a net loss of $2,210,163 for the six months ended June 30, 2009. Our net losses typically fluctuate due to the timing of activities and related costs associated with our vaccine research and development activities and our general and administrative costs, as described in more detail below.

Grant Revenue

During the three and six month periods ended June 30, 2010 we recorded grant revenue of $1,737,169 and $3,075,729, respectively, as compared to $752,800 and $1,462,955, respectively, during the comparable periods of 2009. During 2007, we were awarded the IPCAVD grant by the NIH to support our HIV/AIDS vaccine program. The grant is subject to annual renewal, with the latest grant award covering the period from September 2009 through August 2010 in the amount of $4.7 million. As of June 30, 2010, there is approximately $950,000 remaining from the current grant year s award and (assuming that the remaining budgeted amounts under the grant are awarded annually to the Company) there is an additional $7.5 million available through the grant for the remainder of the original five year project period ending August 31, 2012.

Research and Development

During the three month and six month periods ended June 30, 2010, we incurred $1,741,966 and $3,111,151, respectively, of research and development expense as compared to $1,202,894 and $2,060,130, respectively, during the three month and six month periods ended June 30, 2009. Research and development expenses can vary considerably on a period-to-period basis, depending on our need for vaccine manufacturing by third parties, and due to fluctuations in the timing of expenditures related to our IPCAVD grant from the NIH. Research and development

expense for the three month and six month periods of 2010 includes stock-based compensation expense of $51,446 and $102,891, respectively, while the comparable periods of 2009 include stock-based compensation expense of $85,439 and $170,878, respectively (see discussion under *Stock-Based Compensation Expense* below). Our research and development costs do not include costs incurred by HVTN in conducting trials of GeoVax vaccines.

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The increase in research and development expense during the three and six month periods ended June 30, 2010, as compared to the same periods in 2009, is due primarily to increased costs associated with activities funded by our IPCAVD grant, vaccine manufacturing costs, and costs associated with initiating a Phase 1 clinical trial for our therapeutic vaccine candidate. We expect that our research and development costs will continue to increase during the remainder of 2010 and beyond as we progress through the human clinical trial process leading up to possible product approval by the FDA.

Our vaccine candidates still require significant, time-consuming and costly research and development, testing and regulatory clearances. Completion of clinical development will take several years or more, but the length of time generally varies substantially according to the type, complexity, novelty and intended use of a product candidate. The cost of the ongoing Phase 2a clinical trial for our preventative vaccine is being funded by the HVTN, but we cannot be certain whether the HVTN or any other external source will provide funding for further development. We intend to seek government or third party support for future clinical human trials, but there can be no assurance that we will be successful. The duration and the cost of future clinical trials may vary significantly over the life of the project as a result of differences arising during development of the human clinical trial protocols, including, among others:

the number of patients that ultimately participate in the clinical trial;

the duration of patient follow-up that seems appropriate in view of the results;

the number of clinical sites included in the clinical trials; and

the length of time required to enroll suitable patient subjects.

Due to the uncertainty regarding the timing and regulatory approval of clinical trials and pre-clinical studies, our future expenditures are likely to be highly volatile in future periods depending on the outcomes of the trials and studies. From time to time, we will make determinations as to how much funding to direct to these programs in response to their scientific, clinical and regulatory success, anticipated market opportunity and the availability of capital to fund our programs.

In developing our product candidates, we are subject to a number of risks that are inherent in the development of products based on innovative technologies. For example, it is possible that our vaccines may be ineffective or toxic, or will otherwise fail to receive the necessary regulatory clearances, causing us to delay, extend or terminate our product development efforts. Any failure by us to obtain, or any delay in obtaining, regulatory approvals could cause our research and development expenditures to increase which, in turn, could have a material adverse effect on our results of operations and cash flows. Because of the uncertainties of clinical trials, estimating the completion dates or cost to complete our research and development programs is highly speculative and subjective. As a result of these factors, we are unable to accurately estimate the nature, timing and future costs necessary to complete the development of our product candidates. In addition, we are unable to reasonably estimate the period when material net cash inflows could commence from the sale, licensing or commercialization of such product candidates, if ever.

General and Administrative Expense

During the three month and six month periods ended June 30, 2010, we incurred general and administrative costs of $935,868 and $1,604,689, respectively, as compared to $906,055 and $1,629,870, respectively, during the comparable periods in 2009. General and administrative costs include officers salaries, legal and accounting costs, patent costs, amortization expense associated with intangible assets, and other general corporate expenses. General and administrative expense for the three month and six month periods of 2010 include stock-based compensation expense of $106,348 and $196,747, respectively; while the comparable periods of 2009 include stock-based compensation

expense of $295,570 and $598,952, respectively (see discussion under *Stock-Based Compensation Expense* below). We expect that our general and administrative costs will increase in the future in support of expanded research and development activities and other general corporate activities.

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Stock-Based Compensation Expense

We recorded stock-based compensation expense of $195,374 and $413,985 during the three month and six month periods ended June 30, 2010, respectively, as compared to $381,009 and $769,829, respectively, during the comparable periods of 2009. In addition to amounts related to the issuance of stock options to employees, the figures include amounts related to common stock and stock purchase warrants issued to consultants. We allocate stock-based compensation expense to research and development expense or general and administrative expense according to the classification of cash compensation paid to the employee, consultant or director to whom the stock compensation was granted. For the three month and six month periods ended June 30, 2010 and 2009, stock-based compensation expense was allocated as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
Expenses Allocated to:	**2010**	**2009**	**2010**	**2009**
General and Administrative Expense	$ 143,928	$ 295,570	$ 311,094	$ 598,952
Research and Development Expense	51,446	85,439	102,891	170,878
Total Stock-Based Compensation Expense	$ 195,374	$ 381,009	$ 413,985	$ 769,830

Other Income

Interest income for the three month and six month periods ended June 30, 2010 was $7,576 and $16,233, respectively, as compared to $7,495 and $16,882, respectively, for the three months and six months ended June 30, 2009. The variances between periods are attributable to generally lower interest rates, and lower incremental cash balances available for investment during each respective period.

Results of Operations Years ended December 31, 2009, 2008, and 2007

Net Loss

We recorded net losses of $3,284,252, $3,728,187 and $4,241,796 for the years ended December 31, 2009, 2008 and 2007, respectively. As noted, our operating results typically fluctuate due to the timing of activities and related costs associated with our vaccine research and development activities and our general and administrative costs.

Grant Revenue

We recorded grant revenues of $3,668,195, $2,910,170 and $237,004 for the years ended December 31, 2009, 2008 and 2007, respectively. As of December 31, 2009, there was approximately $4.0 million remaining from the current grant year s award and (assuming that the remaining budgeted amounts under the grant are awarded annually to the Company) there was an additional $7.5 million available through the grant for the remainder of the original five-year project period ending August 31, 2012.

Research and Development

Our research and development expenses were $4,068,682, $3,741,489 and $1,757,125 for the years ended December 31, 2009, 2008 and 2007, respectively. Research and development expense for these periods includes

stock-based compensation expense of $304,654, $494,041 and $284,113 for 2009, 2008 and 2007, respectively.

The increase in research and development expense during each of the periods is due primarily to increased costs associated with our vaccine manufacturing activities in preparation for the commencement of Phase 2 clinical trials, costs associated with our activities funded by our NIH grant (especially from the 2007 to the 2008 period, as the grant was awarded to us in September 2007), and higher personnel costs associated with the addition of new scientific personnel.

The table below summarizes our research and development expenses for each of the years in the three year period ended December 31, 2009. The amounts shown related to the IPCAVD grant represent all direct

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costs associated with the grant activities, including salaries and personnel-related expenses, supplies, consulting, contract services and travel. The remainder of our research and development expense is allocated to our general HIV/AIDS vaccine program.

R&D Project	2009	2008	2007
IPCAVD Grant Vaccine Adjuvants	$ 2,772,397	$ 2,504,850	$ 215,458
DNA/MVA Vaccines HIV/AIDS	1,296,285	1,236,639	1,541,667
Total Research and Development Expense	$ 4,068,682	$ 3,741,489	$ 1,757,125

General and Administrative Expense

Our general and administrative expenses were $2,914,845, $2,970,068 and $2,784,182 for the years ended December 31, 2009, 2008 and 2007, respectively. General and administrative expense includes stock-based compensation expense of $994,011, $1,525,008 and $1,234,380 for 2009, 2008 and 2007, respectively (see discussion below).

Stock-Based Compensation Expense

We recorded total stock-based compensation expense of $1,298,665, $2,019,049 and $1,518,496 during the years ended December 31, 2009, 2008 and 2007, respectively, which was allocated to research and development expense or general and administrative expense according to the classification of cash compensation paid to the employee, consultant or director to whom the stock compensation was granted. In addition to amounts related to the issuance of stock options to employees, the figures include amounts related to common stock and stock purchase warrants issued to consultants and non-employee directors. For the three years ended December 31, 2009, stock-based compensation expense was allocated as follows:

	2009	2008	2007
General and administrative expense	$ 994,011	$ 1,525,008	$ 1,234,383
Research and development expense	304,654	494,041	284,113
Total stock-based compensation expense	$ 1,298,665	$ 2,019,049	$ 1,518,496

Other Income

Interest income was $31,080, $73,200 and $62,507 for the years ended December 31, 2009, 2008 and 2007, respectively. The variances between years are primarily attributable to the cash available for investment and to interest rate fluctuations.

Impact of Inflation

For the three year period ended December 31, 2009, we do not believe that inflation and changing prices had a material impact on our operations or on our financial results.

Quantitative and Qualitative Disclosures about Market Risk

Our exposure to market risk is limited primarily to interest income sensitivity, which is affected by changes in the general level of U.S. interest rates, particularly because a significant portion of our investments are in short-term bank certificates of deposits and institutional money market funds. The primary objective of our investment activities is to preserve principal while at the same time maximizing the income received without significantly increasing risk. Due to the nature of our short-term investments, we believe that we are not subject to any material market risk exposure. We do not have any derivative financial instruments or foreign currency instruments.

Off-Balance Sheet Arrangements

We have not entered into off-balance sheet financing arrangements other than operating leases.

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BUSINESS

Introduction

GeoVax is a biotechnology company dedicated to developing vaccines that prevent and fight HIV infections that result in AIDS. We have preventative vaccines being evaluated in a Phase 2a human clinical trial in individuals who are not HIV infected and are currently screening prospective participants to conduct a Phase 1 human therapeutic clinical trial in individuals who are HIV infected.

Our preventative vaccines are designed to prevent or control infection by HIV, reduce the rate of disease progression to AIDS and reduce the risk of HIV transmission. Our therapeutic vaccines target viral replication to reduce viral load in HIV infected individuals with a goal of reducing or eliminating the need for anti-HIV medications, and thereby reduce both the cost of treatment and the occurrence of detrimental side effects associated with current drug treatments.

Our vaccines are designed to function against the subtype, known as clade B, of the HIV virus that is most prevalent in the developed world. Our vaccines have been shown to induce strong T-cell, which are a type of white blood cell, and antibody immune responses in non-human primates against the simian immunodeficiency virus, the primate version of the HIV virus. Our goals include manufacturing and testing these vaccines consistent with FDA guidelines, conducting human trials for vaccine safety and effectiveness, and obtaining regulatory approvals to advance the development and commercialization of our vaccines.

Our preventative vaccine is one of only five vaccine candidates out of more than 80 tested by the HVTN in Phase 1 human clinical trials to have progressed to Phase 2 testing. Based on current enrollment progress, we expect the Phase 2a clinical trial to be completed during 2011.

The IND application we filed with the FDA in late February 2010 to support our request to test our therapeutic vaccine in a Phase 1 human clinical trial is based on promising data from three pilot studies we conducted using therapeutic vaccination in simian immunodeficiency virus infected non-human primates. We expect the Phase 1 clinical trial to begin generating vaccine safety and performance data during the first half of 2011 with trial completion in the 2012-2013 timeframe.

Our vaccine candidates incorporate two delivery components: a recombinant deoxyribonucleic acid, or DNA, and a recombinant poxvirus, or MVA, both of which deliver genes that encode inactivated HIV derived proteins to the immune system. Both components are designed to support production of non-infectious virus-like particles in vaccinated individuals that prime and boost immune responses. When properly administered in a series, our vaccine candidates induce strong T-cell and antibody responses in non-human primates against multiple HIV proteins.

Both the DNA and MVA vaccines contain sufficient HIV genes to support the production of non-infectious virus-like particles in vaccinated humans which display forms of proteins that appear authentic to the immune system. When used together, the recombinant DNA component is used to prime immune responses which are boosted by administration of the recombinant MVA component. In certain settings the recombinant MVA alone may be sufficient for priming and boosting the immune responses.

We are also conducting pre-clinical research on the impact of adding adjuvants, which are immune system stimulants, to our vaccine components to see if this can improve the effectiveness of our vaccine candidates. This work is being funded by the NIH through an IPCAVD grant to GeoVax. Pre-clinical animal trials have been conducted, with very

encouraging results. Based on these results, we plan to pursue a second clinical program for the development of the next generation of our HIV/AIDS vaccines.

Our primary business is conducted by our subsidiary, GeoVax, Inc., which was incorporated under the laws of Georgia in June 2001. The predecessor of our parent company, GeoVax Labs, Inc. (the reporting entity) was originally incorporated in June 1988 under the laws of Illinois as Dauphin Technology, Inc., or Dauphin. In September 2006, Dauphin completed a merger with GeoVax, Inc. As a result of that merger, GeoVax, Inc. became a wholly-owned subsidiary of Dauphin, and Dauphin changed its name to GeoVax Labs, Inc. Unless otherwise indicated, information for periods prior to the September 2006 merger is that of GeoVax,

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Inc. In June 2008, the Company was reincorporated under the laws of Delaware. We currently do not conduct any business other than GeoVax, Inc. s business of developing new products for the treatment or prevention of human diseases.

Overview of HIV/AIDS

What is HIV?

HIV is a retrovirus that carries its genetic code in the form of ribonucleic acid, or RNA. Retroviruses use RNA and the reverse transcriptase enzyme to create DNA from the RNA template. The HIV-1 virus invades a human cell and produces its viral DNA that is subsequently inserted into the chromosomes, which are the genetic material of a cell. HIV preferentially infects and replicates T-cells, which are a type of white blood cell. Infection of T-cells alters them from immunity mediating cells to cells that produce and release HIV. This process results in the destruction of the immune defense system of infected individuals and ultimately, the development of AIDS.

There are several AIDS-causing HIV virus subtypes, or clades, that are found in different regions of the world. These clades are identified as clade A, clade B and so on. The predominant clade found in Europe, North America, parts of South America, Japan and Australia is clade B whereas the predominant clades in Africa are clades A and C. In India the predominant clade is clade C. Each clade differs by at least 20% with respect to its genetic sequence from other clades. These differences may mean that vaccines or treatments developed against HIV of one clade may only be partially effective or ineffective against HIV of other clades. Thus there is often a geographical focus to designing and developing vaccines suited for the local clade.

HIV, even within clades, has a high rate of mutation that supports a significant level of genetic variation. In drug treatment programs, virus mutation can result in the development of drug resistance, referred to as virus drug escape, thereby rendering drug therapy ineffective. Hence, we believe that multi-drug therapy is very important. If several drugs are active against virus replication, the virus must undergo multiple simultaneous mutations to escape, which is less likely. The same is true for immune responses. HIV can escape single targeted immune responses. However, our scientists believe if an immune response is directed against multiple targets, which are referred to as epitopes, virus escape is much less frequent. Vaccination against more than one of the proteins found in HIV increases the number of targets for the immune response as well as the chance that HIV will not escape the vaccine-stimulated immune response, thus resulting in protection against infection or the development of clinical AIDS once infection occurs.

What is AIDS?

AIDS is the final, life-threatening stage of infection with the virus known as HIV. Infection with HIV severely damages the immune system, the body s defense against disease. HIV infects and gradually destroys T-cells and macrophages, which are white blood cells that play key roles in protecting humans against infectious disease caused by viruses, bacteria, fungi and other micro-organisms.

Opportunistic infections by organisms, normally posing no problem for control by a healthy immune system, can ravage persons with immune systems damaged by HIV infections. Destruction of the immune system occurs over years. The average onset of the clinical disease recognized as AIDS occurs after three to ten years of HIV infection if the virus is not treated effectively with drugs, but the time to developing AIDS is highly variable.

AIDS in humans was first identified in the United States in 1981, but researchers believe that it was present in Central Africa as early as 1959. AIDS is most often transmitted sexually from one person to another but it is also transmitted by blood in shared needles and through pregnancy and childbirth. Heterosexual activity is the most frequent route of transmission worldwide.

The level of virus in blood, known as viral load, is the best indicator of the speed with which an individual will progress to AIDS, as well as the frequency with which an individual will spread infection. An estimated 1% or fewer of those infected have low enough levels of the virus to preclude progression to AIDS and to not transmit the infection. These individuals are commonly called long-term non-progressors.

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AIDS is considered by many in the scientific and medical community to be the most lethal infectious disease in the world. According to the 2008 Report on the Global AIDS Epidemic published by UNAIDS, the Joint United Nations Programme on HIV/AIDS, the total number of people living with HIV is 33.4 million globally with approximately 2.7 million newly infected in 2008 alone. Approximately 25 million people infected with HIV have died since the start of the HIV pandemic in 1981. The United States currently suffers about 56,000 infections per year with the highest rates found in Washington, D.C., where an estimated 3% of the population is infected, which is a prevalence rate higher than in some developing countries. According to International AIDS Vaccine Initiative, or the IAVI, in a model developed with Advanced Marketing Commitment dated June 2005, the global market for a safe and effective AIDS vaccine is estimated at approximately $4 billion.

At present, the standard approach to treating HIV infection is to decrease viral replication rates through the use of combinations of drugs. Available drugs include reverse transcriptase inhibitors, protease inhibitors, integration inhibitors and inhibitors of cell entry to block multiple essential steps in virus replication. However, HIV is prone to genetic changes that can produce strains that are resistant to currently approved drugs. When HIV acquires resistance to one drug within a class, it can often become resistant to the entire class, meaning that it may be impossible to re-establish control of a genetically altered strain by substituting different drugs in the same class. Furthermore, these treatments continue to have significant limitations which include toxicity, patient non-adherence to the treatment regimens and cost. As a result, over time, many patients develop intolerance to these medications or simply give up taking the medications due to the side effects.

According to the IAVI, the cost and complexity of new treatment advances for AIDS puts them out of reach for most people in the countries where treatment is most needed, and as noted above, in industrialized nations, where drugs are more readily available, side effects and increased rates of viral resistance have raised concerns about their long term use. AIDS vaccines, therefore, are seen by many as the most promising way to end the HIV/AIDS pandemic. It is expected that vaccines for HIV/AIDS, once developed, will be used worldwide by any organization that provides health care services, including hospitals, medical clinics, the military, prisons and schools.

HIV/AIDS Vaccines Being Developed by GeoVax

Our vaccines, initially developed by our Chief Scientific Officer, Dr. Harriet L. Robinson at Emory University in collaboration with scientists at the NIH, the NIAID and the CDC, incorporate two vaccine delivery components: (1) a recombinant DNA and (2) a recombinant poxvirus, known as MVA, both of which deliver genes that encode inactivated HIV derived proteins to the immune system. Both the DNA and MVA vaccines contain sufficient HIV genes to support the production of non-infectious virus-like particles in vaccinated humans which display forms of proteins that appear authentic to the immune system. When used together, the recombinant DNA component is used to prime immune responses which are boosted by administration of the recombinant MVA component. However, in certain settings the recombinant MVA alone may be sufficient for priming and boosting the immune responses.

Our initial work focused on the development of a preventative vaccine for use in uninfected humans to limit infection, disease and transmission should they be exposed to the virus. In 2008, we undertook the development of a therapeutic vaccine for use in HIV infected humans to supplement approved drug regimens. For both preventative and therapeutic applications, our current focus is on a vaccine for use against clade B, which is common in the United States and the industrially developed world. However, if efficacy is documented against clade B, we plan to develop vaccines designed for use to combat the subtypes that predominate in developing countries, including clades A, C and AG recombinant.

Induction of T-cell and Antibody Immune Responses

Our vaccines induce T-cell and antibody immune responses against two major HIV proteins, the Gag protein and envelope glycoprotein, or Env. The induction of both antibodies and T-cells is beneficial because these immune responses work through different mechanisms. Antibodies can block viruses from infecting cells. The avidity, or tightness, of antibody binding to the Env of HIV correlates with reduced levels of virus

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replication in experiments completed using non-human primates. This result most likely reflects a tightly bound antibody that is blocking HIV infection as well as tagging the virus for destruction. The MVA vaccine also induces HIV specific IgA, which functions to protect mucosal surfaces and can be measured in rectal secretions. Both vaccines elicit CD8 T-cells, a type of T-cell that can recognize and kill cells that become infected by virus. CD8 T-cells are important for the control of the virus that has established an infection.

DNA and MVA as Vaccine Vectors

The availability of DNA and MVA vaccine delivery vectors provides GeoVax with the means to design combination vaccines to induce different patterns of T-cell and antibody responses. Specifically, the use of DNA to prime immune responses and MVA to boost immune responses elicits higher levels of T-cells and thus this format is well-suited for either preventative or therapeutic uses. Alternatively, the use of MVA alone to both prime and boost the immune response elicits higher levels of antibodies and is therefore well-suited for use in prevention.

MVA was selected for use as a viral vaccine because of its well established safety record and because of the ability of recombinants of this vector to carry other viral proteins to induce protective responses for a number of viral diseases. These effects were demonstrated in pre-clinical animal models. MVA was originally developed as a safer smallpox vaccine for use in immune compromised humans by further attenuating the standard smallpox vaccine. The attenuation, or loss of disease causing ability, was accomplished by making over 500 passages of the virus in chicken embryos or chick embryo fibroblasts which resulted in large genomic deletions. These deletions affected the ability of MVA to replicate in human cells, which is the cause of safety problems, but did not compromise the ability of MVA to grow on avian cells that are used for manufacturing the virus. The deletions also resulted in the loss of immune evasion genes which assist the spread of wild type smallpox infections, even in the presence of human immune responses. MVA was safely administered to over 120,000 people in the 1970s to protect them against smallpox.

While GeoVax s DNA and MVA vaccines express over 66% of the HIV protein components and thus, are designed to stimulate immune responses with significant breadth, the vaccines cannot cause an HIV infection or AIDS because they do not produce the complete virus. We believe that the vaccines could provide multi-target protection against the AIDS virus, thus preventing infection and in those that do become infected, limiting virus escape, large scale viral replication and the onset of clinical signs of AIDS.

Pre-clinical Studies

During the development of our vaccines, multiple efficacy trials were conducted using rhesus macaques, a species of non-human primates, infected with experimental viruses that cause AIDS-like disease in these animals. The experimental data produced by these trials documented the ability of prototypes of our vaccines to induce immune responses that can prevent infection as well as reduce the levels of viral replication in those animals that become infected, depending on the experimental design of the trials. For example, challenge studies completed by infecting animals using the rectal route and a dose estimated to be 40 to 400 times the typical human challenge dose were used to demonstrate that vaccination using our adjuvant product can prevent, not just control, infections in approximately 25% of the animals, even after 12 experimental challenges. For therapeutic studies, rhesus macaques were infected with the virus, placed on antiretroviral drugs, which mimic those used in humans, and vaccinated prior to ceasing drug therapy. Animals that were removed from drug therapy without vaccination experienced viral rebounds to the levels found prior to drug therapy whereas vaccinated animals had virus replication at reduced levels, some of which approached 1000-fold reductions.

Based on the findings obtained from our preventative vaccination studies in animals, the FDA allowed the vaccines to be tested in Phase 1 clinical trials in HIV uninfected humans. The use of the vaccines for a therapeutic in HIV infected humans has also recently been allowed by the FDA, and this trial is ongoing.

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Preventative Vaccine Phase 1 Human Clinical Trials

All of our preventative vaccination trials in humans have been conducted by the HVTN, a network that is funded and supported by the NIH. The HVTN is the largest worldwide clinical trials network focused on the development and testing of HIV/AIDS vaccines. The GeoVax vaccine tested by the HVTN is designed for use where clade B infections are most common, specifically in North America, parts of South America and Western Europe. In our first Phase 1 clinical trial, HVTN 045, our DNA vaccine was tested alone to document its safety and immunogenicity. Our second Phase 1 clinical trial, HVTN 065, was designed to test the combined use of DNA and MVA and consisted of a dose escalation for DNA delivered at 0 and 8 weeks and MVA delivered at 16 and 24 weeks, a DDMM regimen. The low dose consisted of 0.3 mg of DNA and $1x10^7$ tissue culture infectious doses ($TCID_{50}$) of MVA. Once safety was demonstrated for the low dose in 10 participants, the full dose (3 mg of DNA and $1x10^8$ $TCID_{50}$ of MVA) was administered to 30 participants. A single dose of DNA at time 0 followed by MVA at weeks 8 and 24, a DMM regimen, and three doses of MVA administered at weeks 0, 8 and 24, an MMM regimen, were also tested in 30 participants each. Participants were followed for 12 months to assess vaccine safety and to measure vaccine-induced immune responses measurements.

Data from the HVTN 065 trial again documented the safety of the vaccine products but also showed that the DDMM and MMM regimens induced different patterns of immune responses. The full dose DDMM regimen induced higher response rates of CD4+ T-cells (77%) and CD8+ T-cells (42%) compared to the MMM regimen (43% CD4+ and 17% CD8+ response rates). In contrast, the highest response rates and highest titers of antibodies to the HIV Env protein were induced in the group that received only the MVA using the MMM regimen. Antibody response rates were documented to be higher for the MMM group using three different assays designed to measure total binding antibody levels for an immune dominant portion of the Env protein (27% for DDMM and 75% for MMM), binding of antibodies to the form of Env very similar to the form in the vaccines, designated ADA gp140, (81% for DDMM and 86% for MMM) and neutralizing antibodies (7% for DDMM and 30% for MMM). The 1/10th dose DDMM regimen induced overall similar T-cell responses but reduced antibody responses while the response rates were intermediate in the DMM group.

Preventative Vaccine Phase 2 Human Clinical Trials

Based on the safety and the immunogenicity results in the HVTN 045 and HVTN 065 trials, the use of two full dose DNA priming immunizations followed by two full dose MVA booster immunizations was selected for initial testing by the HVTN in a Phase 2a trial (designated HVTN 205) which commenced patient enrollment in February 2009. While more than 80 experimental HIV vaccines have been completed by the HVTN in Phase 1 clinical trials, only five vaccine candidates, including the GeoVax vaccine candidate, have progressed to Phase 2 clinical trials since 1992. The Phase 2a clinical trial is designed to produce a larger database of safety and immunogenicity data in low risk individuals before proceeding to a Phase 2b clinical trial in high risk individuals.

The HVTN 205 trial was originally designed to test only the DDMM regimen, which consists of two DNA primes followed by two MVA boosts, but was amended to include testing the MVA priming and boosting regimen, or MMM, using an additional 75 participants. The addition of an amendment to add the MMM arm was triggered by two factors:

- the success of the U.S. Military-Thailand Phase 3 clinical trial, the first successful HIV-1 vaccine efficacy trial, which was completed with a vaccine component that did not elicit high T-cell responses; and

- recent data from our ongoing studies in non-human primates showing that the MMM vaccine protected as well as the more complex DDMM regimen against infection by repeated challenge using the rectal route.

We expect the Phase 2a clinical trial to be completed in 2011.

Assuming the vaccine safety and immunogenicity profiles remain promising, the next stage will be a Phase 2b proof-of-concept clinical trial in high-risk individuals for the purpose of determining effectiveness of

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protecting people from HIV infection. GeoVax is currently manufacturing vaccine material for this clinical trial so that progression through the development path can proceed smoothly.

Therapeutic Vaccine Phase 1 Human Clinical Trials

To help serve those people who are already infected with HIV, the Company is testing its vaccine for the ability to supplement, or even supplant, the need for antiretroviral therapeutic drugs in HIV-infected individuals. Antiretroviral therapeutic drugs, which are taken for life by individuals once infected with HIV, have side effects and are expensive, costing on average $18,000 per year. Thus the need for improved therapies is well known.

In July 2008, we reported summary data from three pilot studies on therapeutic vaccination in simian immunodeficiency virus, or SIV, infected non-human primates. The vaccine used in these pilot studies was specific for SIV but with the design features of our HIV/AIDS vaccine. In these pilot studies, conducted at Yerkes National Primate Research Center of Emory University, the immune systems of a subset of the infected and then vaccinated animals were able to control the infection; specifically 100 to 1000 fold reductions in viral levels post the cessation of drugs were observed. Based on these results, in late February 2010, we filed an IND with the FDA to support Phase 1 clinical trials in HIV infected individuals. The Company received permission to begin the clinical trial, initiated the study and we are currently enrolling patients. This initial trial will be conducted in Atlanta and will enroll individuals who began successful antiretroviral therapeutic drug treatment within the first year of HIV infection. The goal of this clinical trial is to document the safety and immunogenicity of the vaccine using the DDMM regimen in patients with well-controlled infections. We expect the Phase 1 clinical trial to begin generating vaccine safety and performance data during the first half of 2011, with trial completion in the 2012-2013 timeframe.

Pre-clinical preventative studies using Granulocyte/Monocyte-Colony Stimulating Factor (GM-CSF)

GeoVax s research pipeline includes the use of adjuvants, which are agents that improve vaccine efficacy, together with its DNA/MVA vaccine. One of these, GM-CSF, is a protein produced as a normal function of immune responses. GM-CSF has been used with success in non-human primate experiments wherein the rate for preventing infection by a total of twelve moderate dose challenges through the rectal site was increased. Specifically, using the DDMM regimen and a DNA vaccine co-expressing GM-CSF resulted in an increased protection rate from approximately 25% to 70%. This work is being funded by the NIH through an IPCAVD grant to GeoVax. Based on these encouraging results, we plan to pursue a second clinical program for the development of the next generation of our HIV/AIDS vaccines.

Support from the Federal Government

All of our Phase 1 human clinical trials to date, and our ongoing Phase 2a clinical trial, with the exception of the therapeutic clinical trial, have been conducted by the HVTN and funded by NIH-NIAID. Our responsibility for these clinical trials has been to provide sufficient supplies of vaccine materials and technical expertise when necessary.

In September 2007, we were the recipient of the IPCAVD grant to support our HIV/AIDS vaccine program, which was subsequently amended such that the total award now totals approximately $18.3 million. This grant was awarded by the NIH-NIAID. The project period for the grant is over the five-year period that commenced in October 2007. The grant is subject to annual renewal with the latest grant award covering the period from 2010 through August 2011. Only meritorious HIV/AIDS prevention vaccine candidates are considered to receive an IPCAVD award. Candidate companies are highly scrutinized and must supply substantial positive AIDS vaccine data to support their application. IPCAVD grants are awarded on a competitive basis and are designed to support later stage vaccine research, development and human trials. We are utilizing this funding to further our HIV/AIDS vaccine development, optimization and production, including the GM-CSF adjuvant program.

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Government Regulation

Regulation by governmental authorities in the United States and other countries is a significant factor in our ongoing research and development activities and in the manufacture of our products under development. Complying with these regulations involves a considerable amount of time and expense.

In the United States, drugs are subject to rigorous federal and state regulation. The Federal Food, Drug and Cosmetic Act, as amended, or the FDC Act, and the regulations promulgated thereunder, and other federal and state statutes and regulations govern, among other things, the testing, manufacture, safety, efficacy, labeling, storage, record keeping, approval, advertising and promotion of medications and medical devices. Product development and approval within this regulatory framework is difficult to predict, takes a number of years and involves great expense.

The steps required before a pharmaceutical agent may be marketed in the United States include:

pre-clinical laboratory tests, in vivo pre-clinical studies and formulation studies;

the submission to the FDA of an IND application for human clinical testing which must become effective before human clinical trials can commence;

adequate and well-controlled human clinical trials to establish the safety and efficacy of the product;

the submission of a New Drug Application to the FDA; and

FDA approval of the New Drug Application prior to any commercial sale or shipment of the product.

Each of these steps is described further below.

In addition to obtaining FDA approval for each product, each domestic manufacturing establishment must be registered with, and approved by, the FDA. Domestic manufacturing establishments are subject to biennial inspections by the FDA and must comply with the FDA s Good Manufacturing Practices for products, drugs and devices.

Pre-Clinical Testing

Pre-clinical testing includes laboratory evaluation of chemistry and formulation, as well as cell culture and animal studies to assess the safety and potential efficacy of the product. Pre-clinical safety tests must be conducted by laboratories that comply with the FDA s Good Laboratory Practices, or GLP. The results of pre-clinical testing are submitted to the FDA as part of the IND application and are reviewed by the FDA prior to the commencement of human clinical trials. Unless the FDA objects to an IND, the IND becomes effective 30 days following its receipt by the FDA.

Clinical Trials

Clinical trials involve the administration of the HIV vaccines to volunteers or to patients under the supervision of a qualified, medically trained principal investigator. Clinical trials are conducted in accordance with the GCP under protocols that detail the objectives of the trial, the parameters to be used to monitor safety and the efficacy criteria to be evaluated. Each protocol must be submitted to the FDA as part of the IND. Further, each clinical trial must be conducted under the auspices of an independent institutional review board at the institution where the trial will be conducted. The institutional review board will consider, among other things, ethical factors, the safety of human subjects and the possible liability of the institution.

Clinical trials are typically conducted in three sequential phases, but the phases may overlap. In the Phase 1 clinical trial, the initial introduction of the product into healthy human subjects, the vaccine is tested for safety (including adverse side effects) and dosage tolerance. The Phase 2 clinical trial is the proof of principal stage and involves trials in a limited patient population to determine whether the product induces the desired effect (for vaccine this means immune responses) and to better determine optimal dosage. The continued identification of possible safety risks is also a focus. When there is evidence that the product may be effective and has an acceptable safety profile in Phase 2 clinical trials, Phase 3 clinical trials are undertaken to evaluate

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clinical efficacy and to test for safety within an expanded patient population. Phase 3 trials are completed using multiple clinical study sites which are geographically dispersed. The manufacturer or the FDA may suspend clinical trials at any time if either believes that the individuals participating in the trials are being exposed to unacceptable health risks.

New Drug Application and FDA Approval Process

The results and details of the pre-clinical studies and clinical trials are submitted to the FDA in the form of a New Drug Application. If the New Drug Application is approved, the manufacturer may market the product in the United States.

International Approval

Whether or not the FDA has approved the drug, approval of a product by regulatory authorities in foreign countries must be obtained prior to the commencement of commercial sales of the drug in such countries. The requirements governing the conduct of clinical trials and drug approvals vary widely from country to country, and the time required for approval may be longer or shorter than that required for FDA approval.

Other Regulations

In addition to FDA regulations, our business activities may also be regulated by the Occupational Safety and Health Act, the Environmental Protection Act, the Toxic Substances Control Act, the Resource Conservation and Recovery Act and other present and potential future federal, state or local regulations. Violations of regulatory requirements at any stage may result in various adverse consequences, including regulatory delay in approving or refusal to approve a product, enforcement actions, including withdrawal of approval, labeling restrictions, seizure of products, fines, injunctions and/or civil or criminal penalties. Any product that we develop must receive all relevant regulatory approvals or clearances before it may be marketed.

Competition

There currently is no FDA licensed and commercialized HIV/AIDS vaccine or competitive vaccine available in the world market.

There are several small and large biopharmaceutical companies pursuing HIV/AIDS vaccine research and development, including Novartis, Sanofi-Aventis, GlaxoSmithKline and the NIH Vaccine Research Center. Other HIV/AIDS vaccines are in varying stages of research, testing and clinical trials including those supported by the IAVI, the European Vaccine Initiative, and the South African AIDS Vaccine Initiative. Following the reported failure of the vaccine developed by Merck & Co., Inc. in September 2007, Merck & Co., Inc. s vaccine program and the NIH Vaccine Research Center vaccine program, both of which use Ad5 vectors, were placed on hold. Since then, the NIH Vaccine Research Center product has moved into an experimental Phase 2b clinical trial to learn more about immune responses and AIDS control. This clinical trial has been restricted to individuals who do not have high levels of antibodies to the Ad5 vector used in the vaccine (approximately 50% of U.S. citizens) and to men who are circumcised.

In October 2009, the results from a Phase 3 community-based clinical trial in Thailand using a recombinant canarypox (designated ALVAC and produced by Sanofi Pasteur) as a priming vaccine and a bivalent mixture of the gp120 subunit of Env from HIV clades B and C (produced by Global Solutions for Infectious Diseases) as a protein booster vaccine were reported. In this clinical trial, protection against HIV infection at the rate of 31% was reported. This level of protection was significant in a modified intent to treat analysis in which the seven participants in the

16,500 person trial who had become infected by the day of the first inoculation were excluded. The results of this clinical trial are encouraging because they represent the first success of an AIDS vaccine in humans and demonstrate that a vaccine can provide protection against HIV infections.

To our knowledge, none of our competitors products have been tested in large scale non-human primate trials that have included experimental infection through the rectal site and shown to induce levels of protection

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or duration of protection comparable to that achieved using experimental prototypes of GeoVax s vaccines. Furthermore, many of our competitors vaccine development programs require vaccine compositions which are more complicated than ours. For these reasons, we believe that it may be possible for our vaccine to compete successfully in the marketplace if licensed.

Overall, the biopharmaceutical industry is competitive and subject to rapid and substantial technological change. Developments by others may render our proposed vaccination technologies noncompetitive or obsolete, or we may be unable to keep pace with technological developments or other market factors. Technological competition in the industry from pharmaceutical and biotechnology companies, universities, governmental entities and others diversifying into the field is intense and is expected to increase. Many of the pharmaceutical companies that compete with us have significantly greater research and development capabilities than we have, as well as substantially more marketing, manufacturing, and financial resources. In addition, acquisitions of, or investments in, small pharmaceutical or biotechnology companies by such large corporations could increase their research, financial, marketing, manufacturing and other resources. Competitor technologies may ultimately prove to be safer, more effective or less costly than any vaccine that we develop.

FDA and other regulatory approvals of our vaccines have not yet been obtained and we have not yet generated any revenues from product sales. Our future competitive position depends on our ability to obtain FDA and other regulatory approvals of our vaccines and to license or sell the vaccines to third parties on favorable terms.

Intellectual Property

We will be able to protect our proprietary rights from unauthorized use by third parties only to the extent that our proprietary rights are described by valid and enforceable patents or are effectively maintained as trade secrets. Accordingly, we are pursuing and will continue to pursue patent protection for our proprietary technologies developed through our collaborations with Emory University, the NIH, and the CDC, or developed by us alone. Patent applications have been filed with the U.S. Patent and Trademark Office and in specific international markets (countries). Patent applications include provisions to cover our DNA and MVA based HIV vaccines, their genetic inserts expressing multiple HIV protein components, composition, structure, claim of immunization against multiple subtypes of HIV, routes of administration, safety and other related factors. Patent claims filed for our vaccines include provisions for their therapeutic and prophylactic use against HIV and smallpox.

We are the exclusive, worldwide licensee of a number of patents and patent applications, which we refer to as the Emory Technology, owned, licensed or otherwise controlled by Emory University for HIV or smallpox vaccines pursuant to a License Agreement originally entered into on August 23, 2002 and restated on June 23, 2004, which we refer to as the Emory License. Through the Emory License we are also a non-exclusive licensee of four issued United States patents owned by the NIH related to the ability of our MVA vector vaccine to operate as a vehicle to deliver HIV virus antigens, and also to induce an immune response in humans. The four issued United States patents owned by the NIH expire in 2023. All of our obligations with respect to the NIH-owned MVA patents are covered by the Emory License. In addition to the five issued United States patents owned by the NIH, there are six pending United States patent applications, 29 issued or pending patents in countries other than the United States. The Emory License expires on the expiration date of the last to expire of the patents licensed thereunder including those that are issued on patents currently pending. We will not know the final termination date of the Emory License until such patents are issued. The Company may terminate the Emory University License upon 90 days written notice. The Emory License also contains standard provisions allowing Emory University to terminate upon breach of contract by the Company or upon the Company s insolvency or bankruptcy.

The Emory License, among other contractual obligations, requires payments based on the following:

Milestone Payments. An aggregate of $3,450,000 is potentially due to Emory University in the future upon the achievement of clinical development and regulatory approval milestones as defined in the Emory License. To date, we have paid a nominal milestone fee upon entering Phase 2 clinical trials for our preventative HIV/AIDS vaccine.

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Maintenance Fees. The Company has achieved the specified milestones and met its obligations with regard to the related payments, and no maintenance fees are (or will be) owed to Emory University.

Royalties. Upon commercialization of products covered by the Emory License, we will owe royalties to Emory University of between 5% and 7.5%, depending on annual sales volume, of net sales made directly by GeoVax. The Emory License also requires minimum annual royalty payments of $3 million in the third year following product launch, increasing annually to $12 million in the sixth year.

Sublicense Royalties. In the event that we sublicense a covered product to a third party, we will owe royalties to Emory University based on all payments, cash or noncash, that we receive from our sublicensees. Those royalties will be 19% of all sublicensing consideration we receive prior the first commercial sale of a related product. Commencing with the first commercial sale, the royalty owed to Emory University will be 27.5% of all sublicensing consideration we receive.

Patent Reimbursements. During the term of the Emory License we are obligated to reimburse Emory University for ongoing third party costs in connection with the filing, prosecution and maintenance of patent applications subject to the Emory License. The expense associated with these ongoing patent cost reimbursements to Emory University amounted to $85,673, $102,141, and $243,653 for the years ended December 31, 2009, 2008 and 2007, respectively.

We may only use the Emory Technology for therapeutic or prophylactic HIV or smallpox vaccines. Emory University also reserved the right to use the Emory Technology for research, educational and non-commercial clinical purposes. Due to the use of federal funds in the development of the Emory Technology, the U.S. Government has the irrevocable, royalty-free, paid-up right to practice and have practiced certain patents throughout the world, should it choose to exercise such rights.

We are not a party to any litigation, opposition, interference, or other potentially adverse proceeding with regard to our patent positions. However, if we become involved in litigation, interference proceedings, oppositions or other intellectual property proceedings, for example as a result of an alleged infringement or a third-party alleging an earlier date of invention, we may have to spend significant amounts of money and time and, in the event of an adverse ruling, we could be subject to liability for damages, invalidation of our intellectual property and injunctive relief that could prevent us from using technologies or developing products, any of which could have a significant adverse effect on our business, financial conditions or resu