

CytoDyn, Inc.
(A Development Stage Company)
Consolidated Statements of Cash Flows
(UNAUDITED)

	Years Ended		October 28, 2003 (Inception)
	2008	2007	May 31, 2008
Cash flows from operating activities:			
Net loss.....	\$ (793,909)	\$ (2,610,070)	\$ (6,573,050)
Adjustments to reconcile net loss to net cash used by operating activities:			
Amortization /Depreciation.....	1,547	168,184	173,707
Amortization of original issue discount		140,020	601,384
Purchased in-process Research & Development	2,500	274,399	276,899
Stock-based compensation		842,923	1,647,553
Changes in current assets and liabilities:			
prepaid expenses.....	43,253	30,022	37,174
deposits.....	-	—	(495)
accounts payable and accrued liabilities	288,836	157,091	845,048
Net cash used in operating activities.....	<u>(457,773)</u>	<u>(997,431)</u>	<u>(2,991,780)</u>
Cash flows from investing activities:			
Furniture and equipment purchases.....	-	(3,326)	(10,764)
Net cash used in investing activities.....	<u>—</u>	<u>(3,326)</u>	<u>(10,764)</u>
Cash flows from financing activities:			
Proceeds from exercise of warrants		—	28,350
Capital contributions by president	102	—	5,614
Proceeds of notes payable to related parties		62,341	547,849
Proceeds from notes payable	245,000	125,000	370,000
Payments of related party notes	(32,905)	-	(71,229)
Proceeds from convertible notes		92,500	602,000
Proceeds from the sale of common stock.....	321,000		1,078,417
Payments for offering costs.....	-		(81,867)
Proceeds from acquisition of AITI.....		512,200	512,200
Proceeds from acquisition of AIGI.....		100,000	100,000
Net cash provided by financing activities.....	<u>533,197</u>	<u>892,041</u>	<u>3,091,334</u>
Net change in cash.....	75,424	(108,716)	88,790
Cash, beginning of period.....	<u>16,604</u>	<u>125,320</u>	<u>3,238</u>
Cash, end of period.....	<u>\$ 92,028</u>	<u>\$ 16,604</u>	<u>\$ 92,028</u>
Supplemental disclosure of cash flow information:			
Cash paid during the period for:			
Income taxes.....	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Interest.....	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,126</u>
Non-cash investing and financing transactions:			

