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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

☒ **QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended August 31, 2014

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES ACT OF 1933**

For the transition period from _____ to _____

Commission File Number: 000-49908

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

Colorado	**75-3056237**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer or Identification No.)**
1111 Main Street, Suite 660 Vancouver, Washington	**98660**
(Address of principal executive offices)	**(Zip Code)**

(Registrant's telephone number, including area code) (360) 980-8524

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

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

Large Accelerated Filer ☐	Accelerated Filer ☐
Non- accelerated Filer ☐	Smaller Reporting Company ☒

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

On September 30, 2014 there were 55,752,503 shares outstanding of the registrant's no par value common stock.

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PART I

Item 1. Financial Statements.

CytoDyn Inc.
Consolidated Balance Sheets

	August 31, 2014 (unaudited)	May 31, 2014
Assets		
Current assets:		
Cash	$ 2,295,776	$ 4,886,122
Prepaid expenses	310,749	488,821
Deferred offering costs	68,292	68,292
Total current assets	2,674,817	5,443,235
Furniture and equipment, net	31,320	16,797
Intangibles, net	2,879,739	2,967,239
	$ 5,585,876	$ 8,427,271
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 1,413,539	$ 1,286,715
Accrued liabilities	57,500	65,000
Accrued salaries and severance	254,114	395,364
Accrued interest payable	107,996	41,276
Stock rescission liability	378,000	378,000
Total current liabilities	2,211,149	2,166,355
Long-term liabilities		
Convertible notes payable, net	2,694,559	2,338,684
Total liabilities	4,905,708	4,505,039
Shareholders' equity:		
Series B convertible preferred stock, no par value; 400,000 shares authorized, 95,100 shares issued and outstanding at August 31, 2014 and May 31, 2014, respectively	266,251	266,251
Common stock, no par value; 100,000,000 shares authorized, 55,752,503 and 55,753,311 issued and outstanding at August 31, 2014 and May 31, 2014, respectively	30,367,779	30,367,779
Additional paid-in capital	20,237,892	20,100,434
Common and preferred stock subject to rescission	(378,000)	(378,000)
Accumulated (deficit)	(49,813,754)	(46,434,232)
Total shareholders' equity	680,168	3,922,232
	$ 5,585,876	$ 8,427,271

See accompanying notes to consolidated financial statements.

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CytoDyn Inc.
Consolidated Statements of Operations
(Unaudited)

	Three Months Ended August 31,	
	2014	2013
Operating expenses:		
General and administrative	$ 664,506	$ 597,269
Amortization and depreciation	89,913	87,696
Research and development	2,063,144	158,587
Legal fees	137,021	157,389
Total operating expenses	2,954,584	1,000,941
Operating loss	(2,954,584)	(1,000,941)
Interest income	1,132	185
Gain on settlement of accounts payable	—	8,405
Interest expense:		
Amortization of discount on convertible debt	(355,875)	(1,452,397)
Amortization of debt issuance costs	—	(20,000)
Interest on notes payable	(70,193)	(108,803)
Total interest expense	(426,068)	(1,581,200)
Loss before income taxes	(3,379,520)	(2,573,551)
Provision for taxes on income	—	—
Net loss	$ (3,379,520)	$ (2,573,551)
Basic and diluted loss per share	$ (0.06)	$ (0.08)
Basic and diluted weighted average common shares outstanding	55,752,503	31,170,919

See accompanying notes to consolidated financial statements.

CytoDyn Inc.
Consolidated Statements of Cash Flows
(Unaudited)

	Three Months Ended August 31,	
	2014	2013
Cash flows from operating activities		
Net loss	$(3,379,520)	$(2,573,551)
Adjustments to reconcile net loss to net cash used by operating activities:		
Amortization and depreciation	89,913	87,696
Amortization of debt issuance costs	—	20,000
Amortization of discount on convertible debt	355,875	1,452,397
Gain on settlement of accounts payable	—	(8,405)
Stock-based compensation	137,463	225,911
Changes in current assets and liabilities:		
Decrease/(increase) in prepaid expenses	178,072	(1,181)
Increase/(decrease) in accounts payable, accrued salaries, accrued interest and accrued liabilities	44,794	(7,592)
Net cash used in operating activities	(2,573,403)	(804,725)
Cash flows from investing activities:		
Furniture and equipment purchases	(16,943)	(2,347)
Net cash used in investing activities	(16,943)	(2,347)
Cash flows from financing activities:		
Proceeds from issuance of convertible notes payable	—	1,200,000
Deferred offering costs	—	(320,139)
Net cash provided by financing activities	—	879,861
Net change in cash	(2,590,346)	72,789
Cash, beginning of period	4,886,122	603,681
Cash, end of period	$ 2,295,776	$ 676,470
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Income taxes	$ 2,198	$ —
Interest	$ 3,472	$ 26,619
Non-cash investing and financing transactions:		
Common stock issued for convertible debt	$ —	$ 920,000
Common stock issued or to be issued for accrued interest payable	$ —	$ 31,118
Original issue discount and intrinsic value of beneficial conversion feature related to debt issued with warrants	$ —	$ 1,200,000

See accompanying notes to consolidated financial statements.

CYTODYN INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF AUGUST 31, 2014
(UNAUDITED)

Note 1 - Organization

CytoDyn Inc. (the "Company") was incorporated under the laws of Colorado on May 2, 2002 under the name RexRay Corporation ("RexRay"). In October 2003, the Company (under its previous name RexRay Corporation) entered into an Acquisition Agreement with CytoDyn of New Mexico, Inc. Pursuant to the acquisition agreement, the Company acquired assets related to one of the Company's drug candidates, Cytolin, including the assignment of the patent license agreement dated July 1, 1994 between CytoDyn of New Mexico, Inc. and Allen D. Allen covering three United States patents, along with foreign counterpart patents, which describe a method for treating Human Immunodeficiency Virus ("HIV") disease with the use of monoclonal antibodies.

CytoDyn Inc. is developing a class of therapeutic monoclonal antibodies to address significant unmet medical needs in the areas of HIV and Acquired Immune Deficiency Syndrome ("AIDS").

Advanced Genetic Technologies, Inc. ("AGTI") was incorporated under the laws of Florida on December 18, 2006 pursuant to an acquisition during 2006.

On May 16, 2011, the Company formed a wholly owned subsidiary, CytoDyn Veterinary Medicine LLC ("CVM"), which explores the possible application of the Company's existing proprietary monoclonal antibody technology to the treatment of Feline Immunodeficiency Virus ("FIV"). The Company views the formation of CVM and the exploration of the application of its existing proprietary monoclonal antibody technology to FIV as an effort to strategically diversify the use of its proprietary monoclonal antibody technology.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements are unaudited and have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and reflect all adjustments, consisting solely of normal recurring adjustments, needed to fairly present the financial results for these periods. The consolidated financial statements and notes are presented as permitted by Form 10-Q. Accordingly, certain information and note disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been omitted. The accompanying consolidated financial statements should be read in conjunction with the financial statements for the fiscal years ended May 31, 2014 and 2013 and notes thereto in the Company's Annual Report on Form 10-K for the fiscal year ended May 31, 2014, filed with the Securities and Exchange Commission on July 10, 2014. Operating results for the three months ended August 31, 2014 and August 31, 2013 are not necessarily indicative of the results that may be expected for the entire year. In the opinion of management, all adjustments, consisting only of normal recurring adjustments necessary for a fair statement of (a) the results of operations for the three month periods ended August 31, 2014 and August 31, 2013, (b) the financial position at August 31, 2014, and (c) cash flows for the three month periods ended August 31, 2014 and August 31, 2013, have been made.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries; AGTI and CVM. All intercompany transactions and balances are eliminated in consolidation.

Reclassifications

Certain prior year amounts shown in the accompanying consolidated financial statements have been reclassified to conform to the 2014 presentation. These reclassifications did not have any effect on total current assets, total assets, total current liabilities, total liabilities, total shareholders' equity (deficit) or net loss.

Going Concern

The consolidated accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As shown in the accompanying consolidated financial statements, the Company had losses for all periods presented. The Company incurred a net loss of $3,379,520 for the three months ended August 31, 2014 and has an accumulated deficit of $49,813,754 as of August 31, 2014. These factors, among others, raise substantial doubt about the Company's ability to continue as a going concern.

The consolidated financial statements do not include any adjustments relating to the recoverability of assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. The Company's continuation as a going concern is dependent upon its ability to obtain additional operating capital, complete development of its product candidates, obtain U.S. Food & Drug Administration ("FDA") approval, outsource manufacturing of the product candidates, and ultimately achieve initial revenues and attain profitability. The Company is currently engaging in significant research and development activities related to these product candidates, and expects to incur significant research and development expenses in the future. These research and development activities are subject to significant risks and uncertainties. We intend to finance our future development activities and our working capital needs largely from the sale of debt and equity securities, combined with additional funding from other traditional sources. There can be no assurance, however, that the Company will be successful in these endeavors.

Use of Estimates

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

Cash

Cash is maintained at financial institutions and, at times, balances may exceed federally insured limits. We have never experienced any losses related to these balances. Currently, the FDIC provides insurance coverage up to $250,000 per depositor at each financial institution, and our cash balances may exceed federally insured limits. Balances in excess of federally insured limits at August 31, 2014 and May 31, 2014 approximated $2,046,000 and $4,589,000, respectively.

Identified Intangible Assets

The Company follows the provisions of FASB ASC Topic 350 Intangibles-Goodwill and Other, which establishes accounting standards for the impairment of long-lived assets, such as intangible assets subject to amortization. The Company reviews long-lived assets to be held and used for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. If the sum of the undiscounted expected future cash flows over the remaining useful life of a long-lived asset group is less than its carrying value, the asset is considered impaired. Impairment losses are measured as the amount by which the carrying amount of the asset group exceeds the fair value of the asset. There were no impairment charges for the three months ended August 31, 2014 and 2013. The value of the Company's patents would be significantly impaired by any adverse developments as they relate to the clinical trials pursuant to the patents acquired as discussed in Notes 8 and 9. These patents are being amortized over ten years, which is the estimated weighted average life of the patent portfolio.

Research and Development

Research and development costs are expensed as incurred.

Stock-Based Compensation

U.S. GAAP requires companies to measure the cost of employee services received in exchange for the award of equity instruments based on the fair value of the award at the date of grant. The expense is to be recognized over the period during which an employee is required to provide services in exchange for the award (requisite service period).

The Company accounts for common stock options and common stock warrants based on the fair market value of the instrument using the Black-Scholes option pricing model utilizing certain weighted average assumptions such as expected stock price volatility, term of the options and warrants, risk-free interest rates, and expected dividend yield at the grant date. The risk-free interest rate assumption is based upon observed interest rates appropriate for the expected term of the stock options. The expected volatility is based on the historical volatility of the Company's common stock at consistent intervals. The Company has not paid any dividends on its common stock since its inception and does not anticipate paying dividends on its common stock in the foreseeable future. The computation of the expected option term is based on the "simplified method," as the Company's stock options are "plain vanilla" options and the Company has a limited history of exercise data. For common stock options and warrants with periodic vesting, the Company recognizes the related compensation costs associated with these options and warrants on a straight-line basis over the requisite service period.

U.S. GAAP requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Based on limited historical experience of forfeitures, the Company estimated future unvested option forfeitures at 0% for all periods presented.

Preferred Stock

As of August 31, 2014, the Company's Board of Directors is authorized to issue up to 5,000,000 shares of preferred stock without shareholder approval. As of August 31, 2014, the Company has authorized the issuance of 400,000 shares of Series B convertible preferred stock. The remaining preferred shares authorized have no specified rights other than the shares are non-voting.

Deferred Offering Costs

In connection with a stock rescission liability as discussed in Note 3, the Company has recorded approximately $68,300 in deferred offering costs as of August 31, 2014 and May 31, 2014. These deferred offering costs have been recorded as a current asset for the respective periods. The asset will be offset against equity and reduce equity at the end of the applicable period during which the investors described in Note 3 do not assert their rescission rights and retain their shares. Conversely, if the investors assert their rescission rights and forfeit their shares, the deferred offering costs will be expensed at that time.

Stock for Services

The Company periodically issues common stock, warrants and common stock options to consultants for various services. Costs for these transactions are measured at the fair value of the consideration received or the fair value of the equity instruments issued, whichever is more reliably measurable. The value of the common stock is measured at the earlier of (i) the date at which a firm commitment for performance by the counterparty to earn the equity instruments is reached or (ii) the date at which the counterparty's performance is complete.

Loss per Common Share

Basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. Diluted loss per share is computed by dividing net loss by the weighted average common shares and potentially dilutive common share equivalents. The effects of potential common stock equivalents are not included in computations when their effect is anti-dilutive. Because of the net losses for all periods presented, the basic and diluted weighted average shares outstanding are the same since including the additional shares would have an anti-dilutive effect on the loss per share calculation. Common stock options and warrants to purchase 30,936,361 and 18,866,510 shares of common stock were not included in the computation of basic and diluted weighted average common shares outstanding for the three months ended August 31, 2014 and August 31, 2013, respectively, as inclusion would be anti-dilutive for these periods. Additionally, as of August 31, 2014, 95,100 shares of Series B convertible preferred stock can potentially convert into 951,000 shares of common stock, and $4,271,250 of convertible debt can potentially convert into 5,695,000 shares of common stock.

Income Taxes

Deferred taxes are provided on the asset and liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carry forwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Future tax benefits for net operating loss carry forwards are recognized to the extent that realization of these benefits is considered more likely than not. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The Company follows the provisions of FASB ASC 740-10 "Uncertainty in Income Taxes" (ASC 740-10). A reconciliation of the beginning and ending amount of unrecognized tax benefits has not been provided since there are no unrecognized benefits for all periods presented. The Company has not recognized interest expense or penalties as a result of the implementation of ASC 740-10. If there were an unrecognized tax benefit, the Company would recognize interest accrued related to unrecognized tax benefit in interest expense and penalties in operating expenses. The Company is subject to examination by the Internal Revenue Service and state tax authorities for tax years May 31, 2011 through 2013.

Note 3 - Rescission Liabilities

The Company's board of directors (the "Board") was advised by outside legal counsel that compensation the Company previously paid to an employee and certain other non-employees, who were acting as unlicensed, non-exempt broker-dealers soliciting investors on behalf of the Company from April 15, 2008 to February 18, 2011, was a violation of certain state and possibly federal securities laws. As a result, such investors and potentially others have rescission or monetary claims ("Claims") against the Company, and the Company's liability for these potential Claims is reflected in the Company's financial statements. On March 16, 2011, the Company filed a Current Report on Form 8-K disclosing the potential rescission liability (the "Liability Disclosure").

Rescission rights for individual investors and subscribers vary, based upon the laws of the states in which the investors or subscribers reside. Investments and subscriptions that are subject to rescission are recorded separately in our financial statements from shareholders' equity in the Company's balance sheet. As the statutory periods for pursuing such rights expire in the respective states, such amounts for those shares have been reclassified to shareholders' equity. Investors who have sold their shares of capital stock of the Company do not have rescission rights, but instead have claims for damages, to the extent their shares were sold at a net loss, which is determined by subtracting the purchase price plus statutory interest and costs, if any, from the sale price.

The Company estimates an amount that is a probable indicator of the rescission liability and recorded rescission liabilities for both August 31, 2014 and May 31, 2014 of $378,000. This amount represents the believed remaining potential rescission liability as of the dates presented to investors who pursue their rescission rights and forfeit their shares. For the purpose of calculating and disclosing

rescission liability, the Company has assumed that portions of the state Claims are barred by the statutes of limitations of certain states based upon a literal interpretation of the applicable statute. Although the Company has assumed that affirmative defenses based upon the application of the statutes of limitations in these states may be generally available to bar these state Claims, it has not had legal counsel undertake a detailed analysis of case law that might apply to defer or avoid application of a bar to such claims; thus, if rescission claims are made for those assumed to be barred by a statute of limitations and such claims are contested by the Company, until such affirmative defenses are ruled upon in a proceeding adjudicating the rights at issue, no assurances can be made that, if asserted, such defenses would actually bar the rescission claims in these states.

The Company considered methods to offer to rescind the previous investment purchase or subscription by persons who acquired or subscribed for investments during the period April 15, 2008 to February 18, 2011, but did not pursue any such methods.

Note 4 - Convertible Instruments

During fiscal year 2010 the Company issued 400,000 shares of Series B Convertible Preferred Stock ("Series B") at $5.00 per share for cash proceeds totaling $2,009,000, of which 95,100 shares remain outstanding at August 31, 2014. Each share of the Series B is convertible into ten shares of the Company's common stock including any accrued dividend, with an effective fixed conversion price of $.50 per share. The holders of the Series B can only convert their shares to common shares if the Company has sufficient authorized common shares at the time of conversion. Accordingly, the conversion option was contingent upon the Company increasing its authorized common shares, which occurred in April 2010, when the Company's shareholders approved an increase to the authorized shares of common stock to 100,000,000. At the commitment date, which occurred upon such shareholder approval, the conversion option related to the Series B was beneficial. The intrinsic value of the conversion option at the commitment date resulted in a constructive dividend to the Series B holders of approximately $6,000,000. The constructive dividend increased and decreased additional paid-in capital by identical amounts. The Series B has liquidation preferences over the common shares at $5.00 per share plus any accrued dividends. Dividends are payable to the Series B holders when declared by the board of directors at the rate of $.25 per share per annum. Such dividends are cumulative and accrue whether or not declared and whether or not there are any profits, surplus or other funds or assets of the Company legally available. The Series B holders have no voting rights.

During the three months ended August 31, 2014 and the fiscal year ended May 31, 2014, the Company issued $0 and $1,200,000, respectively, of unsecured convertible notes (the "Notes") to investors for cash. Each Note is convertible, at the election of the holder, at any time into common shares at a fixed conversion price of the principal balance at August 31, 2014. As of such date, $4,271,250 of the face amount of the Notes was convertible at $.75 per share. The Notes are payable in full between October 1, 2015 and March 6, 2016. The Notes bear interest at rates that range from 5% to 10% per year, payable in cash semi-annually in arrears beginning on April 1, 2013. In connection with the sale of the Notes, detachable common stock warrants, with terms of two or three years, were issued to the investors to purchase a total of 9,451,056 common shares at exercise prices ranging from $.50 to $2.00 per share. The warrants are currently exercisable in full. The Company determined the fair value of the warrants using the Black-Scholes option pricing model utilizing certain weighted average assumptions such as expected stock price volatility, term of the warrants, risk-free interest rates, and expected dividend yield at the commitment date.

Additionally, at the commitment date, the Company determined that the conversion option related to the Notes was beneficial to the investors. As a result, the Company determined the intrinsic value of the conversion option utilizing the fair value of the common stock at the commitment date and the effective conversion price after discounting the Notes for the fair value of the warrants. The fair value of the warrants and the intrinsic value of the conversion option were recorded as a debt discount to the Notes, and a corresponding increase to additional paid-in capital. In general, the respective debt discounts, at the commitment dates, exceeded the face amount of the Notes, and accordingly, the discounts were limited to the cash proceeds received from the Notes. The debt discounts are being amortized over the life of the Notes. During the three months ended August 31, 2014 and 2013, the Company recognized approximately $356,000 and $1,452,000 as interest expense related to amortization of the debt discount. The unamortized discounts are fully amortized upon the conversion of the Notes before maturity. Activity related to the Notes was as follows:

	August 31, 2014	May 31, 2014
Face amount of Notes	$ 4,271,250	$ 7,221,250
Unamortized discount	(1,576,691)	(1,932,566)
Repayments	—	(500,000)
Conversions	—	(2,450,000)
Total carrying value of Notes, long-term	$ 2,694,559	$ 2,338,684

Note 5 - Stock Options and Warrants

The Company has one active stock-based equity plan at August 31, 2014, the CytoDyn Inc. 2012 Equity Incentive Plan (the "2012 Plan"), which was approved by shareholders at the Company's 2012 annual meeting to replace the 2004 Stock Incentive Plan. The

2012 Plan provides for the issuance of up to 3,000,000 shares of common stock pursuant to various forms of incentive awards allowed under the 2012 Plan. As of August 31, 2014, the Company had 938,903 shares available for future stock-based grants under the 2012 Plan.

During the three months ended August 31, 2014, the Company granted options to purchase a total of 300,000 shares of common stock to directors with an exercise price of $.66 per share. These option awards vest at 25% per quarter over one year. The grant date fair value related to these options was $.33 per share.

Compensation expense related to stock options and warrants was approximately $137,500 and $226,000 for the three months ended August 31, 2014 and August 31, 2013, respectively. The grant date fair value of options and warrants vested during the three month periods ended August 31, 2014 and August 31, 2013 was $82,500 and $1,115,000, respectively. As of August 31, 2014, there was approximately $715,000 of unrecognized compensation expense related to share-based payments for unvested options, which is expected to be recognized over a weighted average period of 1.59 years.

The following table represents stock option and warrant activity as of and for the three months ended August 31, 2014:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life in Years	Aggregate Intrinsic Value
Options and warrants outstanding – May 31, 2014	30,806,361	$ 1.13	3.29	$ 177,042
Granted	300,000	0.66	—	—
Exercised	—	—	—	—
Forfeited/expired/cancelled	(170,000)	1.27	—	—
Options and warrants outstanding – August 31, 2014	30,936,361	1.13	3.06	2,238,219
Outstanding exercisable – August 31, 2014	29,519,694	$ 1.14	3.02	$ 2,091,969

Note 6 - Recent Accounting Pronouncements

Recent accounting pronouncements, other than those below, issued by the FASB (including its EITF), the AICPA and the SEC did not or are not believed by management to have a material effect on the Company's present or future financial statements.

In June 2014, the Financial Accounting Standards Board (the "FASB" issued Accounting Standards Update ("ASU") No. 2014-10, "Development Stage Entities (Topic 915) Elimination of Certain Financial Reporting Requirements, Including an Amendment to Variable Interest Entities Guidance in Topic 810, Consolidation". This ASU does the following among other things: a) eliminates the requirement to present inception-to-date information on the statements of income, cash flows, and shareholders' equity, b) eliminates the need to label the financial statements as those of a development stage entity, c) eliminates the need to disclose a description of the development stage activities in which the entity is engaged, and d) amends FASB ASC 275, Risks and Uncertainties, to clarify that information on risks and uncertainties for entities that have not commenced planned principal operations is required. The amendments in ASU No. 2014-10 related to the elimination of Topic 915 disclosures and the additional disclosure for Topic 275 are effective for public companies for annual and interim reporting periods beginning after December 15, 2014. Early adoption is permitted. The Company evaluated this ASU and determined to elect early adoption for its annual period ended May 31, 2014.

In August 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-15, "Presentation of Financial Statements-Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern" ("ASU 2014-15"). ASU 2014-15 is intended to define management's responsibility to evaluate whether there is substantial doubt about an organization's ability to continue as a going concern and to provide related footnote disclosures. The amendments in this ASU are effective for reporting periods beginning after December 15, 2016, with early adoption permitted. Management is currently assessing the impact the adoption of ASU 2014-15 will have on our Consolidated Financial Statements.

Note 7 - Related Party Transactions

During the year ended May 31, 2014, the Company paid in cash a note payable to a director of the Company for $500,000 with accrued interest at 15% per year. The principal and accrued interest were paid in full at the April 11, 2014 maturity date. Interest was payable in the form of shares of common stock not to exceed 150,000 shares at a fixed price of $.50 per share. For the year ended May 31, 2014, the Company recorded approximately $64,700 in interest expense and issued a total of 150,000 shares.

During the year ended May 31, 2013, the Company issued to a director a convertible note (see Note 4) in a principal amount of $1,000,000, with interest payable semi-annually in cash at a rate of 5% per year beginning on April 1, 2013. The principal of the note is due in full at the October 16, 2015 maturity date. The note is convertible into common shares at a fixed conversion price of $.75 per share at any time at the election of the holder. In conjunction with the note, the Company issued 1,333,333 detachable common stock warrants at an exercise price of $2.00 per share. The warrants expire on October 16, 2014. The Company recorded debt discounts related to the fair value of the warrants and the intrinsic value of the beneficial conversion feature at the commitment date of the note. As of August 31, 2014, the carrying value of this convertible note was approximately $626,000, which is included in convertible notes

payable, net in long-term liabilities on the consolidated balance sheet. During each of the three months ended August 31, 2014 and 2013, the Company recognized approximately $84,000 in interest expense related to the amortization of the above discount.

The above terms and amounts are not necessarily indicative of the terms and amounts that would have been incurred had comparable transactions been entered into with independent parties.

Note 8 - Commitments and Contingencies

On July 25, 2012, the Company and Kenneth J. Van Ness entered into a Transition Agreement (the "Transition Agreement"). Pursuant to the Transition Agreement, Mr. Van Ness stepped down as Chairman of the Board, effective immediately, and as President and CEO of the Company on September 10, 2012. Mr. Van Ness ceased to be a director on December 12, 2012.

The Transition Agreement provided that, in lieu of any compensation otherwise payable to Mr. Van Ness under the Executive Employment Agreement, dated April 16, 2012, but effective as of August 9, 2011 (the "Employment Agreement"), by and between the Company and Mr. Van Ness, during the period beginning on July 18, 2012 through October 16, 2012 (the "Transition Period"), Mr. Van Ness would be paid a salary equal to $13,890 per month and continue to receive, during the Transition Period, the fringe benefits, indemnification and miscellaneous business expense benefits provided for in the Employment Agreement. Mr. Van Ness is also entitled to (i) receive a cash severance payment equal to $13,890 per month for 33 months following the Transition Period, (ii) the opportunity to elect the timing of distribution of his account balance in the Company's 401(k) Plan, and (iii) reimbursement for continuing health care insurance coverage under COBRA for nine months.

The Transition Agreement also amended (A) the CytoDyn Inc. Stock Option Award Agreement, dated December 6, 2010, with Mr. Van Ness to provide for immediate vesting of all of the 500,000 options granted at $1.19 per share, and (B) the CytoDyn Inc. Stock Option Award Agreement, dated April 16, 2012, but effective as of August 9, 2011, with Mr. Van Ness to provide for (i) immediate vesting of 750,000 of the 1,500,000 options granted at $2.00 per share, and (ii) forfeiture of the remaining 750,000 options. In addition, the expiration date of the 25,000 options granted to Mr. Van Ness on September 22, 2010, as well as the options described above, is August 8, 2016.

Pursuant to the terms of the Transition Agreement described above, during the period ended August 31, 2014, the Company recognized approximately $42,000 in severance expense and has an accrued liability of approximately $153,000, which is included in accrued salaries and severance on the consolidated balance sheet as of August 31, 2014. The Company accrued for the severance to be paid to Mr. Van Ness, as Mr. Van Ness has no significant continuing service obligation to the Company.

Under the Asset Purchase Agreement (the "Asset Purchase Agreement"), dated July 25, 2012, between the Company and Progenics Pharmaceuticals, Inc. ("Progenics"), the Company acquired from Progenics its proprietary HIV viral-entry inhibitor drug candidate PRO 140 ("PRO 140"), a humanized anti-CCR5 monoclonal antibody, as well as certain other related assets, including the existing inventory of bulk PRO 140 drug product, intellectual property, certain related licenses and sublicenses, and U.S. Food and Drug administration ("FDA") regulatory filings. On October 16, 2012, the Company paid to Progenics $3,500,000 in cash to close the transaction. The Company is also required to pay Progenics the following milestone payments and royalties: (i) $1,500,000 at the time of the first dosing in a U.S. Phase 3 trial or non-US equivalent; (ii) $5,000,000 at the time of the first US new drug application approval by the FDA or other non-U.S. approval for the sale of PRO 140; and (iii) royalty payments of up to 5% on net sales during the period beginning on the date of the first commercial sale of PRO 140 until the later of (a) the expiration of the last to expire patent included in the acquired assets, and (b) 10 years, in each case determined on a country-by country basis. Payments to Progenics are in addition to payments due under a Development and License Agreement, dated April 30, 1999 (the "PDL License"), between Protein Design Labs (now AbbVie Inc.) and Progenics, which was assigned to the Company in the PRO 140 transaction, pursuant to which the Company must pay additional milestone payments and royalties as follows: (i) $1,000,000 upon initiation of a Phase 3 clinical trial; (ii) $500,000 upon filing a Biologic License Application with the FDA or non-U.S. equivalent regulatory body; (iii) $500,000 upon FDA approval or approval by another non-U.S. equivalent regulatory body; and (iv) royalties of up to 7.5% of net sales for the longer of 10 years and the date of expiration of the last to expire licensed patent. Additionally, the PDL License provides for an annual maintenance fee of $150,000 until royalties paid exceed that amount.

Effective January 20, 2014, the Company entered into two Project Work Orders (the "PWOs") with its principal clinical research organization, Amarex Clinical Research, LLC (the "CRO"). The services to be provided under the PWOs are intended to facilitate the Company's plan to expand and accelerate the concurrent evaluation of additional potential treatment applications of its principal product candidate, PRO 140. Subsequently, one of the PWOs was terminated upon 30-days' notice.

The CRO is currently providing comprehensive clinical trial management services and oversight of all CMC activities in connection with our research study involving PRO 140. The original estimated combined cost of two separate studies was $9.3 million, of which one study with estimated costs totaling $4.3 million was terminated without penalty. The scope and cost of the remaining study was subsequently revised downward to approximately $3.7 million, of which $1.0 million relates to services to be provided directly by the

CRO and the remainder to pass-through costs to be provided by third parties. The Company paid the CRO a total deposit of approximately $790,000 in December 2013.

A PWO may be terminated by either party at any time upon 30 days' prior written notice, provided the CRO will be entitled to payment for services provided through the date of termination, plus an amount equal to 30% of the remaining contract amount for direct services. For the PWO that was terminated, the CRO has agreed not to impose a financial penalty and has applied the portion of the December 2013 deposit related to this study of approximately $343,000 to other amounts due to the CRO.

In addition, from time to time, the Company is involved in claims and suits that arise in the ordinary course of business. Management currently believes that the resolution of any such claims against the Company, if any, will not have a material adverse effect on the Company's business, financial condition or results of operations.

Note 9 – Acquisition of patents

As discussed in Note 8 above, the Company consummated an asset purchase on October 16, 2012 and paid $3,500,000 for certain assets, including intellectual property, certain related licenses and sublicenses, FDA filings and various forms of the PRO 140 drug substance. The Company followed the guidance in Financial Accounting Standards Topic 805 to determine if the Company acquired a business. Based on the prescribed accounting, the Company acquired assets and not a business. As of August 31, 2014, the Company has recorded $3,500,000 of intangible assets in the form of patents. The Company estimates the patents have a remaining life of approximately eight years, however, it continues to explore ongoing opportunities to prolong the patent protection period.

As of the date of this filing, management cannot reasonably estimate the likelihood of paying the milestone payments and royalties described in Note 8 and, accordingly, as of August 31, 2014, the Company has not accrued any liabilities related to these contingent payments, as more fully described above in Note 8.

The following presents intangible assets activity:

	August 31, 2014	May 31, 2014
Gross carrying amounts	$ 3,500,000	$ 3,500,000
Accumulated amortization	(656,250)	(568,750)
Total amortizable intangible assets, net	2,843,750	2,931,250
Patents currently not amortized	35,989	35,989
Carrying value of intangibles, net	$ 2,879,739	$ 2,967,239

Amortization expense related to patents was approximately $87,500 for the period ended August 31, 2014. The estimated aggregate future amortization expense related to the Company's intangible assets with finite lives is estimated at approximately $350,000 per year for the next five years.

Note 10 - Subsequent Events

On September 26, 2014, the Company issued an unsecured two-year convertible promissory note (the "Note") in the aggregate principal amount of $2,000,000 to Alpha Venture Capital Partners, L.P. ("AVCP"). The Note bears simple interest at the annual rate of 5%, payable quarterly. The principal amount of the Note plus unpaid accrued interest is convertible at the election of the holder into shares of the Company's common stock at any time prior to September 26, 2016, at an initial conversion price of $1.00 per share. The conversion price is subject to (i) adjustment for stock splits and similar corporate events and (ii) reduction to a price per share that is 10% below the lowest sale price that is below $.9444 per share, for shares of CytoDyn common stock sold in future securities offerings, if any, including sales to AVCP and its designees. Prepayment is permitted without penalty.

As part of the investment by AVCP, the Company issued warrants to purchase a total of 250,000 shares of the Company's common stock exercisable at a price of $0.50 per share. The warrants are currently exercisable in full, include a cashless exercise feature, and will expire on December 31, 2019.

Following the closing of this transaction, the principal of Alpha Venture Capital, Carl C. Dockery, was appointed to the Company's Board of Directors.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Throughout this filing, we make forward-looking statements. The words "anticipate," "believe," "expect," "intend," "predict," "plan," "seek," "estimate," "project," "will," "continue," "could," "may," and similar terms and expressions are intended to identify forward-looking statements. These statements include, among others, information regarding future operations, future capital expenditures, and future net cash flows. Such statements reflect the Company's current views with respect to future events and financial performance and involve risks and uncertainties, including, without limitation, regulatory initiatives and compliance with governmental regulations, the ability to raise additional capital, the results of clinical trials for our drug candidates, and various other matters, many of which are beyond the Company's control. Should one or more of these risks or uncertainties occur, or should underlying assumptions prove to be incorrect, actual results may vary materially and adversely from those anticipated, believed, estimated, or otherwise indicated. Consequently, all of the forward-looking statements made in this filing are qualified by these cautionary statements and there can be no assurance of the actual results or developments.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the other sections of this Quarterly Report, including our financial statements and related notes appearing elsewhere herein. This discussion and analysis contains forward-looking statements including information about possible or assumed results of our financial condition, operations, plans, objectives and performance that involve risk, uncertainties and assumptions. The actual results may differ materially from those anticipated and set forth in such forward-looking statements.

Results of Operations

Results of Operations for the three months ended August 31, 2014 and 2013 are as follows:

For the three months ended August 31, 2014 and August 31, 2013, we had no activities that produced revenues from operations.

For the three months ended August 31, 2014, we had a net loss of approximately $3,380,000 compared to a net loss of approximately $2,574,000 for the corresponding period in 2013. For the three months ended August 31, 2014 and August 31, 2013, we incurred operating expenses of approximately $2,955,000 and $1,001,000, respectively, consisting primarily of salaries and benefits, stock-based compensation, professional fees, amortization of patents, research and development, legal fees and various other operating expenses.

The increase in operating expenses for the three-month period ended August 31, 2014 of approximately $1,954,000 compared to the three months ended August 31, 2013, related primarily to an increase of approximately $1,905,000 in research and development expenses, offset by a reduction in stock-based compensation and slight increase in general and administrative expenses. We expect our research and development expenses to continue to trend higher, as we commenced a self-sponsored and funded Phase 2b clinical trial, known as treatment substitution, with our drug candidate PRO 140 and have also commenced preparations for manufacturing activities of new GMP PRO 140 material for anticipated future trial use. Our ability to continue to fund our operating expenses will depend on our ability to raise additional capital. Stock-based compensation may also increase, as we continue to compensate consultants, directors, and employees with common stock and stock options.

Interest expense of approximately $426,000 is comprised of a non-cash charge related to the amortization of debt discount attributable to convertible notes payable and accrued interest payable on outstanding notes. The amortization of debt discount of approximately $356,000 and $1,452, 000 for the three months ended August 31, 2014 and August 31, 2013, respectively, represents the amortization of the fair value of the attached warrants and the intrinsic value of the beneficial conversion feature of the convertible notes payable. The amount of amortization recognized during the most recent quarter is disproportionate to 2013 due to note conversions and the corresponding reduction in unamortized discount of approximately $2,700,000 since August 31, 2013. Interest expense of approximately $70,200 for the three months ended August 31, 2014 was related to the convertible notes outstanding, which bear interest at rates ranging from 5% to 10% per year.

The future trends in all of our expenses will be driven, in part, by the future outcomes of clinical trials and the correlative effect on research and development expenses, as well as general and administrative expenses, especially FDA regulatory requirements. In addition, the possibility that all or a portion of the holders of the Company's outstanding convertible notes may elect to convert their notes into common stock would reduce future interest expense and accelerate non-cash amortization of the debt discounts associated with the convertible notes. See, in particular, Item 1A Risk Factors in our Annual Report on Form 10-K for the year ended May 31, 2014.

Liquidity and Capital Resources

The Company's cash position for the three months ended August 31, 2014 decreased approximately $2.6 million to approximately $2.3 million as compared to approximately $4.9 million as of May 31, 2014.

As of August 31, 2014, the Company had working capital of approximately $464,000, compared to approximately $3,277,000 at May 31, 2014.

Cash Flows

Net cash used in operating activities totaled approximately $2,573,000 during the three months ended August 31, 2014, which reflects an increase of approximately $1,769,000 from net cash used in operating activities of approximately $805,000 for the three months ended August 31, 2013. The increase in the net cash used in operating activities was primarily attributable to a higher net loss owing to a $1.9 million increase in research and development expenses, offset by the decrease in amortization of the debt discount, stock-based compensation and increase in prepaid expenses.

There were no financing activities for the three months ended August 31, 2014, compared to net cash provided by financing activities of approximately $880,000 in the three months ended August 31, 2013. The decrease from the comparable quarter a year ago was due to the issuance of $1.2 million in short-term convertible notes, offset, in part, by deferred offering costs of approximately $320,000.

As reported in the accompanying financial statements, for the three months ended August 31, 2014 and August 31, 2013 we incurred net losses of approximately $3,380,000 and $2,574,000, respectively. We have no activities that produced revenue in the periods presented and have sustained operating losses since inception. Our ability to continue as a going concern is dependent upon our ability to raise additional capital, commence operations and achieve a level of profitability. Since inception, we have financed our activities principally from the sale of public and private equity securities and proceeds from convertible notes payable and related party notes payable. We intend to finance our future operating activities and our working capital needs largely from the sale of debt and equity securities, combined with additional funding from other traditional financing sources.

During the three months ended August 31, 2014, the Company entered into a manufacturing agreement with a contract manufacturing organization to initiate preparations for the potential future manufacturing of additional PRO 140. In the event this agreement is terminated by the Company, it will incur financial penalties determined by the date the notice of termination is delivered in relation to the anticipated manufacturing date. If the notice is delivered more than three months in advance of the anticipated manufacturing date, the penalty is approximately $1.1 million, or approximately $1.9 million thereafter.

Under the Asset Purchase Agreement (the "Asset Purchase Agreement"), dated July 25, 2012, between the Company and Progenics Pharmaceuticals, Inc. ("Progenics"), the Company acquired from Progenics its proprietary HIV viral-entry inhibitor drug candidate PRO 140 ("PRO 140"), a humanized anti-CCR5 monoclonal antibody, as well as certain other related assets, including the existing inventory of bulk PRO 140 drug product, intellectual property, certain related licenses and sublicenses, and U.S. Food and Drug administration ("FDA") regulatory filings. On October 16, 2012, the Company paid $3,500,000 in cash to Progenics to close the acquisition transaction. The Company is also required to pay Progenics the following milestone payments and royalties: (i) $1,500,000 at the time of the first dosing in a U.S. Phase 3 trial or non-US equivalent; (ii) $5,000,000 at the time of the first US new drug application approval by the FDA or other non-U.S. approval for the sale of PRO 140; and (iii) royalty payments of up to five percent (5%) on net sales during the period beginning on the date of the first commercial sale of PRO 140 until the later of (a) the expiration of the last to expire patent included in the acquired assets, and (b) 10 years, in each case determined on a country-by country basis. Payments to Progenics are in addition to payments due under a Development and License Agreement, dated April 30, 1999 (the "PDL License"), between Protein Design Labs (now AbbVie Inc.) and Progenics, which was assigned to us in the PRO 140 transaction, pursuant to which we must pay additional milestone payments and royalties as follows: (i) $1,000,000 upon initiation of a Phase 3 clinical trial; (ii) $500,000 upon filing a Biologic License Application with the FDA or non-U.S. equivalent regulatory body; (iii) $500,000 upon FDA approval or approval by another non-U.S. equivalent regulatory body; and (iv) royalties of up to 7.5% of net sales for the longer of 10 years and the date of expiration of the last to expire licensed patent. Additionally, the PDL License provides for an annual maintenance fee of $150,000 until royalties paid exceed that amount.

As of the date of this filing, it is management's conclusion that the probability of achieving the future scientific research milestones is not reasonably determinable, thus the future milestone payments payable to Progenics and its sub-licensors are deemed contingent consideration and, therefore, are not currently accruable.

The Company is current with its interest payment obligations to all note holders and is in compliance with all other terms of outstanding promissory notes. As of August 31, 2014, the Company had a total of approximately $4.3 million outstanding in face amount of convertible promissory notes. In the event our promissory notes, which mature as early as October 1, 2015, do not convert into shares of common stock, the Company's ability to continue as a going concern will be contingent upon its ability to raise additional capital to meet these obligations, or refinance such obligations. If the Company is unsuccessful in raising additional capital or refinancing in the future, it may be required to cease its operations.

We have not generated revenue to date, and will not generate product revenue in the foreseeable future. We expect to continue to incur operating losses as we proceed with our clinical trials with respect to PRO 140 and continue to advance it through the product

development and regulatory process. In addition to increasing research and development expenses, we expect general and administrative and manufacturing costs to increase, as we add personnel and other administrative expenses associated with our current efforts.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

Not Applicable.

Item 4. Controls and Procedures.

Disclosure Controls and Procedures

As of August 31, 2014, under the supervision and with the participation of the Company's Chief Executive Officer and Chief Financial Officer, management has evaluated the effectiveness of the design and operations of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) as of August 31, 2014. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were not effective as of August 31, 2014 as a result of the material weakness in internal control over financial reporting because of inadequate segregation of duties over authorization, review and recording of transactions, as well as the financial reporting of such transactions. Although financial resources are limited, management continues to evaluate opportunities to mitigate the above material weaknesses. Despite the existence of these material weaknesses, we believe the financial information presented herein is materially correct and in accordance with generally accepted accounting principles.

Internal Control Over Financial Reporting

Changes in Control Over Financial Reporting

No change in the Company's internal control over financial reporting occurred during the quarter ended August 31, 2014, that materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II

Item 1. Legal Proceedings.

None.

Item 1A. Risk Factors.

There have been no material changes in the risk factors applicable to us from those identified in our Annual Report on Form 10-K filed with the SEC on July 10, 2014.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Not Applicable.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not Applicable.

Item 5. Other Information.

None.

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Item 6. Exhibits.

(a) Exhibits:

4.1	Convertible Promissory Note issued to Alpha Venture Capital Partners, L.P., by CytoDyn Inc. dated September 26, 2014
4.2	Warrant Agreement between Alpha Venture Capital Partners, L.P., and CytoDyn Inc. dated September 26, 2014
10.1	Subscription and Investor Rights Agreement between Alpha Venture Capital Management, LLC, and CytoDyn Inc. dated September 26, 2014
10.2	Side letter agreement Alpha Venture Capital Management, LLC, and CytoDyn Inc.
10.13	Summary of Non-Employee Director Compensation Program Effective June 1, 2014
31.1	Rule 13a-14(a) Certification by CEO of the Registrant
31.2	Rule 13a-14(a) Certification by CFO of the Registrant
32.1	Certification of CEO of the Registrant pursuant to 18 U.S.C. Section 1350
32.2	Certification of CFO of the Registrant pursuant to 18 U.S.C. Section 1350
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

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SIGNATURES

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

CYTODYN INC.
(Registrant)

Dated: October 10, 2014

/s/ Nader Z. Pourhassan
Nader Z. Pourhassan
President and Chief Executive Officer

Dated: October 10, 2014

/s/ Michael D. Mulholland
Michael D. Mulholland
Chief Financial Officer, Treasurer and
Corporate Secretary

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101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

Exhibit 4.1

THIS CONVERTIBLE PROMISSORY NOTE AND THE SECURITIES TO BE DELIVERED IN CONNECTION HEREWITH AND UPON CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER ANY STATE SECURITIES LAW. NO SALE, ASSIGNMENT, PLEDGE OR OTHER TRANSFER OF EITHER THIS CONVERTIBLE PROMISSORY NOTE OR ANY SUCH SECURITIES MAY BE MADE EXCEPT PURSUANT TO THE PROVISIONS OF THE ACT AND APPLICABLE STATE SECURITIES LAWS OR UNLESS AN OPINION OF COUNSEL, SATISFACTORY TO MAKER, IS OBTAINED STATING THAT SUCH SALE, ASSIGNMENT, PLEDGE OR TRANSFER IS IN COMPLIANCE WITH AN AVAILABLE EXEMPTION UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS.

CONVERTIBLE PROMISSORY NOTE

$2,000,000.00 September 26, 2014

FOR VALUE RECEIVED, CYTODYN INC., a Colorado corporation ("Maker"), hereby promises to pay to ALPHA VENTURE CAPITAL PARTNERS, L.P. ("Holder"), the aggregate principal amount of Two Million and 00/100 Dollars ($2,000,000.00), together with interest thereon at a fixed simple interest rate of five percent (5%) per annum.

Principal outstanding under this Convertible Promissory Note (this "Note") shall be due and payable in cash in a single payment on September 26, 2016 (the "Due Date"), and interest shall be payable in cash quarterly in arrears beginning on December 26, 2014, and continuing on each of March 26, 2015, June 26, 2015, September 26, 2015, December 26, 2015, March 26, 2016, June 26, 2016, and September 26, 2016, in each case except to the extent that this Note has previously been converted into shares ("Shares") of Maker's common stock (the "Common Stock") as set forth below.

In connection with this Note, Holder is entitled, at no additional cost to Holder, to a warrant to purchase 250,000 Shares (the "Warrants," and together with Shares issuable upon exercise of the Warrants or conversion of this Note, collectively, the "Securities") at an exercise price of $0.50 per Share (the "Exercise Price"), in substantially the form attached hereto as Exhibit A. The Warrants are exercisable at the option of the Holder at any time after September 26, 2014 (the "Effective Date"), but not later than December 31, 2019.

All or any portion of principal and any related accrued but unpaid interest hereunder may be converted (each, a "Conversion") at any time by Holder into a number of Shares determined by dividing the converted principal amount and related accrued but unpaid interest by the conversion price of $1.00 per Share (the "Conversion Price"), with the resulting number of Shares to be issued, rounded down to the nearest whole Share, being referred to as the "Conversion Share Number."

No Conversion hereunder shall be effective unless written notice of the Conversion is given by Holder at least five (5) days prior to such Conversion, in substantially the form attached hereto as Exhibit B. Notwithstanding the foregoing, no Conversion hereunder shall be permitted after a date that is later than seven (7) days prior to the Due Date.

The Conversion Price will be subject to adjustment from time to time as provided in clauses (a) through (g) below:

(a) The following definitions shall apply to these adjustment provisions:

"**Option**" shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire Common Stock or Convertible Securities.

"**Convertible Securities**" shall mean any promissory notes, other evidences of indebtedness, shares or other securities directly or indirectly convertible into or exchangeable for Common Stock, but excluding Options.

"**Additional Shares of Common Stock**" shall mean any shares of Common Stock issued (or, as provided in clause (d) below, deemed to be issued) by Maker after September 15, 2014, other than (1) the following shares of Common Stock and (2) shares of Common Stock deemed issued pursuant to the following Options and Convertible Securities (clauses (1) and (2), collectively, "**Exempt Securities**"):

(i) securities issued upon the conversion of any Options or Convertible Securities outstanding on September 15, 2014 or upon conversion of this Note;

(ii) shares of Common Stock, Options or Convertible Securities issued by reason of a dividend, stock split, split-up or other distribution on shares of Common Stock as described in clause (b) below;

(iii) shares of Common Stock or Options issued to employees or directors of, or consultants or advisors to, Maker for services to Maker pursuant to a plan, agreement or arrangement approved by Maker's Board of Directors;

(iv) shares of Common Stock or Convertible Securities actually issued upon the exercise of Options or shares of Common Stock actually issued upon the conversion or exchange of Convertible Securities, in each case provided such issuance is pursuant to the terms of such Option or Convertible Security;

(v) replacement Options issued in exchange for Options outstanding on September 15, 2014, to purchase a total of 8,235,677 shares of Common Stock at exercise prices ranging from $1.50 to $2.00 per share, with such replacement Options covering up to an equal number of shares of Common Stock at an exercise price of not less than $0.50 per share; and

(vi) shares of Common Stock, Options or Convertible Securities issued pursuant to the acquisition by Maker of another business by merger, purchase of substantially all of the assets thereof, or other similar reorganization, but only if such issuances are approved by Maker's Board of Directors.

(b) If Maker at any time subdivides (by any stock split, stock dividend, recapitalization or otherwise) its Common Stock into a greater number of shares or pays a dividend or makes a distribution to holders of the Common Stock in the form of shares of Common Stock, the Conversion Price in effect for the Common Stock immediately prior to such subdivision shall be proportionately reduced. If Maker at any time combines (by reverse stock split or otherwise) the Common Stock into a smaller number of shares, the Conversion Price in effect for the Common Stock immediately prior to such combination shall be proportionately increased.

(c) Prior to the consummation of any other recapitalization, reorganization, or reclassification of the Common Stock (each, an "Organic Change"), but not a merger or consolidation transaction to which Maker is a party, Maker shall make appropriate provision to ensure that Holder shall thereafter have the right to acquire and receive upon Conversion of this Note the number of shares of stock or other securities or property of the Maker or otherwise, to which Holder would be entitled on such Organic Change if Holder were the holder of the number of Shares into which this Note was convertible on the effective date of the Organic Change. In any such case, appropriate adjustment shall be made in the application of these adjustment provisions with respect to the rights of Holder after the Organic Change to the end that these adjustment provisions will be applicable after the Organic Change to achieve the intent of these adjustment provisions, so as to protect Holder's Conversion rights.

(d) (i) If Maker, at any time or from time to time after September 15, 2014, shall issue any Options or Convertible Securities (excluding Options or Convertible Securities which are themselves Exempt Securities) or shall fix a record date for the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum number of shares of Common Stock (as set forth in the instrument relating thereto, assuming the satisfaction of any conditions to exercisability, convertibility or exchangeability but without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, shall be deemed to be Additional Shares of Common Stock issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date.

(ii) If the terms of any Option or Convertible Security, the issuance of which resulted in an adjustment to the Conversion Price pursuant to the terms of clause (e) below, are revised as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase or decrease in the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any such Option or Convertible Security or (2) any increase or decrease in the consideration payable to Maker upon such exercise, conversion and/or exchange, then, effective upon such increase or decrease becoming effective, the Conversion Price computed upon the original issue of such Option or Convertible Security (or upon the occurrence of a record date with respect thereto) shall be readjusted to such Conversion Price as would have resulted had such revised terms been in effect upon the original date of issuance of such Option or Convertible Security.

(iii) If the terms of any Option or Convertible Security (excluding Options or Convertible Securities which are themselves Exempt Securities), the issuance of which did not

result in an adjustment to the Conversion Price pursuant to the terms of clause (e) below (either because the consideration per share of the Additional Shares of Common Stock subject thereto was equal to or greater than the Conversion Price then in effect, or because such Option or Convertible Security was issued before September 15, 2014), are revised after September 15, 2014, as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase in the number of shares of Common Stock issuable upon the exercise, conversion or exchange of any such Option or Convertible Security or (2) any decrease in the consideration payable to Maker upon such exercise, conversion or exchange, then such Option or Convertible Security, as so amended or adjusted, and the Additional Shares of Common Stock subject thereto, shall be deemed to have been issued effective upon such increase or decrease becoming effective.

(e) In the event Maker shall, at any time after September 15, 2014, issue (or be deemed to issue) Additional Shares of Common Stock for a consideration per share (calculated as provided in this clause (e) and in clause (f) below) that is less than (X) initially, $.944 per share (subject to adjustment as provided in clause (b) above), and (Y) following the first adjustment pursuant to this clause (e), the Conversion Price in effect immediately prior to such issuance (such consideration per share is hereafter referred to as the "Lower Price"), the Conversion Price then in effect shall be reduced to 90% of the Lower Price (calculated to the nearest cent), provided that the consideration per share shall be calculated as the weighted average price of all Additional Shares of Common Stock issued or deemed to be issued in a single transaction. The consideration per share received by Maker for Additional Shares of Common Stock deemed to have been issued pursuant to clause (d) above shall be determined by dividing (i) the total amount, if any, received or receivable by Maker as consideration for the issuance of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration payable to Maker upon the exercise of such Options or the conversion or exchange of such Convertible Securities, by (ii) the maximum number of shares of Common Stock issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities. By way of illustration, the sale of a total of 100,000 shares of Common Stock for $87,500, together with warrants to purchase 25,000 shares of Common Stock at an exercise price of $0.50 per share, would yield a Lower Price of $0.80, such that the Conversion Price would be adjusted to $0.72, with the Lower Price calculated as follows: ($87,500 purchase price for the Common Stock, plus $0 received by Maker as consideration for the issuance of Options, plus $12,500 aggregate amount of additional consideration payable to Maker upon exercise of such Options)/125,000 shares = $0.80 per share.

(f) The consideration received by Maker for the issue of any Additional Shares of Common Stock shall (i) include all cash received (less amounts paid or payable for accrued interest); and (ii) the fair market value of all property (as determined in good faith by Maker's Board of Directors); and (iii) in the event Additional Shares of Common Stock are issued together with other shares or securities or other assets of Maker for consideration which covers both, be the proportion of such consideration so received, as determined in good faith by Maker's Board of Directors.

(g) Whenever an event occurs requiring any adjustment to be made in the Conversion Price pursuant to these adjustment provisions, Maker will promptly give Holder notice specifying the adjustment and the basis for it.

Maker shall not issue any fractional Shares upon Conversion by Holder of any principal and related accrued but unpaid interest hereunder. With respect to any fraction of a Share resulting from such Conversion, Maker shall issue to Holder a number of Shares rounded down to the nearest whole Share.

If Maker sells all or substantially all of its assets to a third party, merges or consolidates with another entity, or engages in any other transaction with a third party requiring approval of the shareholders of Maker, Maker shall give prompt notice to the Holder, and Holder may immediately convert the principal amount of this Note into Shares at any time prior to the consummation of such transaction.

Maker will not create, incur, assume or permit to exist, or allow any of its subsidiaries to create, incur, assume or permit to exist, any indebtedness or liabilities resulting from borrowings, loans or advances, whether secured or unsecured, matured or unmatured, liquidated or unliquidated, joint or several, except (a) the liabilities of Maker pursuant to convertible promissory notes outstanding at May 31, 2014, including accrued interest thereon from time to time and any extension of the maturity thereof, (b) convertible promissory notes issued to affiliates of Holder or clients of one or more affiliates of Holder, (c) purchase money indebtedness (including capitalized leases) for the acquisition of assets, provided that total new purchase money indebtedness does not exceed $25,000 in any fiscal year without the prior written consent of Holder, or (d) indebtedness or liabilities that are expressly made subordinate and subject in right of payment to the prior payment in cash in full of the principal and unpaid accrued interest on this Note, provided that, so long as no event of default has occurred as specified below, Maker may make payments of accrued interest as required under the terms of any such indebtedness or liabilities, except to the extent such right of payment may be limited by bankruptcy, insolvency, reorganization, fraudulent transfer, civil forfeiture, moratorium or similar laws relating to or limiting the rights of creditors generally, or by equitable principles (regardless of whether such enforcement is considered in a proceeding in equity or at law).

The occurrence of any of the following shall constitute an event of default hereunder: (i) default in the payment of the principal of or interest on this Note when the same becomes due and payable; (ii) Maker's failure to observe or perform any covenant, obligation, condition or agreement contained in this Note, the agreement evidencing the Warrants, or in the Subscription and Investor Rights Agreement between Maker and Holder dated September 26, 2014, which failure shall continue for ten (10) days; (iii) Maker (a) applies for or consents to the appointment of a receiver, trustee, liquidator or custodian for itself or of all or a substantial part of its property, (b) admits in writing its inability to pay its debts generally as they become due, (c) makes a general assignment for the benefit of its creditors, (d) is dissolved or liquidated in full or in part, (e) commences a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts pursuant to any bankruptcy, insolvency or other similar law now or hereafter in effect or consents to any such relief or to the appointment of or taking possession of its property by any official in such a proceeding, or (f) takes any action for the purpose of effecting any of the foregoing; or (iv) proceedings for the appointment of a receiver, trustee, liquidator or custodian of Maker or of all or a substantial part of the property thereof, or an involuntary case or other proceedings seeking liquidation, reorganization or other relief with respect to Maker or the debts thereof pursuant to any bankruptcy, insolvency or other similar law now or hereafter in effect shall be commenced and an order for relief entered or such proceeding shall not be dismissed or discharged within thirty (30) days of commencement.

Upon the occurrence of an event of default, or at any time thereafter during the continuance of any such event, the Holder may, with or without notice to the Maker, declare this Note to be forthwith due and payable, whereupon this Note and the indebtedness evidenced hereby shall forthwith be due and payable, both as to principal and interest, without presentment, demand, protest, or other notice of any kind, all of which are hereby expressly waived, anything contained herein or in any other instrument executed in connection with or securing this Note to the contrary notwithstanding. If the Due Date of this Note is accelerated as provided above, the Holder may convert the principal portion of this Note into Shares at any time prior to the payment of such principal amount.

If this Note or any interest hereon becomes due and payable on Saturday, Sunday or other day on which commercial banks are authorized or permitted to close under the laws of the State of Florida, the maturity of this Note shall be extended to the next succeeding business day.

Maker may elect to prepay, on or before the Due Date, all or any portion of the outstanding principal balance under this Note, together with accrued but unpaid interest, by wire transfer or other cash equivalent acceptable to Maker; provided, however, for any such prepayment, Maker must first give Holder at least ten (10) days' prior notice of such prepayment and, during such time, Holder may elect in writing to effect a Conversion of all or a portion of such principal balance, together with any accrued but unpaid interest so desired to be prepaid by Maker, into Shares as provided herein.

If the payment of principal or interest or both is more than five (5) days late, any unpaid balance on this Note, including accrued but unpaid interest, shall thereafter accrue interest at the default rate of fifteen percent (15%) per annum until paid in full.

Payments shall be credited first to accrued interest then due and payable and the remainder applied to principal.

This Note and the Securities to be issued in connection herewith and upon Conversion hereof may not be offered, sold or otherwise disposed of except under circumstances which will not result in a violation of the Securities Act of 1933, as amended (the "Securities Act"). Upon Conversion of this Note, the Holder hereof will be required to confirm in writing, by executing the form attached as Schedule 1 to Exhibit B hereto, that the Shares so purchased are being acquired for investment and not with a view toward distribution or resale. This Note and all Shares issued upon Conversion hereof or upon the exercise of the Warrants (unless registered under the Securities Act) shall be stamped or imprinted with a legend in substantially the following form:

> "THE SHARES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. THE SECURITIES MAY NOT BE OFFERED, SOLD, PLEDGED, OR OTHERWISE TRANSFERRED EXCEPT

(1) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR (2) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE STATE SECURITIES LAWS AND THE SECURITIES LAWS OF OTHER JURISDICTIONS AND, IN THE CASE OF A TRANSACTION EXEMPT FROM REGISTRATION, UNLESS THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO IT THAT SUCH TRANSACTION DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT OR SUCH OTHER APPLICABLE LAWS."

With respect to any offer, sale or other disposition of this Note or any Securities to be issued in connection herewith prior to registration of such Note or Securities, the Holder hereof and each subsequent Holder of this Note will be required to give written notice to the Maker prior thereto, describing briefly the manner thereof, together with a written opinion of such Holder's counsel reasonably acceptable to the Maker's counsel, if such opinion is reasonably requested by the Maker, to the effect that such offer, sale or other disposition may be effected without registration or qualification (under the Securities Act as then in effect or any federal or state law then in effect) of this Note or such Securities and indicating whether or not under the Securities Act this Note or certificates for such Securities to be sold or otherwise disposed of require any restrictive legend as to applicable restrictions on transferability in order to ensure compliance with applicable law. Promptly upon receiving such written notice and reasonably satisfactory opinion, if so requested, the Maker, as promptly as practicable, shall notify such Holder that such Holder may sell or otherwise dispose of this Note or such Securities, all in accordance with the terms of the notice delivered to the Maker. If a determination has been made pursuant to this paragraph that the opinion of counsel for the Holder is not reasonably satisfactory to the Maker, the Maker shall so notify the Holder promptly after such determination has been made and neither this Note nor any Securities shall be sold or otherwise disposed of until such disagreement has been resolved. The foregoing notwithstanding, this Note or such Securities may as to such federal laws, be offered, sold or otherwise disposed of in accordance with Rule 144 under the Securities Act, provided that the Maker shall have been furnished with such information as the Maker may reasonably request to provide a reasonable assurance that the provisions of Rule 144 have been satisfied. This Note and each certificate representing the Securities thus transferred (except a transfer pursuant to Rule 144) shall bear a legend as to the applicable restrictions on transferability in order to ensure compliance with such laws, unless in the aforesaid opinion of counsel for the Holder, reasonably acceptable to the Maker, such legend is not required in order to ensure compliance with such laws. The Maker may issue stop transfer instructions to its transfer agent or, if acting as its own transfer agent, the Maker may stop transfer on its corporate books, in connection with such restrictions.

Any provision of this Note that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

This Note is not transferable or assignable by the Maker without the consent of the Holder. Prior to the Due Date, this Note may not be transferred or assigned by the Holder without the

consent of the Maker. If this Note is collected by law or through an attorney at law, or under advice therefrom, the Maker agrees to pay all costs of collection, including reasonable attorneys' fees. Reasonable attorneys' fees are defined to include, but not be limited to, all fees incurred in all matters of collection and enforcement, trial proceedings and appeals, as well as appearances in and connected with any bankruptcy proceedings or creditors' reorganization or similar proceedings and any post judgment collection efforts.

Any failure to exercise any right, remedy or recourse hereunder shall not be deemed to be a waiver or release of the same, such waiver or release to be effected only through a written document executed by the Holder and then only to the extent specifically recited therein. A waiver or release with reference to any one event shall not be construed as continuing, as a bar to, or as a waiver or release of any subsequent right, remedy or recourse as to a subsequent event.

In no event shall the amount of interest due or payments in the nature of interest payable hereunder exceed the maximum rate of interest allowed by applicable law, as amended from time to time, and in the event any such payment is paid by the Maker or received by the Holder, then such excess sum shall be credited as a payment of principal, unless the Maker shall notify the Holder, in writing, that the Maker elects to have such excess sum returned to the Maker forthwith.

The Maker hereby waives all and every exemption secured to it by the laws and constitution of the State of Florida, and of any other state. The Maker hereby waives demand, presentment, protest, notice of nonpayment or dishonor, and any other notice required by law and agrees that its obligation hereunder shall not be affected by any renewal or extension of the time of payment hereof, or by any indulgences.

This Note shall be governed by and construed in accordance with the laws of the State of Florida applicable to debts and obligations incurred and to be paid solely in such jurisdiction. This Note may not be modified or amended and no provision hereof may be waived except by a written instrument executed by the parties to be bound thereby.

CYTODYN INC.

By: /s/ Nader Pourhassan
Nader Pourhassan
President and Chief Executive Officer

EXHIBIT "A"

Warrant Number

THE WARRANT REPRESENTED BY THIS CERTIFICATE AND THE SHARES ISSUABLE UPON EXERCISE THEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR QUALIFIED UNDER ANY APPLICABLE STATE SECURITIES LAW ("APPLICABLE STATE SECURITIES LAW"). THIS WARRANT HAS BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR FOR SALE IN CONNECTION WITH, ANY DISTRIBUTION THEREOF WITHIN THE MEANING OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAW. THIS WARRANT AND THE SHARES ISSUABLE UPON EXERCISE THEREOF MAY NOT BE PLEDGED, SOLD, ASSIGNED OR TRANSFERRED UNLESS A REGISTRATION STATEMENT WITH RESPECT THERETO UNDER THE SECURITIES ACT IS EFFECTIVE, AND ANY APPLICABLE STATE SECURITIES LAW REQUIREMENTS HAVE BEEN MET OR EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS UNDER THE SECURITIES ACT AND THE REGISTRATION OR QUALIFICATION REQUIREMENTS OF APPLICABLE STATE SECURITIES LAW ARE AVAILABLE. NO TRANSFER OF ANY INTEREST IN THIS WARRANT OR THE SECURITIES PURCHASABLE UPON EXERCISE MAY BE EFFECTED WITHOUT FIRST SURRENDERING THIS WARRANT OR SUCH SECURITIES, AS THE CASE MAY BE, TO THE COMPANY OR ITS TRANSFER AGENT, IF ANY.

Warrant to Purchase
Shares of
Common Stock
As Herein Described

September , 2014

WARRANT TO PURCHASE COMMON STOCK OF

CYTODYN INC.

This is to certify that, for value received, ALPHA VENTURE CAPITAL PARTNERS, L.P., or a proper assignee (the "Holder"), is entitled to purchase up to a total of 250,000 shares ("Warrant Shares") of common stock, no par value per share (the "Common Stock"), of CytoDyn Inc., a Colorado corporation (the "Company"), subject to the provisions of this Warrant Number , from the Company. This Warrant shall be exercisable at Fifty Cents ($0.50) per share (the "Exercise Price"). This Warrant also is subject to the following terms and conditions:

1. Exercise and Payment; Exchange.

1.1 Exercise of Warrant. This Warrant may be exercised in whole or in part at any time from and after the date hereof (the "Commencement Date") through 5:00 p.m., Pacific

time, on December 31, 2019 (the "Expiration Date"), at which time this Warrant shall expire and become void, but if such date is a day on which federal or state chartered banking institutions located in the State of Florida are authorized to close, then on the next succeeding day which shall not be such a day. Unless the Holder elects to exercise the Warrant by having the Company withhold shares of Common Stock in lieu of paying the Exercise Price in cash (a "Cashless Exercise"), exercise shall be by presentation and surrender to the Company, or at the office of any transfer agent designated by the Company (the "Transfer Agent"), of (i) this Warrant, (ii) the attached exercise form properly executed, and (iii) a certified or official bank check for the Exercise Price for the number of Warrant Shares specified in the exercise form. If the Holder has elected a Cashless Exercise, the Holder shall surrender in payment of the Exercise Price, shares of Common Stock equal in value to the Exercise Price by surrender of this Warrant at the principal office of the Company together with notice of such election, in which event the Company shall issue to the Holder a number of shares of Common Stock computed using the following formula:

$$X = \frac{Y(A-B)}{A}$$

Where: X = The number of shares of Common Stock to be issued to the Holder pursuant to the Cashless Exercise

Y = The number of shares of Common Stock in respect of which the Cashless Exercise election is made

A = The fair market value of one share of Common Stock at the time the Cashless Exercise election is made

B = The Exercise Price (as adjusted to the date of the Cashless Exercise)

For purposes of this Section 1.1, the fair market value of one share of Common Stock as of a particular date shall be determined as provided in Section 3 below.

If this Warrant is exercised in part only, the Transfer Agent shall, upon surrender of the Warrant, execute and deliver a new Warrant evidencing the rights of the Holder to purchase the remaining number of Warrant Shares purchasable hereunder. Upon receipt by the Company of this Warrant and the exercise form properly completed, accompanied by payment as aforesaid, the Holder shall be deemed to be the holder of record of the Common Stock issuable upon such exercise, notwithstanding that the stock transfer books of the Company shall then be closed or that certificates representing such Warrant Shares shall not then be actually delivered to the Holder; the Company shall deliver certificates representing the Warrant Shares to the Holder as promptly as practicable after receipt of all required documents and payment.

1.2 Conditions to Exercise or Exchange. The restrictions in Section 7 shall apply, to the extent applicable by their terms, to any exercise or exchange of this Warrant permitted by this Section 1.

2. Reservation of Shares. The Company shall, at all times until the expiration of this Warrant, reserve for issuance and delivery upon exercise of this Warrant the number of Warrant Shares which shall be required for issuance and delivery upon exercise of this Warrant.

3. Fractional Interests. The Company shall not issue any fractional shares or scrip representing fractional shares upon the exercise or exchange of this Warrant. With respect to any fraction of a share resulting from the exercise or exchange hereof, the Company shall pay to the Holder an amount in cash equal to such fraction multiplied by the current fair market value per share of Common Stock, determined as follows:

3.1 If the Common Stock is listed on a national securities exchange or admitted to unlisted trading privileges on such an exchange, the current fair market value shall be the last reported sale price of the Common Stock on such exchange on the last business day prior to the date of exercise of this Warrant or if no such sale is made on such day, the mean of the closing bid and asked prices for such day on such exchange;

3.2 If the Common Stock is not so listed or admitted to unlisted trading privileges or quoted on a national securities exchange, the current fair market value shall be the mean of the last bid and asked prices reported on the last business day prior to the date of the exercise of this Warrant by the OTC Markets Group, Inc.; or

3.3 If the Common Stock is not so listed or admitted to unlisted trading privileges and bid and asked prices are not so reported, the current fair market value shall be an amount, not less than book value, determined in such reasonable manner as may be prescribed by the Company in good faith.

4. No Rights as Shareholder. This Warrant shall not entitle the Holder to any rights as a shareholder of the Company, either at law or in equity. The rights of the Holder are limited to those expressed in this Warrant and are not enforceable against the Company except to the extent set forth herein.

5. Adjustments in Number and Exercise Price of Warrant Shares.

5.1 The number of shares of Common Stock for which this Warrant may be exercised and the Exercise Price therefor shall be subject to adjustment as follows:

(a) If the Company is recapitalized through the subdivision or combination of its outstanding shares of Common Stock into a larger or smaller number of shares, the number of shares of Common Stock for which this Warrant may be exercised shall be increased or reduced, as of the record date for such recapitalization, in the same proportion as the increase or decrease in the outstanding shares of Common Stock, and the Exercise Price shall be adjusted so that the aggregate amount payable for the purchase of all of the Warrant Shares issuable hereunder immediately after the record date for such recapitalization shall equal the aggregate amount so payable immediately before such record date.

(b) If the Company declares a dividend on Common Stock payable in Common Stock or securities convertible into Common Stock, the number of shares of Common Stock for which this Warrant may be exercised shall be increased as of the record date for determining which holders of Common Stock shall be entitled to receive such dividend, in

proportion to the increase in the number of outstanding shares (and shares of Common Stock issuable upon conversion of all such securities convertible into Common Stock) of Common Stock as a result of such dividend, and the Exercise Price shall be adjusted so that the aggregate amount payable for the purchase of all the Warrant Shares issuable hereunder immediately after the record date for such dividend shall equal the aggregate amount so payable immediately before such record date.

(c) If the Company distributes to holders of its Common Stock, other than as part of its dissolution or liquidation or the winding up of its affairs, any shares of its Common Stock, any evidence of indebtedness or any of its assets (other than cash, Common Stock or securities convertible into Common Stock), the Company shall give written notice to the Holder of any such distribution at least fifteen (15) days prior to the proposed record date in order to permit the Holder to exercise this Warrant on or before the record date. There shall be no adjustment in the number of shares of Common Stock for which this Warrant may be exercised, or in the Exercise Price, by virtue of any such distribution.

(d) If the Company offers rights or warrants generally to the holders of Common Stock which entitle them to subscribe to or purchase additional Common Stock or securities convertible into Common Stock, the Company shall give written notice of any such proposed offering to the Holder at least fifteen (15) days prior to the proposed record date in order to permit the Holder to exercise this Warrant on or before such record date. There shall be no adjustment in the number of shares of Common Stock for which this Warrant may be exercised, or in the Exercise Price, by virtue of any such distribution.

(e) If the event, as a result of which an adjustment is made under paragraph (a) or (b) above, does not occur, then any adjustments in the Exercise Price or number of shares issuable that were made in accordance with such paragraph (a) or (b) shall be adjusted to the Exercise Price and number of shares as were in effect immediately prior to the record date for such event.

5.2 In the event of any reorganization or reclassification of the outstanding shares of Common Stock (other than a change in par value or from no par value to par value, or from par value to no par value, or as a result of a subdivision or combination) or in the event of any consolidation or merger of the Company with another entity after which the Company is not the surviving entity, at any time prior to the expiration of this Warrant, upon subsequent exercise of this Warrant the Holder shall have the right to receive the same kind and number of shares of common stock and other securities, cash or other property as would have been distributed to the Holder upon such reorganization, reclassification, consolidation or merger had the Holder exercised this Warrant immediately prior to such reorganization, reclassification, consolidation or merger, appropriately adjusted for any subsequent event described in this Section 5. The Holder shall pay upon such exercise the Exercise Price that otherwise would have been payable pursuant to the terms of this Warrant. If any such reorganization, reclassification, consolidation or merger results in a cash distribution in excess of the then applicable Exercise Price, the holder may, at the Holder's option, exercise this Warrant without making payment of the Exercise Price, and in such case the Company shall, upon distribution to the Holder, consider the Exercise Price to have been paid in full, and in making settlement to the Holder, shall deduct an amount equal to the Exercise Price from the amount payable to the Holder. In the event of any such reorganization, merger or consolidation, the corporation formed by such consolidation or merger

or the corporation which shall have acquired the assets of the Company shall execute and deliver a supplement hereto to the foregoing effect, which supplement shall also provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided in this Warrant.

5.3 If the Company shall, at any time before the expiration of this Warrant, dissolve, liquidate or wind up its affairs, the Holder shall have the right to receive upon exercise of this Warrant, in lieu of the shares of Common Stock of the Company that the Holder otherwise would have been entitled to receive, the same kind and amount of assets as would have been issued, distributed or paid to the Holder upon any such dissolution, liquidation or winding up with respect to such Common Stock receivable upon exercise of this Warrant on the date for determining those entitled to receive any such distribution. If any such dissolution, liquidation or winding up results in any cash distribution in excess of the Exercise Price provided by this Warrant, the Holder may, at the Holder's option, exercise this Warrant without making payment of the Exercise Price and, in such case, the Company shall, upon distribution to the Holder, consider the Exercise Price to have been paid in full and, in making settlement to the Holder, shall deduct an amount equal to the Exercise Price from the amount payable to the Holder.

6. Notices to Holder. So long as this Warrant shall be outstanding (a) if the Company shall pay any dividends or make any distribution upon the Common Stock otherwise than in cash or (b) if the Company shall offer generally to the holders of Common Stock the right to subscribe to or purchase any shares of any class of Common Stock or securities convertible into Common Stock or any similar rights or (c) if there shall be any capital reorganization of the Company in which the Company is not the surviving entity, recapitalization of the capital stock of the Company, consolidation or merger of the Company with or into another corporation, sale, lease or other transfer of all or substantially all of the property and assets of the Company, or voluntary or involuntary dissolution, liquidation or winding up of the Company, then in such event, the Company shall cause to be mailed to the Holder, at least thirty (30) days prior to the relevant date described below (or such shorter period as is reasonably possible if thirty (30) days is not reasonably possible), a notice containing a description of the proposed action and stating the date or expected date on which a record of the Company's shareholders is to be taken for the purpose of any such dividend, distribution of rights, or such reclassification, reorganization, consolidation, merger, conveyance, lease or transfer, dissolution, liquidation or winding up is to take place and the date or expected date, if any is to be fixed, as of which the holders of Common Stock of record shall be entitled to exchange their shares of Common Stock for securities or other property deliverable upon such event.

7. Transfer, Exercise, Exchange, Assignment or Loss of Warrant, Warrant Shares or Other Securities.

7.1 This Warrant may be transferred, exercised, exchanged or assigned ("transferred"), in whole or in part, subject to the following restrictions. This Warrant and the Warrant Shares or any other securities ("Other Securities") received upon exercise of this Warrant shall be subject to restrictions on transferability until registered under the Securities Act of 1933, as amended (the "Securities Act"), unless an exemption from registration is available. Until this Warrant and the Warrant Shares or Other Securities are so registered, this Warrant and any certificate for Warrant Shares or Other Securities issued or issuable upon exercise of this Warrant shall contain a legend on the face thereof, in form and substance satisfactory to counsel

for the Company, stating that this Warrant and the Warrant Shares or Other Securities may not be sold, transferred or otherwise disposed of unless, in the opinion of counsel satisfactory to the Company, which may be counsel to the Company, this Warrant, the Warrant Shares or Other Securities may be transferred without such registration. This Warrant and the Warrant Shares or Other Securities may also be subject to restrictions on transferability under applicable state securities or blue sky laws.

7.2 Until this Warrant, the Warrant Shares or Other Securities are registered under the Securities Act, the Company may require, as a condition of transfer of this Warrant, the Warrant Shares, or Other Securities, that the transferee (who may be the Holder in the case of an exercise or exchange) represent that the securities being transferred are being acquired for investment purposes and for the transferee's own account and not with a view to or for sale in connection with any distribution of the security.

7.3 Any transfer permitted hereunder shall be made by surrender of this Warrant to the Company or to the Transfer Agent at its offices with a duly executed request to transfer the Warrant, which shall provide adequate information to effect such transfer and shall be accompanied by funds sufficient to pay any transfer taxes applicable. Upon satisfaction of all transfer conditions, the Company or Transfer Agent shall, without charge, execute and deliver a new Warrant in the name of the transferee named in such transfer request, and this Warrant promptly shall be cancelled.

7.4 Upon receipt by the Company of evidence satisfactory to it of loss, theft, destruction or mutilation of this Warrant and, in the case of loss, theft or destruction, of reasonable satisfactory indemnification, or, in the case of mutilation, upon surrender of this Warrant, the Company will execute and deliver, or instruct the Transfer Agent to execute and deliver, a new Warrant of like tenor and date, and any such lost, stolen or destroyed Warrant thereupon shall become void.

8. Representations and Warranties of the Holder. The Holder hereby represents and warrants to the Company with respect to the issuance of the Warrant as follows:

8.1 Experience. The Holder has substantial experience in evaluating and investing in securities in companies similar to the Company so that such Holder is capable of evaluating the merits and risks of such Holder's investment in the Company and has the capacity to protect such Holder's own interests.

8.2 Investment. The Holder is acquiring this Warrant (and the Warrant Shares issuable upon exercise of this Warrant) for investment for such Holder's own account, not as a nominee or agent, and not with the view to, or for resale in connection with, any distribution thereof. The Holder understands that this Warrant (and the Warrant Shares issuable upon exercise of the Warrant) have not been, and will not be, registered under the Securities Act by reason of a specific exemption from the registration provisions of the Securities Act which depends upon, among other things, the bona fide nature of the investment intent and the accuracy of such Holder's representations as expressed herein.

8.3 Held Indefinitely. The Holder acknowledges that this Warrant (and the Warrant Shares issuable upon exercise of this Warrant) must be held indefinitely unless subsequently registered under the Securities Act or an exemption from such registration is available.

8.4 Accredited Holder. The Holder is an "accredited investor" within the meaning of Rule 501 of Regulation D under the Securities Act.

8.5 Legends. The Holder understands and acknowledges that the certificate(s) evidencing the securities issued by the Company will be imprinted with a restrictive legend as referenced in Section 7.1 above.

8.6 Access to Data. The Holder has had an opportunity to discuss the Company's business, management, and financial affairs with the Company's management and the opportunity to review the Company's facilities and business plans. The Holder has also had an opportunity to ask questions of officers of the Company, which questions were answered to its satisfaction.

8.7 Authorization. This Warrant and the agreements contemplated hereby, when executed and delivered by the Holder, will constitute a valid and legally binding obligation of the Holder, enforceable in accordance with their respective terms.

8.8 Brokers or Finders. The Company has not incurred, and will not incur, directly or indirectly, as a result of any action taken by such Holder, any liability for brokerage or finders' fees or agents' commissions or any similar charges in connection with this Warrant or any transaction contemplated hereby.

9. Notices. All notices, requests, demands or other communications hereunder shall be in writing and shall be deemed to have been duly given, if delivered in person or mailed, certified, return-receipt requested, postage prepaid to the address set forth on the signature page below. Any party hereto may from time to time, by written notice to the other parties, designate a different address, which shall be substituted for the one specified below for such party. If any notice or other document is sent by certified or registered mail, return receipt requested, postage prepaid, properly addressed as aforementioned, the same shall be deemed served or delivered seventy-two (72) hours after mailing thereof. If any notice is sent by fax or email to a party, it will be deemed to have been delivered on the date the fax or email thereof is actually received, provided the original thereof is sent by certified mail, in the manner set forth above, within twenty-four (24) hours after the fax or email is sent.

10. Amendment. Any provision of this Warrant may be amended or the observance thereof may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Company and the Holder.

11. Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of Florida and any dispute hereunder shall be brought in state or Federal court in Polk County, Florida.

IN WITNESS WHEREOF, the Company and the Holder have executed this Warrant on the respective dates set forth below.

CYTODYN INC.

By: _____
Name: Nader Pourhassan
Title: President and Chief Executive Officer

Date: _____
Address: 1111 Main Street, Suite 660
Vancouver, Washington 98660

HOLDER

ALPHA VENTURE CAPITAL PARTNERS, L.P.

By: Alpha Venture Capital Management, LLC
General Partner

By: _____
Name: Carl Dockery
Title: Manager

Date: _____

Address: 2026 Crystal Wood Drive
Lakeland, Florida 33806-2477

Mailing Address: P.O. Box 2477
Lakeland, FL 33806-2477

FORM OF EXERCISE

To be executed upon exercise of Warrant
(please print)

The undersigned hereby irrevocably elects to exercise the right, represented by this Warrant Number certificate, to purchase shares of common stock, no par value per share ("Common Stock") of CytoDyn Inc. (the "Company") and herewith tenders payment for such shares of Common Stock to the order of the Company the amount of $0.50 per share in accordance with the terms hereof. The undersigned requests that a certificate for such shares of Common Stock be registered in the name of whose address is . If said number of shares of Common Stock is less than all of the shares of Common Stock purchasable hereunder, the undersigned requests that a new Warrant Certificate representing the remaining balance of the shares of Common Stock be registered in the name of , whose address is , and that such Warrant Certificate be delivered to , whose address is .

Representations of the undersigned.

a) The undersigned acknowledges that the undersigned has received, read and understood the Warrant and agrees to abide by and be bound by its terms and conditions.

b) (i) The undersigned has such knowledge and experience in business and financial matters that the undersigned is capable of evaluating the Company and the proposed activities thereof, and the risks and merits of this prospective investment.

☐ YES ☐ NO

(ii) If "No", the undersigned is represented by a "purchaser representative," as that term is defined in Regulation D under the Securities Act of 1933, as amended (the "Securities Act").

☐ YES ☐ NO

c) (i) The undersigned is an "accredited investor," as that term is defined in the Securities Act.

☐ YES ☐ NO

(ii) If "Yes," the undersigned comes within the following category of that definition (check one and complete the blanks as applicable):

☐ 1. The undersigned is a natural person whose present net worth (or whose joint net worth with his or her spouse), excluding the value of the undersigned's primary residence, exceeds $1,000,000. For purposes of calculating the undersigned's present net worth, the undersigned has included the following as liabilities: (i) any indebtedness that is secured by

the undersigned's primary residence in excess of the estimated fair market value of the undersigned's primary residence at the time of the sale of the shares, and (ii) any incremental debt secured by the undersigned's primary residence that was incurred in the 60 days before the sale of the shares, other than as a result of the acquisition of the undersigned's primary residence.

☐ 2. The undersigned is a natural person who had individual income in excess of $200,000 in each of the last two years or joint income with the undersigned's spouse in excess of $300,000 during such two years, and the undersigned reasonably expects to have the same income level in the current year.

☐ 3. The undersigned is an officer or director of the Company.

☐ 4. The undersigned is a corporation or partnership not formed for the specific purpose of acquiring the securities offered, with total assets in excess of $5,000,000.

☐ 5. The undersigned is a trust with total assets in excess of $5,000,000 whose purchase is directed by a person with such knowledge and experience in financial and business matters that such person is capable of evaluating the merits and risks of the prospective investment.

☐ 6. The undersigned is an entity, all of whose equity owners are accredited investors under paragraphs 1, 2, 3, 4 or 5, above.

d) The undersigned understands that the shares purchased hereunder have not been registered under the Securities Act, in reliance upon the exemption from the registration requirements under the Securities Act pursuant to Section 4(a)(2) of the Securities Act; and, therefore, that the undersigned must bear the economic risk of the investment for an indefinite period of time since the securities cannot be sold, transferred or assigned to any person or entity without compliance with the provisions of the Securities Act.

Submitted by:		Accepted by CytoDyn Inc.:	
By:	_____	By:	_____
Date:	_____	Date:	_____
SS/Tax ID:	_____	Tax ID:	_____
Telephone:	_____		
Email:	_____		

(Signature must conform in all respects to name of holder as specified on the face of the Warrant Certificate.)

EXHIBIT "B"

NOTICE OF CONVERSION
(please print)

To: CYTODYN INC.

1. In accordance with the terms of that certain Convertible Promissory Note issued by CYTODYN INC. to ALPHA VENTURE CAPITAL PARTNERS, L.P., on September 26, 2014 (the " Note"), the undersigned hereby elects to convert $ of the principal amount of the Note, together with any related accrued but unpaid interest, into Shares.

2. Please issue a certificate or certificates representing the Shares in the name of the undersigned or in such other name or names as are specified below:

(Name)

(Address)

3. The undersigned represents that the aforesaid Shares are being acquired for the account of the undersigned for investment and not with a view to, or for resale in connection with, the distribution thereof and that the undersigned has no present intention of distributing or reselling such Shares. In support thereof, the undersigned has executed an Investment Representation Statement attached hereto as Schedule 1.

4. All capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Note.

(Signature)

(Date)

Contact telephone:

Email:

SCHEDULE 1

INVESTMENT REPRESENTATION STATEMENT

Purchaser: ALPHA VENTURE CAPITAL PARTNERS, L.P.
Company CYTODYN INC.
Security: Common Stock
Amount:
Date:

In connection with the purchase of the above-listed securities (the "Shares") pursuant to that certain Convertible Promissory Note issued by CYTODYN INC. to the Purchaser set forth above, on September 26, 2014 (the " Note"), Purchaser represents to the Maker as follows:

(a) The Purchaser is aware of the Maker's business affairs and financial condition, and has acquired information about the Maker sufficient to reach an informed and knowledgeable decision to acquire the Shares. The Purchaser is acquiring the Shares for its own account for investment purposes only and not with a view to, or for the resale in connection with, any "distribution" thereof for purposes of the Securities Act. The Purchaser is an "accredited investor" as that term is defined in Securities and Exchange Commission Rule 501(a) of Regulation D.

(b) The Purchaser understands that the Shares have not been registered under the Securities Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of the Purchaser's investment intent as expressed herein.

(c) The Purchaser further understands that the Shares must be held indefinitely unless subsequently registered under the Securities Act and any applicable state securities laws, or unless exemptions from registration are otherwise available.

(d) The Purchaser is aware of the provisions of Rule 144, promulgated under the Securities Act, which, in substance, permit limited public resale of "restricted securities" acquired by non-affiliates of the issuer thereof, directly or indirectly, from the issuer (or from an affiliate of such issuer), in a non-public offering subject to the satisfaction of certain conditions, if applicable, including, among other things, the availability of certain public information about the Maker and the resale occurring not less than six (6) months after the party has purchased and paid for the securities to be sold.

(e) The Purchaser further understands that at the time Purchaser wishes to sell the Shares there may be no public market upon which to make such a sale, and that, even if such a public market then exists, the Maker may not have filed all reports and other materials required under Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, other than Form 8-K reports, during the preceding 12 months, and that, in such event, because the Maker used to be a "shell company" as contemplated under Rule 144(i), Rule 144 will not be available to the Purchaser.

(f) The Purchaser further understands that in the event all of the requirements of Rule 144 are not satisfied, registration under the Securities Act, compliance with Regulation A, or some other registration exemption will be required; and that, notwithstanding the fact that Rule 144 is not exclusive, the staff of the Securities and Exchange Commission has expressed its opinion that persons proposing to sell private placement securities other than in a registered offering and otherwise than pursuant to Rule 144 will have a substantial burden of proof in establishing that an exemption from registration is available for such offers or sales, and that such persons and their respective brokers who participate in such transactions do so at their own risk.

All capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Note.

Purchaser: _____

Date: _____

Exhibit 4.2

Warrant Number A-1

THE WARRANT REPRESENTED BY THIS CERTIFICATE AND THE SHARES ISSUABLE UPON EXERCISE THEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR QUALIFIED UNDER ANY APPLICABLE STATE SECURITIES LAW ("APPLICABLE STATE SECURITIES LAW"). THIS WARRANT HAS BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR FOR SALE IN CONNECTION WITH, ANY DISTRIBUTION THEREOF WITHIN THE MEANING OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAW. THIS WARRANT AND THE SHARES ISSUABLE UPON EXERCISE THEREOF MAY NOT BE PLEDGED, SOLD, ASSIGNED OR TRANSFERRED UNLESS A REGISTRATION STATEMENT WITH RESPECT THERETO UNDER THE SECURITIES ACT IS EFFECTIVE, AND ANY APPLICABLE STATE SECURITIES LAW REQUIREMENTS HAVE BEEN MET OR EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS UNDER THE SECURITIES ACT AND THE REGISTRATION OR QUALIFICATION REQUIREMENTS OF APPLICABLE STATE SECURITIES LAW ARE AVAILABLE. NO TRANSFER OF ANY INTEREST IN THIS WARRANT OR THE SECURITIES PURCHASABLE UPON EXERCISE MAY BE EFFECTED WITHOUT FIRST SURRENDERING THIS WARRANT OR SUCH SECURITIES, AS THE CASE MAY BE, TO THE COMPANY OR ITS TRANSFER AGENT, IF ANY.

Warrant to Purchase
Shares of
Common Stock
As Herein Described

September 26, 2014

WARRANT TO PURCHASE COMMON STOCK OF

CYTODYN INC.

This is to certify that, for value received, ALPHA VENTURE CAPITAL PARTNERS, L.P., or a proper assignee (the "Holder"), is entitled to purchase up to a total of 250,000 shares ("Warrant Shares") of common stock, no par value per share (the "Common Stock"), of CytoDyn Inc., a Colorado corporation (the "Company"), subject to the provisions of this Warrant Number A-1, from the Company. This Warrant shall be exercisable at Fifty Cents ($0.50) per share (the "Exercise Price"). This Warrant also is subject to the following terms and conditions:

1. Exercise and Payment; Exchange.

1.1 Exercise of Warrant. This Warrant may be exercised in whole or in part at any time from and after the date hereof (the "Commencement Date") through 5:00 p.m., Pacific time, on December 31, 2019 (the "Expiration Date"), at which time this Warrant shall expire and become void, but if such date is a day on which federal or state chartered banking institutions located in the State of Florida are authorized to close, then on the next succeeding day which shall not be such a day. Unless the Holder elects to exercise the Warrant by having the Company

withhold shares of Common Stock in lieu of paying the Exercise Price in cash (a "Cashless Exercise"), exercise shall be by presentation and surrender to the Company, or at the office of any transfer agent designated by the Company (the "Transfer Agent"), of (i) this Warrant, (ii) the attached exercise form properly executed, and (iii) a certified or official bank check for the Exercise Price for the number of Warrant Shares specified in the exercise form. If the Holder has elected a Cashless Exercise, the Holder shall surrender in payment of the Exercise Price, shares of Common Stock equal in value to the Exercise Price by surrender of this Warrant at the principal office of the Company together with notice of such election, in which event the Company shall issue to the Holder a number of shares of Common Stock computed using the following formula:

$$X = \frac{Y(A-B)}{A}$$

Where: X = The number of shares of Common Stock to be issued to the Holder pursuant to the Cashless Exercise

Y = The number of shares of Common Stock in respect of which the Cashless Exercise election is made

A = The fair market value of one share of Common Stock at the time the Cashless Exercise election is made

B = The Exercise Price (as adjusted to the date of the Cashless Exercise)

For purposes of this Section 1.1, the fair market value of one share of Common Stock as of a particular date shall be determined as provided in Section 3 below.

If this Warrant is exercised in part only, the Transfer Agent shall, upon surrender of the Warrant, execute and deliver a new Warrant evidencing the rights of the Holder to purchase the remaining number of Warrant Shares purchasable hereunder. Upon receipt by the Company of this Warrant and the exercise form properly completed, accompanied by payment as aforesaid, the Holder shall be deemed to be the holder of record of the Common Stock issuable upon such exercise, notwithstanding that the stock transfer books of the Company shall then be closed or that certificates representing such Warrant Shares shall not then be actually delivered to the Holder; the Company shall deliver certificates representing the Warrant Shares to the Holder as promptly as practicable after receipt of all required documents and payment.

1.2 Conditions to Exercise or Exchange. The restrictions in Section 7 shall apply, to the extent applicable by their terms, to any exercise or exchange of this Warrant permitted by this Section 1.

2. Reservation of Shares. The Company shall, at all times until the expiration of this Warrant, reserve for issuance and delivery upon exercise of this Warrant the number of Warrant Shares which shall be required for issuance and delivery upon exercise of this Warrant.

3. Fractional Interests. The Company shall not issue any fractional shares or scrip representing fractional shares upon the exercise or exchange of this Warrant. With respect to any fraction of a share resulting from the exercise or exchange hereof, the Company shall pay to the Holder an amount in cash equal to such fraction multiplied by the current fair market value per share of Common Stock, determined as follows:

3.1 If the Common Stock is listed on a national securities exchange or admitted to unlisted trading privileges on such an exchange, the current fair market value shall be the last reported sale price of the Common Stock on such exchange on the last business day prior to the date of exercise of this Warrant or if no such sale is made on such day, the mean of the closing bid and asked prices for such day on such exchange;

3.2 If the Common Stock is not so listed or admitted to unlisted trading privileges or quoted on a national securities exchange, the current fair market value shall be the mean of the last bid and asked prices reported on the last business day prior to the date of the exercise of this Warrant by the OTC Markets Group, Inc.; or

3.3 If the Common Stock is not so listed or admitted to unlisted trading privileges and bid and asked prices are not so reported, the current fair market value shall be an amount, not less than book value, determined in such reasonable manner as may be prescribed by the Company in good faith.

4. No Rights as Shareholder. This Warrant shall not entitle the Holder to any rights as a shareholder of the Company, either at law or in equity. The rights of the Holder are limited to those expressed in this Warrant and are not enforceable against the Company except to the extent set forth herein.

5. Adjustments in Number and Exercise Price of Warrant Shares.

5.1 The number of shares of Common Stock for which this Warrant may be exercised and the Exercise Price therefor shall be subject to adjustment as follows:

(a) If the Company is recapitalized through the subdivision or combination of its outstanding shares of Common Stock into a larger or smaller number of shares, the number of shares of Common Stock for which this Warrant may be exercised shall be increased or reduced, as of the record date for such recapitalization, in the same proportion as the increase or decrease in the outstanding shares of Common Stock, and the Exercise Price shall be adjusted so that the aggregate amount payable for the purchase of all of the Warrant Shares issuable hereunder immediately after the record date for such recapitalization shall equal the aggregate amount so payable immediately before such record date.

(b) If the Company declares a dividend on Common Stock payable in Common Stock or securities convertible into Common Stock, the number of shares of Common Stock for which this Warrant may be exercised shall be increased as of the record date for determining which holders of Common Stock shall be entitled to receive such dividend, in proportion to the increase in the number of outstanding shares (and shares of Common Stock issuable upon conversion of all such securities convertible into Common Stock) of Common Stock as a result of such dividend, and the Exercise Price shall be adjusted so that the aggregate amount payable for the purchase of all the Warrant Shares issuable hereunder immediately after the record date for such dividend shall equal the aggregate amount so payable immediately before such record date.

(c) If the Company distributes to holders of its Common Stock, other than as part of its dissolution or liquidation or the winding up of its affairs, any shares of its

Common Stock, any evidence of indebtedness or any of its assets (other than cash, Common Stock or securities convertible into Common Stock), the Company shall give written notice to the Holder of any such distribution at least fifteen (15) days prior to the proposed record date in order to permit the Holder to exercise this Warrant on or before the record date. There shall be no adjustment in the number of shares of Common Stock for which this Warrant may be exercised, or in the Exercise Price, by virtue of any such distribution.

(d) If the Company offers rights or warrants generally to the holders of Common Stock which entitle them to subscribe to or purchase additional Common Stock or securities convertible into Common Stock, the Company shall give written notice of any such proposed offering to the Holder at least fifteen (15) days prior to the proposed record date in order to permit the Holder to exercise this Warrant on or before such record date. There shall be no adjustment in the number of shares of Common Stock for which this Warrant may be exercised, or in the Exercise Price, by virtue of any such distribution.

(e) If the event, as a result of which an adjustment is made under paragraph (a) or (b) above, does not occur, then any adjustments in the Exercise Price or number of shares issuable that were made in accordance with such paragraph (a) or (b) shall be adjusted to the Exercise Price and number of shares as were in effect immediately prior to the record date for such event.

5.2 In the event of any reorganization or reclassification of the outstanding shares of Common Stock (other than a change in par value or from no par value to par value, or from par value to no par value, or as a result of a subdivision or combination) or in the event of any consolidation or merger of the Company with another entity after which the Company is not the surviving entity, at any time prior to the expiration of this Warrant, upon subsequent exercise of this Warrant the Holder shall have the right to receive the same kind and number of shares of common stock and other securities, cash or other property as would have been distributed to the Holder upon such reorganization, reclassification, consolidation or merger had the Holder exercised this Warrant immediately prior to such reorganization, reclassification, consolidation or merger, appropriately adjusted for any subsequent event described in this Section 5. The Holder shall pay upon such exercise the Exercise Price that otherwise would have been payable pursuant to the terms of this Warrant. If any such reorganization, reclassification, consolidation or merger results in a cash distribution in excess of the then applicable Exercise Price, the holder may, at the Holder's option, exercise this Warrant without making payment of the Exercise Price, and in such case the Company shall, upon distribution to the Holder, consider the Exercise Price to have been paid in full, and in making settlement to the Holder, shall deduct an amount equal to the Exercise Price from the amount payable to the Holder. In the event of any such reorganization, merger or consolidation, the corporation formed by such consolidation or merger or the corporation which shall have acquired the assets of the Company shall execute and deliver a supplement hereto to the foregoing effect, which supplement shall also provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided in this Warrant.

5.3 If the Company shall, at any time before the expiration of this Warrant, dissolve, liquidate or wind up its affairs, the Holder shall have the right to receive upon exercise of this Warrant, in lieu of the shares of Common Stock of the Company that the Holder otherwise would have been entitled to receive, the same kind and amount of assets as would have been issued, distributed or paid to the Holder upon any such dissolution, liquidation or winding up with respect to such Common Stock receivable upon exercise of this Warrant on the date for determining those entitled to receive any such distribution. If any such dissolution, liquidation or

winding up results in any cash distribution in excess of the Exercise Price provided by this Warrant, the Holder may, at the Holder's option, exercise this Warrant without making payment of the Exercise Price and, in such case, the Company shall, upon distribution to the Holder, consider the Exercise Price to have been paid in full and, in making settlement to the Holder, shall deduct an amount equal to the Exercise Price from the amount payable to the Holder.

6. Notices to Holder. So long as this Warrant shall be outstanding (a) if the Company shall pay any dividends or make any distribution upon the Common Stock otherwise than in cash or (b) if the Company shall offer generally to the holders of Common Stock the right to subscribe to or purchase any shares of any class of Common Stock or securities convertible into Common Stock or any similar rights or (c) if there shall be any capital reorganization of the Company in which the Company is not the surviving entity, recapitalization of the capital stock of the Company, consolidation or merger of the Company with or into another corporation, sale, lease or other transfer of all or substantially all of the property and assets of the Company, or voluntary or involuntary dissolution, liquidation or winding up of the Company, then in such event, the Company shall cause to be mailed to the Holder, at least thirty (30) days prior to the relevant date described below (or such shorter period as is reasonably possible if thirty (30) days is not reasonably possible), a notice containing a description of the proposed action and stating the date or expected date on which a record of the Company's shareholders is to be taken for the purpose of any such dividend, distribution of rights, or such reclassification, reorganization, consolidation, merger, conveyance, lease or transfer, dissolution, liquidation or winding up is to take place and the date or expected date, if any is to be fixed, as of which the holders of Common Stock of record shall be entitled to exchange their shares of Common Stock for securities or other property deliverable upon such event.

7. Transfer, Exercise, Exchange, Assignment or Loss of Warrant, Warrant Shares or Other Securities.

7.1 This Warrant may be transferred, exercised, exchanged or assigned ("transferred"), in whole or in part, subject to the following restrictions. This Warrant and the Warrant Shares or any other securities ("Other Securities") received upon exercise of this Warrant shall be subject to restrictions on transferability until registered under the Securities Act of 1933, as amended (the "Securities Act"), unless an exemption from registration is available. Until this Warrant and the Warrant Shares or Other Securities are so registered, this Warrant and any certificate for Warrant Shares or Other Securities issued or issuable upon exercise of this Warrant shall contain a legend on the face thereof, in form and substance satisfactory to counsel for the Company, stating that this Warrant and the Warrant Shares or Other Securities may not be sold, transferred or otherwise disposed of unless, in the opinion of counsel satisfactory to the Company, which may be counsel to the Company, this Warrant, the Warrant Shares or Other Securities may be transferred without such registration. This Warrant and the Warrant Shares or Other Securities may also be subject to restrictions on transferability under applicable state securities or blue sky laws.

7.2 Until this Warrant, the Warrant Shares or Other Securities are registered under the Securities Act, the Company may require, as a condition of transfer of this Warrant, the Warrant Shares, or Other Securities, that the transferee (who may be the Holder in the case of an exercise or exchange) represent that the securities being transferred are being acquired for investment purposes and for the transferee's own account and not with a view to or for sale in connection with any distribution of the security.

7.3 Any transfer permitted hereunder shall be made by surrender of this Warrant to the Company or to the Transfer Agent at its offices with a duly executed request to transfer the Warrant, which shall provide adequate information to effect such transfer and shall be accompanied by funds sufficient to pay any transfer taxes applicable. Upon satisfaction of all transfer conditions, the Company or Transfer Agent shall, without charge, execute and deliver a new Warrant in the name of the transferee named in such transfer request, and this Warrant promptly shall be cancelled.

7.4 Upon receipt by the Company of evidence satisfactory to it of loss, theft, destruction or mutilation of this Warrant and, in the case of loss, theft or destruction, of reasonable satisfactory indemnification, or, in the case of mutilation, upon surrender of this Warrant, the Company will execute and deliver, or instruct the Transfer Agent to execute and deliver, a new Warrant of like tenor and date, and any such lost, stolen or destroyed Warrant thereupon shall become void.

8. Representations and Warranties of the Holder. The Holder hereby represents and warrants to the Company with respect to the issuance of the Warrant as follows:

8.1 Experience. The Holder has substantial experience in evaluating and investing in securities in companies similar to the Company so that such Holder is capable of evaluating the merits and risks of such Holder's investment in the Company and has the capacity to protect such Holder's own interests.

8.2 Investment. The Holder is acquiring this Warrant (and the Warrant Shares issuable upon exercise of this Warrant) for investment for such Holder's own account, not as a nominee or agent, and not with the view to, or for resale in connection with, any distribution thereof. The Holder understands that this Warrant (and the Warrant Shares issuable upon exercise of the Warrant) have not been, and will not be, registered under the Securities Act by reason of a specific exemption from the registration provisions of the Securities Act which depends upon, among other things, the bona fide nature of the investment intent and the accuracy of such Holder's representations as expressed herein.

8.3 Held Indefinitely. The Holder acknowledges that this Warrant (and the Warrant Shares issuable upon exercise of this Warrant) must be held indefinitely unless subsequently registered under the Securities Act or an exemption from such registration is available.

8.4 Accredited Holder. The Holder is an "accredited investor" within the meaning of Rule 501 of Regulation D under the Securities Act.

8.5 Legends. The Holder understands and acknowledges that the certificate(s) evidencing the securities issued by the Company will be imprinted with a restrictive legend as referenced in Section 7.1 above.

8.6 Access to Data. The Holder has had an opportunity to discuss the Company's business, management, and financial affairs with the Company's management and the opportunity to review the Company's facilities and business plans. The Holder has also had an opportunity to ask questions of officers of the Company, which questions were answered to its satisfaction.

8.7 Authorization. This Warrant and the agreements contemplated hereby, when executed and delivered by the Holder, will constitute a valid and legally binding obligation of the Holder, enforceable in accordance with their respective terms.

8.8 Brokers or Finders. The Company has not incurred, and will not incur, directly or indirectly, as a result of any action taken by such Holder, any liability for brokerage or finders' fees or agents' commissions or any similar charges in connection with this Warrant or any transaction contemplated hereby.

9. Notices. All notices, requests, demands or other communications hereunder shall be in writing and shall be deemed to have been duly given, if delivered in person or mailed, certified, return-receipt requested, postage prepaid to the address set forth on the signature page below. Any party hereto may from time to time, by written notice to the other parties, designate a different address, which shall be substituted for the one specified below for such party. If any notice or other document is sent by certified or registered mail, return receipt requested, postage prepaid, properly addressed as aforementioned, the same shall be deemed served or delivered seventy-two (72) hours after mailing thereof. If any notice is sent by fax or email to a party, it will be deemed to have been delivered on the date the fax or email thereof is actually received, provided the original thereof is sent by certified mail, in the manner set forth above, within twenty-four (24) hours after the fax or email is sent.

10. Amendment. Any provision of this Warrant may be amended or the observance thereof may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Company and the Holder.

11. Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of Florida and any dispute hereunder shall be brought in state or Federal court in Polk County, Florida.

IN WITNESS WHEREOF, the Company and the Holder have executed this Warrant on the respective dates set forth below.

CYTODYN INC.

By: /s/ Nader Pourhassan
Name: Nader Pourhassan
Title: President and Chief Executive Officer

Date: September 26, 2014

Address: 1111 Main Street, Suite 660
Vancouver, Washington 98660

HOLDER

ALPHA VENTURE CAPITAL PARTNERS, L.P.

By: Alpha Venture Capital Management, LLC
General Partner

By: /s/ Carl Dockery
Name: Carl Dockery
Title: Manager

Date: September 26, 2014

Address: 2026 Crystal Wood Drive
Lakeland, Florida 33806-2477

Mailing Address: P.O. Box 2477
Lakeland, FL 33806-2477

FORM OF EXERCISE

To be executed upon exercise of Warrant
(please print)

The undersigned hereby irrevocably elects to exercise the right, represented by this Warrant Number A-1 certificate, to purchase shares of common stock, no par value per share ("Common Stock") of CytoDyn Inc. (the "Company") and herewith tenders payment for such shares of Common Stock to the order of the Company the amount of $0.50 per share in accordance with the terms hereof. The undersigned requests that a certificate for such shares of Common Stock be registered in the name of whose address is . If said number of shares of Common Stock is less than all of the shares of Common Stock purchasable hereunder, the undersigned requests that a new Warrant Certificate representing the remaining balance of the shares of Common Stock be registered in the name of , whose address is , and that such Warrant Certificate be delivered to , whose address is .

Representationsof the undersigned.

a) The undersigned acknowledges that the undersigned has received, read and understood the Warrant and agrees to abide by and be bound by its terms and conditions.

b) (i) The undersigned has such knowledge and experience in business and financial matters that the undersigned is capable of evaluating the Company and the proposed activities thereof, and the risks and merits of this prospective investment.

☐ YES ☐ NO

(ii) If "No", the undersigned is represented by a "purchaser representative," as that term is defined in Regulation D under the Securities Act of 1933, as amended (the "Securities Act").

☐ YES ☐ NO

c) (i) The undersigned is an "accredited investor," as that term is defined in the Securities Act.

☐ YES ☐ NO

(ii) If "Yes," the undersigned comes within the following category of that definition (check one and complete the blanks as applicable):

☐ 1. The undersigned is a natural person whose present net worth (or whose joint net worth with his or her spouse), excluding the value of the undersigned's primary residence, exceeds $1,000,000. For purposes of calculating the undersigned's present net worth, the undersigned has

included the following as liabilities: (i) any indebtedness that is secured by the undersigned's primary residence in excess of the estimated fair market value of the undersigned's primary residence at the time of the sale of the shares, and (ii) any incremental debt secured by the undersigned's primary residence that was incurred in the 60 days before the sale of the shares, other than as a result of the acquisition of the undersigned's primary residence.

☐ 2. The undersigned is a natural person who had individual income in excess of $200,000 in each of the last two years or joint income with the undersigned's spouse in excess of $300,000 during such two years, and the undersigned reasonably expects to have the same income level in the current year.

☐ 3. The undersigned is an officer or director of the Company.

☐ 4. The undersigned is a corporation or partnership not formed for the specific purpose of acquiring the securities offered, with total assets in excess of $5,000,000.

☐ 5. The undersigned is a trust with total assets in excess of $5,000,000 whose purchase is directed by a person with such knowledge and experience in financial and business matters that such person is capable of evaluating the merits and risks of the prospective investment.

☐ 6. The undersigned is an entity, all of whose equity owners are accredited investors under paragraphs 1, 2, 3, 4 or 5, above.

d) The undersigned understands that the shares purchased hereunder have not been registered under the Securities Act, in reliance upon the exemption from the registration requirements under the Securities Act pursuant to Section 4(a)(2) of the Securities Act; and, therefore, that the undersigned must bear the economic risk of the investment for an indefinite period of time since the securities cannot be sold, transferred or assigned to any person or entity without compliance with the provisions of the Securities Act.

Submitted by:		Accepted by CytoDyn Inc.:	
By:	_____	By:	_____
Date:	_____	Date:	_____
SS/Tax ID:	_____	Tax ID:	_____
Telephone:	_____		
Email:	_____		

(Signature must conform in all respects to name of holder as specified on the face of the Warrant Certificate.)

Exhibit 10.1

CYTODYN INC.

SUBSCRIPTION AND INVESTOR RIGHTS AGREEMENT

FOR CONVERTIBLE PROMISSORY NOTES AND WARRANTS

1. Subscription. The undersigned, Alpha Venture Capital Management, LLC, on behalf of one or both of Alpha Venture Capital Partners, LP and Alpha Venture Capital Fund, LP (together, "Subscriber"), hereby irrevocably subscribes for the purchase of a convertible promissory note (the "Note") issued by CytoDyn Inc., a Colorado corporation (the "Company"), in the principal amount (the "Note Amount") set forth on the signature page below, and Warrants (the "Warrants") to acquire shares of the Company's Common Stock, no par value (the "Shares") (12,500 Shares for each $100,000 in principal amount of the Note) at a price of $0.50 per Share, by tendering to the Company a fully completed and executed signature page to this Subscription and Investor Rights Agreement (the "Agreement"). Upon acceptance of the subscription, the Company will promptly execute and deliver a counterpart to the signature page of this Agreement to Subscriber. No later than one business day after receipt of such counterpart signature page, Subscriber will pay the Note Amount by wire transfer in accordance with the instructions provided by the Company. Upon confirmation of receipt of the wire transfer, the Company will issue to Subscriber the Note and related agreement evidencing the Warrants, fully executed on behalf of the Company.

2. Acknowledgments. Subscriber acknowledges that:

2.1 Information; Opportunity to Ask Questions and Review Documents. The Company has made available for inspection by Subscriber and Subscriber's professional advisors all instruments, documents, records, and financial information pertaining to the Company and this investment (the "Investment"). Subscriber has had access to and reviewed to the extent deemed necessary or appropriate all publicly available information relating to the Company, including, without limitation, the Company's Annual Report on Form 10-K for the fiscal year ended May 31, 2014, and in particular Item 1A. Risk Factors included therein (the "2014 10-K"), as well as the results for the first cohort of patients in the Company's treatment substitution clinical trial available through September 17, 2014. Subscriber has had the opportunity to ask questions of the executive officers of the Company, and to the extent Subscriber utilized such opportunity, Subscriber received satisfactory answers concerning the Company, its operations and financial needs, and the Investment. There is available to Subscriber, by contacting the executive officers of the Company, the opportunity to obtain any additional information which the Company possesses or can obtain without unreasonable effort or expense that is necessary to verify information provided to Subscriber. All such information is referred to herein as "Business Information."

2.2 No General Advertising. Subscriber was not contacted for purposes of this Investment through use of any form of general or public advertising, such as media, public seminars or presentations, the Internet, or other means generally available to the public.

2.3 Restrictions on Transfer.

(a) Subscriber understands and agrees that the Note, the Warrants and any Shares to be issued upon conversion of the Note or exercise of the Warrants (together, the "Securities") have not been registered under the Securities Act of 1933, the Washington Securities Act or the securities laws of any other state, and the Company has no obligation or current intention to register the Securities, and accordingly, the Securities must be held indefinitely unless they are subsequently registered or unless, in the opinion of counsel reasonably acceptable to the Company, a sale or transfer may be made without registration under Federal and state securities laws. Subscriber further agrees that any certificate evidencing the Securities may bear a legend restricting the transfer of any of the Securities in a manner generally consistent with the foregoing.

(b) Subscriber is aware of the provisions of Rule 144, promulgated under the Securities Act, which, in substance, permit limited public resale of "restricted securities" acquired by non-affiliates of the issuer thereof, directly or indirectly, from the issuer (or from an affiliate of such issuer), in a non-public offering subject to the satisfaction of certain conditions, if applicable, including, among other things, the availability of certain public information about the Company and the resale occurring not less than six (6) months after the party has purchased and paid for the securities to be sold.

(c) Subscriber further understands that at the time Subscriber wishes to sell the Note or the Securities to be issued in connection therewith or upon conversion thereof there may be no public market upon which to make such a sale, and that, even if such a public market then exists, the Company may not have filed all reports and other materials required under Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, other than Form 8-K reports, during the preceding 12 months, and that, in such event, because the Company used to be a "shell company" as contemplated under Rule 144(i), Rule 144 will not be available to Subscriber.

(d) Subscriber further understands that in the event all of the requirements of Rule 144 are not satisfied, registration under the Securities Act, compliance with Regulation A, or some other registration exemption will be required; and that, notwithstanding the fact that Rule 144 is not exclusive, the staff of the Securities and Exchange Commission has expressed its opinion that persons proposing to sell private placement securities other than in a registered offering and otherwise than pursuant to Rule 144 will have a substantial burden of proof in establishing that an exemption from registration is available for such offers or sales, and that such persons and their respective brokers who participate in such transactions do so at their own risk.

(e) Notwithstanding the foregoing provisions of this Section 2, Subscriber will be permitted to transfer the Note and Warrants to any individual or entity that controls, is controlled by, or is under common control with Subscriber (each, an "Affiliate"), subject to applicable requirements of the federal and state securities laws.

3. Representations of Subscriber. Subscriber represents, warrants and covenants as follows:

3.1 Investor Qualifications. Subscriber is an accredited investor under state and federal securities laws and qualifies as such under the category or categories indicated below:

(Please initial to the left of each applicable criteria)

_____ (a) Subscriber is an individual whose net worth, or joint net worth with his or her spouse, excluding the value of Subscriber's primary residence, exceeds $1,000,000 (for purposes of calculating Subscriber's present net worth, Subscriber has included the following as liabilities: (i) any indebtedness that is secured by Subscriber's primary residence in excess of the estimated fair market value of Subscriber's primary residence, and (ii) any incremental debt secured by Subscriber's primary residence that was incurred in the past 60 days, other than as a result of the acquisition of Subscriber's primary residence);

_____ (b) Subscriber is an individual who had an individual income in excess of $200,000 in each of the two most recent years or joint income with that person's spouse in excess of $300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year;

_____ (c) Subscriber is an organization described in Section 501(c)(3) of the Internal Revenue Code, a corporation, or a partnership, in each case not formed for the specific purpose of acquiring the Securities, with total assets in excess of $5,000,000;

CD (d) Subscriber is an entity in which every equity owner satisfies at least one of the categories (a) through (c) above.

3.2 Speculative Investment. Subscriber acknowledges that the Securities are issued by a start-up company involved in a competitive and uncertain market and the Investment therefore involves a high degree of risk of loss. In addition, there are substantial restrictions on the transferability of the Securities, making it very difficult to liquidate the Investment. Subscriber has sufficient resources to provide for Subscriber's current needs and contingencies, has no need for liquidity in this Investment for an indefinite period of time, and can afford to sustain a complete loss with respect to the Investment. Subscriber is aware that the Company has a limited financial and operating history in its current form; that the Company has experienced and expects to continue to experience substantial losses; and that there is no assurance that the Company will produce revenues or be operated profitably in the future. Subscriber has reviewed, understands, and accepts the risks described in the Business Information, including, without limitation, the Risk Factors described in the 2014 10-K, and recognizes that the risk disclosure is only a partial description of the risks facing the Company.

3.3 Evaluation of Investment. Subscriber has substantial knowledge and experience in financial and business matters and is capable of evaluating the merits and risks of the Investment. In making its decision to pursue the Investment, Subscriber has relied solely on publicly available information regarding the Company filed with and posted by the Securities and Exchange Commission information, including the 2014 10-K, and any additional information provided to Subscriber by the Company in writing, and only on Subscriber's independent investigation of such information and further investigation by Subscriber's own tax, legal, accounting, scientific and other advisors. Subscriber has sought and received all investment, legal, technical, scientific, medical and accounting advice Subscriber believes is necessary to adequately evaluate the Investment prior to subscribing for Securities.

3.4 Investment Purpose. Subscriber is acquiring the Securities solely for Subscriber's own account, for investment, and not with a view to the distribution or resale of the Securities.

3.5 Confidentiality. Subscriber will maintain the confidentiality of all non-public Business Information and any other information and materials disclosed to Subscriber by the Company with the same degree of care as Subscriber uses in maintaining the confidentiality of its own business information, and will not use any such Business Information except for the purpose for which it is intended, which is to evaluate a potential investment in the Company.

The foregoing representations and warranties are true and accurate as of the date hereof and shall be true and accurate as of the date of delivery of this Agreement and shall survive such delivery.

4. Representations and Warranties of Company. The Company represents and warrants to Subscriber as follows as of the date hereof:

4.1 Organization and qualification. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Colorado and has all requisite corporate power and authority to carry on its business as now conducted and as proposed to be conducted. The Company is duly qualified to transact business as a foreign corporation and is in good standing as such in each jurisdiction in which the failure to so qualify would have a material adverse effect on its business or properties.

4.2 Authorization. The execution, delivery and performance by it of this Agreement and each of the other agreements, instruments and documents contemplated hereby are, as applicable, within the Company's corporate power, have been duly authorized by all necessary corporate action, have received all necessary governmental approval (if any shall be required), and do not and will not contravene or conflict with any provision of law applicable to the Company, its articles of incorporation, or by-laws, any order, judgment or decree of any court or governmental agency, or any agreement, instrument or document binding upon the Company or any of its property.

4.3 Capitalization. As of the date hereof, the Company's authorized capital consists of 100,000,000 shares of no par value common stock ("Common Stock") and 5,000,000 shares of no par value preferred stock. As of August 31, 2014, the Company had a total of 55,752,503 shares of its Common Stock and 95,100 shares of its preferred stock issued and outstanding, and a total of 93,334,864 shares of Common Stock outstanding on a fully diluted basis. All outstanding shares of the capital stock of the Company are duly authorized and validly issued, fully paid, and nonassessable, and were not issued in violation of or subject to any preemptive or similar rights of any shareholder. Except as set forth in this Agreement and as disclosed in the 2014 10-K, there are no current commitments, plans or arrangements to issue, and no outstanding option, warrant or other right calling for the issuance of, any equity securities of the Company or any security or instrument that, by its terms, is convertible into, or exercisable or exchangeable for, any equity security of the Company.

4.4 Conversion Shares. The shares issuable upon conversion of the Note, when issued, sold and delivered in accordance with the terms of this Agreement and the Note, will be duly and validly issued, fully paid, and nonassessable, and will be free of restrictions on transfer other than restrictions on transfer under this Agreement and under applicable state and federal securities laws.

4.5 Liabilities. The Company has no other liability or obligation, absolute or contingent, in excess of $250,000.00 individually or $500,000.00 in the aggregate, except obligations under contracts made in the ordinary course of business that would not be required to be reflected in financial statements prepared in accordance with reasonable accounting principles.

4.6 Taxes. Except as the failure to do so would not have a material adverse effect on the Company, the Company has filed all necessary federal, state, and local income and franchise tax returns and other reports required to be filed and has paid all taxes shown as due thereon, and there is no tax deficiency in a material amount which has been, or, to the best of the Company's knowledge, might be, asserted against the Company.

4.7 Lawsuits. There are no actions, lawsuits, or proceedings, and to the best of the Company's knowledge, there are no pending investigations or any currently threatened actions, lawsuits, proceedings or investigations against the Company. There is no action, suit, proceeding or investigation by the Company currently pending or that the Company intends to initiate.

4.8 No Violation. To the best of the Company's knowledge, the Company is not in violation or default of any provision of its Articles of Incorporation, as amended or restated to date, or its Bylaws, or any instrument, judgment, order, writ, decree or contract to which it is a party or by which it is bound, or of any provision of any federal or state statute, rule or regulation applicable to the Company, other than as would not have a material adverse effect on the Company. The Company is current in its filing obligations with respect to all reports and documents required to be filed under Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

4.9 Intellectual Property. Except as disclosed in the 2014 10-K, the Company owns or possesses adequate licenses or other rights to use all patents, patent rights, inventions, trade secrets, licenses, know-how, proprietary techniques, including processes and substances, trademarks, service marks, trade names, and copyrights which are material to conducting its business. Except as disclosed in the 2014 10-K, with respect to each such license or other rights, the Company has paid all fees, royalties and other amounts that are or may be due, and has otherwise performed all of its obligations, under such license or other right and is not in material breach or material default under any such license or other right.

4.10 Interim Financial Statements. The Company has delivered to the Subscriber a preliminary draft of its unaudited financial statements for the three-month period ending August 31, 2014 (the "Financial Statements"), which have not yet been reviewed by its independent registered public accounting firm. Subject to such review, the Financial Statements have been prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods indicated, except that they may not contain all footnotes required by generally accepted accounting principles, and fairly present in all material respects the financial condition and operating results of the Company as of the dates, and for the indicated periods. Except as set forth in the Financial Statements, the Company has no material liabilities or obligations, contingent or otherwise, other than (i) liabilities incurred in the ordinary course of business subsequent to August 31, 2014; (ii) obligations under contracts and commitments

incurred in the ordinary course of business; and (iii) liabilities and obligations of a type or nature not required under generally accepted accounting principles to be reflected in the Financial Statements, which in all such cases, individually and in the aggregate, would not have a material adverse effect on the Company or its assets, operations, business, or prospects. Except as disclosed in the 2014 10-K, the Company maintains, and will continue to maintain for as long as it is required to file reports under Section 13(a) or 15(d) of the Exchange Act, a system of internal accounting controls sufficient to provide reasonable assurances that transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles.

4.11 Representation as to Information Provided. No representation or warranty by the Company in this Agreement, nor any statement, certificate or schedule furnished or to be furnished to the Company pursuant to this Agreement, the Note or the Warrant, nor any document or certificate delivered to Subscriber pursuant to this Agreement or in connection with the transactions contemplated hereby, contains or will contain any untrue statement of a material fact or omits or will omit a material fact necessary to make the statements contained herein or therein not misleading; provided that the Company makes no such representation or warranty with respect to medical or scientific documents prepared by third parties; and provided further that all documents speak as of their date.

5. Reliance; Indemnity.

5.1 Reliance on Representations. Subscriber acknowledges that the Company is relying on the information and representations provided by Subscriber in this Agreement. Subscriber affirms that all of Subscriber's answers herein and in Exhibit A hereto are accurate and complete and may be relied upon by the Company in determining the availability of an exemption from registration for the offer and sale of the Securities. Subscriber agrees to provide such additional confirmation of Subscriber's status as the Company may reasonably request.

5.2 Indemnification. Subscriber agrees to indemnify and hold harmless the Company and its executive officers and directors from and against any and all loss, damage, costs, liability or expense due to or arising out of a breach of any representation or warranty of Subscriber contained herein.

6. Board Seat. Subject to completion of a background check satisfactory to the Company's Board of Directors (the "Board") and to the consummation of the investment contemplated by this Agreement, the Board will take all necessary steps to elect Carl C. Dockery as a director of the Company effective on a date mutually agreeable to the Company and Mr. Dockery, but in any event no later than December 31, 2014. The Company has delivered to Subscriber true and complete documentation evidencing its director and officer insurance coverage. During any period that Mr. Dockery serves as a director of the Company, the Company shall maintain similar coverage in such amounts as the Board of Directors determines in its reasonable judgment.

7. Participation Rights.

7.1 Right to Purchase – Current Round. Until December 31, 2014 or such later date as the parties may agree in writing, each of Subscriber, Alpha Advisors, LLC and each of their designees and affiliates, provided that each such person or entity is an accredited investor (collectively, the "Subscriber Rights Holders") shall have the right but not the obligation to invest an additional $6.0 million in the aggregate with the Company on the same terms as the investment documented by this Agreement, the Note and the Warrants.

7.2 Right to Purchase – Subsequent Rounds. Except to the extent that the Subscriber Rights Holders are afforded greater participation rights in Section 7.1 of this Agreement, until December 31, 2019 the Company will permit Subscriber Rights Holders to purchase, in the aggregate, up to (i) their Pro Rata Share (as defined below) of any New Company Securities (defined in Section 7(b) below) plus (ii) 10% of the total amount of any New Company Securities (the sum of (i) and (ii) is referred to herein as the "Participation Amount"), which New Company Securities the Company may from time to time propose to sell and issue after the date of this Agreement, and the Company shall not issue or sell any New Company Securities without first complying with the provisions of this Section 7. For purposes of this Agreement, a party's "Pro Rata Share" is equal to a percentage based on a fraction: (a) the numerator of which is equal to the number of shares of Common Stock held or deemed held by that party, on a Fully Diluted Basis (as defined below), immediately prior to the issuance of the New Company Securities; and (b) the denominator of which is equal to the total number of shares of Common Stock outstanding or deemed outstanding, on a Fully Diluted Basis, immediately prior to the issuance of the New Company Securities. For purposes of this Agreement, "Fully Diluted Basis" means assuming the exercise of any then-outstanding options, warrants, or other rights to acquire shares of Common Stock (or to acquire securities exercisable or exchangeable for or convertible into Common Stock) and conversion, exercise, or exchange of any then-outstanding convertible preferred stock or other securities convertible into or exchangeable or exercisable for Common Stock (or into or for securities exercisable or exchangeable for or convertible into Common Stock). If a Subscriber Rights Holders elects to participate in any offering of New Company Securities, the Subscriber Rights Holder's participation in the offering shall be at the offering price, reduced by the amount of any brokerage, placement agent or similar fee.

7.3 New Company Securities. The term "New Company Securities" means (A) any debt securities of the Company and (B) Common Stock, preferred stock, any other stock or equity interest in the Company, whether presently authorized or authorized at a future date and whether or not convertible into or exchangeable or exercisable for Common Stock, and any warrants, options, or other rights to subscribe for or to purchase any of the foregoing, or any securities exercisable or exchangeable for or convertible into any of the foregoing (collectively, "Stock"); provided, however, that the term New Company Securities does not include any Stock issued pursuant to: (i) the grant of equity-based awards, or the exercise of any such awards, under the Company's 2012 Equity Incentive Plan or any similar plan approved by the Company's shareholders; (ii) the exercise of stock options outstanding as of the date of this Agreement; (iii) the exercise of warrants to purchase Common Stock outstanding as of the date of this Agreement or that are hereafter issued in compliance with this Agreement; (iv) the conversion of any shares of preferred stock outstanding on the date of this Agreement or that are hereafter issued in compliance with this Agreement; (v) the conversion of promissory notes outstanding as of the date of this Agreement or that are hereafter issued in compliance with this Agreement, (vi) the conversion of the Note; (vii) the conversion of promissory notes issued to Subscriber, its Affiliates, or clients of its Affiliates; (viii) other transactions with Subscriber, its Affiliates, or clients of its Affiliates; or (ix) consummation of a transaction involving a bona fide merger or consolidation of the Company with, or acquisition by the Company of, any other corporation or entity, which transaction is approved by the Company's shareholders.

7.4 Notice. If the Company proposes to undertake an issuance of New Company Securities, it shall give written notice (an "Issuance Notice") to Subscriber of its intention, describing the number and type of New Company Securities, and their proposed offer price and the general terms upon which the Company proposes to issue the same. Subscriber and the other Subscriber Rights Holders shall have 30 days (the "Acceptance Period") after the receipt of the Issuance Notice to agree to purchase up to the Participation Amount of such New Company Securities for the price and upon the terms specified in the Issuance Notice by giving written notice to the Company (the "Acceptance Notice") and indicating therein the number or amount of New Company Securities to be purchased. Subject to Subscriber's obligation to use good faith efforts to cause the Subscriber Rights Holders to close on the entire amount set forth in the Acceptance Notice, each Subscriber Rights Holder may amend its respective Acceptance Notice at any time prior to the closing of the issuance of New Company Securities to reduce the number or amount of New Company Securities to be purchased. The Company shall, at the closing of the issuance of the New Company Securities, sell to the Subscriber Rights Holder such number of New Company Securities as it agreed to purchase in its respective Acceptance Notices, as reduced as provided in the preceding sentence, if applicable. Notwithstanding the foregoing, the New Company Securities sold to Subscriber and its Affiliates as a group shall not exceed the Participation Amount unless the Company otherwise agrees in its sole discretion.

7.5 Sale. The Company may, during the 120-day period following the expiration of the Acceptance Period, offer the remaining unsubscribed portion of the New Company Securities to any person or persons at a price not less than, and upon terms no more favorable to the offeree than, those specified in the Issuance Notice. If the Company does not enter into an agreement for the sale of the remaining unsubscribed portion of the New Company Securities within such period, or if the terms of such offer change from those described in the Issuance Notice in a way that provides prospective investors improved economic terms, the right of participation provided hereunder shall be deemed to be revived and such New Company Securities shall not be offered unless first reoffered to Subscriber and its Affiliates in accordance herewith.

8. Sales of Additional Convertible Promissory Notes and Related Warrants. Subject to the Company's compliance with Section 7 of this Agreement, the Company may effect additional sales of convertible promissory notes and related warrants to Subscriber, its Affiliates, or clients of Subscriber or one or more of its Affiliates, upon the execution of documents evidencing any such transaction executed by each of the parties in its sole discretion.

9. Right to Accept or Reject Subscription. Subscriber understands that this subscription may be accepted or rejected in whole or in part by the Company in its sole and absolute discretion and if rejected the subscription price will be returned without interest; provided that the subscription will be deemed accepted by the Company if not rejected in writing within two business days following receipt of this Agreement executed by Subscriber.

10. Other Financings. Subject to the Company's compliance with Section 7 of this Agreement governing Subscriber's rights to participate in future securities offerings, as well as the conversion price adjustment provisions included in the Note, Subscriber understands that the Company will in all likelihood engage in other financings, which may include additional sales of the Company's debt or equity securities, on the same or different terms than provided herein, including higher or lower interest rates, conversion prices or Warrant exercise prices than offered to Subscriber. In addition, such securities may have rights that are senior to the Shares, including preferential rights to dividends and liquidation proceeds, preferential voting rights

(including rights to elect directors), and redemption or other rights that may be dilutive or otherwise adverse to the rights of common shareholders. Debt securities may include restrictive covenants that limit the operations of the Company, such as consent rights with respect to specified categories of transactions.

11. Introductions. Until November 1, 2019 or such earlier period as the parties may agree in writing, Subscriber shall assist the Company in its fundraising efforts by making introductions to persons with whom Subscriber has an existing business or personal relationship, provided that the Company will make its CEO available to participate in meetings with potential investors introduced by Subscriber and will reimburse Subscriber's reasonable out-of-pocket costs in connection with the fundraising. The Company will not independently solicit any limited partners of Subscriber or its affiliates or other investors introduced to the Company by Subscriber or its affiliates without Subscriber's prior written consent during the period ending November 1, 2019.

12. Entire Agreement. This Agreement, together with the Note, the Warrants and that certain side letter agreement between the Company and Subscriber dated of even date herewith, contain the entire understanding of the parties with respect to the subject matter hereof and thereof, and supersede all prior agreements, understandings, discussions and representations, oral or written, with respect to such matters, which the parties acknowledge have been merged into the foregoing documents.

13. General. This Agreement shall be governed by the laws of the state of Florida, without regard to its principles of conflicts of laws, contains the sole and entire understanding of the parties with respect to its subject matter and all prior negotiations, discussions, commitments and understandings previously between the parties with respect thereto are merged herein. This Agreement cannot be changed or terminated or any performance or condition waived in whole or in part except by a writing signed by the party against whom enforcement of the change, termination or waiver is sought. The waiver of any breach of any term or condition of this Agreement shall not be deemed to constitute the waiver of any other breach of the same or any other term or condition.

IN WITNESS WHEREOF, Subscriber executes and agrees to be bound by this Agreement.

Total Note Amount
$2,000,000

The Note and Warrants should be issued in the following name(s): (please print)

Alpha Venture Capital Partners, L.P. (AVCP)

Residence or Principal Office Address of
Subscriber: 2026 Crystal Wood Drive
Lakeland, FL 33801
Mailing: P.O. Box 2477
Lakeland, FL 33806-2477

Tel: ##########

Tax ID No.:
##########

Alpha Venture Capital Management, LLC

AGREED AND ACCEPTED:

By: /s/ Carl Dockery
Name: Carl Dockery
Title: Manager

CYTODYN INC.

By: /s/ Nader Pourhassan
Name: Nader Pourhassan
Title: President and Chief Executive Officer

Date: 9/26/2014

Exhibit 10.2

Alpha Venture Capital Management, LLC
Post Office Box 2477
Lakeland, Florida, 33806, USA

September 25, 2014

CytoDyn Inc.
1111 Main Street
Suite 660
Vancouver, WA 98660

Re: Subscription and Investor Rights Agreement by and between Alpha Venture Capital Management, LLC on behalf of one or both of Alpha Venture Capital Partners, LP and Alpha Venture Capital Fund, LP (together, "AVC") and CytoDyn Inc. ("Company") dated of even date herewith (the "Subscription Agreement").

Dear Sirs:

This side letter agreement (this "Side Agreement") is written in connection with the Subscription Agreement.

AVC and Company have agreed to modify Section 7.1 of the Subscription Agreement as follows:

- Right of CEO:

  The right to invest an additional $6 million dollars as set forth in such section (for a total current offering of $8 million dollars) may be reduced by the Company's Chief Executive Officer by $2 million dollars provided that, as of the date of such reduction, Subscriber's (and its affiliates) investment in the current offering is less than $6 million dollars.

- Loan conversion price change:

  If, after Subscriber has invested an aggregate of $4 million dollars in this offering, and the average closing price of the Company's common stock in any rolling 20 day period equals or exceeds $1.25 per share then, in respect of any subsequent investment:

  - the conversion price in the convertible note shall be equal the greater of (a) $1.25, (b) the Applicable Price (defined below), or (c) such higher conversion price as Subscriber may determine. Once an investment is made, the conversion price is set and does not change, and
  - the per-share exercise price in the warrants shall be equal to 50% of such conversion price.

As used herein, the "Applicable Price" means the average closing price of the Company's common stock during the Measurement Period that ends immediately before the closing of the applicable investment. Notwithstanding the foregoing, the Applicable Price shall not be reduced from one Measurement Period to the next Measurement Period. The "Measurement Period" means the twenty day period commencing on the date that both of the following have been attained: (a) Subscriber has invested an aggregate of $4 million dollars in this offering, and (b) the average closing price of the Company's common stock in any rolling 20 day period equals or exceeds $1.25 per share, and each successive twenty day period thereafter.

In the event of a conflict between the provisions of this Side Agreement and the provisions of the Subscription Agreement, the provisions of this Side Agreement shall control. Except as set forth in this Side Agreement, the Subscription Agreement is unmodified and remains in full force and effect.

Please acknowledge Company's agreement to the terms of this Side Agreement by signing in the space provided below, and returning the same to AVC. This Side Agreement may be executed in one or more counterparts, each of which shall be deemed an original. Signatures transmitted by facsimile or e-mail shall have the same effect as the delivery of original signatures and shall be binding upon and enforceable against the parties hereto as if such facsimile or scanned documents were an original.

Sincerely,

Alpha Venture Capital Management, LLC

By: _____
Name: Carl Dockery
Its: Manager

Accepted and Agreed to by Company on this
day of September , 2014:

CytoDyn Inc.

By: _____
Name: _____
Its: _____

Exhibit 10.13

CYTODYN INC.

SUMMARY OF NON-EMPLOYEE DIRECTOR COMPENSATION PROGRAM

EFFECTIVE JUNE 1, 2014

The annual cash retainer fee for service as a non-employee director on the Board of Directors of CytoDyn Inc. is $25,000. Annual retainer fees for service as the Chairman of the Board, a committee chair or a committee member are as follows:

Chairman of the Board	$15,000
Audit Committee Chair	$15,000
Audit Committee Member	$ 5,000
Compensation Committee Chair	$ 7,500
Compensation Committee Member	$ 2,500
Nominating Committee Chair	$ 7,500
Nominating Committee Member	$ 2,500

Committee chair fees are in addition to committee member fees. All cash retainer fees vest daily on a pro rata basis and are payable quarterly in arrears within 10 business days following the end of each fiscal quarter.

Each non-employee director also is to be granted a stock option to purchase 50,000 shares of common stock on June 1, 2014, with an exercise price equal to the closing sale price on May 31, 2014 and a five-year term. The options vest in equal quarterly installments beginning September 1, 2014.

Non-employee directors are also reimbursed for their reasonable business expenses for service as a member of the Board of Directors or a board committee.

Exhibit 31.1

Certification of Chief Executive Officer

I, Nader Z. Pourhassan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of CytoDyn Inc.;

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

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

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

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

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

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

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

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

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

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

Date: October 10, 2014

/s/ Nader Z. Pourhassan

Nader Z. Pourhassan
President and Chief Executive Officer

Exhibit 31.2

Certification of Chief Financial Officer

I, Michael D. Mulholland, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of CytoDyn Inc.;

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

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

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

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

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

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

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

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

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

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

Date: October 10, 2014

/s/ Michael D. Mulholland
Michael D. Mulholland
Chief Financial Officer

Exhibit 32.1

Certification of Chief Executive Officer

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the Quarterly Report of CytoDyn Inc. (the "Company") on Form 10-Q for the fiscal quarter ended August 31, 2014, as filed with the Securities and Exchange Commission on the date hereof (the "Form 10-Q"), I, Nader Z. Pourhassan, President and Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that based on my knowledge:

(1) The Form 10-Q fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 10, 2014

/s/ Nader Z. Pourhassan
Nader Z. Pourhassan
President and Chief Executive Officer

Exhibit 32.2

Certification of Chief Financial Officer

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the Quarterly Report of CytoDyn Inc. (the "Company") on Form 10-Q for the fiscal quarter ended August 31, 2014, as filed with the Securities and Exchange Commission on the date hereof (the "Form 10-Q"), I, Michael D. Mulholland, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that based on my knowledge:

(1) The Form 10-Q fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 10, 2014

/s/ Michael D. Mulholland
Michael D. Mulholland
Chief Financial Officer