

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

FORM 10-Q

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

For the quarterly period ended December 31, 2013

OR

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

For the transition period from to

Commission file number: 000-51563

ANTRIABIO, INC

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State of other jurisdiction of incorporation or organization)

27-3440894

(I.R.S. Employer Identification No.)

890 Santa Cruz Avenue, Menlo Park CA

(Address of Principal Executive Offices)

94025

(Zip Code)

(650)-241-9330

(Registrant's Telephone Number, including Area Code)

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to 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 (as defined in Rule 12b-2 of the Exchange Act)

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act)

Yes No

Number of shares of issuer's common stock outstanding as of February 12, 2014: 40,000,000

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains statements reflecting assumptions, expectations, projections, intentions or beliefs about future events that are intended as “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. All statements included or incorporated by reference in this report, other than statements of historical fact, that address activities, events or developments that we expect, believe or anticipate will or may occur in the future are forward-looking statements. These statements appear in a number of places, including, but not limited to “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” These statements represent our reasonable judgment of the future based on various factors and using numerous assumptions and are subject to known and unknown risks, uncertainties and other factors that could cause our actual results and financial position to differ materially from those contemplated by the statements. You can identify these statements by the fact that they do not relate strictly to historical or current facts, and use words such as “anticipate,” “believe,” “estimate,” “expect,” “forecast,” “may,” “should,” “plan,” “project” and other words of similar meaning. In particular, these include, but are not limited to, statements relating to the following:

- *projected operating or financial results, including anticipated cash flows used in operations;*
- *expectations regarding capital expenditures, research and development expense and other payments;*
- *our beliefs and assumptions relating to our liquidity position, including our ability to obtain additional financing;*
- *our ability to obtain regulatory approvals for our pharmaceutical drugs and diagnostics; and*
- *our future dependence on third party manufacturers or strategic partners to manufacture any of our pharmaceutical drugs and diagnostics that receive regulatory approval, and our ability to identify strategic partners and enter into license, co-development, collaboration or similar arrangements.*

Any or all of our forward-looking statements may turn out to be wrong. They can be affected by inaccurate assumptions or by known or unknown risks, uncertainties and other factors including, among others:

- *the loss of key management personnel or sponsored research partners on whom we depend;*
- *the progress and results of clinical trials for our product candidates;*
- *our ability to navigate the regulatory approval process in the U.S. and other countries, and our success in obtaining required regulatory approvals for our product candidates;*
- *commercial developments for products that compete with our product candidates;*
- *the actual and perceived effectiveness of our product candidates, and how those product candidates compare to competitive products;*
- *the strength of our intellectual property protection, and our success in avoiding infringing the intellectual property rights of others;*
- *adverse developments in our research and development activities;*
- *potential liability if our product candidates cause illness, injury or death, or adverse publicity from any such events;*
- *our ability to operate our business efficiently, manage capital expenditures and costs (including general and administrative expenses) and obtain financing when required;*
- *our expectations with respect to our acquisition activity.*

In addition, there may be other factors that could cause our actual results to be materially different from the results referenced in the forward-looking statements, some of which are included elsewhere in this Quarterly Report on Form 10-Q, including “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” Many of these factors will be important in determining our actual future results. Consequently, no forward-looking statement can be guaranteed. Our actual future results may vary materially from those expressed or implied in any forward-looking statements. All forward-looking statements contained in this Quarterly Report on Form 10-Q are qualified in their entirety by this cautionary statement. Forward-looking statements speak only as of the date they are made, and we disclaim any obligation to update any forward-looking statements to reflect events or circumstances after the date of this Quarterly Report on Form 10-Q, except as otherwise required by applicable law.

AntriaBio, Inc.
(A Development Stage Company)

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

Consolidated Balance Sheets

	<u>December 31, 2013</u>	<u>June 30, 2013</u>
	(Unaudited)	
<u>Assets</u>		
Current assets		
Cash	\$ 1,144,792	\$ 527
Note receivable - related party	163,829	163,829
Interest receivable - related party	10,174	3,341
Inventory	223,000	223,000
Due from related party	165,023	183,346
Deferred financing, net	138,393	146,037
Other current assets	13,969	95,469
Total current assets	1,859,180	815,549
Non-current assets		
Fixed assets, idle	275,717	275,717
Intangible assets, net	10,933	12,705
Total non-current assets	286,650	288,422
Total Assets	\$ 2,145,830	\$ 1,103,971
<u>Liabilities and Stockholders' Deficit</u>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 477,496	\$ 188,346
Accounts payable and accrued expenses - related party	1,068,206	807,001
Convertible notes payable	3,497,136	3,732,500
Note payable - related party	234,700	-
Interest payable	601,459	380,575
Warrant derivative liability	663,582	157,761
Total current liabilities	6,542,579	5,266,183
Commitments and Contingencies (Note 10)		
Stockholders' deficit:		
Preferred stock, \$0.001 par value; 20,000,000 shares authorized; none issued and outstanding	-	-
Common stock, \$0.001 par value, 200,000,000 shares authorized; 40,000,000 shares issued and outstanding, December 31, 2013 and June 30, 2013	40,000	40,000
Additional paid-in capital	6,217,894	3,814,258
Deficit accumulated during the development stage	(10,654,643)	(8,016,470)
Total stockholders' deficit	(4,396,749)	(4,162,212)
Total Liabilities and Stockholders' Deficit	\$ 2,145,830	\$ 1,103,971

See accompanying notes to consolidated financial statements

AntriaBio, Inc.
(A Development Stage Company)

Consolidated Statements of Operations

	Three Months Ended December 31,		Six Months Ended December 31,		From March 24, 2010 (Inception) to December 31, 2013
	2013	2012	2013	2012	December 31, 2013
	(Unaudited)		(Unaudited)		(Unaudited)
Operating expenses					
Consulting fees	\$ 80,751	\$ 110,514	\$ 162,025	\$ 228,155	\$ 1,062,529
Compensation and benefits	411,879	193,306	770,332	393,872	5,406,209
Research and development	-	-	-	-	3,494
Insurance	44,264	4,375	89,077	8,616	207,947
Professional fees	76,968	138,471	242,617	292,879	1,045,560
Rent	25,887	18,531	38,749	34,323	170,701
Travel	1,941	11,630	7,396	55,211	246,529
Amortization	886	-	1,772	-	2,067
General and administrative	7,542	23,238	39,053	29,892	172,121
Total operating expenses	650,118	500,065	1,351,021	1,042,948	8,317,157
Loss from operations	(650,118)	(500,065)	(1,351,021)	(1,042,948)	(8,317,157)
Other income (expense)					
Interest income	3,379	71,972	6,833	88,902	144,424
Interest expense	(623,347)	(109,421)	(788,164)	(214,319)	(1,818,328)
Derivative expense	(548,556)	-	(505,821)	-	(663,582)
Total other income (expense)	(1,168,524)	(37,449)	(1,287,152)	(125,417)	(2,337,486)
Net loss	\$ (1,818,642)	\$ (537,514)	\$ (2,638,173)	\$ (1,168,365)	\$ (10,654,643)
Net loss per common share - basic and diluted	\$ (0.05)	\$ (0.02)	\$ (0.07)	\$ (0.03)	\$ (0.29)
Weighted average number of common shares outstanding - basic and diluted	40,000,000	35,284,000	40,000,000	35,284,000	36,415,569

See accompanying notes to consolidated financial statements

AntriaBio, Inc.
(A Development Stage Company)

Consolidated Statement of Stockholders' Deficit
From March 24, 2010 (Inception) to December 31, 2013 (Unaudited)

	<u>Common Stock, \$0.001 Par Value</u>		<u>Common</u>	<u>Additional</u>	<u>Deficit</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>	<u>Stock</u>	<u>Paid-in</u>	<u>Accumulated</u>	<u>Stockholders'</u>
			<u>Subscribed</u>	<u>Capital</u>	<u>During the</u>	<u>Equity (Deficit)</u>
					<u>Development</u>	
					<u>Stage</u>	
Balance at March 10, 2010 (Inception)	-	\$ -	\$ -	100	\$ -	\$ 100
Issuance of common stock	35,284,000	35,284	(35,284)	-	-	-
Net loss for the period from March 24, 2010 (Inception) to June 30, 2011	-	-	-	-	(505,630)	(505,630)
Balance at June 30, 2011	35,284,000	35,284	(35,284)	100	(505,630)	(505,530)
Net loss for the year ended June 30, 2012	-	-	-	-	(783,383)	(783,383)
Balance at June 30, 2012	35,284,000	35,284	(35,284)	100	(1,289,013)	(1,288,913)
Stock-based compensation	-	-	-	3,687,502	-	3,687,502
Warrant expense	-	-	-	191,126	-	191,126
Conversion of equity in reverse merger acquisition	4,716,000	4,716	35,284	(64,470)	-	(24,470)
Net loss for the year ended June 30, 2013	-	-	-	-	(6,727,457)	(6,727,457)
Balance at June 30, 2013	40,000,000	40,000	-	3,814,258	(8,016,470)	(4,162,212)
Stock-based compensation (Unaudited)	-	-	-	330,636	-	330,636
Beneficial conversion feature (Unaudited)	-	-	-	1,883,708	-	1,883,708
Warrant expense (Unaudited)	-	-	-	189,292	-	189,292
Net loss for the six months ended December 31, 2013 (Unaudited)	-	-	-	-	(2,638,173)	(2,638,173)
Balance at December 31, 2013 (Unaudited)	40,000,000	\$ 40,000	\$ -	\$ 6,217,894	\$ (10,654,643)	\$ (4,396,749)

See accompanying notes to consolidated financial statements

AntriaBio, Inc.
(A Development Stage Company)

Consolidated Statements of Cash Flows
(Unaudited)

	Six Months Ended December 31,		From March 24, 2010 (Inception) to December 31, 2013
	2013	2012	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Loss	\$ (2,638,173)	\$ (1,168,365)	\$ (10,654,643)
Amortization of notes payable discount	417,636	17,029	705,136
Amortization of deferred financing costs	149,644	87,429	511,733
Amortization of intangible asset	1,772	-	2,067
Stock-based compensation expense	330,636	-	4,018,138
Derivative expense	505,821	-	663,582
Changes in operating assets and liabilities:			
(Increase) decrease in other assets	81,500	(120,000)	(88,969)
(Increase) decrease in due from related parties	18,323	(15,868)	(188,286)
Increase in accounts payable and accrued expenses	289,150	346,366	478,529
Increase in accounts payable and accrued expenses - related party	261,205	-	1,066,066
Increase in interest payable	220,884	109,861	601,459
Net Cash Used In Operating Activities	(361,602)	(743,548)	(2,885,188)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of fixed assets	-	-	(11,717)
Acquisition of assets	-	-	(500,000)
(Increase) decrease in interest receivable - related party	(6,833)	723	(10,174)
Issuance of note receivable - related party	-	(283,128)	(1,138,057)
Payments on note receivable - related party	-	23,378	974,228
Net Cash Used In Investing Activities	(6,833)	(259,027)	(685,720)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payments of financing costs	(142,000)	(145,000)	(384,000)
Proceeds from issuance of convertible notes payable	1,420,000	1,450,000	4,900,500
Repayments of convertible notes payable	-	-	(35,500)
Proceeds from issuance of notes payable - related party	234,700	-	234,700
Net Cash Provided By Financing Activities	1,512,700	1,305,000	4,715,700
Net increase in cash	1,144,265	302,425	1,144,792
Cash - Beginning of Period	527	25,878	-
Cash - End of Period	\$ 1,144,792	\$ 328,303	\$ 1,144,792
<u>SUPPLEMENTARY CASH FLOW INFORMATION:</u>			
Cash Paid During the Period for:			
Taxes	\$ -	\$ -	\$ -
Interest	\$ -	\$ -	\$ -
Non-Cash Transactions:			
Assumption of accrued expenses in reverse merger	\$ -	\$ -	\$ 1,207
Assumption of due to/from related party in reverse merger	\$ -	\$ -	\$ 23,263
Assets acquired in asset acquisition:			
Inventory	\$ -	\$ -	\$ 223,000
Fixed assets	-	-	264,000
Intangible assets	-	-	13,000
Cash paid for asset acquisition	\$ -	\$ -	\$ 500,000

See accompanying notes to consolidated financial statements

AntriaBio, Inc.
(A Development Stage Company)

Notes to Consolidated Financial Statements
December 31, 2013
(Unaudited)

Note 1 Nature of Operations

These financial statements represent the consolidated financial statements of AntriaBio, Inc. (“AntriaBio”), formerly known as Fits My Style, Inc., and its wholly owned operating subsidiary, AntriaBio Delaware, Inc. (“Antria Delaware”). AntriaBio and Antria Delaware are collectively referred to herein as the “Company”. The Company is a development stage company in which the strategy is to develop sustained release products for the diabetes market.

On January 31, 2013, AntriaBio, a public company, acquired Antria Delaware pursuant to a share exchange agreement in which the existing stockholders of Antria Delaware exchanged all of their issued and outstanding shares of common stock of Antria Delaware for 35,284,000 shares of common stock of AntriaBio (the “Reverse Merger”). After the consummation of the Reverse Merger, stockholders of Antria Delaware own 88.2% of AntriaBio’s outstanding common stock.

As a result of the Reverse Merger, Antria Delaware became a wholly owned subsidiary of AntriaBio. For accounting purposes, the Reverse Merger was treated as a reverse acquisition with Antria Delaware as the acquirer and AntriaBio as the acquired party. As a result, the business and financial information included in this Quarterly Report on Form 10-Q is the business and financial information of Antria Delaware. The accumulated deficit of AntriaBio has been included in additional paid-in-capital. Pro-forma information has not been presented as the financial information of AntriaBio was insignificant.

Note 2 Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited interim financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules and regulations of the United States Securities and Exchange Commission for interim financial information and with the instructions to Form 10-Q and Article 8 of Regulation S-X.

The unaudited interim financial statements should be read in conjunction with the Company’s Annual Report on Form 10-K filed on September 11, 2013, which contains the audited financial statements and notes thereto, together with the Management’s Discussion and Analysis of Financial Condition and Results of Operations, for the year ended June 30, 2013.

Certain information or footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted, pursuant to the rules and regulations of the Securities and Exchange Commission for interim financial reporting. Accordingly, they do not include all the information and footnotes necessary for a comprehensive presentation of financial position, results of operations, or cash flows. It is management’s opinion, however, that all material adjustments (consisting of normal recurring adjustments) have been made which are necessary for a fair financial statement presentation. The interim results for the period ended December 31, 2013 are not necessarily indicative of results for the full fiscal year.

AntriaBio, Inc. and Subsidiary
(A Development Stage Company)

Notes to Consolidated Financial Statements - Continued

Development Stage

The Company's financial statements are presented as those of a development stage enterprise. Activities during the development stage primarily include equity and debt based financing and the development of the business plan.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts in the financial statements and the accompanying notes. Such estimates and assumptions impact, among others, the following: estimated useful lives and potential impairment of intangible assets, the fair value of share-based payments, estimates of the probability and potential magnitude of contingent liabilities and the valuation allowance for deferred tax assets due to continuing and expected future operating losses.

Risks and Uncertainties

The Company's operations may be subject to significant risk and uncertainties including financial, operational, regulatory and other risks associated with a development stage company, including the potential risk of business failure. See above regarding change in business and see Note 3 regarding going concern matters.

Fixed Assets, idle

Fixed assets are carried at cost less accumulated depreciation and amortization. The fixed assets primarily consist of lab and manufacturing equipment. Depreciation is computed using the straight-line method over the estimated useful lives. The fixed assets have not been placed in service as of December 31, 2013 as they are being stored until a lab facility has been established at which time the assets can be installed and placed in service. As the assets have not been placed into service they have not begun depreciating.

Beneficial Conversion Feature of Convertible Notes Payable

The Company accounts for convertible notes payable in accordance with the guidelines established by the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") Topic 470-20, *Debt with Conversion and Other Options*, Emerging Issues Task Force ("EITF") 98-5, *Accounting for Convertible Securities with Beneficial Conversion Features or Contingently Adjustable Conversion Ratios*, and EITF 00-27, *Application of Issue No 98-5 To Certain Convertible Instruments*. The Beneficial Conversion Feature ("BCF") of a convertible note is normally characterized as the convertible portion or feature of certain notes payable that provide a rate of conversion that is below market value or in-the-money when issued. The Company records a BCF related to the issuance of a convertible note when issued and also records the estimated fair value of any warrants issued with those convertible notes. Beneficial conversion features that are contingent upon the occurrence of a future event are recorded when the contingency is resolved.

The BCF of a convertible note is measured by allocating a portion of the note's proceeds to the warrants, if applicable, and as a discount on the carrying amount of the convertible note equal to the intrinsic value of the conversion feature, both of which are credited to additional paid-in-capital. The value of the proceeds received from a convertible note is then allocated between the conversion features and warrants and the debt on an allocated fair value basis. The allocated fair value is recorded in the financial statements as a debt discount (premium) from the face amount of the note and such discount is amortized over the expected term of the convertible note (or to the conversion date of the note, if sooner) and is charged to interest expense.

AntriaBio, Inc. and Subsidiary
(A Development Stage Company)

Notes to Consolidated Financial Statements - Continued

Fair Value of Financial Instruments

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The standard also expands disclosures about instruments measured at fair value and establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The Company has consistently applied the valuation techniques discussed below in all periods presented. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1: Quoted prices for identical assets and liabilities in active markets;
- Level 2: Quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets; and
- Level 3: Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The carrying amounts of financial instruments including cash, notes receivable – related party, due from related parties, and notes payable approximated fair value as of December 31, 2013 and June 30, 2013 due to the relatively short maturity of the respective instruments. The warrant derivative liability recorded as of December 31, 2013 and June 30, 2013 is recorded at an estimated fair value based on a Black-Scholes pricing model. The warrant derivative liability is a level 3 fair value instrument. See significant assumptions in Note 8. The following table sets forth a reconciliation of changes in the fair value of financial instruments classified as level 3 in the fair value hierarchy:

Balance as of June 30, 2013	\$ (157,761)
Total unrealized gains (losses):	
Included in earnings	<u>(505,821)</u>
Balance as of December 31, 2013	<u>\$ (663,582)</u>

Recent Accounting Pronouncements

There are no recent accounting pronouncements that are expected to have an effect on the Company's financial statements.

Note 3 Going Concern

As reflected in the accompanying financial statements, the Company has a net loss of \$2,638,173 and net cash used in operations of \$361,602 for the six months ended December 31, 2013, and a working capital deficit of \$4,683,399 and stockholders' deficit of \$4,396,749 and a deficit accumulated during the development stage of \$10,654,643 at December 31, 2013. In addition, the Company is in the development stage and has not yet generated any revenues. These factors raise substantial doubt about the Company's ability to continue as a going concern.

The Company expects that its current cash resources as well as expected lack of operating cash flows will not be sufficient to sustain operations for a period greater than one year.

AntriaBio, Inc. and Subsidiary
(A Development Stage Company)

Notes to Consolidated Financial Statements - Continued

The ability of the Company to continue its operations is dependent on Management's plans, which include continuing to raise equity and debt based financing.

The 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. These financial statements do not include any adjustments relating to the recovery of the recorded assets or the classification of the liabilities that might be necessary should the Company be unable to continue as a going concern.

Note 4 Acquisition of Assets

On January 30, 2013, the Company closed on an asset purchase agreement with the Chapter 7 Estate of PR Pharmaceuticals, Inc. (PRP). Pursuant to the agreement, the Company has acquired certain tangible and intangible assets in exchange for \$400,000 in cash plus an initial deposit of \$100,000 paid to the Chapter 11 Trustee of PRP which is included in the purchase price, plus contingent consideration up to a maximum amount of \$44,000,000.

As the purchase was treated as an asset acquisition, the value assigned for the assets acquired was based on the estimated fair value of the assets and liabilities. The allocation of the price paid in cash is as follows:

Material inventory	\$	223,000
Fixed assets		264,000
Intangible assets		13,000
	\$	<u>500,000</u>

The contingent consideration is payable in the following amounts, upon the occurrence of the following events:

- Two million dollars (\$2,000,000) related to the initiation of Phase 2b clinical studies for a multi-day injectable insulin, payable 30 days after the first dosing of a patient in a formal Phase 2b clinical study;
- Two million dollars (\$2,000,000) to be paid within 30 days after the exclusive license of the multi-day injectable insulin in the United States to a commercial pharmaceutical company.
- Five million dollars (\$5,000,000) after the initiation of Phase 3 clinical studies for the multi-day injectable insulin by the Company or a licensee of the Company, payable 30 days after the first dosing of a patient in a formal Phase 3 clinical study.
- Ten million dollars (\$10,000,000) upon the approval by the FDA or EMEA to allow the marketing and sales of the multi-day injectable insulin by the Company or a licensee of the Company, payable 30 days after the receipt of the approval letter or notice from the FDA or EMEA.
- Twenty five million dollars (\$25,000,000) if the twelve month cumulative sales of the multi-day injectable insulin by the Company or a licensee of the Company reaches five hundred million dollars (\$500,000,000) in any one given twelve consecutive month period, so long as such period occurs during the life of the patents included in the purchased assets, payable 90 days after the twelfth month in which sales equaled or exceeded five hundred million dollars.

All contingent consideration events must occur within five years of the closing of the asset purchase agreement. If an event is not reached within five years, no remaining contingent consideration would be required to be paid. No contingent events have occurred through the report date.

AntriaBio, Inc. and Subsidiary
(A Development Stage Company)

Notes to Consolidated Financial Statements - Continued

Note 5 Related Party Transactions

Effective September 1, 2011, the Company issued a \$1,000,000 line of credit to a related party, which has common ownership with the Company. The line of credit was issued in order for the Company to obtain a higher interest rate on excess cash. The balance due on the line of credit as of December 31, 2013 and June 30, 2013 was \$163,829 and \$163,829, respectively, plus accrued interest of \$10,174 and \$3,341, respectively. The line of credit bears interest equal to the lower of 10%, or the Wall Street Journal Prime Rate (3.25% at December 31, 2013) plus 5%. The interest rate at December 31, 2013 was 8.25%. The line of credit matured on August 31, 2012 and the Company has no further obligations to fund the credit line. A late charge of 5% of the outstanding balance was charged on the line of credit on December 31, 2012. The line of credit is secured by one million shares of the related party's common stock. As of December 31, 2013, there was no allowance for note loss recorded on the receivable.

During the three and six months ended December 31, 2013, the Company incurred consulting expenses of \$80,401 and \$162,025, respectively and professional expenses of \$25,500 and \$51,000, respectively, for services performed by related parties of the Company and included in the statements of operations. As of December 31, 2013 and June 30, 2013, \$1,068,206 and \$807,001, respectively, of related party expenses are recorded in accounts payable and accrued expense – related party.

During the three and six months ended December 31, 2012, the Company incurred consulting expenses of \$86,574 and \$179,225, respectively, and professional expenses of \$40,500 and \$88,500, respectively, for services performed by related parties of the Company and included in the statements of operations.

As of December 31, 2013 and June 30, 2013, the due from related party was \$165,023 and \$183,346 for expenses paid on behalf of related parties. As of December 31, 2013, \$165,023 of the due from related party balance is amounts due from a company owned by a Director of the Company on a non-interest bearing basis. On January 31, 2014, the Board of Directors ratified the amount lent to the Company owned by the Director with a repayment term of six months.

Note 6 Convertible Notes Payable

2010 Notes (See (A) below.) - During 2010 and 2011, the Company issued 8% convertible notes payable for which principal and interest is due two years after date of issuance. The Company is required to pay a loan fee equal to 100% of the notes principal balance, which is recorded as a loan discount and being amortized on the effective yield method over the term of the notes.

Upon the close of a "Financing", which means any third party capital investment in the Company, in cash, that is two million, five hundred thousand dollars (\$2,500,000) or greater, the outstanding principal balance and at the option of the Lender, the unpaid accrued interest on these convertible notes shall convert in whole into the number of whole shares of common stock obtained by dividing the outstanding principal balance and unpaid accrued interest on these convertible notes at the time of such Financing, by the Conversion Price. The "Conversion Price" under these notes shall initially be 65% of the common share price of the Financing, subject to adjustment as provided herein. If the Company elects to pay the accrued interest on these convertible notes in cash, the accrued interest payment shall be due on the date the principal amount is converted to common stock. These terms were modified as disclosed below.

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Notes to Consolidated Financial Statements - Continued

2011 Notes (See (B) below.) – During June 2011, the Company issued 8% convertible notes payable via Private Placement Memorandum (“PPM”). The PPM offered investors the opportunity to purchase up to \$2,000,000 of convertible notes payable for which principal and interest was due one year after date of issuance. Pursuant to the terms of the PPM, upon an offering by the Company of common stock totalling at least \$5 million (a “Qualified Offering”) the notes will automatically and on a mandatory basis convert (the “Mandatory Conversion”) into common shares of the Company and the right to receive warrants. On the date of closing of a Qualified Financing of common shares, the Notes will convert into common shares of the Company at a price equal to 65% of the price per common share of the Qualified Financing (the “Mandatory Conversion Price”), subject to a maximum conversion pre-money valuation of \$20 million, and the right to receive Warrants. The conversion will include the face amount of the Notes and include any accrued and unpaid interest. For each common share received as a result of the Mandatory Conversion, the Investor will receive one (1) warrant to purchase one (1) common share of the Company at an exercise price equal to 135% of the price per common share at which the Notes are converted pursuant to the Mandatory Conversion. The warrants will be exercisable at any time for a period of five years from the date of the Qualified Offering. These terms were modified as disclosed below.

2011 Notes (See (C) below) – In September 2011, the Company amended its 2011 PPM (above) to remove the mandatory conversion feature and to permit conversion of the notes payable at the option of the lender. The remaining terms remain essentially the same as the 2011 Notes described above.

On July 1, 2012, the Company amended its June 15, 2011 PPM on its twelve month, 8% convertible notes payable to issue up to an additional \$2,000,000 in convertible notes and to extend its offering termination date to October 1, 2012. In addition, the amended PPM changes the definition of a “Qualified Financing” from \$5 million to \$2.5 million. On the maturity date of the convertible notes, or the closing of a Sale of the Company, whichever occurs first, the lenders are permitted an elective conversion option to convert the outstanding principal and interest on the convertible notes at the lower of 65% of the price per share of common stock in the Qualified Financing or 65% of the common stock price using a pre-money valuation of the Company of \$20 million. With each share of common stock received, the investor will also receive a warrant to purchase two shares of common stock at 135% of the price per common stock at the time the note was converted. The Company reserved the right to withdraw the offering at any time.

2012 Notes (See (D) below) - In December 2012, the Company amended its PPM on its twelve month, 8% convertible notes payable to issue up to an additional \$1,000,000 in convertible notes and to extend the offering termination to December 31, 2012. On the date of a Qualified Financing, the lenders are permitted an elective conversion option to convert the outstanding principal and interest at the lower of 50% of the price per share of common stock in the Qualified Financing or \$0.75 per share. With each share of common stock received, the investor will also receive a warrant to purchase one share of common stock at 150% of the price per common stock at the time the note was converted.

In the second fiscal quarter, the Company sent letters to the investors in the 2010, 2011 and 2012 notes requesting amendment of their convertible notes payable. The convertible notes payable were amended to: (i) fix the conversion price of the notes into common stock at \$0.25 per share, (ii) require mandatory conversion of principal and interest, and (iii) change the definition of a qualified financing to an equity financing of at least three million dollars. As of December 31, 2013, \$2,932,500 of the convertible notes payable balances outstanding had signed and returned the amendment letter. Based on the fixed conversion price, the intrinsic value of the beneficial conversion feature of \$653,000 was calculated and recorded as a discount to the notes payable. As of December 31, 2013, \$417,636 of the debt discount has been amortized into interest expense.

2013 Notes (See (E) below) – In December 2013, the Company issued 8% convertible promissory notes payable for which principal and interest is due six months after the date of issuance. Pursuant to the note agreements, if the Company issues equity securities in a transaction resulting in gross proceeds of at least \$3 million, the promissory note and accrued interest will automatically convert to common stock at a conversion price of \$0.21 per share. The notes also allow the investor to convert at any time prior to maturity at \$0.21 per share at their option. With the promissory note, the investor will also receive a warrant to purchase common stock equal to one-half of the principal amount of the promissory note. The warrant will have an exercise price of \$0.315 per share and will be exercisable for three years from date of issuance.

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Notes to Consolidated Financial Statements - Continued

The value of the proceeds of the notes was allocated to the warrants as discussed in Note 8 and the remaining balance was allocated to the beneficial conversion feature as the intrinsic value of the beneficial conversion feature is greater than the remaining value of the notes. The discount on the notes is being amortized into interest expense over the remaining life of the notes.

The convertible notes outstanding consisted of:

	<u>December 31, 2013</u>	<u>June 30, 2013</u>
2010 Notes (A)	\$ 562,500	\$ 562,500
2011 Notes (B)	645,000	645,000
2011 Notes (C)	1,700,000	1,700,000
2012 Notes (D)	825,000	825,000
2013 Notes (E)	<u>1,420,000</u>	<u>-</u>
	5,152,500	3,732,500
Discount on 2013 Notes (E)	<u>(1,655,364)</u>	<u>-</u>
	<u>\$ 3,497,136</u>	<u>\$ 3,732,500</u>

The notes originated at various dates from April 2010 through December 2013 and mature at various dates from April 2012 to June 2014.

As of December 31, 2013, \$2,012,500 of the convertible notes matured and payments were due. The convertible notes were not repaid and are accruing interest at a rate of 8% for the 2010 notes and 12% for the 2011 notes that had matured. On January 2, 2014 a payment of \$39,303 was paid to one investor for a 2010 Note for their accrued interest and loan fee. The loan balance remained outstanding.

Note Payable – Related Party – On November 14, 2013, the Company entered into a 14% promissory note with a related party. The note allows funds to be borrowed until March 1, 2014 up to \$250,000. The note matures on the earlier of November 1, 2014 or when the Company closes on an equity financing of at least \$3 million. The Company is also to issue a warrant for the purchase of one share of common stock for each dollar of principal loaned. The warrant exercise price will be \$1.25 per share and will be exercisable for five years. As of December 31, 2013, the outstanding balance on the note is \$234,700 and the accrued interest is \$4,681 as of December 31, 2013. The warrants have not yet been issued or recorded since the number of warrants to be issued is not yet known. When issued, the estimated fair value of the warrants will be recorded as a debt discount and amortized to interest expense over the remaining term of the note.

Note 7 Shareholders' Equity (Deficit)

Prior to the Reverse Merger, Antria Delaware had 90,000,000 common stock authorized at a par value of \$0.00001 and 10,000,000 preferred stock shares authorized at a par value of \$0.01.

The Company issued no shares of common or preferred stock during the six month period ended December 31, 2013. The Company has not declared or paid any dividends or returned any capital to shareholders as of December 31, 2013. On July 3, 2012 the Company issued warrants to a placement agent to purchase 1,400,000 shares of common stock from the date of issuance through five years when the warrants expire. On August 15, 2012 the Company issued warrants to two placement agents to purchase up to 248,542 shares of common stock from the date of issuance through five years when the warrants expire. On February 2, 2013, the Company issued warrants to a placement agent to purchase up to 110,000 shares of common stock from the date of issuance through five years when the warrants expire. In December 2013, the Company issued warrants in connection with the convertible notes to purchase up to 710,000 shares of common stock from the date of issuance through three years when the warrants expire.

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Notes to Consolidated Financial Statements - Continued

Note 8 Stock-Based Compensation

Options - AntriaBio adopted individual stock option plans in January 2013 for four officers and/or directors of the Company. The stock option plans granted 9,000,000 option shares with an exercise price of \$0.75 per share. Options to purchase 4,916,667 shares vested immediately, options to purchase 3,250,000 shares vest monthly over 3 years and 833,333 shares vest on May 31, 2013.

In June 2013, AntriaBio adopted individual stock option plans for two consultants of the Company. The stock option plans granted 50,000 shares with an exercise price of \$0.75 per share. Option to purchase 12,500 shares vested immediately with the remaining shares vesting at various dates through October 2014.

AntriaBio has computed the fair value of all options granted using the Black-Scholes option pricing model. In order to calculate the fair value of the options, certain assumptions are made regarding components of the model, including the estimated fair value of the underlying common stock, risk-free interest rate, volatility, expected dividend yield and expected option life. Changes to the assumptions could cause significant adjustments to valuation. AntriaBio estimated a volatility factor utilizing a comparable published volatility of a peer company. Due to the small number of option holders and all options being to officers and/or directors, AntriaBio has estimated a forfeiture rate of zero. AntriaBio estimates the expected term based on the average of the vesting term and the contractual term of the options. The risk-free interest rate is based on the U.S. Treasury yield in effect at the time of the grant for treasury securities of similar maturity. No options have been granted during the six months ended December 31, 2013.

Stock option activity is as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life
Outstanding, June 30, 2012	-	\$ -	-
Granted	9,050,000	\$ 0.75	
Outstanding, June 30, 2013	9,050,000	\$ 0.75	4.6
Outstanding, December 31, 2013	9,050,000	\$ 0.75	4.1
Exercisable at December 31, 2013	6,768,058	\$ 0.75	4.1

Stock-based compensation expense related to the fair value of stock options was included in the statement of operations as payroll expense of \$165,318 and \$330,636 for the three and six months ended December 31, 2013, respectively. The unrecognized stock-based compensation expense at December 31, 2013 is \$1,352,452. AntriaBio determined the fair value as of the date of grant using the Black-Scholes option pricing method and expenses the fair value ratably over the vesting period.

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Notes to Consolidated Financial Statements - Continued

Warrants- AntriaBio issued warrants to agents and note holders in conjunction with the closing of its convertible notes payable as follows:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life
Outstanding, June 30, 2012	-	\$ -	-
Warrants issued to placement agents	248,542	\$ 0.33	
Warrants issued to placement agent	1,400,000	\$ 0.25	
Warrants issued to placement agent	110,000	\$ 0.85	
Outstanding, June 30, 2013	1,758,542	\$ 0.30	4.1
Warrants issued to note holders	710,000	\$ 0.32	
Outstanding, December 31, 2013	2,468,542	\$ 0.30	3.4

The Company issued warrants to purchase 248,542 shares of common stock at a price of \$0.33 per share, exercisable from August 2012 through August 2017 in connection with the closing of convertible notes payable on specific PPMs. The Company issued a warrant to purchase 1,400,000 shares of common stock at a price of \$0.25 per share, exercisable from August 2012 through August 2017 in connection with the closing of over one million dollars in convertible notes payable. The Company issued warrants to purchase 110,000 shares of common stock at a price of \$0.85 per share, exercisable from February 2013 through February 2018 in connection with the closing of convertible notes payable on specific PPMs. The Company issued warrants to purchase 710,000 shares of common stock at a price of \$0.315 per share, exercisable from December 2013 through December 2016 in connection with the issuance of convertible notes.

The warrants for the 248,542 and 1,400,000 shares of common stock are accounted for under liability accounting and are fair valued at each reporting period. The warrants to purchase 248,542 shares value as of December 31, 2013 and June 30, 2013 was \$95,964 and \$157,761, respectively and is recorded as a liability on the consolidated balance sheets with the fair value adjustment recorded as derivative expense on the consolidated statements of operations. The value of the warrants to purchase 1,400,000 shares as of December 31, 2013 was \$567,155 and was not valued as of June 30, 2013 as the value could not be determined as an exercise price had not yet been fixed.

The warrants for the 110,000 shares of common stock are accounted for under equity treatment and fair valued as of the date of issuance. The fair value of the warrants was valued at \$191,126 and recorded as additional paid-in-capital and deferred financing fees. The deferred financing fees are being amortized over the term of the notes associated with the warrants. The warrants for the 710,000 shares of common stock are accounted for under equity treatment and were recorded at the allocated fair value as of the date of issuance. The fair value of the warrants was \$218,406 and the allocated fair value of \$189,292 was recorded into additional paid-in capital and as a discount to the note payable balance.

These warrants were valued using the Black-Scholes option pricing model on the date of issuance. In order to calculate the fair value of the warrants, certain assumptions were made regarding components of the model, including the closing price of the underlying common stock, risk-free interest rate, volatility, expected dividend yield, and warrant term. Changes to the assumptions could cause significant adjustments to valuation. AntriaBio estimated a volatility factor utilizing a comparable published volatility of a peer company. The risk-free interest rate is based on the U.S. Treasury yield in effect at the time of the grant for treasury securities of similar maturity. The Black-Scholes valuation methodology was used because that model embodies all of the relevant assumptions that address the features underlying these instruments. Significant assumptions were as follows:

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Notes to Consolidated Financial Statements - Continued

Expected volatility	97% - 111%
Risk free interest rate	0.78% - 1.41%
Warrant term (years)	3 - 5
Dividend yield	0%

Note 9 Income Taxes

Income tax expense during interim periods is based on applying an estimated annual effective income tax rate to year-to-date income, plus any significant unusual or infrequently occurring items which are recorded in the interim period. The computation of the annual estimated effective tax rate at each interim period requires certain estimates and significant judgment including, but not limited to, the expected operating income for the year, projections of the proportion of income earned and taxed in various jurisdictions, permanent and temporary differences, and the likelihood of recovering deferred tax assets generated in the current year. The accounting estimates used to compute the provision for income taxes may change as new events occur, more experience is obtained, additional information becomes known or as the tax environment changes.

In the first and second quarter of 2014, the Company did not record any income tax provision due to continuing the expected future losses and full valuation allowance on its deferred tax assets.

Note 10 Commitments and Contingencies

Employment Agreements- The Company entered into employment agreements with the officers of the Company.

On April 1, 2012, the Company entered into an employment agreement with its Executive Chairman. This agreement provides for a limited initial salary of \$250,000. This salary is raised to the base salary of \$325,000 when the Company raises an aggregate of five million dollars in financing. In addition to the salary, the Executive Chairman is entitled to an annual performance bonus equal to 30% of his base salary beginning in calendar 2013 based on criteria set by the Board of Directors in its sole discretion. The agreement also provides for stock options to purchase 5% of the shares of common stock of the Company calculated on a fully diluted basis, assuming conversion of all exercisable and convertible securities, at an exercise price equal to the fair value of these shares on the date of grant. These options vested 50% on December 31, 2012 and the remaining shares vest equally over the following thirty-six months of service. Termination benefits for base salary and certain other benefits are provided for a period of up to twelve months.

On April 1, 2012, the Company entered into an employment agreement with its Chief Scientific Officer. This agreement provides for an initial salary of \$275,000 through December 31, 2012 and a base salary \$295,000 thereafter. The Chief Scientific Officer is also entitled to one-time bonuses totaling \$275,000 upon achieving certain clinical testing milestones. Furthermore, the Chief Scientific Officer is entitled to an annual performance bonus equal to 40% of his base salary beginning in calendar 2013 based on criteria set by the Board of Directors in its sole discretion. Termination benefits for base salary and certain other benefits are provided for a period of twelve months.

On June 18, 2012, the Company entered into an employment agreement with its Chief Executive Officer. This agreement provides for an initial salary of \$230,000 from the effective date of the agreement until the executive commits full time to the Company's business and his base salary increases to \$350,000. The Chief Executive Officer is entitled to one-time bonus of \$40,000 upon the close of a Company financing of at least \$5,000,000. Furthermore, the Chief Executive Officer is entitled to an annual performance bonus equal to 40% of his base salary beginning in calendar 2013 based on criteria set by the Board of Directors in its sole discretion. The agreement also provides for stock options to purchase 3,500,000 shares of common stock of the Company at an exercise price equal to the fair value of these shares on the date of grant. These options will vest 50% on December 31, 2012 and the remaining shares vest equally over the following thirty-six months of service. Termination benefits for base salary and certain other benefits are provided for a period of six months.

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Notes to Consolidated Financial Statements - Continued

Advisory Agreement- On July 2, 2012, the Company entered into an advisory agreement whereby the Company receives services including, but not limited to finance and strategy, clinical design, project management and portfolio assessment. The Company agreed to pay a monthly retainer in the amount of \$9,000 per month to cover general and administrative matters plus an hour fee ranging from \$100 to \$700 per hour for additional services provided.

Consulting Agreement- On July 1, 2012, the Company entered into a consulting agreement whereby the Company received services including, but not limited to, serving on the board of directors as lead independent director, assisting in efforts to obtain funding and assisting in business development. The Company agreed to pay a monthly retainer of \$9,000 per month for these services.

Legal Matters- From time to time, the Company may be involved in litigation relating to claims arising out of operations in the normal course of business. As of December 31, 2013, there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the results of our operations. There are no proceedings in which any of our directors, officers or affiliates, or any registered or beneficial shareholders, is an adverse party or has a material interest adverse to our interest.

Note 11 Subsequent Events

On January 15, 2014, the Company closed the Bridge Financing with total gross proceeds received in the financing of \$2,703,000, before placement agent compensation, transaction costs, fees and expenses.

On December 13, 2013, the Board of Directors and majority shareholders approved a one for six reverse stock split so that every six shares of common stock shall represent one share of common stock. The execution of the reverse split will occur upon receipt of all regulatory approvals.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

General

This discussion and analysis should be read in conjunction with the accompanying financial statements and related notes. This discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of many factors.

Overview, Background and Recent Developments

On January 31, 2013, AntriaBio acquired Antria Delaware pursuant to a share exchange in which AntriaBio acquired all of the issued and outstanding shares of common stock of Antria Delaware from the stockholders of Antria Delaware in exchange for 35,284,000 shares of common stock of AntriaBio (the "Reverse Merger"). As a result of the Reverse Merger, Antria Delaware became a wholly owned subsidiary of AntriaBio. For accounting purposes, the Reverse Merger was treated as a reverse acquisition with Antria Delaware as the acquirer and AntriaBio as the acquired party. As a result, the business and financial information included in the report is the business and financial information of Antria Delaware. The accumulated deficit of AntriaBio has been included in additional paid-in-capital. Pro-forma information has not been presented as the financial information of AntriaBio was insignificant.

Antria Delaware was formed as a Delaware corporation in March 2010 under the name "AntriaBio, Inc." As a condition precedent to the Reverse Merger, Antria Delaware agreed to change its name from "AntriaBio, Inc." to "AntriaBio Delaware, Inc." On January 3, 2013, Antria Delaware filed an amendment to its certificate of incorporation with an effective date of January 10, 2013 to change its name from "AntriaBio, Inc." to "AntriaBio Delaware, Inc."

Antria Delaware was formed with the express purpose of acquiring the assets of PR Pharmaceuticals, Inc. ("PRP"). PRP was a company that developed proprietary technology to be used with active pharmaceutical ingredients to create sustained release injectable formulations. On October 5, 2012, Antria Delaware entered into an Asset Purchase Agreement (the "Asset Purchase Agreement") to acquire all of PRP's operating and intellectual property assets out of bankruptcy including, but not limited to, program data and materials, associated inventory, equipment, lab notebooks, patents, patent applications, technology and know-how, electronic data, and regulatory filings/correspondence related to development programs (the "Asset Purchase"). On January 31, 2013, the Asset Purchase closed and upon closing, PRP's lead product candidate, a potential once-a-week basal insulin injection for the diabetes market, became our lead product candidate (AB101). Our strategy is to develop AB101 and other products for the diabetes market using our proprietary sustained release formulation capabilities with known pharmaceutical agents and United States Food and Drug Administration ("FDA") approved delivery technologies. We believe that this strategy increases the probability of technical success while reducing safety concerns, approval risks and development costs. We also believe that our approach can result in differentiated, patent-protected products that provide significant benefits to patients and physicians.

Plan of Operation

We have been focused on raising capital to fund our initial operations including conducting clinical studies for AB101 and developing our product pipeline. Our objective is to demonstrate that AB101 is non-inferior to Lantus in terms of safety and efficacy and we plan on filing an IND with the FDA in 2015 to enable us to pursue clinical trials in the US. The first study that we would like to conduct is a Phase 1 single ascending dose safety/pharmacokinetics/pharmacodynamics study in 10-20 patients with Type 1 diabetes. In this trial, patients will receive a single dose of subcutaneously injected AB101 and the primary outcome will be the presence of hypoglycemic episodes, if any. Following this trial, we will conduct a pair of Phase 2 trials in approximately 20 Type 1 diabetes patients in the first trial and 20 Type 2 diabetes patients in the additional trial where we would compare the glucose-lowering effect of our weekly AB101 to a weeks' course of daily Lantus injections. We plan on initiating these studies in the second half of 2015 and have final results by the end of Q4 2015. If these initial trials are successful, we would expand our clinical program to include Phase 3 studies in various jurisdictions including the US and Europe.

This year, as a precursor to our US clinical studies and in order to fulfil FDA requirements for GLP (good laboratory practices) toxicity studies in support of our IND, we plan on conducting preclinical studies in rodents (rats, mice) and non-rodents (rabbits, dogs and guinea pigs) to determine acute toxicity, chronic toxicity, mutagenicity, immunogenicity, reproductive toxicity, allergy, pharmacokinetics and pharmacodynamics.

Part of the assets that we acquired from PR Pharmaceuticals includes bulk product that has been fully characterized for strength, particle size, sufficiency for injection and stability, but has not been produced in conformance with cGMP requirements and is therefore not approved for clinical use in the US (the "Existing Material"). However, this year we plan on utilizing the Existing Material to conduct preclinical and clinical studies in Russia where cGMP documentation and standards are not required. These Russian studies will provide additional preclinical and fresh clinical data on the safety and efficacy of AB101 before the US studies begin. We believe that this approach has the potential to provide us with human proof of concept data and to reduce the risk of failure in our US studies. As part of our criteria for determining the best location to conduct the studies outside of the US, we looked for a competent CRO (clinical research organization) with experience in conducting trials for multinational pharmaceutical companies and in diabetes: we have identified such a CRO in Russia. We are currently making preparations to fill and finish the Existing Material in preparation for these initial studies which will be similar to the Phase 1 and Phase 2 studies which we have planned for the US after our IND is filed.

We expect to have preclinical and clinical results from Russia by the end of 2014 and additional results in the first half of 2015 which would be a notable milestone for the Company and signal the potential for AB101 to significantly disrupt the treatment paradigm for replacement basal insulin therapy. In addition, following our initial work in Russia, we may have the opportunity to explore strategic relationships with third parties which, among other things, may provide us with a source of financing and augment our capabilities.

In order to provide sterile, cGMP clinical material for our preclinical and clinical studies in the US, we plan on leasing a facility in the greater Denver, Colorado area where we anticipate making certain leasehold improvements including the addition of a cGMP aseptic suite. In the facility we plan on installing, commissioning and validating the manufacturing and analytical equipment that we acquired from PR Pharmaceuticals, which was previously used to produce AB101. We expect new material for the IND enabling preclinical and stability studies to be available by the end of the Q3 2014 and we anticipate having new clinical material for our US trials by the end of Q1 2015.

While we have preclinical and clinical plans for AB101 as well as plans to develop other product opportunities, we currently do not have sufficient cash to carry out these studies and other Company objectives. We believe that we need to raise as much as \$30 million to fund our development and clinical activities through the completion of the initial Phase 1 and Phase 2 AB101 studies in the US. We anticipate raising as much as \$15 million in early 2014 and potentially an additional \$15 million in late 2014 or the first half of 2015. We also anticipate that during this same period, we will hire 40-50 individuals and spend approximately ten million dollars on salaries/benefits, rent and general and administrative matters.

Significant Accounting Policies and Estimates

The discussion and analysis of the financial condition and results of operations are based upon the financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of any contingent liabilities at the financial statement date and reported amounts of revenue and expenses during the reporting period. On an on-going basis the Company reviews its estimates and assumptions. The estimates were based on historical experience and other assumptions that we believe to be reasonable under the circumstances. Actual results are likely to differ from those estimates under different assumptions or conditions, but the Company does not believe such differences will materially affect our financial position or results of operations.

Results of Operations

For Three and Six Months Ended December 31, 2013 and 2012

Results of operations for the three months ended December 31, 2013 (the "2014 quarter") and the three months ended December 31, 2012 (the "2013 quarter") reflected losses of \$1,818,642 and \$537,514, respectively. These losses include charges related to stock based compensation of \$165,318 in the 2014 quarter and none in the 2013 quarter as well as a derivative expense of \$548,556 in the 2014 quarter and none in the 2013 quarter. The losses also include the amortization of the debt discount into interest expense of \$417,636 in the 2014 quarter and \$6,450 in the 2013 quarter.

Results of operations for the six months ended December 31, 2013 (the "2014 period") and the six months ended December 31, 2012 (the "2013 period") reflected losses of \$2,638,173 and \$1,168,365 respectively. These losses include charges related to stock based compensation of \$330,636 in the 2014 period and none in the 2013 period as well as a derivative expense of \$505,821 in the 2014 period and none in the 2013 period. The losses also include the amortization of the debt discount into interest expense of \$417,636 in the 2014 period and \$17,029 in the 2013 period.

Revenues

We are a development stage entity and have not generated any revenues since inception.

Expenses

Consulting expenses were approximately \$81,000 in the 2014 quarter compared to \$111,000 in the 2013 quarter, and \$162,000 in the 2014 period compared to \$228,000 in the 2013 period. The decrease is primarily due to the decrease in consulting fees that were paid to Konus Advisory Group for director consulting fees and other consulting services.

Payroll expenses were approximately \$412,000 in the 2014 quarter compared to \$193,000 in the 2013 quarter, and \$770,000 in the 2014 period and \$394,000 in the 2013 period. The increase is due to stock-based compensation in the 2014 period for stock options that were granted in January 2013.

Professional fees were approximately \$77,000 in the 2014 quarter compared to \$138,000 in the 2013 quarter, and \$243,000 in the 2014 period compared to \$293,000 in the 2013 period. Professional fees consist primarily of legal, audit and accounting costs, costs related to public company compliance costs, and consulting related to capital formation. The decrease is due to the reverse merger which occurred in January 2013 and the audit and legal fees in association with the reverse merger that incurred in the 2013 period.

General and administrative costs were approximately \$8,000 in the 2014 quarter compared to \$23,000 in the 2013 quarter, and \$39,000 in the 2014 period compared to \$30,000 in the 2012 period. The increase in the 2014 period is primarily due to increases in maintaining the website as well recruiting expenses for the search for qualified candidates for future positions.

Liquidity and Capital Resources

At December 31, 2013 we have approximately \$1.1 million of cash on hand. In early 2014, we anticipate raising capital to fund our ongoing operations including hiring additional personnel, leasing a manufacturing facility, acquiring certain equipment and commencing clinical trials. To fund our operations, we have outstanding bridge loan notes and convertible notes (collectively, the “**Convertible Notes**”) issued pursuant to private placements conducted by the Company between 2010 and January 2014. The Convertible Notes have an aggregate outstanding principal amount of approximately \$5.4 million. Certain Convertible Notes require us to pay a loan service fee equal to the aggregate principal amount of such Convertible Note, as of the date of this Memorandum approximately \$275,000 in loan service fees is outstanding on the Convertible Notes. The interest rate on the Convertible Notes is between 8% and 12% and each note is convertible into common shares of the Company upon a qualified financing at a conversion price or earlier at the option of the investor of either \$0.21 or \$0.25 per share.

Going Concern

The continuation of our business is dependent upon obtaining further financing and achieving a break even or profitable level of operations in our business. The issuance of additional equity securities by us could result in a significant dilution in the equity interests of our current or future stockholders. Obtaining commercial loans, assuming those loans would be available, will increase our liabilities and future cash commitments. There are no assurances that we will be able to obtain additional financing through either private placements, and/or bank financing or other loans necessary to support our working capital requirements. To the extent that funds generated from operations and any private placements, public offerings and/or bank financing are insufficient, we will have to raise additional working capital. No assurance can be given that additional financing will be available, or if available, will be on terms acceptable to us. These conditions raise substantial doubt about our ability to continue as a going concern.

Recent Accounting Pronouncements

There are no recent accounting pronouncements that are expected to have an effect on the Company’s consolidated financial statements.

Off-Balance Sheet Arrangements

We had no off-balance sheet transactions.

ITEM 3. QUALITATIVE AND QUANTITATIVE DISCUSSION ABOUT MARKET RISK.

Not required for smaller reporting companies.

ITEM 4. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this Quarterly Report on Form 10-Q, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer (our principal executive officer and our principal accounting officer), of the effectiveness of our disclosure controls and procedures as defined in Rule 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (“Exchange Act”). Based on that evaluation and the material weakness described below, our management concluded that we did not maintain effective disclosure controls and procedures as of December 31, 2013 in ensuring that information that we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms and that it is accumulated and communicated to the issuer’s management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure. Our management has identified control deficiencies regarding a lack of segregation of duties, and a need for a stronger internal control environment. Our management believes that these deficiencies, which in the aggregate constitute a material weakness, are due to the small size of our staff, which makes it challenging to maintain adequate disclosure controls.

Changes in internal controls over financial reporting

During the period covered by this Quarterly Report on Form 10-Q, there were no changes in our internal control over financial reporting (as defined in Rule 13(a)-15(f) or 15(d)-15(f)) that occurred during the period covered by this quarterly report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

None.

ITEM 1A. RISK FACTORS.

Certain factors exist which may affect the Company's business and could cause actual results to differ materially from those expressed in any forward-looking statements. The Company has not experienced any material changes from those risk factors as previously disclosed in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on September 11, 2013 (the "Form 10-K").

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS.

<u>Exhibit Number</u>	<u>Description of Exhibits</u>
10.1	Placement Agent Agreement dated December 13, 2013*
10.2	Form of Letter to Convertible Note Holders dated December 16, 2013*
31.1	Certification of Chief Executive Officer and Chief Financial Officer as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
32.2	Certification of Chief Executive Officer and Chief Financial Officer as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
101	The following materials from our Quarterly Report on Form 10-Q for the quarter ended December 31, 2013 formatted in XBRL (eXtensible Business Reporting Language): (i) Balance Sheet, (ii) Statement of Operations, (iii) Statements of Cash Flows, (iv) Statements of Stockholders Equity and (v) related notes to these financial statements, tagged as blocks of text.

*Filed herewith

SIGNATURES

In accordance with Section 12 of the Securities Exchange Act of 1934, the Registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ANTRIABIO, INC.

By: /s/ Nevan Elam
Nevan Elam
Chief Executive Officer
(Principal Executive Officer
and Principal Financial and Accounting Officer)

Date: February 13, 2014

PLACEMENT AGENT AGREEMENT
(December 13, 2013)

This **PLACEMENT AGENT AGREEMENT** is made by and between **ANTRIABIO, INC.**, a Delaware corporation (the "**Company**"), and **PAULSON INVESTMENT COMPANY, INC.**, an Oregon corporation ("**Placement Agent**"), as of the date first above written.

WITNESSETH

WHEREAS, in reliance upon the representations, warranties, terms and conditions hereinafter set forth, the Placement Agent will use its best efforts to: (i) privately place up to \$3,500,000 of the Company's 8% unsecured convertible notes (each a "**Convertible Note**" and collectively, the "**Convertible Notes**") in a bridge financing (the "**Bridge**"); and (ii) privately place shares of the Company's common stock in a PIPE transaction (the "**Financing**") as described in and pursuant to the terms and conditions described in the term sheet attached hereto (the "**Term Sheet**") as Exhibit A;

WHEREAS, the terms of the Financing and the Bridge will be more fully described in the definitive documents to be prepared by Placement Agent and the Company with the assistance of their respective counsel; and

WHEREAS, the Company desires to engage the Placement Agent and the Placement Agent desires to be engaged as the Company's placement agent in connection with the Offering (as defined below).

NOW, THEREFORE, in consideration of the premises and the respective promises hereinafter set forth, the Company and the Placement Agent hereby agree as follows:

1. **Services.**

(a) Placement Agent shall offer participation in the Financing and the Bridge (collectively the "**Offering**") to its clients and other persons with whom Placement Agent or the Company or any of their respective officers, directors, employees or affiliates has a pre-existing business relationship and which Placement Agent reasonably believes are "accredited investors" as defined by Regulation D promulgated under the Securities Act of 1933, as amended (the "**Securities Act**"). Any such potential investor in the Offering that is introduced to the Offering by Placement Agent shall be considered a qualified investor (collectively, the "**Qualified Investors**").

(b) Placement Agent shall be responsible for (i) the initial printing, binding and distribution (Placement Agent shall not be required to print hard copies, but may use electronic documents for distribution) to the Qualified Investors of the Company's confidential private placement memorandum or other offering documents (the "**Memorandum**") (which shall be created by the Company, with the assistance of the Placement Agent, and shall include a brief summary of the Company and its business, current capitalization table, current financial statements and certain future financial projections of the Company, as well as the relevant Financing documents (the "**Transaction Documents**")) and related investment materials to be used in connection with the Financing, (ii) organizing, obtaining facilities for, and conducting one or more investor presentations and (iii) providing such other services reasonably related to serving as placement agent for the Company in connection with the Financing. The Company shall make members of management and other employees available to Placement Agent as Placement Agent shall reasonably request for purposes of satisfying Placement Agent's due diligence requirements and consummating the Financing, the Company shall also make key management members available to attend a reasonable number of investor presentation, as determined by the Placement Agent, and shall commit such time and other resources as are reasonably necessary or appropriate to secure the reasonable and timely success of the Offering. The Company shall cooperate with Placement Agent in connection with, and shall make available to Placement Agent such documents and other information as Placement Agent shall reasonably request in order to satisfy its due diligence requirements.

(c) Placement Agent acknowledges that (i) the Company may determine, in its sole discretion, whether to accept an offer of subscription to the Financing or the Bridge by a Qualified Investor and (ii) the Company is not obligated to compensate Placement Agent for such offered subscriptions to the Company that the Company does not accept. Notwithstanding the foregoing, unless the Company has a specific objection to any particular Qualified Investor being an equity investor or creditor of the Company (for example, the investor competes with the Company, is known to be disreputable or dishonest, is affiliated with a competitor of the Company or for other, legitimate investor-specific reasons), the Company shall accept such offer of subscription from such Qualified Investors, as described in the Term Sheet.

2. *Compensation.*

(a) *Compensation for the Bridge.* The Company shall, at each closing of the Bridge, as compensation for the services provided by Placement Agent hereunder pay Placement Agent a Bridge Cash Fee (as defined below). The Company will also pay a Bridge Conversion Fee (as defined below) upon each conversion of all or part of the Bridge, whether such conversion was voluntary, or automatic.

(i) The "**Bridge Cash Fee**" shall equal 10.0% of the aggregate principal amount of each Convertible Note invested in by Placement Agent and its affiliates and/or any Qualified Investor in the Bridge, including gross cash proceeds invested in the Bridge.

(ii) The “**Bridge Conversion Fee**” Upon the conversion of all or part of the Bridge, Placement Agent shall receive an additional cash fee and warrant. The cash fee shall equal 5.0% of the outstanding principal and interest of the Bridge that is converted into the Company’s equity securities. The Placement Agent shall also receive a warrant (the “**Bridge Conversion Warrant**”) to purchase such number of shares of the Company’s common stock equal to 15% of the total outstanding principal amount of the Bridge, that are converted into the Company’s equity securities. Each Bridge Conversion Warrant shall be exercisable for seven (7) years with an exercise price of \$0.26 per share, and shall have standard terms, cashless exercise rights, and shall be adjusted both as to the number of shares and price into which and at which they are exercisable, based on any splits, conversions, or reorganizations that affect the Company’s common stock. Additionally, in the event that the Company reduces the strike or exercise price of any of its outstanding options or warrants, it will reduce the exercise price of the Bridge Conversion Warrants by the same percentage. In the event that the Company offers its securities at a valuation lower than the pre-money valuation of the Financing, the Company agrees to reduce the exercise price of the Bridge Conversion Warrants to a price per share equal to the effective price per share of such financing.

(b) **Compensation for Financing.** The Company shall, at each closing of the Financing, as compensation for the services provided by Placement Agent hereunder (i) pay Placement Agent a Cash Fee (as defined below) and (ii) issue a warrant (the “**Financing Warrant**”).

(i) The **Cash Fee** shall equal 10% of the gross cash proceeds invested by Placement Agent and its affiliates and/or any Qualified Investor in the Bridge, including gross cash proceeds invested in the Financing.

(ii) At each closing of the Financing, the Company shall issue a **Financing Warrant** to purchase such number of shares of the Company’s common stock equal to 15% of gross proceeds of the Financing. Each Financing Warrant shall have an exercise price of \$0.26 per share, and shall be exercisable for a term of seven (7) years from the date of issuance and shall have standard terms, cashless exercise rights, and shall be adjusted both as to the number of shares and price into which and at which they are exercisable, based on any splits, conversions, or reorganizations that affect the Company’s common stock. Additionally, in the event that the Company reduces the strike or exercise price of any of its outstanding options or warrants, it will reduce the exercise price of the Financing Warrants by the same percentage. In the event that the Company offers its securities at a valuation lower than the pre-money valuation of the Financing, the Company agrees to reduce the exercise price of the Financing Warrants to a price per share equal to the effective price per share of such financing.

(c) **Registration Rights.** The Company has agreed to use its commercially reasonable efforts to file a registration statement under the Securities Act within thirty (30) days following the final closing of the Financing. The Company shall register the shares exercisable pursuant to the Bridge Conversion Warrants and the Financing Warrants on such registration statement.

3. **Term.** Placement Agent shall serve as the Company's exclusive placement agent for a period of eighteen (18) months from the date set forth above unless earlier terminated as set forth herein (the "**Term**").

4. **Termination.** Prior to the end of the Term, the Company may terminate this Agreement immediately and without notice in the event of a material breach of this Agreement by Placement Agent. In the event the Company terminates this Agreement, Placement Agent will be entitled to all applicable fees set forth in **Section 2** hereof, earned prior to such termination. Upon termination of this Agreement, Placement Agent shall prepare and deliver to the Company a definitive list of prospective Qualified Investors contacted by Placement Agent in connection with the Offering with whom the Company had discussions by meeting or telephone conference during the Term of this Agreement (the "**Listed Investors**"). If the Financing does not close, in the event that the Company consummates a sale of any of its debt securities, equity securities or securities convertible into or exercisable in exchange for equity securities to any Listed Investor, or any debt securities held by Listed Investors are converted to equity securities within a period of eighteen (18) months following the date of termination of this Agreement (the "**Tail Period**"), then at each closing thereof, the Company shall pay all fees to Placement Agent, including the issuance of warrants as set forth in **Section 2** hereof, in amounts equal to what Placement Agent would have earned from such sales had the Company closed on such investments under the terms of this Agreement.

5. **Performance.** In connection with the performance of its duties under this Agreement, Placement Agent agrees as follows:

(a) Placement Agent shall act in a manner consistent with the instructions of the Company and comply with all applicable laws, whether foreign or domestic, of each jurisdiction in which Placement Agent proposes to carry on the business contemplated by this Agreement. Placement Agent shall not take any action or omit to take any action that would cause the Company to violate any law or any applicable exemption from registration under the Securities Act or the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). Placement Agent is a member firm of the Financial Regulatory Authority ("**FINRA**"), has all authority and approvals needed to engage in securities trading and brokerage activities, as well as providing investment banking and financial advisory services. Placement Agent shall keep a record of when and to whom each Memorandum is provided. Placement Agent may elect to comply at its' discretion with this **Section 5(a)** by posting the Memorandum in a password protected data room, and maintaining a file of that confirms who has viewed the Memorandum, and at what times on which dates.

(b) Placement Agent shall provide information regarding the Company only that is contained in the Company's public filings, or which is, approved in form and content by the Company for dissemination to potential investors (such as a PowerPoint presentation) or other information that is available generally to the public (such as press releases or published articles) and shall not make any additional statements that contain an untrue statement of a material fact or omit to state any fact necessary to make any statement made by Placement Agent made not misleading in light of the circumstances in which they were made.

(c) Placement Agent shall not provide the Memorandum or any other information about the Company to any person or firm that, to the knowledge of Placement Agent, is a competitor of the Company or is an officer, director, employee, affiliate or significant investor in the Company.

(d) Placement Agent shall not engage in any form of general solicitation or general advertising with respect to the Financing.

(e) Before mentioning or sending any material related to the Company to any potential investor, Placement Agent shall, on the basis of Placement Agent's prior relationship with the potential offeree, reasonably believe that the potential offeree is: (x) an "accredited investor" and, if applicable, satisfies any private placement requirements or laws or regulations associated with the Financing applicable in any non-U.S. jurisdiction and (y) so sophisticated and knowledgeable in business and financial matters that the potential offeree is capable of evaluating the merits and risks of an investment in the Company. In furtherance thereof, Placement Agent shall obtain from each Qualified Investor an accredited investor questionnaire in substantially the form attached hereto as Exhibit C.

(f) Placement Agent shall use its best efforts to cause its officers, directors, employees and affiliates to comply with all of the foregoing provisions of this **Section 5**.

6. *Representations and Warranties.*

(a) Placement Agent represents and warrants that it has full legal right to enter into and perform this Agreement and that its entry into and performance under this Agreement do not and will not violate any fiduciary or other duty it may have to any other person. Placement Agent represents and warrants that Placement Agent has and will maintain during this Agreement all licenses, registrations, permits and other authorizations required for Placement Agent to perform the activities and receive the compensation contemplated by this Agreement in each jurisdiction in which Placement Agent proposes to engage in such activities. In particular, but without limiting the generality of the foregoing, Placement Agent is and will be duly licensed or registered as a broker dealer or registered representative of a broker dealer under the Exchange Act, and under the laws of each jurisdiction requiring such licensing or registration. This Agreement, when executed and delivered by the parties hereto, shall constitute a valid and binding obligation of Placement Agent, enforceable in accordance with its terms, subject to laws of general application relating to bankruptcy, insolvency, the relief of debtors and federal and state securities laws.

(b) Placement Agent represents and warrants that it shall at all times provide its services under this Agreement in compliance with applicable law, including but not limited to, conducting an offering of a possible financing in a manner intended to qualify it as exempt from the registration requirements of the Securities Act, except for an initial public offering, not taking any action in connection with an offering of a possible financing which would constitute a general solicitation or general advertising, and not making any offers to any potential investor which it does not reasonably believe to be an “accredited investor” within the meaning of Rule 501(a)(1), (2), (3) or (7) under Regulation D of the Securities Act.

(c) Placement Agent is a member in good standing of FINRA, and is registered as a broker/dealer under the Securities Exchange Act of 1934, as amended.

(d) The Company has the full right, power and authority to execute, deliver and perform under this Agreement. This Agreement has been duly executed by the Company and this Agreement and the transactions contemplated by this Agreement, have been duly authorized by all necessary corporate action and this Agreement constitutes, and, upon their execution and delivery, the Bridge Conversion Warrant and the Financing Warrant will, each constitute, the legal, valid and binding obligations of the Company, enforceable in accordance with their respective terms.

(e) The Company represents and warrants that the Memorandum and any other materials provided by the Company to the Placement Agent for dissemination to potential investors contain no misrepresentation of a material fact, and do not omit a material fact necessary to make the statements therein not misleading in light of the circumstances under which they were made, except that with respect to assumptions, projections, forward-looking statements and expressions of opinion or predictions made, the Company represents only that they were made in good faith.

(f) All communications by the Company with Placement Agent shall be with Placement Agent's President, legal counsel and/or designated investment banker(s) with respect to the Financing. The Company shall not communicate directly with any of Placement Agent's brokers or known clients (until such time as such clients are stockholders of the Company) without the prior consent of Placement Agent. The provisions of this **Section 6(f)** shall not apply to clients of Placement Agent who are also stockholders of the Company.

7. Indemnification.

(a) The Company agrees to indemnify and hold harmless Placement Agent, its officers, directors, employees, agents, legal counsel and any of its affiliates (each, a "**Placement Agent Indemnified Party**") against any and all losses, claims, damages, liabilities, joint or several, and expenses (including all legal or other expenses reasonably incurred by a Placement Agent Indemnified Party) caused by or arising out of any misrepresentation or untrue statement or alleged misrepresentation or untrue statement of a material fact contained in the Memorandum or any other document furnished by the Company to Placement Agent for delivery to or review by the Qualified Investors, or the omission or the alleged omission to state in such documents furnished to the Qualified Investors a material fact necessary in order to make the statements therein not misleading in light of the circumstances under which they were made, to the extent such misstatements or omissions are made in reliance upon and in conformity with written information furnished by the Company for use in the documents furnished to the Qualified Investors, including the ~~Memorandum~~ (except to the extent such misrepresentations, untrue statements or omissions are based on information provided to the Company by Placement Agent). The Company agrees to reimburse the Placement Agent Indemnified Party for any reasonable expenses (including reasonable fees and expenses of counsel) incurred as a result of producing documents, presenting testimony or evidence, or preparing to present testimony or evidence (based upon time expended by the Placement Agent Indemnified Party at its then current time charges or if such person shall have no established time charges, then based upon reasonable charges), in connection with any court or administrative proceeding (including any investigation which may be preliminary thereto) arising out of or relating to the performance by the Placement Agent Indemnified Party of any obligation hereunder and relating to a matter for which the Company must provide indemnity to or hold harmless such Placement Agent Indemnified Party pursuant to the provisions of this **subsection (a)**. In the event the Company shall be obligated to indemnify a Placement Agent Indemnified Party in connection with any such proceeding, the Company shall be entitled to assume the defense of such proceeding, with counsel approved by the Placement Agent Indemnified Party (which shall not be unreasonably withheld), upon the delivery to the Placement Agent Indemnified Party of written notice of the Company's election to do so.

(b) The Company agrees to indemnify and hold harmless each Placement Agent Indemnified Party against any and all losses, claims, damages, liabilities, joint or several, and expenses (including all legal or other expenses reasonably incurred by a Placement Agent Indemnified Party) caused by or arising out of any breach by the Company of any financial or other arrangement, including, but not limited to, any placement agent agreement, underwriting agreement or any other similar agreement or arrangement as of the date set forth above.

(c) Placement Agent agrees to indemnify and hold harmless the Company, its officers, directors, employees, agents, legal counsel and its affiliates (each, a “**Company Indemnified Party**”) against any and all losses, claims, damages and liabilities, joint or several, and expenses (including all legal or other expenses reasonably incurred by a Company Indemnified Party) caused by or arising out of any misrepresentation or untrue statement or alleged misrepresentation or untrue statement of a material fact made by Placement Agent to the Qualified Investors, or Placement Agent’s omission or the alleged omission to state to the Qualified Investors a material fact necessary in order to make statements made not misleading in light of the circumstances under which they were made (except to the extent such misrepresentations, untrue statements or omissions are based on information provided to Placement Agent by the Company, including the Memorandum or any other document furnished by the Company to Placement Agent for delivery to or review by the Qualified Investors). Placement Agent agrees to reimburse the Company Indemnified Party for any reasonable expenses (including reasonable fees and expenses of counsel) incurred as a result of producing documents, presenting testimony or evidence, or preparing to present testimony or evidence (based upon time expended by the Company Indemnified Party at its then current time charges or if such person shall have no established time charges, then based upon reasonable charges), in connection with any court or administrative proceeding (including any investigation which may be preliminary thereto) arising out of or relating to the performance by the Company Indemnified Party of any obligation hereunder and relating to a matter for which the Company must provide indemnity to or hold harmless such Placement Agent Indemnified Party pursuant to the provisions of this **subsection (b)**. Placement Agent’s obligations under this **Section 7(b)** shall be limited to the net amount of Fees and expenses paid or payable by the Company to Placement Agent, other than fraud, intentional misrepresentation or willful breach. In the event Placement Agent shall be obligated to indemnify a Company Indemnified Party in connection with any such proceeding, Placement Agent shall be entitled to assume the defense of such proceeding, with counsel approved by the Company Indemnified Party (which shall not be unreasonably withheld), upon the delivery to the Company Indemnified Party of written notice of Placement Agent’s election to do so.

(d) Notwithstanding anything contained herein to the contrary, this **Section 7** will survive expiration or termination of this Agreement indefinitely.

8. **Confidentiality.** Except in keeping with its obligations under this Agreement, Placement Agent will maintain in confidence and will not use for its own benefit any inventions, confidential know-how, trade secrets, financial information and other non-public information and data disclosed to it by the Company, and it will not divulge the same to any other persons until such time as the information becomes a matter of public knowledge. Placement Agent will use its best efforts to prevent any unauthorized disclosure described above by others. This **Section 8** will survive expiration or termination of this Agreement indefinitely.

9. **Expenses.** The Company shall pay Placement Agent a non-accountable expense fee equal to 3% of the gross proceeds received by the Company in the Financing. This fee will be payable at each closing. The Company shall be responsible for all federal, state “blue sky” and other filings pertaining to the Financing, including payment of such fees. Except as described above, each party shall bear its own fees and expenses incurred in connection with the Financing. In addition, the Company shall also pay up to \$25,000 for accountable expenses that Placement Agent submits to the Company.

10. **Independent Contractor.** Placement Agent will perform its services hereunder as an independent contractor, and nothing in this Agreement will in any way be construed to constitute Placement Agent the agent, employee or representative of the Company. Neither Placement Agent nor any agent acting on behalf of Placement Agent will enter into any agreement or incur any obligations on the Company’s behalf or commit the Company in any manner or make any representations, warranties or promises on the Company’s behalf or hold itself (or allow itself to be held) as having any authority whatsoever to bind the Company without the Company’s prior written consent, or attempt to do any of the foregoing.

11. **Subsequent Offerings.** The Company agrees that during the Term, Placement Agent shall serve as Company’s exclusive placement agent and that in the event that the Company does an offering of its equity or debt securities subsequent to the Offering (“**Subsequent Offering**”) during the Term, the Company will not approach any other person about acting as placement agent (or similar capacity) in connection with such Subsequent Offering unless and until Placement Agent rejects the Company’s offer with respect to such Subsequent Offering in writing. The terms of Placement Agent’s engagement with respect to any Subsequent Offering will be subject to future negotiation by the Company and Placement Agent.

12. **General.**

(a) **Reimbursement.** If any future financial dispute, discrepancy or controversy arises between or among the Company, its stockholders and/or Placement Agent and results in Placement Agent causing an audit or accounting of the Company’s books and records, the Company shall reimburse Placement Agent for the reasonable and documented expenses relating to such audit or accounting.

(b) *Arbitration.* The parties hereto agree that any dispute or controversy arising out of, relating to or concerning any interpretation, construction, performance or breach of this Agreement, shall be subject to the laws of the State of Delaware without giving effect to its conflicts of laws provisions. Any disputes will be settled in binding arbitration in Portland, Oregon under the auspices of FINRA dispute resolution. The Arbitrator may grant injunctions or other relief in such dispute or controversy. The decision of the arbitrator will be final, conclusive and binding on the parties to the arbitration. Judgment may be entered on the arbitrator's decision in any court having jurisdiction. The parties shall each pay one-half of the costs and expenses of such arbitration, and each shall separately pay its counsel fees and expenses.

(c) *Covenant against Assignment.* This Agreement is personal to the parties hereto, and accordingly, except for the right to enforce the obligations under **Sections 7 and 8** hereunder (which right shall inure to the benefit of the successors and assigns of the aggrieved party), neither this Agreement nor any right hereunder or interest herein may be assigned or transferred or charged by either party without the express written consent of the other.

(d) *Entire Agreement; Amendment.* This Agreement and the attached exhibits constitute the entire contract between the parties with respect to the subject matter hereof and supersede any prior agreements between the parties. This Agreement may not be amended, nor may any obligation hereunder be waived, except by an agreement in writing executed by, in the case of an amendment, each of the parties hereto, and, in the case of a waiver, by the party waiving performance.

(e) *No Waiver.* The failure or delay by a party to enforce any provision of this Agreement will not in any way be construed as a waiver of any such provision or prevent that party from thereafter enforcing any other provision of this Agreement. The rights granted both parties hereunder are cumulative and will not constitute a waiver of either party's right to assert any other legal remedy available to it.

(f) *Severability.* Should any provision of this Agreement be found to be illegal or unenforceable, the other provisions will nevertheless remain effective and will remain enforceable to the greatest extent permitted by law.

(g) *Notices.* Any notice, demand, offer, request or other communication required or permitted to be given by either the Company or Placement Agent pursuant to the terms of this Agreement must be in writing and will be deemed effectively given the earlier of (i) when received, (ii) when delivered personally, (iii) one business day after being delivered by facsimile (with receipt of appropriate confirmation) to the number provided to the other party or such other number as a party may request by notifying the other in writing, (iv) one business day after being deposited with an overnight courier service or (v) four days after being deposited in the U.S. mail, First Class with postage prepaid, and addressed to the party at the address previously provided to the other party or such other address as a party may request by notifying the other in writing.

(h) *Counterparts.* This Agreement may be executed in one or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same agreement. Facsimile copies of signed signature pages will be deemed binding originals.

[Signature Page Follows]

The parties have executed this Placement Agent Agreement as of the date first written above.

ANTRIABIO, INC.

By: /s/ Nevan Elam
Name: Nevan Elam
Title: CEO

PAULSON INVESTMENT COMPANY, INC.

By: /s/ Tom Parigian
Name: Tom Parigian
Title: Managing Partner

Signature Page To Placement Agent Agreement

EXHIBIT A

Term Sheet

EXHIBIT B

Individuals and Entities Who Are Not Qualified Investors

EXHIBIT C

Investor Questionnaire



December 12, 2013

[INVESTOR]

RE: 8% CONVERTIBLE UNSECURED NOTE

Dear [INVESTOR]:

Reference is made to that certain 8% Convertible Unsecured Note dated as of [DATE], in the principal amount of [AMOUNT] dollars (\$XXX) (the "Note") made by AntriaBio, Inc., a Delaware Corporation (the "Borrower"), payable to the order of [INVESTOR] (the "Lender"). Capitalized terms used herein and not otherwise defined herein have the meanings assigned to them in the Note.

The Borrower has engaged Paulson Investment Company ("Paulson") to raise up to three million five hundred thousand dollars (\$3,500,000) in convertible promissory notes and to raise a follow on PIPE financing in excess of five million dollars in early 2014. The convertible promissory notes raised through Paulson will be convertible into shares of Borrower's common stock at \$0.21. The proceeds from the two Paulson-led financings will be used to further our clinical trials on our current product, lease a lab facility and perform leasehold improvements on the facility, as well as for general corporate purposes.

By its terms, the Note has an optional conversion by the Lender. The Borrower is requesting that the Lender amend sections 2.1 and 2.2 of the Note to fix the conversion price for conversion of the Note into shares of Borrower's common stock at \$0.25 per share, require a mandatory conversion at the time of the Qualified Financing and redefine the term Qualified Financing. For purposes of this letter agreement, until such time as this letter agreement terminates, a "Qualified Financing" is defined as the sale (pursuant to an equity financing, series of related equity financings or otherwise) by the Borrower of shares of Borrower's common stock at a pre-money valuation of all of the shares of the Borrower's stock, on an as converted fully diluted basis, of at least twenty million dollars which results in gross proceeds to the Borrower of at least three million dollars, not including the conversion of the convertible promissory notes raised through Paulson. Notwithstanding the foregoing, if the Borrower consummates an equity financing which is not a Qualified Financing as defined in this letter agreement (i.e., for a pre-money valuation of all of the shares of Borrower's stock, on an as converted fully diluted basis, of less than twenty million dollars), then original terms of the Note shall apply, including, without limitation, the Conversion Price set forth therein.

This letter agreement is not effective until, and shall become effective with no further action of the parties hereto immediately upon, the closing of at least one million dollars of convertible promissory notes raised through Paulson (the "Closing"). The Borrower shall notify the Lender in writing of the Closing within five business days following the Closing. This letter agreement, except for the last sentence of this paragraph, will terminate on the earlier of (i) the mandatory conversion of the Note pursuant to a Qualified Financing or (ii) March 31, 2014, after which time, the original terms of the Note shall apply to the Borrower and the Lender and this letter agreement shall be null and void in all respects. Regardless of the termination of this letter agreement, the conversion of the convertible promissory notes raised through Paulson will not be considered towards a Qualified Financing (as defined in the original Note) and this provision will survive the termination of this letter agreement.

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303.357.4651 P 303.446.9111 F
www.antriabio.com

The agreement of the Lender contained herein shall not be deemed to modify any other terms, covenants or agreements contained in the Note made by the Borrower to the Lender. The Borrower agrees that the agreement set forth in the preceding paragraph shall be limited to the precise meaning of the words as written therein and shall not be deemed (i) to be a consent to any waiver or modification of any other term or condition of the Note, or (ii) to prejudice any right or remedy that the Lender may now have or may in the future have under or in connection with any Note other than with respect to the matters for which the agreement in the preceding paragraph has been provided. The Borrower acknowledges and agrees that the agreements set forth in this letter are provided by the Lender as a financial accommodation to the Borrower. The agreement set forth in the preceding paragraph shall not alter, affect, release or prejudice in any way any of the Borrower's obligations under the Note, and the representations and warranties made by the Borrower under the Note are true and correct as of the date hereof. This letter shall not be construed as establishing a course of conduct on the part of the Lender upon which Borrower may rely at any time in the future. The Borrower expressly waives any right to assert any claim to such effect at any time.

The Borrower hereby acknowledges and confirms that the Borrower's obligations under the Note continue in all respects. The Borrower further acknowledges and confirms that the Note is ratified and confirmed in all respects and all terms, conditions and provisions of the Note, except as amended by this letter agreement at such time as this letter agreement becomes effective, remain unmodified and in full force and effect.

If these terms are acceptable to you, please so indicate in the space provided on the enclosed counterpart of this letter, date the same, and return it to the Borrower whereupon this letter shall become effective in accordance with its terms. If you have any questions about this letter, please do not hesitate to contact Morgan Fields, telephone number 303-357-4645.

Very truly yours,

Steve Howe, Chairman
AntriaBio, Inc.

By _____
Its _____

Accepted and Agreed to
as of December 12, 2013

EXHIBIT 31.1
CERTIFICATIONS

I, Nevan Elam, certify that:

1. I have reviewed this quarterly report on Form 10-Q of AntriaBio, 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. As the Registrant's sole certifying officer, I am 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 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 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 (fourth 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. As the Registrant's sole certifying officer, I have disclosed, based on my 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:
 - 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: February 13, 2014

By: /s/ Nevan Elam
Nevan Elam
Principal Executive Officer
and Principal Financial and Accounting Officer

EXHIBIT 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of AntriaBio, Inc. Inc. (the "Company") on Form 10-Q for the period ended December 31, 2013, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Nevan Elam, Principal Executive Officer and Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 13, 2014

By: /s/ Nevan Elam

Nevan Elam
Principal Executive Officer
and Principal Financial and Accounting Officer

A signed original of this written statement required by Section 906 has been provided to AntriaBio, Inc. Inc. and will be retained by AntriaBio, Inc. Inc. to be furnished to the Securities and Exchange Commission or its staff upon request.
