Moderator: Good day everyone and welcome to today's Generex Biotechnology Corporation investor update.

At this time all participants are on a listen-only mode. Later you will have the opportunity to answer questions during the question and answer session. You may register to ask a question at any time by pressing the star and one on your touchtone phone. You may withdraw yourself from the queue by pressing the pound key. Please note this call is being recorded. I'll be standing by if you need any assistance.

It is now my pleasure to turn the conference over to Mr Mark Fletcher. Please go ahead sir.

Mark Fletcher: Good morning. Before I turn the call over to management I'd like to remind everyone that, in this call, management's prepared remarks contain forward-looking statements which are subject to risks and uncertainties and management may make additional forward-looking statements during the question and answer session.

These forward-looking statements are subject to risks and uncertainties and actual results may differ materially. When using this call, the words anticipate, could, enable, estimate, intend, expect, believe, potential, will, should, project, and similar expressions as they relate to Generex are as such forward-looking statements. Investors are cautioned that all forward-looking statements involve risks and uncertainties which may cause actual results to differ from those anticipated by Generex at this time.

In addition, other risks are more fully described in the Generex public filings of the US Securities and Exchange Commission which can be reviewed at www.fdc.gov. I will now turn the call over to Mr Moscato.

Joe Moscato: Good morning. My name is Joe Moscato. I am President, Chief Executive Officer and Director of Generex Biotechnology Corporation. On behalf of myself, Generex executive management and the Generex board of directors I would like to welcome our fellow stock holders and other interested parties to this morning's conference call.

Joining me a participants on this morning's call are the following Generex subsidiary executives: Yutaka Niihara, Executive Chairman of Generex, CEO and President, Chairman of Emmaus Life Sciences; Richard Purcell, Senior Vice President, Clinical Research and Development; Dr Jason Terrell, Chief Medical Officer; Dr Harold Haines, Chief Medical Officer of Hema Diagnostics Systems; Dr Eric von Hofe, President of Antigen Express; Andrew Rowe, Chief Investment Officer and a director; and Mark Fletcher, Executive Vice President and General Counsel.

As I'm sure most of you are aware, there have been some recent changes in the Generex management team and board. Last month, Dr Craig Eagle, a

senior executive at Pfizer and Dr Gary Lyman, Co-Director of the Hutchinson Institute for Cancer Outcomes Research at the Fred Hutchinson Cancer Research Center joined our board as independent directors. In addition Dr Yutaka Niihara joined our board as Executive Chairman and is CEO, President and Chairman of Emmaus Life Sciences. We are gratified that individuals of such experience, distinction and accomplishment at the nexus of science and business share the Generex vision for the future. And together with continuing independent directors Dr James Anderson, and Chairman of the Audit Committee Dr Brian McGee, are prepared to give the company the benefit of their insight and advice. In addition to the participants on this call that I've already introduced, the company's executive management team has been augmented by the addition of Dr Jacob Dagan, Executive Vice President of Business Development, Andrew Greene, Chief Operating Officer and a director, Lawrence Salvo, Senior Vice President of Diagnostics, President of Hema Diagnostic Systems and a director, and Mark Corrao, Chief Financial Officer.

I am confident that we have assembled a team of dedicated, qualified executives that have deep knowledge and experience in FDA clinical development through commercialization, big pharma partnering and licensing, know-how, mergers and acquisitions, financing and management experience and are capable of designing and implementing effective business plans and strategies responding in a dynamic, aggressive and effective way to the challenges that lie ahead. In fact, those attributes have already been proven on their own.

The purpose of this morning's call is to provide our stock holders and the investment community with a brief update and overview in respect of the company's ongoing initiatives and its future plans. Afterwards we'll open up the phone lines for questions.

I will begin by addressing the company's long standing assets, its proprietary buccal delivery, drug delivery platform technology and the Antigen Express immunotherapeutic technology, and then our new business strategies. One being our acquisition plan, and two, a new financing platform we are in the process of developing with selected pharmaceutical companies seeking to partner with a large funding source that will address the unmet needs of the pharmaceutical companies developing their highly valuable research and hospital institutions to clinical trials.

With that said, I'd like to turn the call over to Senior Vice President of Research and Development Mr Richard Purcell to talk about proprietary buccal drug delivery in general and our buccal insulin product, Oralin, in particular. Rich.

Richard Purcell: Thanks Joe. Good morning everyone. We're really excited to revitalize the clinical development program for Oralin. Through the efforts of board member Dr James Anderson, and former CEO Dr David Brustergard, who remains a consultant for the company, we have successfully developed an

enhanced formulation of the company's proprietary buccal insulin, Oralin. Enhancement enables a significantly higher concentration of insulin to be delivered in a single buccal spray so patients will only need one or two sprays before and after meals or after treatment.

We plan to rebuild the Oralin clinical development program for the treatment of type 2 diabetes, which is at epidemic proportions throughout the world. Type 2 diabetes represents a significantly larger patient population than type 1, providing easier access to patients for our registration trial and a significantly expanded market opportunity.

Preliminary studies of the reformulated product have demonstrated clinical efficacy, paving the way for the completion of the Oralin commercialization plan for the Phase 3 trial.

Insulin is not the only drug that can be delivered using the rapid mist buccal spray delivery technology, which can be used to administer numerous molecules to the _____ [0:07:12] for therapeutic application.

We're exploring several opportunities to develop new formulations of existing drugs using buccal delivery to extend patent life to the 505(b)(2) registration process of FDA. For example, the company previously announced a co-development agreement with NHTherapeutics on a rapid mist formulation of leuprolide for the treatment of hypogonadism.

We're also excited about our previously announced arrangement with CannScience Innovations whereby ??? Generex's licensed rapid mist drug technology to CannScience for the buccal delivery of cannabis-based products. Certainly a hot area for new drug development. The company will also explore the use of buccal delivery for cancer immunotherapy with tumor-specific antigens in conjunction with our subsidiary Antigen Express.

In summary, in addition to Oralin, the rapid mist buccal spay technology can ??? for the foundation for a drug delivery business within the framework of the Generex corporate structure, with subsidiaries that Joe will talking about in the future here.

Lastly, Generex owns a broad patent portfolio pertaining to its proprietary buccal spray delivery system. Dozens of companies are infringing on these patents so the company's working with a law firm on a strategy to seek injunctive relief and damages for patent infringement. With its patent enforcement strategy Generex can realize significant royalty payment from sales of products that use buccal spray delivery.

We have a lot going on and we're very excited to get going again. Thanks Joe and back to you.

Joe Moscato: Thanks Rich. In conclusion of this part of the call I'd like to say that Generex management is committed to Oralin and its proprietary buccal drug delivery system. And we will be unveiling future plans and initiatives as they develop.

I'd like to now turn the call over to Dr Eric von Hofe, president of Generex's wholly owned subsidiary Antigen Express. Eric, please.

Eric von Hofe: Thank you Joe. Good morning everyone.

Antigen Express is both a technology development and product development company. We maintain a broad patent portfolio of a technology we call the IIT technology, which is applicable in both immunotherapeutic and prophylactic vaccines. The company's lead compound, based on the IIT technology aa37 is an encouraging activity in a Phase 2b trial to prevent the recurrence of patients with low _____ and triple negative breast cancer.

Many people have heard about the checkpoint inhibitor for the _____ [0:09:53] encouraging results in a variety of cancers including breast cancer. That technology is complementary to what we're developing. And particularly the checkpoint inhibitors are essentially reversing the suppressive effects seen in many cancers. They're essentially taking the foot off the brake. What we are doing at Antigen Technology is stepping on the gas in a very specific and non-toxic manner.

So the focus of Antigen Express has been on establishing collaborations to combine aa37 with the checkpoint inhibitor to enhance responsible treatment modalities.

That goal has recently _____ [0:10:25] been accomplished and we're preparing to initiate a co-development clinical trial with a major pharma.

In conjunction with NSABP, the National Surgical Adjuvant Breast and Bowel Project, and _____ [0:10:40] are planning a Phase 1b trial of aa37 in combination with a checkpoint inhibitor in patients with triple negative breast cancer.

The trial will be conducted in select NSABP sites with Antigen Express as the sponsor and as pharma partner providing the checkpoint inhibitor free of charge.

Antigen Express and its partner _____ [0:11:01] intellectual property and _____ [0:11:03] cross licensing aa37 and the checkpoint inhibitor for combination treatment.

If the trial is successful Antigen and its partner intend to mutually develop the company's therapy for market introduction.

In addition, the company is currently in negotiations for _____ [0:11:14] licensing of partner in China developed aa37, possibly other _____ [0:11:16] products for the Chinese market.

As I mentioned, the use of checkpoint inhibitors has been a very important milestone in the treatment of oncology, it's created a variety of opportunities for IE _____ [0:11:37] technology given its complementary nature. So it can be used for a variety of different tumor-associative antigens.

The National Cancer Institute has recently published a list of 75 tumor-associative antigens [0:11:49] target cancer therapy, which provides Antigen with a road map for _____ [0:11:54] development.

Of the checkpoint inhibitors, like PD-1, that could be used for a variety of different cancers and, as I mentioned, is a way to suppress elements of the immune system that prevents T cells from attacking normal cell proteins in the body.

It does this with a PDL-1 receptor _____ [0:12:14] for PD1 in both normal cancer cells and auto-immune cells.

So some cancers have large amounts of PDL-1 which helps _____ [0:12:25] them evade the attack. The other important point is that activator immune cells also induce PDL-1 thereby causing an immunosuppresive effect. That's why we believe the combination of the checkpoint inhibitor with aa37 will give you a much better response than either of these treatment with _____ [0:12:41] these individually.

Antigen is currently seeking additional partnerships with manufacturers of the checkpoint inhibitors to develop in combination with a variety of IIT modified tumor associated antigens.

In addition, we feel that the IIT technology is applicable as well to infectious diseases. People are very well aware of the zika virus that has emerged recently, as have a number of other potentially pandemic viruses in the near past. Antigen is uniquely positioned to rapidly respond _____ [0:13:16] threats based on the synthetic peptide technology that it's based on.

The _____ [0:13:23] technology enables both the prophylactic and immunotherapeutic vaccines. The company can produce large quantities of the vaccine when needed. Much more rapidly than conventional vaccine development.

Zika provides a perfect example of the need for this type of rapid deployment for infectious diseases.

Antigen plans to work with the Generex sister company Human Diagnostics for rapid diagnostic _____ [0:13:47] for the zika virus, identifying viral

_____ [0:13:51] produce optimal results for diagnostics as well as for prophylactic and immunotherapeutic vaccine applications. Joe.

Joe Moscato: Thank you very much Eric. Now I'd like to turn the call over to our Chief Medical Officer, Dr Jason Terell, to give some highlights and insights on the foregoing segments and our ongoing commitment to these existing, long-term assets.

Jason Terrell: Thank you Joe. Let me first say I am very excited to serve as the Chief Medical Officer for Generex alongside an incredibly talented team with expertise in all aspects of biopharmaceuticals.

Generex is really overflowing with high-value clinical opportunities. As the Chief Medical Officer I would like four specific criteria in evaluating the clinical potential of products. We at Generex intend to deliver products that will significantly better patient lives, while exhibiting prudent healthcare and economic models.

To oversimplify things, if Generex commercializes products that deliver significant value to patients, that deliver significant savings to the healthcare system, it will in turn deliver significant value to our share holders.

You've already heard about Oralin and Antigen Express. These are two platforms currently held by Generex that can quickly enter the clinical phase, both of which are true platform technologies, meaning they have broad application potential that is unlocked by a single positive significant trial.

The pre-clinical and early stage foundation for this has already been established. Oralin, and the associated patented buccal delivery system, and Antigen Express both have short-term, single product deliverables as well as extended long-term platform-based potential.

In addition, you will shortly be hearing about our first two acquisitions. Emmaus Life Sciences and Hema Diagnostic Systems. I don't want to steal their thunder, but I would like to express how excited we are to be working with these two companies. And you'll understand why as Dr Niihara and Dr Haines introduce their companies and their technologies.

We've also identified several additional target companies for future acquisition. Our acquisitions will be highly selective and strategically designed and, like our existing technologies, we'll be acquiring biopharma companies with high-impact, high-quality products, sound healthcare and economic models, strong management teams, strong IP and, very importantly, clearly defined development, regulatory and commercialization pathways.

So with that thank you, and I'll turn it back over to Mr Moscato.

Joe Moscato: Thanks Jason. I'd like to now talk about and introduce to my fellow Generex stock holders to our new strategy design to build significant value in the Generex enterprise. We're developing two new business segments designed to help increase value, credibility, acclaim and monetization.

The first is our acquisition strategy. We have started the implementation of the strategy with our first acquisition, Hema Diagnostic Systems, with a 51 per cent controlling equity stake in this company. We filed a form AK on this transaction with the FCC on January 20th. Hema Diagnostics is a rapidly growing biotechnology technology company involved in development, manufacture, assembly and distribution of diagnostics targeting primary as well as often infectious diseases.

HDS continues to expand its product line to meet the needs of the worldwide market. Our point-of-care test devices are made simple to use and are highly cost effective when incorporated into the HD systems, patented delivery systems. In particular, the Rapid 123 Hema Express is a novel delivery system that is self-contained and easy to use.

Our plan moving forward is to fully commercialize and monetize this asset with the help of the Generex management team and to turn Hema into a sales organization in the areas of application approvals within the World Health Organization, the Global Fund and other regulatory agencies where its products can be deployed in geographical regions, served by these in-demand products.

In addition, we will be developing new applications in the areas of unmet needs including those such and zika and sepsis.

I'd now like to introduce Dr Harold Haines, the Chief Medical Officer of Hema Diagnostic Systems.

Harold Haines: Hello. Thank you Joe and everybody else.

Just a quick overview of the new development _____ [0:18:50] at Hema Diagnostics, and you'll have to forgive me for my voice, I'm a little bit hoarse today.

The new development efforts basically are to expand the current Hema Diagnostic qualitative platform into a quantitative platform. The first effort in this direction is the development of a sepsis biomarker multiplex assay, which can be used at the bedside or in the laboratory to help diagnose and determine if escalation of sepsis is happening in an individual patient and therefore help the physician in his clinical utility efforts.

The purpose of this is to enter a market which is gigantic and very much under-reported in this country and in the world. The sepsis market is large because, basically, sepsis is very much under-reported. For example, up to 70 per cent of people with endpoint renal disease, which is somewhat common,

will die of sepsis. But at the end of the day, the death certificates indicate they died of endpoint renal disease. So there is a market. We have a test that is well underway, it's going to be very useful in this continuing, growing market worldwide. There are very specific reasons for entering this market: because it is large, it is unmet, as Joe has said; and it is something that the world and clinical groups need.

Joe, back to you. Thanks.

Joe Moscato: Thank you Harold.

The second company we are in the process of acquiring is Emmaus Life Sciences. Emmaus is a company that came to us unexpectedly and in the early phase of our reorganization, but an opportunity like no other. Both myself and my team had to mobilize immediately and work quickly to try to make this opportunity work as it is an opportunity position to contribute high value to our enterprise in a short amount of time.

With that said, we went to Emmaus, just outside Los Angeles on January 16th and signed a binding letter of intent and delivered our first payment of $500,000 that myself and my fellow Generex executive Larry Salvo advanced to Generex which consummated the deal as represented in our January 20th AK filing.

We still have a great deal of work to do to close this transaction, but recent accomplishments in our capital reorganization program are setting the stage for a closing.

Firstly we recently announced we successfully achieved the elimination of our exciting _____ [0:21:32] derivative liabilities. As of right now there are no convertible preferred shares or price protected warrants outstanding. We succeeded in reducing the attended _____ [0:21:42] by more than 60 per cent and removed derivative liability from our balance sheet. We are now positioned for greater access to the capital markets and on much better terms than we've ever been before.

In addition, we have made the requisite submission to the financial industry regulatory authority for approval of _____ [0:22:07] stock split previously announced by our stock holders.

These initiatives are designed to create _____ [0:21:15] the company's capital structure and set the stage for the completion of the Emmaus transaction and other transactions like it.

Now I'd like to turn over the call to Dr Niihara, Emmaus CEO, President and Chairman, and Generex Executive Chairman. Dr Niihara's with me here so here you go Dr Niihara.

Yutaka Niihara: Thank you Joe and thank you everybody from Generex as well as its subsidiary and all the share holders.

I'd like to say that I felt very fortunate when I met Joe and his team almost a year ago to find out about Generex. Since then we have communicated, and around December of 2016 it became quite apparent that Joe has accomplished what he said he was going to do, which was to _____ [0:23:08] Generex. I felt comfortable with Joe and his team as early as a year ago but when I saw that he actually had accomplished what he said he would do, I felt very comfortable and I wanted to join this team.

We started talking and we were given a very generous offer. I brought this to my board at Emmaus and, as Joe had described, our board unanimously agreed to sign this LOI to pursue joint effort and we believe it is going to be done.

Emmaus is a company that was started based on wanting to do something for sickle cell patients. I myself am a trained hematologist and oncologist and I have seen a lot of sickle cell patients. My wish was to do something for those patients who are suffering so much pain. They were also having a shortened life span. When you see them in front of you suffering and having pain, doubled up in the emergency room due to their severe, severe discomfort, and see them die in front of you. Then you realize that there's nothing we can do and nothing available in the medical community. This was in the early 1990s and we didn't even have hydroxyurea. You know, you really felt like you had to do something. That's how this research was started.

By the end of the decade we knew that we had a fairly strong proof of concept and we had the support of the NIH and FDA that the _____ [0:25:00] drug designation.

What we had discovered was that we can manipulate this system called NAD redox potential which was really structured and developed in our laboratory at UCLA, primarily by Dr Zerez. Though this system, we realized that by utilization of very safe amino acids, pure l-glutemine, we can improve the integrity of sickle red blood cells.

We moved quickly from basic science laboratory to a clinical laboratory when I realized that it worked on patients so well, to the point that many of the patients no longer required these heavy narcotics.

We needed to go into Phase 2 clinical trial. We got the funding from the FDA in seven digits, like millions, but that was not enough. So because there was not so much interest in _____ [0:26:06] disease in early 2000, we were encouraged to start a virtual company. That was the beginning of Emmaus Life Sciences.

Fortunately with the support of family and friends we were able to carry this out to the end of Phase 3 clinical trial. We have raised about $90 million to

date. We have a quite positive data that we will actually reduce the number of the painful crises, hospitalizations, duration of hospitalization, and we reduced one of the most devastating complications which can be deadly, called acute chest syndrome, by about 60 per cent.

With these data we brought a new drug application to the FDA last year and we were immediately giving a producer date of July 7th of this year. With the safety we have shown and with the efficacy we have demonstrated we are quite confident that this is going to be looked at very favorably.

We are really excited that we will be able to expand this work, along with the Generex team.

Aside from this sickle cell disease, we have had some spin-off, because when we were using l-glutamine, we observed some anecdotal discoveries. We discovered that this also works on diverticulosis, which affects about 60 million US population and about 20 million in Japan and other countries. We have received a patent for treatment of this condition. At this point there is no other treatment for diverticulosis.

Anecdotally we have discovered that with one year of l-glutamine treatment we were able to eliminate diverticulosis almost completely in a 70-year-old patient. We have studied the effects and we have a hypothesis as to how this might work.

But ahead of this we were able to obtain a patent in the United States, Japan, China and Australia and we believe that this is going to be a large market.

In addition, we have shown that l-glutamine, and this was something that was shown in epidemiological studies in the past, does actually reduce hemoglobin A1c in a number of our patients. We are talking about non-sickle cell patients. And we obtained the patent on this indication in Japan as well.

One other pipeline that we have in our company where we have successful animal studies is that we can use a buccal mucosa cell and we grow them and make this into cell sheets. We can treat patients with a condition called lymbal stem cell deficiency. Currently there is really no other treatment for this condition. We are actually able to recover the sites, well this was mostly in animals, but we have obtained licensing from a company, by name of Cellci [PH] from Japan and we are the only laboratory that is conducting this work right now in the world.

With these pipelines, starting with sickle cell, which is very close to fruition, we believe that we can bring a lot of value to Generex, and also Generex to Emmaus.

Again, we are really grateful to the Generex team for inviting us to join the team and we are looking forward to closing our agreement.

Thank you Joe.

Joe Moscato: Thank you Dr Niihara. I'd just like to comment on Dr Niihara's presentation. When we had to mobilize immediately to potentially make this transaction happen, we did our homework and other companies that are in the same space as Emmaus in sickle cell disease are at least two to three years aways from any submission to FDA. When we did the _____ [0:30:29] are trading at 30, 40, 50 time multiples. As well as, we were hard pressed to find a _____ [0:30:38] that was similar in patient population in potential drug revenue per year and have gone all the way through all the clinical _____ [0:30:51], all the way through to commercialization and ultimately a big pharma partner. The only _____ [0:30:59] we were able to find was Medivation, which when they put their package into FDA for approval, the company was worth about $500 million. It went to $5 billion on approval. And then Pfizer bought the company for $14.9 billion.

That was what really piqued our engines to get this transaction done. We are still in the middle of our reorganization of our security structure but it was a transaction that we knew we had to jump on and react to immediately. We've done that. There are still some hurdles. But we believe we will be able to close this transaction as soon as our reverse stock split is approved by the regulators, which it's in for.

We look for other opportunities and we are talking to other opportunities just like Emmaus to bring huge value to Generex.

I'd like to wrap up this part of the call on our acquisition strategy by saying that we are focused on and committed to the further development of Hema Diagnostic Systems and in completing the Emmaus acquisition. In addition we are pursuing an additional biopharma and diagnostic acquisition opportunities with the view to adding more value to the Generex overall business strategy. I would like to further note that _____ [0:32:30] becomes effective we plan to design a right to offering that will allow share holders to acquire additional Generex securities at a substantial discount to market so that you will have a greater opportunity to participate in the value we are attempting to create. We will endeavor to unveil specifics in the coming weeks. We are also making plans for the next annual meeting of the Generex stock holders, tentatively scheduled for late April.

I'd like to now turn the call over Andrew Rowe, our Chief Investment Officer, to talk about our plans for our new pharmaceutical trial financing initiative.

Andy. Andy are you on? I guess Andy couldn't get on, so I'll give this summary.

We are at present making plans to launch a financial subsidiary focused on developing innovative financial solutions for the healthcare industry. Our first proprietary product is called Rapid Clinical Trial Advance, RCTA for

short. Our goal is to launch RCTA in partnership with global biopharmaceutical companies, clinical research organizations, and research institutions to facilitate and mediate liquidity and capital for the clinical research process. In other words, the RCTA goal would be to fund clinical research and trials sponsored by big pharma.

Some of the anticipated benefits of RCTA to big pharma sponsors and research investigators are the following. Providing immediate access to capital for research and development spending. Offering research grants and funding through the shared savings program fostering better relationships between big pharma sponsors and research investigators. Creating more efficiency in the flow of capital between big pharma sponsors and research investigators, which then allows research investigators to focus on enhanced patient care. We are in negotiations to partner with a large, well capitalized asset management company as our funding partner for the RCTA program. We are currently in full development mode on RCTA. We will keep our shareholders aware of our progress. However, please understand that implementation could take some time, especially in partnering with a big pharma sponsor. When completed, the process is anticipated to be efficient and automated as necessary.

At this point I'd like to open up the call for questions and answers. If everyone could please refrain from questions dealing with the RCTA program at this moment, we are still in development. However, we will provide more information to shareholders as we launch the RCTA program. But I wanted to highlight to everybody what we are developing and what we're working on.

I'd like to now open up the call for our question and answer segment. Thank you.

Moderator: At this time, if you would like to ask a question please press star and one on your touchtone phone. You may withdraw your question at any time by pressing the pound key. Once again, to ask a question please press star and one on your touchtone phone. We will pause for a few moments to allow questions to enter the queue.

We can take our first question from Juan Garcia [PH]. Please go ahead your line is open.

Juan Garcia: Is a reverse stock split absolutely essential?

Joe Moscato: I'll answer that, this is Joe Moscato. At this point, Generex has tried to do a reverse stock split for many years now. We've gotten approval a few times from our shareholders at each annual meeting. Just the time was never right, but more importantly, the overhang was never in a position to be able to accomplish that with all the restrictions that we had on us.

We need to raise new capital, we need to make these valued acquisitions that will help add enterprise value. I'm a firm believer in money going out is value coming in. If you can position transactions smartly, hopefully that multiple is much more in favor of the acquirer with the huge upside in taking the value that our acquisition strategy companies gain along the way.

So the reverse stock split is definitely necessary because we need to be able to raise good capital. Being a penny stock precludes us from raising good capital. Without putting those restrictions that we just got taken off back on, unfortunately the company has no other choice. We've alerted the shareholders to this for years, but our hope is …

This is our first reverse stock split in 19 years of being a public company. We hope that it will be our last. We hope that this chance will allow us to make smart decisions in how we acquire companies, how we take value along the way in their gestation and development to commercialization as well as go back to our own platforms because we recognize that there is a serious upside in developing our own programs. We've learned a lot from the past. We know where the mistakes were made and we intend on going back to those platforms and correcting how to monetize these highly valuable platforms.

So unfortunately the reverse stock split is a necessity, but hopefully we'll be able to give something back to the shareholders in a rights offering. We plan on giving a significant discount to the market as we're developing that program and hopefully once it's developed we can announce it and hopefully shareholders will like what we're doing and want to buy back in.

Moderator: We can take our next question from Steve Mitchell [PH]. Please go ahead your line is open.

Steve Mitchell: Where do you anticipate obtaining the additional $1.5 million needed for the Emmaus acquisition ____ [0:40:07] very shortly and have they extended the date which, I think, was a couple of days ago where it had to come in? And was the initial half million dollars by the two principals, was that in the form of a _____ [0:40:23] security?

Joe Moscato: I'll handle part of that and turn the other part over to Mark Fletcher, since Mark Fletcher's been working with the Emmaus' attorneys on this.

Myself and Larry Salvo put together the 500,000 because we both realized how important this transaction could be for the future of the new Generex. So we don't have anything in place as of yet with the company for that monies, as well as all the other monies that myself and Lawrence Salvo have put in personally to further the reorganization along. We'll probably take that in the form of stock down the line, but we haven't even had time to think about what those terms would be and I'm in no rush to do my own deal on what that money could potentially be set up to be.

With that said, Emmaus has extended our ability to make our second payment. That extension was given Friday, we will _____ [0:41:38] that. It was just finalized yesterday. But Mark Fletcher please if you could respond to that I'd appreciate that.

Mark Fletcher: Sure. The monies that were advanced by the two executives at the moment are reflected in our books as shareholder advances. No decision has yet been made as to how to deal with those, whether it will be converted into stock or repaid in cash down the road. Fortunately those two executives, being very dedicated to the company and this transaction in particular, are not playing hard ball with us as to how we deal with it. In essence they're going to do what's best for the company.

In terms of the waiver, as Joe indicated, we will be filing an AK later this week to confirm the extension of the payment date for the $1.5 million. We are obviously at this juncture working to put together a transaction that will fund that. Clearly we cannot make any statements beyond that at this juncture but certainly as soon as the transaction is put together and that funding achieved we will be making an announcement.

Moderator: We can take our next question from John Nicholl [PH]. Please go ahead.

John Nicholl: Sir, what is the stock split number on? One for 50, one for 100, one for 500? What's the status that you've requested?

Joe Moscato: We've filed with the state of Delaware already a certificate of reverse, 1:1000 and our hope is, with our restructuring and our approval for the reverse stock split by its regulators, we will then make available to shareholders a formula to significantly give back some degree of shares to a rights offering. So as of right now it's set for 1,000 for one. We've done that already on the state level, but Mark if you'd like to add anything to that from a legal perspective, please do.

Mark Fletcher: Sure. Joe is correct that we filed the required amendment to the re-stated certificate of incorporation with the Delaware Secretary of State. As part of that process we are required to make the formal submission to the regulatory authority, _____ [0:44:28] for short, for its approval to proceed with the reverse stock split. We are currently in that process. We have responded to a number of queries for information documentation from _____ [0:44:41]. We have responded to all of those and we are hoping to hear back from them in the next day or so as to the next step in the process.

We have made applications to a depository trust company for the effective date of the reverse stock split. We will be issuing a press release in due course to announce the particulars of the reverse stock split and provide additional information to the stock holders about their accounts. Any stock that's held its street name at brokerages, those are book entry registrations and the adjustments to those stock holdings will happen automatically.

We've retained Broadridge as our exchange agent and Broadridge will be sending a letter of transmittal to the holders of paper certificates with instructions as to how they will go about exchanging their paper certificates for fresh ones.

Back to you Joe.

Joe Moscato: Thank you Mark.

Moderator: We can take our next question from Charlie Adams [PH]. Please go ahead.

Charlie Adams: Why is it necessary for that stock split to be 1:1000? I mean 1:10, 1:100 wouldn't help. Thank you.

Joe Moscato: Unfortunately we had a time limit on the stock _____ [0:46:14] and that time limit was nearing to get done. And at the time when we first started the reorganization, stock was at significantly lower that what it is today. So that ratio was a ratio that ____ [0:46:35] our desire to ____ [0:46:39] stock exchange. We need to have a certain price available to us. So the stock has now risen. We filed the amendment for 1000:1, we can't take that back now. So Mark if you'd like to comment further on that?

Mark Fletcher: I think it's good to point out that … I know a lot of people have a very visceral negative reaction to the concept of a reverse split simply because it means that in their accounts one day they have X shares and the next day they have less than X shares. But it's important to remember that reverse stock split does not affect, on an immediate basis, the value of anyone's holding. It's still the same price, it's just simple mathematics, it's a lower number of shares. And as Joe indicated, doing this reverse stock split will greatly improve our market capitalization. We have far too many shares outstanding right now, it's too bulky, too cumbersome and it puts us in a position where we are a very long way _____ [0:47:48] to any kind of a national exchange and it does complicate our ability to raise additional capital.

As I say, although people react negatively to the concept, ultimately it does not impact the value on an immediate basis of anyone's holdings.

Joe Moscato: Thank you Mark.

Moderator: And once again, if you would like to ask a question please press star and one and Mr Catcher [PH] if you would still like to ask a question you will need to re-queue and we will take our next question from John Vicenzi [PH]. Please go ahead.

John Vicenzi: Hi, can you hear me?

Unidentified male: Yes, I can.

John Vicenzi: Thank you very much. I think the gentleman already asked the question that I was going to ask. So I just want to say congratulations Joe on your recent progress on behalf of your team. I own five million shares of Generex, I've been a strong supporter of it over the years. I just wish you lots of success and luck in your endeavors and everything. I was going to ask you about the ratio of the stocks but that question was already answered so thank you very much.

Joe Moscato: Thank you very much for the kind words. I just want to add to that, this team that has been put together and added to the existing team of Generex is committed to making this a success on multiple levels. This team has worked diligently side-by-side with me to make this happen to date. We will continue on the reorganization. We will continue on adding value to the enterprise. We will continue to look for the best way to get back to our existing platforms and get some critical acclaim going in those areas that can bring immediate results to our value for our share holders.

With that said, I'd like to take any other questions.

Moderator: We can take our next question from Roger Black [PH]. Please go ahead.

Roger Black: Good morning. On the $1.5 million owed, it's my understanding Emmaus gave you an extra week. I think that's already passed now so has that company formally agreed to an extension again?

Joe Moscato: Yes, the company has agreed to another extension. Maybe Dr Niihara you'd like comment on these-

Mark Fletcher: I'd just like to interject very quickly. An extension has been agreed to and we are in the process of putting together an AK so we don't want to be discussing any specifics about the extension until that AK is filed. But it is accurate to say we do have an extension in hand to accommodate our efforts to raise that $1.5 million.

But if Dr Niihara wants to weigh in obviously feel free.

Yukata Niihara: You know, I am very confident that this team is going to work. It's just a matter of time. So of course we did the best we could to … And when I presented the idea of an extension to my team they have agreed with me and you'll see the details of the extension, which is very simple one. Basically we just extended. Thank you.

Joe Moscato: Next question please.

Moderator: We'll take our next question from George Warbeck [PH]. Please go ahead sir.

George Warbeck: Hello, can you hear me?

Unidentified male: Yes, we can.

George Warbeck: First a comment. In general, reverse stock split is surely not _____ [0:51:52] mathematical difference, but history says and shows that almost always this is a very terrible situation for a company and stock values would reduce significantly in the next few weeks and month after the reverse stock split is done. This is the comment first.

Now a question. The way I read the letter of intent with Emmaus is that you're treating GMBT as a company that has currently a market value of about 10 million US dollars, or 12 million. I've already once sent an email to you, which I never received a reply to. I see a significant hidden value related to GMBT, sorry related to _____ [0:54:42] and as well as related to Antigen Express, which is not reflected in the current stock price and with this, the way you're trying to do this acquisition, you're giving away 90 per cent of that value for free to the current owners of Emmaus. I would really like to receive a comment on that and how you would like to re-compensate the current stock holders. I'm following this company for 10 years now and I'm actually very upset as you may hear out of my words.

Joe Moscato: Let me just say one thing as regard to your first question. As far as the value of the platforms, we believe there is significant value in our platforms and we will come back to those platforms in a more efficient and more effective way with this team.

As far as giving away 90 per cent of our company to Emmaus, well there are significant further steps that need to be done. And those steps, obviously _____ [0:54:00] the reverse stock split. Once that reverse stock split is garnered then we will move immediately for an annual meeting of shareholders. We will ask for new authorized capital which will reduce the Emmaus holdings and that stock that Emmaus gets out of the transaction is given after the new authorized capital is approved by shareholders.

So, if we authorize 500 million shares, as an example only, and the stock is $10 a share, the math would call for Emmaus owning less than 10 per cent of the company.

It's all about what the ratios will be, it's all about how much authorized capital we get approved from shareholders after the reverse as we move into the annual meeting.

Again, we're not giving any of our stock to Emmaus until after that is accomplished. The ownership of Emmaus will significantly lessen in terms the way the cap structure is laid out today.

Mark Fletcher: And certainly, if I might add in that vein, that management of Generex has long held that the market price is not an accurate reflection of value of the company in that sense. But be that as it may, the company is obliged to function with the market cap it has. Right now we're just under 16 million

and in order to do any transactions our biggest currency is the Generex stock. And in order to do any transactions we are forced to function with the market capitalization that stands. If we just sit here and say, well the value of the assets is not reflected in the stock market price and therefore we're not going to do any transactions, we would never move forward. We would be at a standstill.

George Warbeck: Can I have a follow-up on this please?

Joe Moscato: Can I just add one thing? I'd like to add one thing. You know, Emmaus is a very special situation. I would be hard pressed for anyone to find a Phase 3 drug company that has their _____ [0:56:40] that's significant and positive in its data, that has a _____ [0:56:45] date with other applicational potential, making this a platform technology with a comp, like a Medivation comp going from 500 to 5 billion, and then acquired for 14.9 billion by Pfizer. This all occurs July 7th and then shortly thereafter, if we're fortunate enough to get a partner.

In my opinion, being proactive over the next couple of months, introducing more of our plan, getting our finance platform on board, I would be hard pressed to imagine our stock to take a significant hit. But only going up, based upon the value of the assets we're putting into the new enterprise, as well as going back and executing effectively with our old platforms.

I agree that typically stock prices go down after reverse, but you have to compare the companies. We have two robust platforms, with significant applicational areas, both platform technologies that if executed properly can add huge value to our enterprise. As well as a finance platform that should bring in significant revenues once we find partners on the big pharma side to sponsor our financing initiatives.

As well as our subs. And our subs offer us the best immediate value, like Emmaus. Because he's at the finish line. There's no more money that needs to go into Emmaus other than what we're paying for our percentage of the company. They've gone through all the extensive trials. They've done all the hard work. We'll just be taking their value up to approval as well as any partnership value.

For us, this is huge. For us, it's huge for our shareholders. We believe we'll be significant in deciding on whether a rights offering for individual investors is the right thing for their future.

Again, I appreciate the question and if you have a follow-up I'd be more than happy to answer.

George Warbeck: Now two follow-ups, I'm sorry. Number one follow-up is, it's significantly easier for a stock to move up from one and a half cent to a ten cent than from a $15 to $100. Number one. So this is definitely going to be bad for our shareholders, number one.

Number two, there was, even years ago, an idea of spinning out Antigen Express. Analysts have given Antigen Express several years ago, I can't remember the exact date any more, but $300 million dollars in value. Why not follow up these kind of things and generate money out of this? Instead of, again, from, the way it appears to me is giving away _____ [0:59:59] value for free to Emmaus' owners.

Joe Moscato: Well, again, we're not giving away free value to Emmaus. Emmaus will own only 10 per cent of Generex. It could even be as low as five per cent depending upon how much new authorized capital we get from our annual meeting.

But I'd just like add that yes, we had plans to spin out Antigen Express. Unfortunately our lead trial in breast cancer didn't vet out the way we wanted. It wasn't a failed trial, it wasn't a successful trial, it was a trial that was designed without the knowledge that Herceptin works almost like cure on recurrence. Three-plus patients do highly well on not getting back their cancer after they go through front-line treatment and they receive Herceptin. Most of our patient cohort in that Phase 2 _____ [1:01:00] trial were mostly three-plus patients.

Because the security structure wouldn't allow further raising of significant monies to add a significant amount of new patients to the trial to offset those three-plus patients that would never recur, the trial ended up being non-significant, non-positive, non-negative.

But we did have good indication in our sub-groups, in the one-plus, two-plus and specifically the triple negative areas. So those would be the areas we'd go back to.

Unfortunately when the trial was designed, no-one knew Herceptin worked. It does work. It works quite well. If we knew that, I'm sure the architects of that trial would have designed a trial in one-plus, two-plus and triple negative instead of going with the three-plus area. But they didn't know that. So there was nothing to substantiate a spin-out at that point of Antigen Express because we didn't have anything other than Phase 1 data and good trending data in the Phase 2. So we didn't believe that a spin-out was appropriate at that time. If we would have gotten a successful Phase 2 then, yes, that would have been a very appropriate situation, the spin-out. But because of the security structure, the extreme overhang, the inability to raise new capital to further that platform along or to add to it, it just became impossible even to spin out Antigen.

So that could be a possibility for the future, to go back to triple negative or one-plus, two-plus trial, get some good data and then look to spin it out in the future. But there has to be some success for Antigen to stand on its own. And we plan, with this management team, to do that. To get the necessary critical acclaim, go back to that platform and get some good results. And then we can

think about spinning that out at this point. But again, it was just impossible to do at the time.

Moderator: We'll take our next question from Richard Lewis [PH]. Please go ahead.

Richard Lewis: Yes, I own about 24 million shares of Generex. I've been a stock holder for many years and I don't know how you came up with this 1000:1 reverse stock split. If the company is not making any money how can a stock split be successful?

Joe Moscato: It's a biotechnology company. Ninety-five per cent of all biotechnology companies in development stage don't make money. But with the Emmaus transaction, we can see monetization very, very quickly in the approval and then hopefully a partner with big pharma. In addition, once Emmaus does garner approval, their commercialization plan without a partner is quite substantial. As well, Hema Diagnostics now is moving from a development stage company to a sales organization in the areas of their diagnostics kits that are approved worldwide with such regulatory _____ [1:04:52] the WHO, the Global Fund and others, to start selling this product.

Also with our financing platform, we will make substantial money with that platform once it's deployed. We're still in development stage on that. But if we're able to launch that program the way we've designed it, we'll have significant revenues coming in on a regular basis. As well as, we are looking at other opportunities today that are far down the road, just like Emmaus, that can bring us monetization very quickly.

Again, most biotechnology companies are development stage, none of them make money until success and they get through their critical path and they get that highly valuable partner.

Again, when we designed the reverse stock split we were up against a time limit on when we could pull that trigger, the stock was .004, four tenths of a penny. We needed to do a reverse that can sustain the necessary time to make an application to get an _____ [1:06:09]. If the stock price was where it is today, I'm sure we would have significantly lowered that. But at the time we were up against a deadline. And at this point, it is what it is as far as the ratio.

And Mark, if you'd like to add anything to that?

Mark Fletcher: No, you're right Joe. It was actually a timing issue. We had a certain window of opportunity authorized by the stock holders to initiative the reverse stock split, so we pretty much had no choice. There wouldn't have been sufficient time to go back to the share holders and extend the window of opportunity on that in order to get these transactions completed.

So Joe, we've run quite a bit over our allowed time. The suggestion here is that we take two more questions and then we'll have to wrap it up.

Joe Moscato: Very good. Next question please.

Moderator: We'll take the next question from Brian Murphy [PH]. Please go ahead.

Brian Murphy: Gentlemen, you've been very professional with your response about the reverse stock split, which you knew was coming because Mark, you've been there since I started buying the stock at over a dollar, and I've been _____ [1:07:31] keep buying because everyone has been so focused on the stock price that they haven't been focusing on what you actually do. And anyone that buys your company that doesn't know that your type of company doesn't make money until you have all your irons on the fire and one of them [1:07:46] glowing hot. Anyone that's been complaining to you, you guys, you deserve big kudos for your professionalism. But everyone knows statistically … I know you guys probably hate _____ [1:07:56] from the street because he's a yoyo and what he says, because he doesn't speak facts. If you look at _____ [1:08:02] industry then that's what I want to focus on.

_____ [1:08:07] and your work on Oralin, have you done any preliminary research on any cannabinoid products with your inhalers and so forth? Everyone knows your stock's going to go below $2 when you have a .004 at 1,000 and it goes to four you'll lose 50 per cent. You'll hit probably $1.40 before you start going up, which you will.

Are you focusing much on the cannabinoid product given how ridiculous our society is approving recreational marijuana and so forth? And how much effort is actually going into revitalizing Oralin because that was the number one product with your company? And I'd like to hear from the doctor in Japan, because Japan and Canada have the most success, or beginning entry, into a market than any other country is. And I'd like to know the doctor's opinion on how maybe to get your product into Japan faster too. Thank you gentlemen.

Mark Fletcher: I can start the response to that. We do have a contract with-

Brian Murphy: Mark, you've been there forever. Congratulations. You've been there forever sir. That tells me something.

[Laughter]

Mark Fletcher: Yes, it's been a long haul, thank you.

Brian Murphy: _____ [1:09:23] forget this reverse stocks but tell us what you guys are doing with this reverse stocks stuff.

Mark Fletcher: We do have a contract with CannScience Innovations, which is a Toronto-based company. It's currently a private company. It's been very successful in raising money for its research programs and we have licensed the buccal dry delivery technologies to CannScience to develop cannabinoid products.

The beauty of this arrangement from the Japanese? [1:09:55] perspective is that CannScience is funding the research effort. They are affiliated with the University Health Network in Toronto where there is a lab and they've got a license to do the research from the Canadian government. So the short answer is yes, we are in the process of developing a buccal delivery of cannabis which as you have suggested could be a very, very successful product. Because obviously there are issues with smoking cannabis and with cannabis edibles in terms of dose regulation, which make it somewhat complicated for doctors to prescribe it. So if we can come up with a metered dose cannabis delivery method, that could be a very successful product. But I will turn it over to Joe or Dr Niihara to comment on the rest of your question about Japan.

Joe Moscato: Could you restate that question for Dr Niihara?

Yutaka Niihara: I have the question. Cannabis itself, there is still a really big stigma in Japan, so … As a physician I think there are many people are realizing that medical cannabis is very, very important. But beyond that I think there's a real uphill battle in trying to get people to buy into the recreational cannabis. But saying that, I think that buccal delivery of cannabis is very important for cancer patients, sickle cell patients and many, many patients. Like people with glaucoma. The only reason why I haven't prescribed it is because there is a conflict with federal and state right now. But if the patient's on it, I don't take patients off of it. And I think many physicians in Japan are starting to feel that way. But still Japan, when they decide to move they move really, really quickly. But as of now, the way it is, if you are found having even a small amount of marijuana in possession, you'd be jailed for months.

Brian Murphy: Yes you sure would. I travel twice a year to your country, I love it.

Unidentified male: Let's end this on a positive note. Everyone's trashing you guys. Joe, you're the boss, tell us why you joined the company and why you believe success is right around the corner. I'm an individual shareholder forever and I love the little micro-science companies that spend all their effort, stay positive while they lose money. Joe, why did you join the company and what's your optimism so we can finish this call on a positive note and just let you guys get back to work?

Joe Moscato: I've been with the company now since 2009 and I've helped the company in several capacities. First management team, the founding management team, that I really have no comment on their execution and how they did things.

Unidentified male: Harriet [PH] wouldn't want you to.

Joe Moscato: I was brought in for specific reasons and I accomplished those reasons. I fell in love with both sides of the company, Antigen Express as well as the Oralin and buccal delivery. There were a lot of opportunities that I feel that were missed. A lot of opportunities that could have been done differently.

Unidentified male: Water under the bridge.

Joe Moscato: Yes, water under the bridge. But I still believe in both platforms. I refuse to give up on Generex and I believe that with the right matrix of bringing in new value, taking value from the companies that we believe in, with great management teams that are executable, that have done all the hard work, will get us short-term acclaim and value. Going back to our old platforms in a very executable way.

I believe with the teams that I have put together we will do that and we will learn by the mistakes of the past and execute more effectively on those highly valuable assets that we have. But I'm here for the long term. I've been here since 2009 and I've lost significant money with the company as far as being a shareholder. So I believe this is the right team to move the needle and to make Generex what it could have been many, many different times before in the past.

Unidentified male: You guys have me on your mailing list. Mark I talked to IR several times, you've got this call recorded so keep me in mind with this rights offering please.

Mark Fletcher: Will do sir.

Unidentified male: Gentlemen, good luck with things, you've been determined. Let the people that know what they're doing do their job and shareholders, be patient and stay out of the way, that's how I look at things. Good luck guys.

Joe Moscato: I'd just like to end the call with thanking everybody for their participation, for hearing us out and for sure you'll hear a lot from us. We plan on doing these calls every couple of months or at least every quarter to update shareholders on where we are in our development and our executables and we will continue to do this and we hope that we can rebuild Generex in a more beneficial way to share holders as well as company.

I thank everybody for being on for my team. I thank everybody for listening and everybody for asking the questions that we have no problem in answering. So thank you again and we look forward to talking to you again in a couple of months.