Tamir Biotechnology, Inc.
Form 10-K
October 29, 2010

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

FORM 10-K

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

For the fiscal year ended July 31, 2010

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

For the transition period from _____ to _____

0-11088
Commission file number

TAMIR BIOTECHNOLGY, INC.
(Exact name of registrant as specified in its charter)

Delaware	22-2369085
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

11 Deer Park Drive, Suite 204, Princeton Corporate Plaza, Monmouth Junction, NJ
(Address of principal executive offices)
08852
(Zip Code)

Registrant's telephone number, including area code: (732) 652-4525

Securities registered pursuant to Section 12(b) of the Act:
None

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes o No x

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No x

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 x No o

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 o No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of “large accelerated filer”, “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one): Large Accelerated Filer o Accelerated Filer o Non-accelerated Filer o Smaller Reporting Company x

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates based upon the reported last sale price of the common stock on January 31, 2010, the end of the registrant’s second fiscal quarter, was approximately $7,519,000. As of October 25, 2010 there were 47,323,880 shares of common stock, par value $.001 per share, outstanding.

Documents Incorporated by Reference

None

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The following trademarks appear in this annual report on Form 10-K: ONCONASE® is the registered trademark of Tamir Biotechnology, Inc., exclusively for its anti-cancer agent, Alimta® is the registered trademark of Eli Lilly, Zolinza® is the registered trademark of Merck & Co., Avastin® is the registered trademark of Genentech and Ganciclovir® is a registered trademark of Roche.

This annual report on Form 10-K includes forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. We have based these forward looking statements largely on our current expectations and projections about future events and financial trends affecting the financial condition of our business. These forward looking statements are subject to a number of risks, uncertainties, and assumptions about us, including, among other things:

- the failure to obtain regulatory approval of our lead product;
- the failure to achieve positive results in clinical trials;
- competitive factors;
- available financial resources and the ability to secure adequate funding for development projects;
- the ability to attract and retain qualified management;
- relationships with pharmaceutical and biotechnology companies;
- the ability to develop safe and efficacious drugs;
- variability of royalty, license, and other revenue;
- the failure to satisfy the performance obligations in our agreements;
- the ability to enter into future collaborative agreements;
- uncertainty regarding our patents and patent rights (including the risk that we may be forced to engage in costly litigation to protect such patent rights and the material harm to us if there were an unfavorable outcome of any such litigation);
- governmental regulation;
- technological change;
- changes in industry practices;
- the ability of our senior secured creditors to realize their security interest in all of our assets and to demand repayment of amounts owed to such creditors;
- certain limitations on our ability to use a portion of the proceeds from our October 2009 private financing;
- uncertainty regarding the outcome of legal proceeding including the risk that we may be forced to engage in lengthy, time-consuming and expensive litigation and the material adverse effect to us of any unfavorable outcome of any such litigation;
- one-time events.

In addition, in this annual report on Form 10-K, the words “believe,” “may,” “will,” “estimate,” “continue,” “anticipate,” “i “expect” and similar expressions, as they relate to us, our business, or our management, are intended to identify forward looking statements. All of our forward looking statements are qualified in their entirety by reference to the factors discussed in this annual report under the heading ITEM 1A.—RISK FACTORS, and any documents incorporated by reference that describe risks and factors that could cause results to differ materially from those projected in these forward looking statements.

We caution you that the risk factors contained herein are not exhaustive. We operate in a continually changing business climate which can be expected to impact our forward looking statements, whether as a result of new information, future events, or otherwise, after the date of this annual report. In light of these risks and uncertainties, the forward looking events and circumstances discussed in this annual report may not occur and actual results could differ materially from those anticipated or implied in the forward looking statements. Accordingly, you should not rely on forward looking statements as a prediction of actual results.

All information in this annual report is as of October 29, 2010, unless otherwise noted and we undertake no obligation to update this information.

PART I

ITEM 1. BUSINESS.

BUSINESS OVERVIEW

Tamir Biotechnology, Inc. (formerly known as Alfacell Corporation) is a Delaware corporation incorporated on August 24, 1981. We are a biopharmaceutical company primarily engaged in the discovery and development of a new class of therapeutic drugs for the treatment of cancer and other pathological conditions. Our proprietary drug discovery and development program consists of novel therapeutics which are being developed from amphibian ribonucleases (RNases).

RNases are biologically active enzymes that split RNA molecules. RNases are enzymes which play important roles in nature, including the embryonic development of an organism and regulation of various cell functions. RNA is an essential bio-chemical cellular component necessary to support life. There are various types of RNA, all of which have specific functions in a living cell. They help control several essential biological activities, namely; regulation of cell proliferation, maturation, differentiation and cell death. Therefore, they are believed to be good candidates for the development of therapeutics for cancer and other life-threatening diseases, including HIV and autoimmune diseases, that require anti-proliferative and apoptotic, or programmed cell death, properties.

ONCONASE® (ranpirnase) is a novel amphibian ribonuclease, unique among the superfamily of pancreatic ribonuclease, isolated from the eggs of the Rana pipiens (the Northern Leopard frog). Ranpirnase is the smallest known protein belonging to the superfamily of pancreatic ribonuclease and has been shown, on a molecular level, to re-regulate the unregulated growth and proliferation of cancer cells. Unlike most anti-cancer agents that attack all cells regardless of phenotype (malignant versus normal) and cause severe toxicities, ONCONASE® is not an indiscriminate cytotoxic drug (cell killing agent). ONCONASE® primarily affects exponentially growing malignant cells, with activity controlled through unique and specific molecular mechanisms.

The molecular mechanisms which determine the apoptotic cell death induced by ranpirnase have been identified. tRNA (transfer RNA), rRNA (ribosomal RNA), mRNA (messenger RNA) and miRNA (micro RNA) are all different types of RNA with specific functions in a living cell. Ranpirnase preferentially degrades tRNA and targets miRNA, leaving rRNA and mRNA apparently undamaged. The RNA damage induced by ranpirnase appears to represent a “death signal”, or triggers a chain of molecular events culminating in the activation of proteolytic enzyme cascades which, in turn, induces disintegration of the cellular components and finally leads to cell death. It has been shown that there is a protein synthesis inhibition-independent component, which, together with the changes induced by the protein synthesis inhibition, results in tumor cell death.

ONCONASE®, our lead drug product candidate, has been evaluated in human clinical trials for the treatment of various forms of cancer. Our most recent clinical trial for ONCONASE® was a confirmatory Phase IIIb registration trial that was designed to evaluate the efficacy, safety and tolerability of the combination of ONCONASE® and doxorubicin as compared to doxorubicin alone in the treatment of patients with unresectable (inoperable) malignant mesothelioma (“UMM”), a rare and deadly form of lung cancer. Enrollment in the Phase IIIb trial was completed in September 2007. In May 2008, we reported that the preliminary statistical analysis of data from our ONCONASE® confirmatory Phase IIIb clinical trial did not meet statistical significance for the primary endpoint of survival in UMM. However, a statistically significant improvement in survival was seen in the treatment of UMM patients who failed one prior chemotherapy regimen, a predefined primary data set for this sub-group of patients in the trial, which represents a currently unmet medical need. The Food and Drug Administration or the FDA, recommended that an additional clinical trial be conducted in UMM patients that have failed one prior chemotherapy regimen, prior to filing a New Drug Application or NDA. At this time we intend to explore opportunities involving further clinical trials for

ONCONASE® for the UMM indication as a second line therapy. Other indications are being pursued, including lung cancer and other solid tumors and currently, we expect to use the proceeds we received from the private financing we closed in October 2009 to initiate a Phase II clinical trial of ONCONASE® for the treatment of non-small cell lung cancer in patients who have reached maximum progression after receiving two cycles of Alimta in combination with carboplatinum. We anticipate enrolling the first patient for this trial in late 2010.

We believe that ONCONASE®, as well as another group of our amphibian RNases known as Amphinases, may also have applications in a variety of other areas in addition to those being investigated currently in our clinical development program. Amphinase is currently in the pre-clinical research and development stage.

We are a development stage company as defined in the Accounting Standards Codification ("ASC") Topic "Development Stage Entities". We are devoting substantially all of our present efforts to establishing a new business and developing new drug products. Our planned principal operations of marketing and/or licensing new drugs have not commenced and, accordingly, we have not derived any significant revenue from these operations.

MARKET OVERVIEW

According to the American Cancer Society ("ACS") 2009 Cancer Facts and Figures, cancer is the second leading cause of death in the United States, accounting for one in every four deaths. The ACS 2009 Cancer Facts and Figures also estimates that doctors will diagnose over 1.5 million new cases of cancer in the United States in 2009. The National Institutes of Health or NIH estimate that the annual cost of cancer in 2008 was approximately $228.1 billion, including $93.2 billion in direct medical costs and $18.8 billion for morbidity costs, which includes the cost of lost productivity.

Cancer is characterized by uncontrolled cell division resulting in the growth of a mass of cells commonly known as a tumor. Cancerous tumors can arise in almost any tissue or organ and cancer cells, if not eradicated, spread, or metastasize, throughout the body. Cancer is believed to occur as a result of a number of factors, including hereditary and environmental factors.

For the most part, cancer treatment depends on the type of cancer and the stage of disease progression. Generally, staging is based on the size of the tumor and whether the cancer has metastasized or spread. Following diagnosis, solid tumors are typically surgically removed or the patient is given radiation therapy. Chemotherapy is the principal treatment for tumors that are likely to, or have, metastasized. Chemotherapy involves the administration of drugs which are designed to kill cancer cells, affect the growth of tumors, or reduce bloodflow to tumors, in an effort to reduce or eliminate cancerous tumors.

Because in most cases cancer is fatal, cancer specialists attempt to attack the cancer aggressively, with as many therapies as available and with as high a dose as the patient can tolerate. Since traditional chemotherapy attacks both normal and cancerous cells, treatment often tends to result in complicating side effects. Additionally, cells which have been exposed to several rounds of chemotherapy develop a resistance to the cancer drugs that are being administered. This is known as "multi-drug resistance." The side effects of chemotherapy often limit the effectiveness of treatment. Cancers often recur and mortality rates remain high. Despite large sums of money spent on cancer research, current treatments are largely inadequate and improved anti-cancer agents are needed.

We believe that the products we currently have under development could be used to target a broad range of solid tumors. The table below shows the incidence and mortality estimated for the year 2009 for various types of solid tumor cancers that our products could be designed to treat:

Cancer Indication	New Cases	Deaths
Lung	219,440	159,390
Breast	194,280	40,610
Brain	22,070	12,920
Esophageal	16,470	14,530

Source: National
Cancer Institute

Competition

There are many companies with resources significantly greater than ours that are currently marketing approved drug products that treat, and are developing new drug products that are designed to treat, several of the cancers and viruses that we may seek to treat with our products. The drug products currently marketed or developed by these companies may prove to be more effective that the products we seek to develop.

We are not aware, however, of any product currently being marketed that has the same mechanism of action as our proposed anti-tumor agent, ONCONASE®. Search of scientific literature reveals no published information that would indicate that others are currently employing this method or producing such an anti-tumor agent. However, we cannot assure you that others may not develop new treatments that are more effective than ONCONASE®.

BUSINESS STRATEGY

Our goal is to become a leading biopharmaceutical company focused on discovering and developing innovative anti-cancer and anti-viral treatments based on our proprietary RNase technology platform. Our strategy consists of the following key elements:

Focus on the growing cancer market

Cancer is the second leading cause of death in the United States, yet there remain unmet needs, and current treatments remain ineffective and inadequate for some populations. Given the life-threatening nature of cancer, the FDA has adopted procedures to accelerate the approval of cancer drugs. We intend to continue to use our expertise in the field of cancer research to target this significant market opportunity for cancer drug development.

In December 2009, we sent four of our compounds (ONCONASE®, P31, rAmphinase 2, natural Amphinase 3) to the National Cancer Institute (NCI) for their sixty cell line screening study. In February 2010, the results of the one dose screening study performed at NCI resulted in positive anti-cancer activity across several different cancer cell lines tested. Due to the one dose positive results, NCI recommended further screening of our compounds at five different dose levels. In June 2010, NCI reported the results of the sixty cell line screening at five different dose levels. These results were quite positive, and our compounds were recommended for further pre-clinical and clinical evaluation. We have initiated discussions with NCI and are currently seeking support for further pre-clinical and clinical development of our compounds.

Focus on the growing anti-viral market

In November 2009, we entered into an agreement with the National Institute of Allergy and Infectious Diseases (NIAID) to screen our compounds (ONCONASE®, P31, rAmphinase 2) for its potential anti-viral activity. In July 2010, scientists supported by NIAID reported positive in vitro results after testing our compounds for Dengue fever and Yellow fever. According to the scientists supported by NIAID, these results have rarely been seen before. Currently there is no therapy available to treat Dengue and Yellow fever post-infection. Further in vitro studies for Severe Acute Respiratory Syndrome (SARS) virus, and Cytomegalovirus (CMV), have also yielded positive results. In the case of CMV, a virus that is a member of the herpesvirus family, our compounds were compared to Ganciclovir, a drug marketed by Roche. Results confirmed that two of our compounds were between three and eleven times more potent than Ganciclovir in a head-to-head comparison. Moreover, our compounds did not display the level of toxicity inherent with any of the drugs approved by the FDA for CMV disease. None of the approved drugs for this indication are well tolerated by patients. In 2008, the market for CMV drugs was $600 million with Ganciclovir controlling over 90% of the market. Industry observers estimate that sales for CMV disease would top one billion dollars if there were a drug available that was both safe and effective. Based upon the results of the in vitro studies

conducted to date, we anticipate starting in vivo studies sometime in the first quarter of 2011. Subject to the availability of funding, further testing on other viruses is currently on-going.

Develop our existing product portfolio

We currently have a portfolio of clinical and pre-clinical drug product candidates under development for potential use as anti-cancer, anti-viral, and other therapeutics. We intend to further develop these drug product candidates both by utilizing our internal resources and by continuing to collaborate with other companies and leading governmental and academic research institutions.

Commercialize pharmaceutical products focused on cancer in selected markets

Our current strategy is to partner with third parties to market our future products to oncologists, virologists, and other key specialists involved in the treatment of cancer and viruses. We may also elect to develop an appropriately-sized internal oncology sales and marketing capability in the United States. This group may function as a standalone operation or in a supportive, co-promotion capacity in collaboration with a partner.

RESEARCH AND DEVELOPMENT PROGRAM

Research and development expenses for the fiscal years ended July 31, 2010 and 2009 were approximately $517,000 and $3,268,000, respectively. Our research and development programs focus primarily on the clinical and pre-clinical research and development of therapeutics from our pipeline of amphibian RNases.

Clinical Development Program

ONCONASE® was most recently evaluated as a treatment for UMM in an international, centrally randomized, confirmatory Phase IIIb registration trial. Malignant mesothelioma is a rare cancer, primarily affecting the pleura (lining of the lungs), and is usually associated with asbestos exposure. The first Phase III trial of ONCONASE® in UMM was completed in 2000. The most recent confirmatory Phase IIIb registration trial was closed to patient accrual in September 2007.

The confirmatory Phase IIIb registration trial was a randomized and controlled clinical trial designed to evaluate the efficacy, safety and tolerability of the combination of ONCONASE® and doxorubicin as compared to doxorubicin alone, and powered to reach a statistically significant difference in overall survival between the ONCONASE® + doxorubicin treatment group and the doxorubicin treatment group at 316 evaluable events. Patients were stratified based on Cancer Adult Leukemia Group B (“CALGB”) Group (1 to 4) and histology and then assigned treatment using a centralized randomization plan. The primary endpoint of the trial was overall patient survival. The following data sets were analyzed for efficacy as per the statistical analysis plan for this clinical trial:

- All patients randomized who received at least one dose of study therapy (evaluable patients),
- Previously treated patients,
- All patients randomized,
- All patients who completed 6 cycles of therapy per protocol, and
- All patients with identical inclusion criteria as used in the Alimta submission.

In addition, secondary endpoints that were analyzed in accordance with the Phase IIIb clinical trial statistical analysis plan included:

- Tumor response rates,
- Progression free survival,
- Patient assessment of symptoms associated with malignant mesothelioma,
- Investigator assessment of malignant mesothelioma symptoms,

- Narcotic pain medication usage,
- Lung function, and
- Performance status.

In May 2008, we reported that the results of the preliminary statistical analysis of data from our ONCONASE® confirmatory Phase IIIb clinical trial did not meet statistical significance for the primary endpoint of survival in UMM. However, a statistically significant improvement in survival was seen in the treatment of UMM patients who failed one prior chemotherapy regimen, one of the predefined primary sub-group data sets for patients in the trial, which represents a currently unmet medical need. At the pre-NDA meeting with the FDA in January 2009, the FDA recommended that an additional clinical trial be conducted in UMM patients that have failed one prior chemotherapy regimen, prior to filing an NDA.

A Phase I/II program to evaluate a new dose and administration schedule of ONCONASE® was initiated in 2005 to attempt to take advantage of potentially increased efficacy with higher and more frequent doses of ONCONASE®. The Phase I portion of this program is complete and currently, we are in the process of initiating a Phase II clinical trial in non-small cell lung cancer (NSCLC) for patients who have reached maximum progression after receiving two cycles of Alimta in combination with carboplatinum regimens before the end of 2010.

Pre-Clinical Research Program

Our drug discovery and pre-clinical research programs form the basis for the development of specific recombinant RNases for chemically linking drugs and other compounds such as monoclonal antibodies, growth factors, etc., as well as developing gene fusion products with the goal of targeting various molecular functions. These programs provide for joint design and generation of new products with outside collaborators. Through these collaborations, we may own these new products along with, or we may grant an exclusive license to, the collaborating partner(s).

The multiple effects of biological activity of ONCONASE®, as well as several of our other compounds has led to research in areas of cancer biology. Two important areas associated with significant market opportunities are radiation therapy and control of tumor angiogenesis, or new tumor blood vessel formation. Many types of cancers undergo radiation therapy at early stages of the disease; however, success of such treatment is often limited. We believe any agent capable of enhancing tumor radiosensitivity has great market potential. Moreover, since the growth of essentially all types of cancer is dependent on new blood vessel formation, any agent that has anti-angiogenic activity, we believe, is most desirable.

In September 2010, we rented a lab space for the purpose of isolating and purifying both natural and recombinant amphinases. These compounds have never undergone full screening for their potential anti-cancer and anti-viral activities. Additionally, we intend to conduct further research for conjugation of our proteins with other molecules which are known to play an important role required for targeted therapies.

Ranpirnase Conjugates and Fusion Proteins

The concept of targeting potent toxins as effector molecules to kill cancer or other specifically targeted cells has been extensively evaluated over the last two decades. An immunotoxin is an antibody linked to a toxic molecule that is used to destroy specific cells. Several immunotoxins containing bacterial and plant toxins or other biotoxins, have been evaluated in human clinical trials. Efficacy has always been limited due to the high incidence of immunogenicity, or an immune response, and other intolerable toxicities, including death. Conjugation of ranpirnase to targeting ligands, or binding to other molecules, appears to eliminate this safety problem in pre-clinical studies.

A Cooperative Research and Development Agreement (CRADA) with the National Cancer Institute, or NCI, has produced RN321, a conjugate of ranpirnase with a monoclonal antibody, that has demonstrated activity against non-Hodgkin's lymphoma in preclinical studies. The relative benefit of killing targeted tumor cells versus non-targeted healthy cells, or the therapeutic index, is greater than 200,000-fold with this conjugate. This CRADA has been concluded and data published.

We have also developed a variety of uniquely designed versions of ONCONASE® and amphinase conjugates. These compounds target the EGF receptors and neo-vascularization (tumor blood vessel formation) which have potential clinical application in a broad spectrum of solid tumors.

Novel Amphibian Ribonucleases (Amphinases)

We have also discovered another series of proteins, collectively named amphinases that may have therapeutic uses. These proteins are bioactive in that they have an effect on living cells and organisms and have both anti-cancer and anti-viral activity. All of the proteins characterized to date are RNases. Preclinical testing of the new candidates collectively called amphinases showed them to be similarly active to ranpirnase. Their chemical structure makes them ideal candidates for genetic engineering of designer products.

In September 2010, we rented a lab space for the purpose of isolating and purifying both natural and recombinant amphinases. These compounds have never undergone full screening for their potential anti-cancer and anti-viral activities. Additionally, we intend to conduct further research for conjugation of our proteins with other molecules which are known to play an important role required for targeted therapies.

These compounds have undergone screening by the National Institute of Allergy and Infectious Diseases (NIAID) against various RNA viruses and by outside collaborators. One of these compounds, AC-03-636 has been determined to be active in yellow fever, Hepatitis C and Dengue fever. The same compound has been evaluated at Johns Hopkins University in a sustained time release formulation for the treatment of brain tumors, or gliomas.

Evaluation Of ONCONASE® As A Radiation Enhancer

The p53 gene is a tumor-suppressor gene, which means that if it malfunctions, tumors may be more likely to develop. Published preclinical studies have demonstrated that ONCONASE® causes an increase in both tumor blood flow and in median tumor oxygen partial pressure, causing tumor cells to become less resistant to radiation therapy regardless of the presence or absence of the functional p53 tumor-suppressor gene. In pre-clinical research at the University of Pennsylvania, ONCONASE®, when combined with radiation therapy, enhanced the radiation-sensitivity to treatment in NSCLC tumor cells without causing the common radiation-induced tissue damage to non-tumor cells. ONCONASE® inhibited sub-lethal damage repair, or SLDR and potentially lethal damage repair, or PLDR in these animal models. We believe these findings further expand the profile of ONCONASE® in vivo activities and its potential clinical utility and market potential.

ONCONASE® As a Resistance-Overcoming and Apoptosis-Enhancing Agent

The Fas (CD95) cell surface receptor (and its Fas ligand FasL) has been recognized as an important “death” receptor involved in the induction of the “extrinsic” pathway of apoptosis. The apoptotic pathways have been the preferred target for new drug development in cancer, autoimmune, and other therapeutic areas.

The Thoracic Surgery Branch of the NCI confirmed the synergy between ranpirnase and soluble Fas ligand, or sFasL in inducing significant apoptosis in sFasL-resistant Fas+tumor cells. These results provided rationale for using ONCONASE® as a potential treatment of FasL-resistant tumors and possibly other disorders such as the autoimmune lympho-proliferative syndrome (ALPS).

Evaluation Of ONCONASE® And Other Compounds As An Anti-Viral Agent

The ribonucleolytic activity was the basis for testing ONCONASE® as a potential anti-viral agent against HIV. The NIH has performed an independent in vitro screen of ONCONASE® against the HIV virus type 1. The results showed ONCONASE® to inhibit replication of HIV by up to 99.9% after a four-day incubation period at concentrations not toxic to uninfected cells. In vitro findings by the NIH revealed that ONCONASE® significantly inhibited production of HIV in several persistently infected human cell lines, preferentially breaking down viral RNA while not affecting normal cellular ribosomal RNA and messenger RNAs, which are essential to cell function.

Moreover, the NIAID also screened ONCONASE® for anti-HIV activity. ONCONASE® demonstrated highly significant anti-HIV activity in the monocyte/macrophage, or anti-viral, system. Ranpirnase may inhibit viral replication at several points during the life cycle of HIV, including its early phases. Ranpirnase may inhibit replication of all different HIV-1 subtypes. These properties of ranpirnase are particularly relevant in view of the extremely high and exponentially increasing rate of mutations of HIV that occur during infection, and which are primarily responsible for the development of resistance to several currently available anti-viral drugs. At present, over 50% of clinical isolates of HIV are resistant to both reverse transcriptase, mechanisms which combat viral replication, and protease inhibitors drugs, a class of anti-viral drugs. An additional 25%, while being sensitive to protease inhibitors, are resistant to reverse transcriptase inhibitor drugs.

In November 2009, we entered into an agreement with the National Institute of Allergy and Infectious Diseases (NIAID) to screen three of our compounds (ONCONASE®, P31, rAmphinase 2) for their potential anti-viral activity. In July 2010, scientists supported by NIAID reported positive in vitro results after testing our compounds for Dengue fever and Yellow fever. According to the scientists supported by NIAID, these results have rarely been seen before. Currently there is no therapy available to treat Dengue and Yellow fever post-infection. Further in vitro studies for Severe Acute Respiratory Syndrome (SARS) virus, and Cytomegalovirus (CMV), have also yielded remarkable results. In the case of CMV, a virus that is a member of the herpesvirus family, our compounds were compared to Ganciclovir, a drug marketed by Roche. Results confirmed that two of our compounds were between three and eleven times more potent than Ganciclovir in a head-to-head comparison. Moreover, our compounds did not display the level of toxicity inherent with any of the drugs approved by the FDA for CMV disease. None of the approved drugs for this indication are well tolerated by patients. In 2008, the market for CMV drugs was $600 million with Ganciclovir controlling over 90% of the market. Industry observers estimate that sales for CMV disease would top one billion dollars if there were a drug available that was both safe and effective. Due to these compelling results, we anticipate starting in vivo studies sometime in the first quarter of 2011. Further testing on other viruses is currently on-going.

COMMERCIAL RELATIONSHIPS

License Agreements

In January 2008, we entered into a U.S. License Agreement for ONCONASE® with Par Pharmaceutical, Inc. ("Par"). Under the terms of the License Agreement, Strativa Pharmaceuticals ("Strativa"), the proprietary products division of Par, received exclusive marketing, sales and distribution rights to ONCONASE® for the treatment of cancer in the United States and its territories. We retained all rights and obligations for product manufacturing, clinical development and obtaining regulatory approvals, as well as all rights for those non-U.S. jurisdictions in which we have not currently granted any such rights or obligations to third parties. We received a cash payment of $5 million upon the signing of the License Agreement and were entitled to additional development and sales milestone payments and double-digit royalties on net sales of ONCONASE®.

On September 8, 2009, we entered into a Termination and Mutual Release Agreement (the "Termination Agreement") with Par pursuant to which our License Agreement and Supply Agreement with Par were terminated. The License Agreement was terminated and all rights under the license granted to Par revert back to us under the Termination Agreement. Under the Supply Agreement, we had agreed to supply all of Par's requirements for ONCONASE®. Pursuant to the Termination Agreement, Par will be entitled to a royalty of 2% of net sales of ONCONASE® or any other ranpirnase product developed by us for use in the treatment of cancer in the United States and its territories commencing with the first sale of such product and terminating upon the later to occur of the 12th anniversary of the first sale and the date of expiration of the last valid claim of a pending application or issued patent owned or controlled by us with respect to such product.

Marketing and Distribution Agreements

Megapharm Ltd.

In May 2008, we entered into an exclusive marketing, sales and distribution agreement with Megapharm Ltd. for the commercialization of ONCONASE® in Israel. Under the agreement, we are eligible to receive 50% of net sales in the territory. We will be responsible for the manufacture and supply of ONCONASE® to Megapharm, while Megapharm will be responsible for all activities and costs related to regulatory filings and commercial activities in the territory.

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BL&H Co. Ltd.

In January 2008, we entered into a marketing and distribution agreement with BL&H Co. Ltd. for the commercialization of ONCONASE® in Korea, Taiwan and Hong Kong. Under the agreement, we received a $100,000 up-front fee and are eligible to receive additional cash milestones and 50% of net sales in the territory. We will be responsible for the manufacture and supply of ONCONASE® to BL&H, while BL&H will be responsible for all activities and costs related to regulatory filings and commercial activities in the territory.

US Pharmacia

In July 2007, we entered into a Distribution and Marketing Agreement (the "Distribution Agreement"), with USP Pharma Spolka Z.O.O. (the "Distributor"), an affiliate of US Pharmacia, pursuant to which the Distributor was granted exclusive rights for the marketing, sales, and distribution of ONCONASE® for use in oncology in Poland, Belarus, Ukraine, Estonia, Latvia, and Lithuania (the "Territory") for an initial term that ends upon the earlier of (i) 10 years from the first commercial sale in the Territory and (ii) the date all of the patents covering the product in the Territory expire. We received an up-front payment of $100,000 and will also be entitled to receive milestone payments based on the achievement of certain regulatory approvals and certain sales goals. In addition, we will receive a royalty on net sales as well as a transfer price for product sold by us to the Distributor. We will be responsible for making regulatory filings with and seeking marketing approval of ONCONASE® in the Territory and manufacturing and supplying ONCONASE® to the Distributor. The Distributor will be responsible for all commercial activities and related costs in the Territory.

In connection with the Distribution Agreement, we also entered into a Securities Purchase Agreement, with Unilab LP, an affiliate of US Pharmacia, pursuant to which we issued a total of 553,360 shares of restricted common stock for approximately $1.4 million, or $2.53 per share.

GENESIS Pharma S.A.

In December 2006, we entered into a Distribution and Marketing Agreement with GENESIS Pharma S.A. ("GENESIS"), pursuant to which GENESIS was granted exclusive rights for the marketing, sales, and distribution of ONCONASE® for use in oncology in Greece, Cyprus, Bulgaria, Romania, Slovenia, Croatia, Serbia, and the Former Yugoslavian Republic of Macedonia (the "Region") for an initial term that ends upon the earlier of (i) 10 years from the first commercial sale in the Region and (ii) the date all of the patents covering the product in the Region expire. We will retain ownership of all intellectual property relating to ONCONASE® and responsibility for all regulatory filings with EMEA in the European Union (EU), with GENESIS providing assistance with regard to regulatory filings in the non-EU countries included in this agreement. We will also be responsible for manufacturing and supplying the product to GENESIS, which will distribute the product. GENESIS will have lead responsibility for all ONCONASE® commercialization activities and will manage all operational aspects of the marketing, sales and distribution of the product in the Region. We are entitled to receive milestone payments based on the achievement of certain regulatory approvals and certain sales goals. In addition, we will receive a royalty on net sales as well as a transfer price for product sold by us to GENESIS.

Manufacturing

In January 2008, we entered into a Purchase and Supply Agreement (the "Supply Agreement") with Scientific Protein Laboratories LLC ("SPL"). Under the Supply Agreement, SPL will manufacture and be our exclusive supplier for the bulk drug substance used to make ONCONASE®. The term of the Supply Agreement shall be ten years and we have the right to terminate the Supply Agreement at any time without cause on two years prior notice to SPL.

Additionally, we contract with Ben Venue Laboratories Inc. (“Ben Venue”) for vial filling and with Bilcare Global Clinical Supplies, Americas (“Bilcare”), Aptuit, Inc. (“Aptuit”) and Catalent Pharma Solutions, Inc. (“Catalent”) for the labeling, storage and shipping of ONCONASE® for use in clinical trials. Other than these arrangements we do not have specific arrangements for the manufacture of ONCONASE®.

Products manufactured for use in clinical trials and for commercial sale must be manufactured in compliance with Current Good Manufacturing Practices ("CGMP"). SPL, Ben Venue, Aptuit and Catalent are all licensed or approved by the appropriate regulatory agencies and all work is performed in accordance with CGMP. For the foreseeable future, we intend to rely on these manufacturers and related service providers, or substitute vendors, if necessary, to manufacture our product. We believe, however, that there are substantial alternative providers for the services for which we contract. For those relationships where we have not entered into formal agreements, we utilize the services of these third party contractors solely on an as needed basis with prices and terms customary for companies in businesses that are similarly situated. In order to replace an existing manufacturer, we must amend our Investigational New Drug application to notify the appropriate regulatory agencies of the change. We are dependent upon our contract manufacturers to comply with CGMP and to meet our production requirements. It is possible that our contract manufacturers may not comply with CGMP or deliver sufficient quantities of our products on schedule, or that we may be unable to find suitable and cost effective alternative providers if necessary.

Raw Materials

The major active ingredient derived from leopard frog eggs is the protein ranpirnase. We believe we have sufficient egg inventory on hand to produce enough ONCONASE® for our future clinical trials and early commercialization. In addition, we have successfully produced ranpirnase in small proof-of-concept size batches using recombinant technology. However, this technology requires additional testing and FDA approval and it may be determined to not be more cost effective than current methods of production.

Patents and Proprietary Technology

We have sought to protect our technology by applying for, and obtaining, patents and trademark registrations. We have also relied on trade secrets and know-how to protect our proprietary technology. We continue to develop our portfolio of patents, trade secrets, and know how. We have obtained, and continue to apply for, patents concerning our RNase-based technology.

In addition, we have filed (and we intend to continue to file) foreign counterparts to certain U.S. patent applications. Generally, we apply for patent protection in the United States, Europe, Japan, and certain other foreign countries.

We own the following U.S. patents:

Patent No.	Issue Date	Subject Matter	Expiration **
5,529,775	June 1996	covers combinations of ONCONASE® with certain other pharmaceuticals	June 2013
5,728,805	Mar. 1998	covers a family of variants of ONCONASE®	June 2013
5,540,925	July 1996	covers combinations of ONCONASE® with certain other pharmaceuticals	July 2013
5,559,212	Sept. 1996	covers the amino acid sequence of ONCONASE®	Sept. 2013
5,595,734	Jan. 1997	covers combinations of ONCONASE® with certain other pharmaceuticals	Jan. 2014
6,649,392 B1*	Nov. 2003	covers a family of recombinant variants of ONCONASE®	Apr. 2016
6,649,393 B1*	Nov. 2003	covers nucleic acids encoding recombinant variants of ONCONASE® and methodology for producing such variants	Apr. 2016

6,290,951 B1	Sept. 2001	covers alteration of the cell cycle in vivo, particularly for inducing apoptosis of tumor cells	Aug. 2018
6,239,257 B1	May 2001	covers a family of variants of ONCONASE®	Dec. 2018
6,175,003 B1	Jan. 2001	covers the genes of ONCONASE® and a variant of ONCONASE®	Sept. 2019

Patent No.	Issue Date	Subject Matter	Expiration **
6,423,515 B1	July 2002	covers methodology for synthesizing gene sequences of ONCONASE® and a genetically engineered variant of ONCONASE®	Sept. 2019
7,229,824 B1***	June 2007	covers a vector containing DNA encoding a genetically engineered Amphinase	May 2024
7,556,952 B2	July 2009	covers a gene encoding a genetically engineered Amphinase	July 2023
7,556,951 B2	July 2009	covers a gene encoding a genetically engineered Amphinase , and a vector containing DNA encoding a genetically engineered Amphinase	July 2023
7,556,953 B2	July 2009	covers a gene encoding a genetically engineered Amphinase, and a vector containing DNA encoding a genetically engineered Amphinase	July 2023
7,442,535 B2	October 2008	covers a fusion protein containing a genetically engineered Amphinase	July 2023
7,585,655 B2	September 2009	covers a gene encoding a genetically engineered Amphinase, and a vector containing DNA encoding it	July 2023
7,442,536 B2	October 2008	covers genetically engineered Amphinases	July 2023
7,585,654 B2	September 2009	covers a vector containing DNA encoding a genetically engineered Amphinase, and a gene encoding a genetically engineered Amphinase	July 2023
7,473,542 B2	January 2009	Covers a fusion protein containing a genetically engineered Amphinase	July 2023
7,763,449 B2	July 2010	covers a vector containing DNA encoding a genetically engineered Amphinase, and a gene encoding a genetically engineered Amphinase	July 2023

*We own this patent jointly with the U.S. Government. We do not pay maintenance fees to keep this patent in force.

Tamir now uses the term “Amphinase” to describe a family of proteins. ONCONASE®, and proteins in the Amphinase family, belong to the same superfamily of Ribonucleases. Amphinase proteins were previously referred to as ‘variants” of ONCONASE®.

We own the following foreign patents in Europe (European patents are validated in selected European nations), Japan and Singapore:

Patent No.	Subject Matter	Expiration **
EP 0 500 589 JP 2972334	cover combinations of ONCONASEâ with certain other pharmaceuticals	Oct. 2010
EP 0 656 783 JP 3655628	covers combinations of ONCONASEâ with certain other pharmaceuticals	July 2013
EP 0 837 878 JP 3779999	covers a variant of ONCONASEâ and a method of producing it	June 2016

EP 1 141 004	covers a family of variants of ONCONASE®	December
JP 4516216		2019
SG 118886	covers Amphinases and methods of making them	May 2024

**Assumes timely payment of all applicable maintenance fees and annuities; excludes term extensions that do or may apply.

***Includes a term extension of 312 days under 35 U.S.C. §154(b).

We also have patent applications pending in the United States, Europe, Japan, and other foreign countries.

The scope of protection afforded by patents for biotechnological inventions can be uncertain, and such uncertainty may apply to our patents as well. The patent applications we have filed, or that we may file in the future, may not issue as patents. Our patents may not give us a competitive advantage, may be wholly or partially invalidated or held unenforceable, or may be held not to have been infringed by products that compete with our products. Patents owned by others may adversely affect our ability to do business. Furthermore, others may independently develop products that are similar to our products or that duplicate our products, and may design around the claims of our patents. Although we believe that our patents and patent applications are of substantial value to us, we cannot assure you that such patents and patent applications will be of commercial benefit to us, will adequately protect us from competing products or will not be challenged, declared invalid, or found not to have been infringed by competing products. We also rely on proprietary know-how and on trade secrets to develop and maintain our competitive position. Others may independently develop or obtain access to such know-how or trade secrets. Although our employees and consultants having access to proprietary information are required to sign agreements that require them to keep such information confidential, our employees or consultants may breach these agreements or these agreements may be held to be unenforceable.

Government Regulation

The manufacturing and marketing of pharmaceutical products in the United States require the approval of the FDA under the Federal Food, Drug and Cosmetic Act. Similar approvals by comparable regulatory agencies are required in most foreign countries. The FDA has established mandatory procedures and safety standards that apply to the clinical testing, manufacturing and marketing of pharmaceutical products in the United States. Obtaining FDA approval for a new therapeutic may take many years and involve substantial expenditures. State, local and other authorities also regulate pharmaceutical manufacturing facilities.

As the initial step in the FDA regulatory approval process, preclinical studies are conducted in laboratory dishes and animal models to assess the drug's efficacy and to identify potential safety problems. Moreover manufacturing processes and controls for the product are required. The manufacturing information along with the results of these studies is submitted to the FDA as a part of the Investigational New Drug Application, or IND, which is filed to obtain approval to begin human clinical testing. The human clinical testing program typically involves up to three phases. Data from human trials as well as other regulatory requirements such as chemistry, manufacturing and controls, pharmacology and toxicology sections, are submitted to the FDA in an NDA or Biologics License Application, or BLA. Preparing an NDA or BLA involves considerable data collection, verification and analysis. A similar process in accordance with EMEA regulations in Europe and with TGA regulations in Australia is required to gain marketing approval. Moreover, a commercial entity must be established and approved by the EMEA in a member state of the EU at least three months prior to filing the Marketing Authorization Application, or MAA.

We have not received United States or other marketing approval for any of our product candidates and may not receive any approvals. We may encounter difficulties or unanticipated costs in our effort to secure necessary governmental approvals, which could delay or preclude us from marketing our products.

With respect to patented products, delays imposed by the governmental approval process may materially reduce the period during which we may have the exclusive right to exploit them.

Environmental Matters

Our operations are subject to comprehensive regulation with respect to environmental, safety and similar matters by the United States Environmental Protection Agency and similar state and local agencies. Failure to comply with applicable laws, regulations and permits can result in injunctive actions, damages and civil and criminal penalties. If we expand or change our existing operations or propose any new operations, we may need to obtain additional or amend existing permits or authorizations. We spend time, effort and funds in operating our facilities to ensure compliance with environmental and other regulatory requirements.

Such efforts and expenditures are common throughout the biotechnology industry and generally should have no material adverse effect on our financial condition. The principal environmental regulatory requirements and matters known to us requiring or potentially requiring capital expenditures by us do not appear likely, individually or in the aggregate, to have a material adverse effect on our financial condition. We believe that we are in compliance with all current laws and regulations.

Employees

As of July 31, 2010, we had four full time employees, of whom three were engaged in clinical and pre-clinical research and development activities and one was engaged in administration and management. Two employees hold Ph.D. degrees. All of our employees have entered into confidentiality agreements with us. We consider relations with our employees to be good. None of our employees are covered by a collective bargaining agreement.

Available Information

Copies of our annual report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 are available free of charge through our website (www.tamirbio.com) as soon as reasonably practicable after we electronically file the material with, or furnish it to, the Securities and Exchange Commission (the “SEC”). You may read and copy any document we file with the SEC at the SEC’s Public Reference Room at 100 F Street, N.E., Washington, DC 20549. Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Room. Our SEC filings are also available to the public at the SEC’s website at http://www.sec.gov. Additionally, we have also adopted a Code of Business Conduct and Ethics applicable to all officers, directors, and employees, which is also available on our website.

ITEM 2. PROPERTIES.

In March 2007, we entered into a lease for 15,410 square feet in an industrial office building located in Somerset, New Jersey to replace our facility in Bloomfield, New Jersey as our principal office. The lease term commenced on July 3, 2007 and is scheduled to terminate on November 30, 2017. The average monthly rental obligation over the full term of the lease is approximately $25,000. In January 2010, we vacated this facility. In February 2010, the landlord, I&G Garden State, LLC ("I&G"), withdrew the remaining balance of the Company's secured irrevocable letter of credit which was placed in March 2007 in the amount of approximately $81,000. On February 5, 2010, I&G commenced an action against us. The lawsuit seeks unspecified damages for an alleged breach of a lease agreement dated March 14, 2007 between us and I&G. On or before November 1, 2010, we entered into a Settlement Agreement and Mutual Release with I&G whereas I&G agreed to receive $200,000 in consideration of the full release in full and and complete settlement of all claims made by I&G.

On January 15, 2010, Mr. Muniz, as an individual, entered into a quarterly lease agreement with I&G for office space at the fourth floor of 300 Atrium Drive, Somerset, NJ, which space we will occupy as our new office. The lease expired on September 30, 2010 but was renewable for successive three-month periods upon thirty days prior notice and payment of $15,790.50 for the following three months' rent. We did not renew this lease upon its expiration.

On September 28, 2010, we entered into an office lease agreement effective as of October 1, 2010, with Princeton Corporate Plaza, LLC for $3,794 per month including expenses. We leased 2,046 square feet of office and laboratory space in the building located at 11 Deer Park Drive, Suite 204, in the township of South Brunswick in the County of Middlesex, State of New Jersey. The new office replaced 300 Atrium Drive, Somerset, New Jersey 08873 as our principal executive offices. The lease term began on October 1, 2010, ending on September 30, 2011. We believe that this facility is sufficient for our needs in the foreseeable future.

ITEM 3. LEGAL PROCEEDINGS.

On October 1, 2010, Robert Love, a former Chief Financial Officer and alleged shareholder of the Company, filed an amended complaint in Love v. Alfacell Corp. et al., Case No. 3:09-cv-05199-MLC-LHG (the "Amended Complaint"), against the Company and certain of its current and former directors in the United States District Court, District of New Jersey, asserting violations of federal and state securities laws, direct and derivative common law claims for fraud and breach of fiduciary duty, a direct claim for negligent misrepresentation and derivative claims for gross negligence and corporate waste in connection with the Company's Phase IIIb clinical trial for ONCONASE®. The Amended Complaint alleges that the Company misled shareholders by issuing allegedly false projections of when the required number of patient deaths would occur in the Phase IIIb trial. The Amended Complaint seeks compensatory damages of no less than $350,000, punitive damages of no less than $20 million, and an accounting and constructive trust. The Company believes that the claims are meritless and intends to defend the case vigorously.

Premier Research Group filed and served a lawsuit against the Company in the Superior Court of New Jersey, Law Division, Essex County, on or about July 26, 2009, seeking the recovery of professional fees that arose from clinical trials purportedly performed in Europe by Premier Research Group as assignee of a contract between Tamir Biotechnology, Inc. and IMFORM GmbH dated October 27, 2005. An Answer with Separate Defenses and Counterclaim was filed on or about July 30, 2009. In August 2010, both parties entered into a Stipulation of Settlement Agreement ("Stipulation") whereby the Company will make a payment to Premier in the amount of $100,000 which will be accepted as a payment in full if paid in accordance with the terms of the Stipulation. The settlement will be paid every 60 days in four equal installments commencing on or before August 6, 2010, ending on or before February 7, 2011.

I & G Garden State, LLC ("I&G") filed and served a complaint against the Company in the Superior Court of New Jersey Law Division, Special Civil Part Landlord-Tenant Section, Somerset County, on or about October 30, 2009, for non-payment of rent and failure to maintain security deposit. The complaint seeks to have the Company vacate the property. On November 13, 2009, the Company and I&G mutually agreed that the Company would vacate the property on or before December 31, 2009. In January 2010, the Company vacated the facility as per mutual agreement. In February 2010, I&G withdrew the remaining balance of the Company's secured irrevocable letter of credit which was placed in March 2007 in the amount of approximately $81,000. On February 5, 2010, I&G commenced an action against the Company. The lawsuit seeks unspecified damages for an alleged breach of a lease agreement dated March 14, 2007 between the Company and I & G. On or before November 1, 2010, the Company and I&G entered into a Settlement Agreement and Mutual Release whereas I&G agreed to receive $200,000 in consideration of the release in full and complete settlement of all claims made by I&G.

ITEM 4. RESERVED.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

Our common stock has been quoted on the Pink Sheets since our delisting from the Nasdaq Capital Market, or Nasdaq, on January 6, 2009 for failure to comply with the $35 million minimum market value requirement under Marketplace Rule 4310(c)(3)(B) or the $1 per share minimum bid price requirement under Marketplace Rule 4310(c)(4). In addition, we also did not meet the $2.5 million minimum stockholders' equity requirement under Marketplace Rule 4310(c)(3)(A) or the requirement for a minimum net income from continuing operations of $500,000 in the most recently completed fiscal year or in two of the last three most recently completed fiscal years under Marketplace Rule 4310(c)(3)(C). Our common stock remains thinly traded at times and you may be unable to sell our common stock during times when the trading market is limited. As of October 25, 2010, there were approximately 968 stockholders of record of our common stock.

Prior to January 6, 2009, our common stock was listed on Nasdaq and had traded under the symbol "ACEL" since September 9, 2004. Before September 9, 2004, our common stock was traded on the OTC Bulletin Board (OTCBB).

The following table sets forth the range of high and low sale prices of our common stock for the two fiscal years ended July 31, 2010 and 2009. The prices were obtained from Pink Sheets and Nasdaq, and are believed to be representative of inter-dealer prices, without retail mark-up, mark-down or commission, and may not necessarily represent actual transactions.

	High	Low
Year Ended July 31, 2010:		
First Quarter	$ 0.35	$ 0.18
Second Quarter	0.30	0.14
Third Quarter	0.35	0.11
Fourth Quarter	0.30	0.13
Year Ended July 31, 2009:		
First Quarter	0.85	$ 0.40
Second Quarter	0.54	0.08
Third Quarter	0.20	0.06
Fourth Quarter	0.52	0.11

Dividends

We have not paid dividends on our common stock since inception, and we do not plan to pay dividends in the foreseeable future. Any earnings we may realize will be retained to finance our growth. Additionally, pursuant to the terms of the Senior Secured Notes issued in connection with our October 2009 private financing, we are not permitted to declare or pay any cash dividends or distributions on its outstanding capital stock for so long as the Senior Secured Notes are outstanding.

Equity Compensation Plan Information

The information called for by Item 5(a) relating to compensation plan information is incorporated herein by reference to Item 12—Security Ownership of Certain Beneficial Owners and Management and Related Stock Matters of this annual report on Form 10-K.

Recent Sales of Unregistered Securities

None

Issuer Purchases of Equity Securities

There were no repurchases of our equity securities made by us or on our behalf, or by any "affiliated purchasers" during the quarter ended July 31, 2010.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following discussion of our financial condition and results of operations should be read together with our consolidated financial statements and notes to those statements included in Item 8 of Part II of this annual report on Form 10-K.

Overview

We are a biopharmaceutical company engaged in the research, development, and commercialization of drugs for life threatening-diseases, such as malignant mesothelioma and other cancers. Our corporate strategy is to become a leader in the discovery, development, and commercialization of novel ribonuclease (RNase) therapeutics for cancer and other life-threatening diseases.

We are a development stage company as defined in the Accounting Standards Codification ("ASC") Topic "Development Stage Entities". We are devoting substantially all of our present efforts to establishing a new business and developing new drug products. Our planned principal operations of marketing and/or licensing new drugs have not commenced and, accordingly, we have not derived any significant revenue from these operations.

Since our inception in 1981, we have devoted the vast majority of our resources to the research and development of ONCONASE®, our lead drug candidate, as well as other related drug candidates. In recent years we have focused our resources towards the completion of the clinical program for ONCONASE® in patients suffering from unresectable malignant mesothelioma, or UMM.

During our fiscal year ended July 31, 2010, our efforts were primarily focused on the completion of our confirmatory Phase IIIb clinical trial for UMM and preparation of the remaining components of our NDA. As we previously reported, the results of the preliminary statistical analysis of the data from the confirmatory Phase IIIb clinical trial for ONCONASE® in patients suffering from UMM did not meet statistical significance for the primary endpoint of survival in UMM. However, a statistically significant improvement in survival was seen in the treatment of UMM patients who failed one prior chemotherapy regimen, a currently unmet medical need and one of the predefined primary sub-group data sets for patients in the trial. At the pre-NDA meeting with the FDA in January 2009, the FDA recommended that an additional clinical trial be conducted in UMM patients that have failed one prior chemotherapy regimen, prior to filing an NDA. At this time, we intend to explore opportunities involving further clinical trials for ONCONASE® for the UMM indication as a second line therapy. Other indications are being pursued including lung cancer and other solid tumors and currently we expect to use the proceeds we received from the private financing we closed in October 2009 to initiate a Phase II clinical trial of ONCONASE® for the treatment of non-small cell lung cancer in patients who have reached maximum progression after receiving two cycles of Alimta in combination with carboplatinum. We anticipate accruing the first patient for this trial in late 2010.

During the fiscal year ended July 31, 2010, we completed a sale of 65 Units in a private financing to certain investors pursuant to a securities purchase agreement (the "Securities Purchase Agreement") entered into on October 19, 2009. Each Unit consists of (i) $50,000 principal amount of Senior Secured Notes convertible into shares of the Company's common stock at a price of $0.15 per share, (ii) Series A Warrants to purchase in the aggregate that number of shares of common stock initially issuable upon conversion of the aggregate amount of the Senior Secured Notes issued as part of the Unit, at an exercise price of $0.15 per share with a three year term and (iii) Series B Warrants to purchase in the aggregate that number of shares of common stock initially issuable upon conversion of the aggregate amount of the Senior Secured Notes issued as part of the Unit, at an exercise price of $0.25 per share with a five year term. The closing of the private financing occurred on October 19, 2009, and we received an aggregate of $3,250,000 in gross proceeds. (See Notes to the Financial Statements – Note 6)

During the fiscal year ended July 31, 2010, at the annual stockholders' meeting, our stockholders approved an amendment to our Certificate of Incorporation, as amended, changing the name of the company from Alfacell Corporation to Tamir Biotechnology, Inc. and increasing our authorized common stock from 100,000,000 to 250,000,000 shares.

Almost all of the $73.1 million of research and development expenses we have incurred since our inception has gone toward the development of ONCONASE® and related drug candidates. For the fiscal years 2010 and 2009, our research and development expenses were approximately $0.5 million and $3.3 million, respectively, almost all of which were used for the development of ONCONASE® and related drug candidates.

We have incurred losses since inception and we have not received FDA approval of any of our drug candidates. We expect to continue to incur losses for the foreseeable future as we continue our efforts to receive marketing approval for our drug candidates, which includes the sponsorship of human clinical trials. Until we are able to consistently generate revenue through the sale of drug or non-drug products, we anticipate that we will be required to fund the development of our pre-clinical compounds and drug product candidates primarily by other means, including, but not limited to, licensing the development or marketing rights to some of our drug candidates to third parties, collaborating with third parties to develop our drug candidates, or selling Company issued securities.

We fund the research and development of our products primarily from cash receipts resulting from the sale of our equity securities and convertible debentures in registered offerings and private placements. Additionally, we have raised capital through other debt financings, the sale of our tax benefit and research and development credits, interest income and financing received from Kuslima Shogen, our former Chief Executive Officer. During the fiscal year ended July 31, 2010, we received gross proceeds of $3.25 million from a private financing and $646,649 from the sale of our tax benefit. These proceeds will be used to continue our operations, explore strategic alternatives and initiate a Phase II clinical study for non-small cell lung cancer in patients who have reached maximum progression on their current chemotherapy regimens. We have incurred losses since inception and, to date, we have generated only small amounts of capital from commercial agreements for ONCONASE®.

Results of Operations

Fiscal Year Ended July 31, 2010, as compared to Fiscal Year Ended July 31, 2009

We are a development stage company as defined in the Accounting Standards Codification (“ASC”) Topic “Development Stage Entities”. We are devoting substantially all of our present efforts to establishing a new business and developing new drug products. Our planned principal operations of marketing and/or licensing new drugs have not commenced and, accordingly, we have not derived any significant revenue from these operations. We focus most of our productive and financial resources on the development of ONCONASE®. We did not record any significant revenue in fiscal years 2010 or 2009.

Research and development expense for fiscal year 2010 was $0.5 million compared to $3.3 million for fiscal year 2009, a decrease of approximately $2.8 million, or 84%. The decrease was primarily related to decreased expenses of approximately $1.9 million related to costs incurred in fiscal year 2009 for the ONCONASE® rolling NDA submission for our Phase IIIb clinical trial for malignant mesothelioma; and decreased compensation expense of approximately $0.9 million from reduction in force and decreased share-based compensation.

General and administrative expense for fiscal year 2010 was approximately $1.7 million compared to approximately $2.4 million for fiscal year 2009, a decrease of approximately $0.7 million, or 34%. This decrease was primarily related to decreased compensation expense of approximately $0.4 million from decreased share-based compensation expense, retirement of Kuslima Shogen, our former chief executive officer and resignation of Lawrence Kenyon, our former chief financial officer. Public relations-related costs and other general office expenses also decreased by approximately $0.3 million due to our reduced operations in fiscal year 2010.

Investment income for fiscal year 2010 was approximately $1,000 compared to $26,000 for fiscal year 2009, a decrease of $25,000. The decrease was due to lower balances of cash and cash equivalents on hand during the fiscal

year 2010 as compared to the same period in 2009.

Interest expense for the fiscal year ended July 31, 2010 increased by approximately $12.6 million compared to the same period last year. This increase was directly due to the beneficial conversion feature of the convertible debenture and warrants we issued in October 2009, the original recognition of and the change in valuation of the derivative liability.

New Jersey has enacted legislation permitting certain corporations located in New Jersey to sell a portion of its state tax loss carryforwards and state research and development credits in order to obtain tax benefits. For the state fiscal year 2010 (July 1, 2009 to June 30, 2010), we had approximately $723,000 of total available state tax benefit that was saleable. In February 2010, we received approximately $647,000 from the sale of our total available state tax benefit, which was recognized as state tax benefit in the fiscal year ended July 31, 2010.

We have incurred net losses during each year since our inception. The net loss for fiscal year 2010 was approximately $14.2 million as compared to $4.5 million in fiscal year 2009. The cumulative loss from the date of inception, August 24, 1981 to July 31, 2010, amounted to $123 million. Such losses are attributable to the fact that we are still in the development stage and, accordingly, have not derived sufficient revenues from operations to offset the development stage expenses.

Liquidity and Capital Resources

We have reported cumulative net losses of approximately $31 million for the three most recent fiscal years ended July 31, 2010. The net losses from date of inception, August 24, 1981 to July 31, 2010, amounts to approximately $123 million. As of July 31, 2010, we have a working capital deficit of approximately $15 million.

We have financed our operations since inception primarily through the sale of our equity securities and convertible debentures in registered offerings and private placements. Additionally, we have raised capital through other debt financings, the sale of our state tax benefit and research products, and investment income and financing received from Kuslima Shogen, our former Chief Executive Officer. As of July 31, 2010, we had approximately $0.3 million in cash and cash equivalents. We currently believe that our cash reserves including the $1.2 million restricted cash intended for future clinical trials can support our activities through April 2011, based upon our reduced operations.

The primary use of our cash will be to fund our clinical and pre-clinical research and development efforts for ONCONASE®. The most significant expenses will be incurred for the Phase II clinical study for non-small cell lung cancer. Additional expenses are also expected to be incurred as we continue to move our drug product candidates towards the next phase of clinical and pre-clinical development. We will need to obtain additional financing in order to continue our operations. Given current market conditions, it may be very difficult, if not impossible, to obtain such financing. In order to continue our operations we will need to pursue strategic alternatives for the further development of ONCONASE®.

During the fiscal year ended July 31, 2010, we completed a sale of 65 Units in a private financing to certain investors pursuant to a securities purchase agreement (the “Securities Purchase Agreement”) entered into on October 19, 2009. Each Unit consists of (i) $50,000 principal amount of Senior Secured Notes convertible into shares of the Company’s common stock at a price of $0.15 per share, (ii) Series A Warrants to purchase in the aggregate that number of shares of common stock initially issuable upon conversion of the aggregate amount of the Senior Secured Notes issued as part of the Unit, at an exercise price of $0.15 per share with a three year term and (iii) Series B Warrants to purchase in the aggregate that number of shares of common stock initially issuable upon conversion of the aggregate amount of the Senior Secured Notes issued as part of the Unit, at an exercise price of $0.25 per share with a five year term. The closing of the private financing occurred on October 19, 2009, and the Company received an aggregate of $3,250,000 in gross proceeds.

Pursuant to the terms of the Securities Purchase Agreement, certain investors party thereto are permitted to appoint a designee to the Board of Directors (the “Board”) within a reasonable period of time following the closing of the private financing. In addition, as a condition to closing the private financing, each member of the Board other than David Sidransky, Chairman of the Board, and Charles Muniz, agreed to resign from the Board upon the request of Dr. Sidransky made at any time following the closing of the private financing and prior to December 31, 2009. Donald

Conklin and Kuslima Shogen resigned from the Board during the fiscal year ended July 31, 2010. Stephen Carter did not seek reelection at our annual meeting of the stockholders, which occurred on April 27, 2010.

In connection with the private financing, we entered into the Investor Rights Agreement with each of the investors. The Investor Rights Agreement provides that we will file a “resale” registration statement covering all of the shares issuable upon conversion of the Senior Secured Notes and the shares issuable upon exercise of the Warrants, up to the maximum number of shares able to be registered pursuant to applicable SEC regulations, by May 1, 2010, which date was extended from February 16, 2010 pursuant to an amendment to the Investor Rights Agreement we entered into with the investors on February 26, 2010 and reported on Form 8-K we filed on March 4, 2010. In accordance with the Investor Rights Agreement, on April 30, 2010, the Company filed with the SEC a “resale” registration statement on Form S-1. If any of the securities issuable upon conversion or exercise, respectively, of the Senior Secured Notes and Warrants are unable to be included on the initial “resale” registration statement, we agreed to file subsequent registration statements until all the securities have been registered. Under the terms of the Investor Rights Agreement, we are obligated to maintain the effectiveness of the “resale” registration statement until all securities therein are sold or otherwise may be sold by non-affiliates pursuant to Rule 144 of the Securities Act, without restrictions. A cash penalty of 1% per month will be triggered in the event we fail to file or obtain the effectiveness of a registration statement prior to the deadlines set forth in the Investor Rights Agreement, which deadlines were extended by the amendment to the Investor Rights Agreement, or if we cease to be current in filing our periodic reports with the SEC. The aggregate penalty accrued with respect to each investor may not exceed 6% of the original purchase price paid by that investor, or 12% if the only effectiveness failure is our failure to be current in our periodic reports with the SEC.

On July 31, 2010, we entered into a second amendment to the Investor Rights Agreement with the investors, pursuant to which the investors waived their right to receive penalties in respect of all matters occurring prior to the date of the second amendment, which included our failure to obtain the effectiveness of a registration statement within the deadlines set forth in the Investor Rights Agreement. In addition, the second amendment postponed the investors right to require the company to file a "resale" registration statement covering all of the shares issuable upon conversion of the Senior Secured Notes and the shares issuable upon exercise of the Warrants until after our next financing which yields gross proceeds to us of at least $3,250,000. In the event of such a financing, and following a written demand made by the holders of the majority of the registrable securities, we must file, within 90 days of our receipt of the demand notice, either a new "resale" registration statement registered the shares or amend the registration statement we filed on April 30, 2010. A copy of the second amendment is filed as Exhibit 10.55 to this annual report on Form 10-K.

In connection with the private placement, we also entered into an escrow agreement whereby certain investors placed $1,600,000 of the proceeds paid for their Units in an escrow account pursuant to the terms of the Securities Purchase Agreement. Such amounts can be disbursed from the escrow account only to satisfy obligations we owed to clinical research organizations, hospitals, doctors and other vendors and service providers associated with the clinical trials which we intend to conduct for our ONCONASE® product. The escrow agreement shall terminate on the earlier of the date that all funds have been disbursed from the escrow account or April 19, 2011, at which time any remaining funds will be disbursed to us.

In connection with our private financing completed in October 2009, we issued $3.25 million of Senior Secured Notes convertible into shares of our common stock at a price of $0.15 per share. The Senior Secured Notes mature on the earlier of (i) October 19, 2012; (ii) the closing of a public or private offering of our debt or equity securities subsequent to the date of issuance resulting in gross proceeds of at least $8,125,000 other than a transaction involving a stockholder who holds 5% or more of our outstanding capital stock as of the date of issuance; or (iii) on the demand of the holder of the Senior Secured Note upon our consummation of a merger, sale of substantially all of our assets, or the acquisition by any entity, person or group of 50% or more of our voting power. Interest accrues on the principal amount outstanding under the Senior Secured Notes at 5% per annum, and is due upon maturity. Upon an event of default under the Notes, the interest rate shall increase to 7%. The Senior Secured Notes are not prepayable for a period of one year following the issuance thereof. The Senior Secured Notes are secured by a senior security interest and lien on all of our right, title and interest to all of the assets owned by us as of the closing of the private financing

or thereafter acquired pursuant to the terms of a security agreement we entered into with each of the investors.

For so long as the Senior Secured Notes are outstanding, we are not permitted, among other restrictions, to liquidate or dissolve, consolidate with or merge into or with any other corporation, to sell our assets, other than in the ordinary course of business, redeem or repurchase any outstanding equity or debt securities, create or incur any indebtedness which is not subordinate to the Senior Secured Notes or create liens on our assets with certain exceptions.

Our audited financial statements for the fiscal year ended July 31, 2010, were prepared under the assumption that we will continue our operations as a going concern. We were incorporated in 1981 and have a history of losses and negative cash flows from operating activities. As a result, our independent registered public accounting firm in their audit report has expressed substantial doubt about our ability to continue as a going concern. Continued operations are dependent on our ability to raise additional capital from various sources such as those described above. Such capital raising opportunities may not be available or may not be available on reasonable terms. Our financial statements do not include any adjustments that may result from the outcome of this uncertainty.

We may seek to satisfy future funding requirements through public or private offerings of securities or with collaborative or other arrangements with corporate partners. Additional financing or strategic transactions may not be available when needed or on terms acceptable to us, if at all. If adequate financing is not available, we may be required to delay, scale back, or eliminate certain of our research and development programs, relinquish rights to certain of our technologies, drugs or products, or license third parties to commercialize products or technologies that we would otherwise seek to develop ourselves.

Off-Balance Sheet Arrangements

We have no debt, no exposure to off-balance sheet arrangements, no special purpose entities, nor activities that include non-exchange-traded contracts accounted for at fair value as of July 31, 2010.

Critical Accounting Policies

In December 2001, the SEC requested that all registrants discuss their most "critical accounting policies" in Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations. The SEC indicated that a "critical accounting policy" is one which is both important to the portrayal of the company's financial condition and results and requires management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. The accounting policies set forth below have been considered critical because changes to certain judgments, estimates and assumptions could significantly affect our financial statements.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles or GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

We recognize revenue in accordance with Staff Accounting Bulletin ("SAB") No. 104, "Revenue Recognition," issued by the staff of the SEC. Under SAB No. 104, revenue is recognized when persuasive evidence of an arrangement exists, delivery has occurred and/or services have been rendered, the sales price is fixed or determinable, and collectibility is reasonably assured.

We enter into marketing and distribution agreements, which contain multiple deliverables. We evaluate whether these deliverables constitute separate units of accounting to which total arrangement consideration is allocated. A deliverable qualifies as a separate unit of accounting when the item delivered to the customer has standalone value, there is objective and reliable evidence of fair value of items that have not been delivered to the customer, and, if there is a general right of return for the items delivered to the customer, delivery or performance of the undelivered items is considered probable and substantially in the control of the company. Arrangement consideration is allocated to units of accounting on a relative fair-value basis or the residual method if the company is unable to determine the fair value of all deliverables in the arrangement. Consideration allocated to a unit of accounting is limited to the amount that is not contingent upon future performance by the company. Upon determination of separate units of accounting and allocated consideration, the general criteria for revenue recognition are applied to each unit of accounting.

Research and Development

Research and development costs are expensed as incurred. These costs include, among other things, consulting fees and costs related to the conduct of human clinical trials. We also allocate indirect costs, consisting primarily of operational costs for administering research and development activities, to research and development expenses.

Share-Based Compensation

In December 2004, the Financial Accounting Standards Board ("FASB") issued amended guidance on accounting for "Stock Compensation". The amended guidance requires all share-based payments, including stock option grants to employees, to be recognized as an operating expense in the statement of operations. The expense is recognized over the requisite service period based on fair values measured on the date of grant. We adopted the amended guidance on Stock Compensation effective August 1, 2005 using the modified prospective method and, accordingly, prior period amounts have not been restated. Under the modified prospective method, the fair value of all new stock options issued after July 31, 2005 and the unamortized fair value of unvested outstanding stock options at August 1, 2005 are recognized as expense as services are rendered.

Contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated. Recoveries from other parties are recorded when realized.

Recently Issued Accounting Pronouncements

In June 2009, the Financial Accounting Standards Board issued the FASB Accounting Standards Codification (the "Codification"). Effective July 1, 2009, the Codification became the single source of authoritative nongovernmental U.S. generally accepted accounting principles (GAAP), superseding existing rules and related literature issued by FASB, the American Institute of Certified Public Accountants ("AICPA") and Emerging Issues Task Force ("EITF"). The Codification also eliminates the previous U.S. GAAP hierarchy and establishes one level of authoritative GAAP. Rules and interpretive releases of the SEC under authority of federal securities laws are also sources of

authoritative GAAP for SEC registrants. All other literature is considered non-authoritative. The Codification, which has not changed GAAP, was effective for interim and annual periods ended after September 15, 2009. We adopted the Codification for the quarter ended October 31, 2009. Other than the manner in which accounting guidance is referenced, the adoption of the Codification had no impact on our financial statements.

In December 2007, FASB issued new accounting guidance related to the accounting for business combinations and related disclosures. This guidance establishes principles and requirements for how an acquirer recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, any noncontrolling interest in the acquiree, and any goodwill acquired in a business combination. It also establishes disclosure requirements to enable the evaluation of the nature and financial effects of a business combination. The guidance is to be applied prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. We adopted this guidance, effective August 1, 2009, and it did not have any effect on our financial statements.

In February 2008, FASB issued amended guidance to delay the fair value measurement and expanded disclosures about fair value measurements for nonfinancial assets and nonfinancial liabilities, except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually), until fiscal years beginning after November 15, 2008. Effective August 1, 2009, we adopted the guidance related to fair value measurements for nonfinancial assets and nonfinancial liabilities and the adoption of such guidance did not have any effect on our financial statements.

In June 2008, FASB issued guidance for determining whether an equity-linked financial instrument (or embedded feature) is indexed to an entity's own stock, which would qualify as a scope exception to derivative classification under ASC Topic, "Derivatives and Hedging". The guidance is effective for fiscal years beginning after December 15, 2008 and early adoption for an existing instrument is not permitted. The Company adopted this guidance, effective August 1, 2009. The adoption had no impact on our previously accounted for equity-linked financial instruments that were considered to be indexed to its own equity. Refer to Note 6 for the result of the adoption on the equity-linked instruments included within the Securities Purchase Agreement entered into on October 19, 2009.

In August 2009, FASB issued amended guidance on the measurement of liabilities at fair value. The guidance provides clarification that in circumstances in which a quoted market price in an active market for an identical liability is not available, the fair value of a liability be measured using one or more of the valuation techniques that uses the quoted price of an identical liability when traded as an asset or, if unavailable, quoted prices for similar liabilities or similar assets when traded as assets. If none of this information is available, an entity should use a valuation technique in accordance with existing fair valuation principles. This guidance is effective for the first reporting period (including interim periods) after issuance. We adopted this guidance in the quarter ended October 31, 2009. The adoption had no impact on our financial statements.

In October 2009, FASB issued amended guidance for separating consideration in multiple-deliverable arrangements. It eliminates the requirement under previous guidance that all undelivered elements have vendor-specific objective evidence (VSOE) or third-party evidence (TPE) of fair value before recognizing a portion of revenue related to the delivered items, and establishes that revenue be allocated to each element based on its relative selling price, as determined by VSOE, TPE, or the entity's estimated selling price if neither of the aforementioned is available. Additionally, the amended guidance eliminates the residual method of allocation and expands required disclosures about multiple-element revenue arrangements. It will be effective prospectively for revenue arrangements entered into beginning January 1, 2011, with early adoption permitted. We are currently evaluating the impact that the adoption of this guidance will have, if any, on our financial statements.

In January 2010, the FASB issued a new guidance, "Improving Disclosures about Fair Value Measurements" (ASU 2010-06). This provision amends previous provisions that require reporting entities to make new disclosures about recurring and nonrecurring fair value measurements including the amounts of and reasons for significant transfers into and out of Level 1 and Level 2 fair value measurements and separate disclosure of purchases, sales, issuances, and settlements in the reconciliation of Level 3 fair value measurements. This guidance is effective for fiscal years, and interim periods within those fiscal years beginning after December 15, 2009, except for Level 3 reconciliation

disclosures which are effective for fiscal years, and interim periods within those fiscal years beginning after December 15, 2010. The adoption of this guidance did not have a material impact on our results of operations or financial condition.

In April 2010, the FASB issued a new guidance "Revenue Recognition – Milestone Method". This provision provides guidance on the criteria that should be met for determining whether the milestone method of revenue recognition is appropriate. A vendor can recognize consideration that is contingent upon achievement of a milestone in its entirety as revenue in the period in which the milestone is achieved only if the milestone meets all criteria to be considered substantive. The following criteria must be met for a milestone to be considered substantive. The consideration earned by achieving the milestone should 1) be commensurate with either the level of effort required to achieve the milestone or the enhancement of the value of the item delivered as a result of a specific outcome resulting from the vendor's performance to achieve the milestone; 2) related solely to past performance; 3) be reasonable relative to all deliverables and payment terms in the arrangement. No bifurcation of an individual milestone is allowed and there can be more than one milestone in an arrangement. Accordingly, an arrangement may contain both substantive and non substantive milestones. This guidance is effective on a prospective basis for milestones achieved in fiscal years, and interim periods within those years, beginning on or after June 15, 2010. The adoption of this guidance does not have a material impact on our financial statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

As of July 31, 2010, we were exposed to market risks, primarily changes in U.S. interest rates. As of July 31, 2010, we held total cash and cash equivalents of approximately $0.3 million. All cash equivalents have a maturity less than 90 days. Declines in interest rates over time would reduce our interest income from our investments.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

The response to this Item is submitted as a separate section of this report commencing on Page F-1.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

There have been no changes in or disagreements with accountants on accounting or financial disclosures in the past two fiscal years.

On December 1, 1993, certain stockholders of Armus Harrison & Co., or AHC, terminated their association with AHC, or the AHC termination, and AHC ceased performing accounting and auditing services, except for limited accounting services to be performed on our behalf. In June 1996, AHC dissolved and ceased all operations. The report of J.H. Cohn LLP with respect to our financial statements from inception to July 31, 2008 is based on the report of KPMG LLP from August 1, 1992 to July 31, 2002 and of AHC for the period from inception to July 31, 1992, although AHC has not consented to the use of such report herein and will not be available to perform any subsequent review procedures with respect to such report. Accordingly, investors will be barred from asserting claims against AHC under Section 18 of the Exchange Act on the basis of the use of such report in any annual report on Form 10-K into which such report is incorporated by reference. In addition, in the event any persons seek to assert a claim against AHC for false or misleading financial statements and disclosures in documents previously filed by us, such claim will be adversely affected and possibly barred. Furthermore, as a result of the lack of a consent from AHC to the use of its audit report herein, or to its incorporation by reference into an annual report on Form 10-K, our officers and directors will be unable to rely on the authority of AHC as experts in auditing and accounting in the event any claim is brought against such persons under Section 18 of the Exchange Act based on alleged false and misleading Financial Statements and disclosures attributable to AHC. The discussion regarding certain effects of the AHC termination is not meant and should not be construed in any way as legal advice to any party and any potential purchaser should consult with his, her or its own counsel with respect to the effect of the AHC termination on a potential investment in our common stock or otherwise.

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ITEM 9A. CONTROLS AND PROCEDURES.

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act are controls and other procedures that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer, and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

It should be noted that there are inherent limitations to the effectiveness of any system of disclosure controls and procedures. These limitations include the possibility of human error, the circumvention or overriding of the controls and procedures and reasonable resource constrains. In addition, the design of any system of control is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote. Accordingly, our controls and procedures, by their nature, only provide reasonable assurance regarding achieving the management's control objectives.

As of the end of the period covered by this annual report on Form 10-K, we conducted an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures. Based upon the foregoing evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC and was accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding the required disclosures.

MANAGEMENT’S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Our management is responsible for establishing and maintaining adequate internal control over financial reporting and for the assessment of the effectiveness of internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)). Internal control over financial reporting is a process designed by, under the supervision of our principal executive and principal financial officers, or persons performing similar functions, and effected by our Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements in accordance with GAAP.

Our internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect our transactions and dispositions of our assets; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with GAAP, and that our receipts and expenditures are being made only in accordance with the authorizations of our management and directors; and (3) provide reasonable assurance regarding the prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Our internal control over financial reporting is designed to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with GAAP. There are inherent limitations to the effectiveness of any system of internal control over financial reporting. These limitations include the possibility of human error, the circumvention or overriding of the system and reasonable resource constraints. Because of its inherent limitations, internal control over financial reporting may not prevent or detect

misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In connection with the preparation of our annual financial statements, management, including our Chief Executive Officer and Chief Financial Officer, has undertaken an assessment of the effectiveness of our internal control over financial reporting as of July 31, 2010, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Management's assessment included an evaluation of the design of our internal control over financial reporting and testing of the operational effectiveness of those controls.

Based on this assessment, management has concluded that our internal controls over financial reporting were effective as of July 31, 2010, in that they ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is (1) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and (2) accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

This annual report does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our independent registered public accounting firm pursuant to the rules of the Securities and Exchange Commission that permit us to provide only management's report in this annual report.

CHANGES IN INTERNAL CONTROLS OVER FINANCIAL REPORTING

There has been no change in the Company's internal control over financial reporting during the quarter ended July 31, 2010 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION.

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

Board of Directors

Name	Age	Director Since	Current Position With Company
Charles Muniz	55	2009	President, Chief Executive Officer, Chief Financial Officer and Director
John P. Brancaccio	62	2004	Director
David Sidransky, M.D.	50	2004	Chairman of the Board
Paul M. Weiss, Ph.D.	52	2003	Director

Executive Officers

Name	Age	Current Position With Company	Officer Since (1)
Charles Muniz	55	President, Chief Executive Officer, Chief Financial Officer and Director	2009

(1) Officers of Tamir hold office until their successors are elected and qualified or until their earlier removal, death or resignation.

Business Experience of Directors and Executive Officers

The Company's Directors and Executive Officers have provided the following information about their principal occupation, business experience and other matters.

Charles Muniz joined us on April 3, 2009 as our President, Chief Operating Officer and Chief Financial Officer and a member of our Board of Directors and entered into an employment agreement with us to serve as our President, Chief Executive Officer ("CEO") and Chief Financial Officer on October 19, 2009. From 2007 until he joined Tamir, Mr. Muniz was a consultant to a wide variety of clients focusing primarily on the strategic use of operations and technology. Prior to consulting, he was President and Chief Executive Officer of Digital Creations Corp., a company he founded which sold high-end systems, work stations, peripherals, networking and software products, from 1989 to 2007. Mr. Muniz attended Pace University in New York and majored in Business Administration. Through his experience as our Chief Executive Officer as well as his history with our company, in connection with his service on our Board of Directors, Mr. Muniz provides critical insights into our challenges, opportunities and operations, reflecting his detailed knowledge of our company, employees, customers, technology and industry.

John P. Brancaccio joined the Board in January 2004. Since April 2004, Mr. Brancaccio has been the chief financial officer of Accelerated Technologies, Inc., an incubator for venture backed medical device companies. He also serves on the boards of Callisto Pharmaceuticals, Inc., Synergy Pharmaceuticals, Inc. and TrovaGene, Inc., all of which are publicly traded biopharmaceutical companies where he is chairman of their respective audit committees and a member of their respective compensation and nominating committees. He was the secretary and treasurer of Memory Pharmaceuticals Corporation from December 2003 to March 2004 after serving in the capacity of their acting chief financial officer from May 2002 to December 2003. Prior to Memory Pharmaceuticals, Mr. Brancaccio held the positions of chief financial officer and chief operating officer of Eline Group, a publicly traded entertainment and media company, where he oversaw the roll up of several related companies into the group and completed private equity financing placements. Prior to joining Eline Group, he held a number of senior executive positions in public and private companies including Atlantic Pharmaceuticals, Zambon Corporation, Deven International and Health Learning Systems. During his tenure with these companies he participated in initial public offerings and negotiation of licensing and development agreements within both the pharmaceutical and biotechnology industries. He is a retired Certified Public Accountant and a graduate of Seton Hall University. Because of his strong background of service on the boards of various biopharmaceutical and life sciences companies and his involvement in capital raising and strategic transactions in our industry, we believe that Mr. Brancaccio provides a unique perspective and useful insight to our board as we review our growth strategy and strategic initiatives.

David Sidransky, M.D., joined the Board in May 2004, was elected Chairman of the Board in January 2008 and is the Chairman of our Scientific Advisory Board. Dr. Sidransky is a founder of several private biotechnology companies and has served on scientific advisory boards of numerous private and public companies, including Medimmune, Telik, Roche and Amgen. He was formerly on the board of scientific counselors at the National Institute of Dental and Craniofacial Research (NIDCR) and a member of the Recombinant DNA advisory committee at the National Institute of Health NIH (RAC). He served on the board of directors of ImClone Systems, Zila Inc, and Xenomics and is now chairman of the board of Champions Biotechnology Inc. Dr. Sidransky is on numerous editorial boards and has served as senior editor of several cancer related journals. Currently, Dr. Sidransky is the Director of the Head and Neck Cancer Research Division at Johns Hopkins University School of Medicine. In addition, he is Professor of Oncology, Otolaryngology-Head and Neck Surgery, Cellular & Molecular Medicine, Urology, Genetics, and Pathology at John Hopkins University and Hospital. Dr. Sidransky is certified in Internal Medicine and Medical Oncology by the American Board of Medicine. He has over 400 peer-reviewed publications, has contributed more than 60 cancer reviews and chapters, and also has numerous issued biotechnology patents. He has been the recipient of many awards and honors, including the 1997 Sarstedt International Prize from the German Society of Clinical Chemistry, the 1998 Alton Ochsner Award Relating Smoking and Health by the American College of Chest Physicians and the 2004 Hinda Rosenthal Award by the American Association of Cancer Research. Dr. Sidransky

received his B.A. from Brandeis University and his M.D. from the Baylor College of Medicine. Because of his strong background of service on the boards of various biopharmaceutical and life sciences companies and his involvement in capital raising and strategic transactions in our industry, we believe that Dr. Sidransky provides a unique perspective and useful insight to our board as we review our growth strategy and strategic initiatives.

Paul Weiss, Ph.D., joined the Board in February 2003. Since October 2007, Dr. Weiss has been a Managing Director at Venture Investors, LLC, a Madison, Wisconsin-based venture capital group focusing on early-stage life sciences companies. Prior to joining Venture Investors, LLC, Dr. Weiss was President of the Gala Biotech business unit of Cardinal Health (now Catalent Pharma Solutions) from February 2002 until October 2007. He had served as a director on Gala's Board from 1998 to 2001, when he joined the management team as Senior Vice President of Business Development. He later became President of Gala and remained so during the acquisition of Gala by Cardinal Health in 2003 and then the acquisition of Gala (and other Cardinal Health businesses) by The Blackstone Group in 2007. Prior to joining Gala, from 1998 to 2001, Dr. Weiss was Vice President of Technology and Product Licensing at 3-Dimensional Pharmaceuticals (3DP), which went public in 2001 and was later acquired by Johnson & Johnson. Prior to joining 3DP, Dr. Weiss was Director of Licensing for Wyeth Pharmaceuticals. Dr. Weiss holds a Ph.D. in Biochemistry and an MBA from the University of Wisconsin-Madison and a B.Sc. in Biochemistry from the Carleton University Institute of Biochemistry in Ottawa, Ontario. Because of his strong background of service on the boards of various biopharmaceutical and life sciences companies and his involvement in capital raising and strategic transactions in our industry, we believe that Dr. Weiss provides a unique perspective and useful insight to our board as we review our growth strategy and strategic initiatives.

Family Relationships

There are no family relationships among any of the Company's directors or executive officers.

Independent Directors

The Board has determined that the following directors are "independent" under Nasdaq Marketplace Rule 4200(a)(15): John P. Brancaccio, David Sidransky, M.D. and Paul M. Weiss, Ph.D. The Board has also determined that the following directors (who are members of the Audit Committee) are "independent" in accordance with Section 10A(m)(3) of the Exchange Act: John P. Brancaccio, David Sidransky, M.D. and Paul M. Weiss, Ph.D.

Board Committee Membership

The Board has standing Compensation, Corporate Governance and Nominating, Audit, Research and Clinical Oversight, and Commercial and Business Development Oversight Committees. The current membership of the standing committees is set forth in the following table:

Name	Compensation Committee	Corporate Governance and Nominating Committee	Audit Committee	Research and Clinical Oversight Committee	Commercial and Business Development Oversight Committee
Charles Muniz					
John P. Brancaccio	**	*	**		
David Sidransky, M.D.	*	**	*	**	*
Paul M. Weiss, Ph.D.	*	*	*	*	**

* Member
** Chair

Compensation Committee. All of the members of Tamir's Compensation Committee are considered "independent directors" in accordance with Nasdaq Marketplace Rule 4200(a)(15). In fiscal year 2010, the Compensation Committee met twice.

On June 28, 2004, the Board adopted Tamir Biotechnology, Inc.'s Compensation Committee Charter, a copy of which is maintained on our website at www.tamirbio.com. According to its charter, the Compensation Committee shall consist of at least three members, each of whom shall be non-employee directors who have been determined by the Board to meet the independence requirements of the Nasdaq Stock Market.

The Compensation Committee Charter describes the primary functions of the Compensation Committee as follows:

- Review and approve executive compensation on an annual basis, including the corporate goals and objectives to be used in evaluating the performance of the CEO and determining the CEO's compensation;
- Review trends in management compensation, oversee the development of new compensation plans and, when necessary, approve the revision of existing plans;
- Oversee management's decisions concerning compensation and performance for non-executive officers;
- Review the Company's incentive compensation and other share-based plans and recommend change to such plans to the Board as needed;
- Administer stock plans and benefit programs and approve any amendments to existing plans;
- Recommend director compensation;
- Evaluate compliance with the Company's compensation plans and policies; and
- Review the compensation policy for all of Tamir's employees.

Corporate Governance and Nominating Committee. All of the members of Tamir's Corporate Governance and Nominating Committee are considered "independent directors" in accordance with Nasdaq Marketplace Rule 4200(a)(15). In fiscal year 2010, the Corporate Governance and Nominating Committee did not meet.

The Corporate Governance and Nominating Committee was formed by the Board for the purpose of considering future nominees to the Board. On November 28, 2007, the Board adopted Tamir Biotechnology, Inc.'s Corporate Governance and Nominating Committee Charter, a copy of which is maintained on our website at www.tamirbio.com. According to its charter, the Corporate Governance and Nominating Committee shall be comprised of at least three directors, each of whom shall meet the independence requirements of the Nasdaq Stock Market.

The Corporate Governance and Nominating Committee Charter describes the primary functions of the Corporate Governance and Nominating Committee as follows:

- Identify and evaluate individuals qualified to serve as members of the Board (including individuals nominated by stockholders in proposals made in writing to the Company's Secretary that are timely received and that contain sufficient background information concerning the nominee to enable proper judgment to be made as to the nominee's qualifications);
- Recommend for the Board's selection nominees for election as directors of the Company at the next annual or special meeting of stockholders at which directors are to be elected or to fill any vacancies then existing on the Board;
- Cause to be prepared and recommend to the Board the adoption of corporate governance guidelines and from time to time, review and assess the guidelines and recommend changes for approval by the Board;
- From time to time, review and assess the Code of Business Conduct and Ethics and recommend changes for approval by the Board;
- Make recommendations to the Board regarding issues of management succession; and
- Conduct annual reviews and assessments of the adequacy of the Corporate Governance and Nominating Committee Charter and recommend any proposed changes to the Board for approval.

Audit Committee. All of the members of Tamir's Audit Committee are considered "independent directors" in accordance with Nasdaq Marketplace Rule 4200(a)(15) and Section 10A(m)(3) of the Securities Exchange Act. Tamir's Board has determined that Mr. Brancaccio qualifies as an "audit committee financial expert" as defined by Item 407 of Regulation S-K. In fiscal year 2010, the Audit Committee met four times.

On November 25, 2008, the Board adopted the Amended and Restated Audit Committee Charter, a copy of which is maintained on our website at www.tamirbio.com. According to its charter, the Audit Committee shall be comprised of at least three directors, each of whom shall meet the independence requirements of the Nasdaq Stock Market and Section 10A(m)(3) of the Exchange Act, and each of whom shall not have participated in the preparation of the financial statements of the Company at any time during the past three years. The Audit Committee's purpose, duties and responsibilities under its charter include those specified in the listing standards of the Nasdaq Stock Exchange for audit committees.

The Audit Committee Charter describes the primary functions of the Audit Committee as follows:

- Appoint, evaluate and, as the Committee may deem appropriate, terminate and replace our independent registered public accounting firm;
- Monitor the independence of our independent registered public accounting firm;
- Determine the compensation to be paid to our independent registered public accounting firm;
- Review with management and our independent registered public accounting firm the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements;
- Review the experience and qualifications of the Company's senior finance executives as well as senior members of the independent registered public accounting firm team and the quality control procedures thereof;
- Pre-approve all audit services and permitted non-audit services to be performed by our independent registered public accounting firm and establish policies and procedures for the engagement of our independent registered public accounting firm to provide permitted non-audit services;
- Conduct annual reviews and assessments of the adequacy of the Audit Committee Charter and the continued independence of the independent registered public accounting firm and recommend any proposed changes to the Board for approval;
- Advise the Board with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations and with the Company's Code of Business Conduct and Ethics;
- Review all related-party transactions for potential conflict of interest situations and approve such related-party transactions;
- Establish procedures for the confidential and anonymous receipt, retention and treatment of complaints regarding the Company's accounting, internal controls and auditing matters; and
- Report to the Board on all of the foregoing matters.

Research and Clinical Oversight Committee. The Research and Clinical Oversight Committee ("Research Committee") was established in February 2007 and is chaired by David Sidransky, M.D. All of the members of Tamir's Research Committee are considered "independent directors" in accordance with Nasdaq Marketplace Rule 4200(a)(15).

The primary function of the Research Committee is to work closely with management and the Scientific Advisory Board to provide support and direction to the Company's research and development programs. The Research Committee functions as an advisory committee and does not hold formal committee meetings or take formal committee actions.

Commercial and Business Development Oversight Committee. The Commercial and Business Development Oversight Committee ("Development Committee") was established in February 2007 and is chaired by Paul Weiss, Ph.D. All of the members of Tamir's Development Committee are considered "independent directors" in accordance with Nasdaq Marketplace Rule 4200(a)(15).

The primary function of the Development Committee is to assist management in pursuing commercial and business development opportunities for the products currently in development. The Development Committee functions as an advisory committee and does not hold formal committee meetings or take formal committee actions.

Section 16(a) Beneficial Ownership Reporting Compliance

Based upon a review of filings with the SEC and written representations of certain reporting persons that no other reports were required, we believe that during fiscal year 2010 all of our directors, executive officers and beneficial owners of more than 10% of any class of equity securities complied on a timely basis with the reporting requirements of Section 16(a) of the Exchange Act, except for the Form 4 filed by Dr. Sidransky in May 2010, which was not timely filed.

Code of Ethics

Tamir has adopted a written Code of Business Conduct and Ethics ("Code of Ethics") that applies to the Company's principal executive officer, principal financial officer, principal accounting officer, and controller and to all its other employees. These standards are a guide to help ensure that all our employees live up to our high ethical standards. A copy of the Code of Ethics is maintained on our website at www.tamirbio.com.

We intend to post on our website, any amendment to or waiver from any provision in our Code of Ethics that applies to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, and that relates to any element of the standards enumerated in the rules of the SEC.

ITEM 11. EXECUTIVE COMPENSATION.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

During the fiscal year ended July 31, 2010, the members of the Board who served on the Compensation Committee were Messrs. John P. Brancaccio, Donald R. Conklin and Paul M. Weiss, Ph.D. Mr. Conklin resigned from the Board on January 2, 2010. As of July 31, 2010 all such directors were independent directors and have never been officers of Tamir. As of the date of this annual report on Form 10-K, Mr. Brancaccio and Dr. Weiss are independent directors and have never been officers of Tamir. During the fiscal year ended July 31, 2010, no executive officer of Tamir served on the compensation committee or board of directors of any other entity which had any executive officer who also served on the Compensation Committee or Board of Tamir.

COMPENSATION DISCUSSION AND ANALYSIS

Compensation Philosophy

Tamir's compensation program is based on the philosophy that the interests of our employees should be closely aligned with those of our stockholders. The Company's compensation program is based on the following principles:

- Compensation opportunities should attract the best talent, motivate individuals to perform at their highest levels, reward outstanding achievement and retain the leadership and skills necessary for building long-term stockholder value;
    - Compensation should include a bonus potential which is tied directly to operating objectives; and
- Compensation should include a long-term incentive award generally in the form of stock option grants to increase ownership in the Company and encourage executives to manage from the perspective of owners of the Company.

The Compensation Committee believes that the compensation program for executive officers should reward the achievement of the short-term and long-term objectives of the Company, and that compensation should be related to the value created for its stockholders. However, given the highly volatile nature of biotechnology company stocks it would be impracticable for the Company to tie executive compensation solely to stock performance. In making its

compensation decisions, the Compensation Committee generally reviews the progress made by the individual officer in attaining his or her individual performance goals and the progress made by the Company in its drug development programs, while keeping the Company's stock performance in mind. Generally, performance tied to the long-term objectives of the Company or the overall business objectives of the Company are rewarded with equity compensation, whereas performance tied to short-term goals of the Company, or individual performance, is rewarded with cash compensation. As different elements of the Company's compensation have different underlying rationale and policy, determinations the Compensation Committee made with regard to one compensation element have not influenced decisions it made with respect to other compensation elements it contemplated or awarded. For example, the factor that our CEO may receive a bonus if the performance objectives are satisfied and may receive additional value through his stock options if the Company's stock performs well has not influenced the determination as to the base salary of our CEO.

The Company's compensation philosophy was last reviewed by the Board in May 2007, at which time two new compensation programs were approved by the Board, the Incentive Bonus Program and the Annual Milestones bonus program. These two bonus programs were approved by the Board because they each met the Company's desire to reward and encourage executive officers and employees for not only causing the Company to meet its primary objectives but also to meet certain short-term objectives within a timeline prescribed by management. See "Incentive Compensation" below for details relating to these two programs.

Role of the Compensation Committee

The Compensation Committee currently consists of Messrs. John P. Brancaccio, Chairman, and Paul M. Weiss Ph.D. All committee members have been and currently are non-employee directors as defined under Rule 16b-3 of the Exchange Act and satisfy the director independence standards of the Nasdaq Stock Market and the definition of "outside director" under Section 162(m) of the Internal Revenue Code. No special expertise in compensation matters is required for appointment to the Compensation Committee.

The Compensation Committee is responsible for all components of the Company's executive compensation program and for administering all stock option plans including the 2004 Stock Incentive Plan, under which stock option grants may be made to executive officers. On an annual basis, the Compensation Committee reviews and approves the corporate goals and objectives relevant to the compensation for the CEO and other executive officers, if any. The Compensation Committee evaluates at least once a year, the CEO and executive officers' performance in light of these established goals and objectives and based upon these evaluations will set the CEO's and executive officers' annual compensation, including salary, bonus, incentive and equity compensation.

Role of Consultants and Market Review

The Compensation Committee possesses the authority under its charter to hire advisors to provide it with information as needed in making compensation decisions. The Compensation Committee did not use a compensation consultant for fiscal year 2010.

Role of Management

While the Compensation Committee determines overall compensation philosophy, it relies on the CEO and other executive officers, if any, to make recommendations in accordance with such compensation philosophy. The Company's CEO and CFO, if any, provide the Board and the Compensation Committee with feedback on the performance of the Company's non-executive officers and make compensation recommendations to the Compensation Committee for its approval. In 2010, the CEO attended the Compensation Committee's meetings to provide his perspectives on competition in the industry and the needs of the business, information regarding the Company's performance and other advice specific to their areas of expertise. However, the CEO did not attend meetings where his compensation and/or performance was discussed. Once a recommendation has been approved by the Compensation Committee, it is sent to the Board for ratification. Upon ratification by the Board, the execution and administration of the recommendation may be delegated by the Compensation Committee to management as the Compensation Committee deems appropriate.

Mr. Muniz has been our only executive since he joined the Company on April 3, 2009. At the time he joined the Company, the Compensation Committee agreed to pay him a consulting fee of $3,500 per week plus cost of travel between his home state of Florida and our office in New Jersey. On October 19, 2009, the Company entered into an Employment Agreement (the "Employment Agreement") with Mr. Muniz to serve as the Company's President, Chief Executive Officer and Chief Financial Officer. Under his Employment Agreement, Mr. Muniz will receive an annual base salary of $300,000 plus cost of travel between his home state of Florida and our office in New Jersey. and is entitled to receive cash incentive compensation or annual stock option awards as determined by the Board or the Compensation Committee of the Board from time to time. In addition, Mr. Muniz is entitled to participate in any and all employee benefit plans established and maintained by the Company for executive officers of the Company. Pursuant to the Employment Agreement, Mr. Muniz received an option (the "Option"), granted under and in accordance with the Company's 2004 Stock Incentive Plan, to purchase an aggregate of 500,000 shares of Common Stock exercisable for ten years from the date the Option is granted. The Option shall vest in equal amounts on each of the first, second and third year anniversary of the grant so long as Mr. Muniz remains employed by the Company. The exercise price of the Option equals the fair market value of the Common Stock on the date of grant.

The Employment Agreement continues in effect for two years following the date of the agreement and automatically renews for successive one-year periods, unless Mr. Muniz's employment is terminated by him or by the Company. In the event that Mr. Muniz's employment is terminated by the Company for any reason, then Mr. Muniz is entitled to receive his earned but unpaid base salary and incentive compensation, unpaid expense reimbursements, accrued but unused vacation and any vested benefits under any employee benefit plan of the Company. In the event that Mr. Muniz's employment is terminated by the Company without "Cause" or by Mr. Muniz for "Good Reason" (as such terms are defined in the Employment Agreement), and provided Mr. Muniz executes a release in favor of the Company, then in addition to the above mentioned payments and benefits, Mr. Muniz is entitled to receive an amount equal to his then current annual base salary, payable in equal installments over 12 months in accordance with the Company's payroll practice, and all medical and health benefits for 18 months following the termination date. In addition, in the event Mr. Muniz's employment is terminated without Cause or for Good Reason within 12 months following a Change in Control (as defined in the Employment Agreement), and provided Mr. Muniz executes a release in favor of the Company, in lieu of the severance described above, Mr. Muniz is entitled to receive a lump cash payment equal to his then current annual base salary, all medical and health benefits for 18 months following the termination date and full acceleration of vesting of all unvested stock options and other share-based awards. Mr. Muniz's Employment Agreement requires him to refrain from competing with the Company and from hiring our employees and soliciting our customers for a period of one year following the termination of his employment with the Company for any reason. The Employment Agreement was filed as Exhibit 10.5 to the Company's Form 8-K filed with the SEC on October 20, 2009.

Executive Compensation Components

Compensation for the Company's executive officers includes the following components:

Base Salary. Fixed annual compensation that is certain as to payment and provides continuous income to meet ongoing living costs. This component is intended to ensure that Tamir is able to retain executives capable of achieving the Company's strategic and business objectives. The Compensation Committee reviews executive officers' salaries annually and will make adjustments based on its expectations of that officer's performance as compared to the officer's actual performance and what the Compensation Committee's expectations are for that officer's future performance. Additionally, the Compensation Committee factors in cost of living adjustments as well as the Company's overall performance and stock performance. As described on our annual report on Form 10-K for the fiscal year 2008, in 2008, the Compensation Committee also utilized a study of market compensation levels prepared by an independent compensation consultant in order to evaluate the executive's compensation, including base salaries. Such a study was used by the Compensation Committee in setting base salaries for the Company's fiscal year

2008. Such study was not used in previous years, except for fiscal year 2008 and was not used in fiscal year 2010.

In light on the Company's financial difficulties, lack of executive leadership and inability to conduct a thorough market-based analysis of executive compensation, the Compensation Committee determined that Mr. Muniz, the Company's sole executive officer, should receive the same base compensation package, in all material respects, as his predecessor, Kuslima Shogen.

Stock Option Grants. Long-term incentive plan which offers eligible Company officers and employees incentives to put forth maximum efforts for the success of the Company's business, to afford executive officers an opportunity to acquire a proprietary interest in the Company and to relate the compensation of officers to the value they create for the Company's stockholders. Currently, all share-based awards are granted under the 2004 Stock Incentive Plan, which was approved by the Board of Directors and stockholders of the Company in November 2003 and in January 2004, respectively. The 2004 Stock Incentive Plan provides for the grant of stock options and other share-based awards to employees, officers, consultants, independent contractors and directors providing services to Tamir and its subsidiaries as determined by the Board or by the Compensation Committee. The types of awards that may be granted under the 2004 Stock Incentive Plan are stock options, stock appreciation rights, restricted stock, restricted stock units, performance awards, dividend equivalents, other stock grants, other share-based awards and any combination thereof. Stock options are granted based on the fair market value of a share on the date of grant of such option. The terms, time and method of the options are determined at the sole discretion of the Compensation Committee.

At the time he joined the Company in April 2009, Mr. Muniz did not receive any share-based compensation. After completion of the Company's financing in October 2009, pursuant to his Employment Agreement, Mr. Muniz received stock options to purchase a total of 500,000 shares of Common Stock. The Compensation Committee determined that this was an appropriate grant in light of prior grants made to the Company's former CEO, Mr. Muniz's success in obtaining financing for the Company in very difficult market conditions and the need to provide Mr. Muniz with additional incentive to create further value for the Company's stockholders.

Incentive Compensation. The primary purpose is to align the interests of the executive officers with those of the stockholders by rewarding executive officers for creating stockholder value over the long-term. The 2004 Stock Incentive Plan provides for the award of stock options, stock appreciation rights, restricted stock, restricted stock units, performance awards, dividend equivalents, and other stock grants or stock based awards.

Other Benefits. The CEO is eligible to participate in the Company's 401(k) plan, health and dental coverage, life insurance, disability insurance, paid time off and paid holidays on the same terms as are available to all employees generally. Other benefits which have previously been made available to the CEO, though not our current CEO, are the payment of reasonable costs of temporary housing, reasonable airfare associated with relocation and relocation assistance. We have previously provided the CEO with a monthly auto allowance and paid the premiums on a life insurance policy for the CEO where the Company was not the beneficiary of that life insurance policy, however, these benefits are not presently utilized by our current CEO. These awards are designed to be competitive with overall market practices, and are in place to attract and retain the personnel needed in the business.

Post-termination Agreements. Other than severance payments provided for in Mr. Muniz's Employment Agreement and Ms. Shogen's Retirement Agreement, as described in the annual report on Form 10-K/A filed with the SEC on November 30, 2009, the Company does not utilize post-termination agreements. In addition, under grants awarded pursuant to the 2004 Stock Incentive Plan, the recipients of such grants have received Stock Option Agreements which contain provisions that allow for the awarded options to become fully vested and immediately exercisable or exercisable during the six months following a change in control but in no event beyond the option period provided in the Stock Option Agreement; provided, however, that the terms of Mr. Muniz's Employment Agreement, as described above, supersede the terms set forth in his Stock Option Agreement. Per the Company's standard Stock Option Agreement, a change in control is deemed to occur if (i) a person, as defined by Section 13(d) and 14(d) of the Exchange Act, becomes the beneficial owner, directly or indirectly, of securities representing 20% or more of the combined voting power of the Company's then outstanding shares (except that ownership by the McCash Family Limited Partnership must be 50% to qualify as a change in control); (ii) during any 12 month period, the individuals who were, at the beginning of such period, a majority of the Board cease to be a majority of the Board; (iii) the Company's stockholders approve a merger or consolidation with another corporation except where the Company remains in control after such merger or consolidation or where the merger or consolidation was effected to recapitalize

the Company and no one person acquired more than 50% of the combined voting power of the Company; or (iv) the stockholders of the Company approve a plan of complete liquidation or enter into an agreement for the sale or disposition of all or substantially all of the assets of the Company.

Additionally, under the terms of the Stock Option Agreements issued under the 2004 Stock Incentive Plan, if there is a termination of service due to the death, total disability or retirement of the optionee on or after age 65 after seven years of service with the Company, then the options become fully exercisable at the time of death, total disability or retirement, as the case may be, and may be exercised by the optionee or optionee's estate during the six months following the month of optionee's death, total disability or retirement but in no event beyond the option period provided in the Stock Option Agreement. If there is a termination of employment due to voluntary resignation then to the extent options are exercisable as of the date of the termination, such options may be exercised within six months of the date of termination of employment. If there is termination for cause, then to the extent options are exercisable as of the date of the termination, such options may be exercised within 30 days of the date of termination. "Cause" is defined as (i) frequent and unjustifiable absenteeism other than optionee's illness or physical or mental disability; (ii) fraud or dishonesty materially injurious to the Company; (iii) gross or willful misconduct or willful neglect to act which is committed or omitted by optionee in bad faith; (iv) gross breach of optionee's fiduciary duties which has a materially injurious effect on the Company; (v) optionee's conviction as a felon; or (vi) optionee's willful or continuous neglect or refusal to perform his or her duties. If there is termination for any reason other than those described above, then to the extent options are exercisable as of the date of the termination, such options may be exercised within 12 months of the date of termination of employment.

Under grants awarded pursuant to the Company's 1997 and 1993 Stock Option Plans, prior to a dissolution or liquidation of the Company or a merger or consolidation where the Company is not the surviving corporation, the optionee has the right to exercise all outstanding options. If the optionee terminates employment, then to the extent options are exercisable as of the date of termination, such options may be exercised within 190 days of the date of termination of employment. If the Board determines that the optionee engaged in activities or employment contrary to the best interest of the Company, then the Board can cancel the options within 190 days of the termination of employment. If an optionee dies while still in service to the Company, then to the extent options are exercisable as of the date of death, such options may be exercised.

The rationale for the acceleration of the options under the 2004 Stock Incentive Plan, and the 1997 and 1993 Stock Option Plans upon a change in control of the Company is to ensure that officers are motivated to pursue creating or obtaining the maximum value for stockholders and to encourage officers to remain with the Company after a change in control has occurred.

Kuslima Shogen, the Company's former CEO and scientific founder, retired on March 31, 2009. On April 25, 2008, Tamir entered into a retirement agreement with Ms. Shogen which was filed as Exhibit 99.1 to the Company's Form 8-K filed with the SEC on April 28, 2008 (the "Retirement Agreement"). Under the terms of the Retirement Agreement, during the two year period commencing April 1, 2008, Ms. Shogen was entitled to receive periodic payments at the rate of $300,000 per year. The options to purchase the Company's common stock held by Ms. Shogen on the date of her retirement remained exercisable after Ms. Shogen's retirement in accordance with their terms. No change was made to the terms of such existing options under the Retirement Agreement, except the Compensation Committee of the Company's Board of Directors amended the Company's 1993 Stock Option Plan and 1997 Stock Option Plan to allow such options to be transferred by Ms. Shogen to members of her family. The Compensation Committee agreed to give Ms. Shogen the ability to transfer her existing options granted under the 2004 Stock Incentive Plan to members of her family. If Ms. Shogen elects COBRA continuation coverage after her retirement date, the Company will pay for Ms. Shogen's COBRA insurance continuation premiums until the earliest of the second anniversary of her retirement date and the date Ms. Shogen is no longer eligible for COBRA insurance overage under applicable law or the date on which Ms. Shogen becomes eligible for Medicare. In the event Ms. Shogen becomes ineligible for COBRA coverage under the Company's insurance plans for any reason other than her death prior to the second anniversary of her retirement date, the Company will make a lump sum cash payment to Ms. Shogen equal to the amount of the premiums the Company would have had to pay to maintain Ms. Shogen's coverage under the Company's insurance plans had Ms. Shogen remained eligible for coverage under such plans for the period commencing on the

date Ms. Shogen became ineligible for such coverage and ending on the second anniversary of her retirement date.

Pursuant to the terms of the Retirement Agreement, Ms. Shogen also agreed to terminate the Royalty Agreement dated July 24, 1991, as amended on April 16, 2001 by and between the Company and Ms. Shogen and filed as Exhibit 10.37 to the Company's Form 10-Q filed with the SEC on March 12, 2007 (the "Royalty Agreement"). The terms of the Royalty Agreement are described in Note 12 to the Financial Statements on pages F-44 through F-45 of the Company's Form 10-K for the fiscal year 2008. In exchange for termination of the Royalty Agreement, the Company agreed to make the following payments and awards to Ms. Shogen:

- A lump sum payment of $500,000 made within ten business days of the date of the Retirement Agreement, from which Tamir was entitled to deduct the amount of the outstanding principal and accrued interest of $187,410 owed by Ms. Shogen to Tamir as of the date of the Retirement Agreement.
- If the NDA for ONCONASE® for the treatment of malignant mesothelioma is approved by the FDA, Ms. Shogen would receive a one time payment equal to 5% of the initial milestone payment payable to the Company by Par Pharmaceutical Inc. ("Par") pursuant to the License Agreement dated as of January 14, 2008 by and between the Company and Par (the "License Agreement").
- If the NDA for ONCONASE® for the treatment of malignant mesothelioma is approved by the FDA, Ms. Shogen would also receive a payment of $350,000 on each of the first and second anniversaries of the date of such approval for a total payment of $700,000.
- An option (the "Option") to purchase an aggregate of 1,000,000 shares of the Company's common stock under the 2004 Stock Incentive Plan at an exercise price equal to the fair market value of the common stock as of the date of the Retirement Agreement as determined under such plan. The Option has a term of ten years and will become exercisable only upon the approval of the NDA for ONCONASE® for the treatment of malignant mesothelioma is approved by the FDA. As the result of the option to purchase 250,000 shares of common stock granted under the 2004 Stock Incentive Plan to Ms. Shogen on March 5, 2008 in connection with the Company's execution of the License Agreement and in order to enable the Company to grant this Option to Ms. Shogen, the Board of Directors amended the annual award limitation for a participant in the 2004 Stock Incentive Plan for 2008 as it relates to Ms. Shogen from 1,000,000 shares to 1,250,000 shares.
- Payments equal to 15% of any royalties payable with respect to net sales which are received by Tamir pursuant to any and all license agreements entered into by Tamir for the marketing and distribution of ONCONASE® and any other products derived from amphibian source extract, produced either as a natural, synthesized, and/or genetically engineered drug which are covered by the claims of any issued patent owned or controlled by Tamir which is issued and valid as of December 31, 2007 (the "Licensed Products") and 5% of net sales of Licensed Products which Tamir books on its financial statements but only to the extent that the aggregate annual net sales of Licensed Products upon which such royalty payments are received by Tamir and annual net sales of Licensed Products booked by Tamir when combined are in excess of $100 million in a year. In the event either or both of the aggregate annual net sales of Licensed Products upon which Tamir receives royalties and the annual net sales of Licensed Products which Tamir books on its financial statements are less than $100 million, but when combined such aggregate annual net sales exceed $100 million, the payments to be received by Ms. Shogen in that year will be paid with respect to the amount of such aggregate net sales that exceeds $100 million and pro rated between the 15% Ms. Shogen is entitled to receive on royalties received by Tamir and the 5% Ms. Shogen is entitled to receive on net sales booked by Tamir based upon the percentage of the total net sales of the Licensed Products that year represented by aggregate net sales upon which Tamir receives a royalty and the net sales booked by Tamir. Ms. Shogen's rights to receive these payments shall terminate when all claims under the relevant patents which cover the Licensed Products have expired.

On September 14, 2009, the Company entered into an amendment (the "Amendment") to the Retirement Agreement amending certain terms. Under the Retirement Agreement, Ms. Shogen was entitled to receive periodic payments during the two year period commencing April 1, 2008 at the rate of $300,000 per year. Pursuant to the Amendment, the periodic payments were reduced to $150,000 per year. Under the Retirement Agreement, Ms. Shogen was entitled to receive continuing payments equal to 15% of any royalties received by Tamir pursuant to any and all license agreements entered into by Tamir for the marketing and distribution of Licensed Products. Under the Amendment, the amount of such royalties related to net sales of Licensed Products to be received by Ms. Shogen has been reduced to 5%. Under the Retirement Agreement, Ms. Shogen was entitled to receive continuing payments equal to 5% of net sales of Licensed Products booked by Tamir on its financial statements. Under the Amendment, the amount of net sales of License Products booked by Tamir to be received by Ms. Shogen has been reduced to 2% of net sales. Under the Amendment, in the event Tamir obtains marketing approval for ONCONASE® from the Food and Drug Administration or the European Medicines Agency, Ms. Shogen will be entitled to receive an additional payment

equal to the difference between the periodic payments actually paid to Ms. Shogen during the two year period commencing April 1, 2008 and $600,000, the original aggregate amount of periodic payments to which Ms. Shogen was entitled under the Retirement Agreement. Such additional payment may be made by Tamir, at its option, in cash, Tamir common stock or a combination of both. Except as specifically amended in the Amendment, all terms and conditions of the Retirement Agreement remain in full force and effect.

The following table summarizes the estimated value of the stock options for each named executive officer derived from the terms of the 2004 Stock Incentive Plan, the 1997 Stock Option Plan and the 1993 Stock Option Plan assuming that a triggering event took place on the last business day of our most recently completed fiscal year, July 31, 2010 and that the price per share of our common stock is the closing market price as of that date.

Name	Death or Total Disability(1)	Voluntary Termination or Termination for Cause(1)	Change in Control(1)
Charles Muniz	$0	0	$0

(1) These amounts represent the aggregate in-the-money value of stock options which would become vested as a direct result of the termination event or change in control before the applicable stated vesting date. The stated vesting date is the date at which an award would have vested absent such termination event or change in control. This calculation of value does not attribute any additional value to stock options based on their remaining terms and does not discount the value of awards based on the portion of the vesting period elapsed at the date of the termination event or change in control. These amounts represent the intrinsic value of stock options, based on a closing stock price of $0.29 on July 31, 2010.

Pension Plans. The Company does not have pension plans for its employees, executive officers or directors.

Non-Qualified Deferred Compensation Plans. The Company does not have non-qualified deferred compensation plans for its employees, executive officers or directors.

Tax and Accounting Considerations

Deductibility of Executive Compensation. In making compensation decisions affecting the executive officers, the Compensation Committee considers the Company's ability to deduct under applicable federal corporate income tax law compensation payments made to executives. Specifically, the Compensation Committee considers the requirements and impact of Section 162(m) of the Internal Revenue Code, which generally disallows a tax deduction for annual compensation in excess of $1 million paid to our named executive officers. Certain compensation that qualifies under applicable tax regulations as "performance-based" compensation is specifically exempted from this deduction rule. The Compensation Committee cannot assure that it will be able to fully deduct all amounts of compensation paid to persons who are named executive officers in the future. Further, because the Compensation Committee believes it is important to preserve flexibility in designing its compensation programs, it has not adopted a policy that all compensation must qualify as deductible under Section 162(m). The cash compensation that the Company paid to each of its named executive officers during 2009 was below $1 million. We believe that stock options granted to named executive officers under the 1997 Stock Option Plan and the 2004 Stock Incentive Program would qualify as "performance-based compensation" and therefore are Section 162(m) qualified.

Accounting for Share Based Compensation. On August 1, 2005, the Company adopted the fair value recognition provisions of the Financial Accounting Standards Board ("FASB") amended guidance on accounting for Stock Compensation, to account for all stock grants under all of its stock plans.

Summary Compensation Table

The following table provides a summary of cash and non-cash compensation for each of the last three fiscal years ended July 31, 2010 and 2009 with respect to the persons serving as Tamir's Chief Executive Officer and the persons serving as Tamir's only other executive officer, the Chief Financial Officer, during the year ended July 31, 2010 ("Named Executive Officers").

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)(1)	Option Awards ($)(1)	Non-Equity Incentive Plan Compensation	Non-Qualified Deferred Compensation Earnings ($)	All Other Compensation(2)	Total ($)
Charles Muniz	2010	$275,038(4)	-	-	$142,500	-	-	$23,521(5)	$441,059
President, Chief Executive Officer and Chief Financial Officer(3)	2009	$87,500(6)	-	-	-	-	-	$11,041(7)	$98,541

(1) These amounts represent the dollar amount recognized for financial statement reporting purposes the grant date fair value of stock options granted to the named executive officers in accordance with the FASB amended guidance on accounting for Stock Compensation. The grant date fair value was estimated using the Black-Scholes stock option pricing model in accordance with the FASB amended guidance on accounting for Stock Compensation. Pursuant to the SEC rules, the amounts exclude the impact of estimated forfeitures related to service-based vesting conditions. Valuation assumptions used in the calculation are as disclosed in this annual report on Form 10-K for the year ended July 31, 2010.

(2) Excludes perquisites and other personal benefits that in the aggregate do not exceed $10,000. These amounts consist of Tamir's annual contributions to a 401(k) plan unless otherwise noted.

(3) Mr. Muniz was appointed as the Company's President, Chief Operating Officer, Chief Financial Officer and director to the Board on April 3, 2009.

(4) Mr. Muniz initially began consulting with the Company on February 9, 2009. On April 3, 2009, Mr. Muniz was appointed as the Company's President, Chief Operating Officer and Chief Financial Officer. Given the Company's difficult financial condition, Mr. Muniz continued to receive consulting payments from the date he first began consulting with the Company continuing through October 19, 2009. These amounts represent consulting fee from August 1, 2009 to October 16, 2009 which amounted to $38,500 and his wages from October 19, 2009 to July 31, 2010 amounted to $236,538.

(5) This amount consists of travel cost between Mr. Muniz' home state of Florida and New Jersey totaling $9,550 and health insurance reimbursement of $13,971 for fiscal year 2010.

(6) These amounts represent consulting fee from his first day of employment through July 31, 2009.

(7) This amount consists of travel cost between Mr. Muniz' home state of Florida and New Jersey for a period of six months totaling $5,218 and health insurance reimbursement of $5,823 for fiscal year 2009.

Grants of Plan-Based Awards in Fiscal Year 2010

The following table contains information concerning the grant of stock options under equity and non-equity incentive plans to the Named Executive Officers during the fiscal year ended July 31, 2010:

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Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards				All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/Sh)	Grant D Fair Va of Stoc and Op Awards
		Threshold ($)	Target ($)	Maximum ($)	Award Unit	Threshold ($)	Target ($)	Maximum ($)				
Charles Muniz	10/19/09	n/a	n/a	n/a						500,000	$0.34	$142

(1) The grant date fair value was estimated using the Black-Scholes stock option pricing model in accordance with the FASB amended guidance on accounting for Stock Compensation. Pursuant to the SEC rules, the amounts exclude the impact of estimated forfeitures related to service-based vesting conditions. Valuation assumptions used in the calculation are as disclosed in this annual report on Form 10-K for the year ended July 31, 2010.

Outstanding Equity Awards at Fiscal Year-End

The following table sets forth the information with respect to the Named Executive Officers concerning the exercisable and unexercisable stock option awards held as of July 31, 2010(1):

Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date
Charles Muniz	-	500,000	-	$0.34	10/19/19

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(1) The Company does not have stock awards as part of its compensation program, therefore the columns entitled "Stock Awards" have been omitted from this table.

Option Exercises and Stocks Vested

The Named Executive Officers did not exercise options during fiscal year 2010 and the Company did not grant stock awards as part of its compensation program.

Non-Employee Directors' Compensation

In February 2007, the Board adopted a non-employee director compensation policy whereby each member of the Board who was not an employee of Tamir will receive $15,000 per year in consideration of the member's serving on the Board, payable in four equal quarterly installments. This cash compensation ceased in January 2009. In addition, each non-employee director will be granted an annual retainer of 20,000 options on the last trading day of December for each year under the 2004 Stock Incentive Plan. The Chairman of the Board will receive an option bonus equal to

the number of options received by the Chairman for his board and committee memberships. Committee chairpersons receive 10,000 options for each committee chaired while each committee member receives 5,000 options for each committee on which he serves. The exercise price of the options will be equal to the closing price of the Common Stock on the date of the grant. The options will vest on the first anniversary of the date of the grant provided that the option holder remains a director as of such anniversary date and the options will terminate on the sixth anniversary of the date of the grant.

As described in the Form 8-K filed by the Company on October 20, 2009, the Company closed on a private placement of convertible promissory notes and warrants in which the Company received $3,250,000 in gross proceeds on October 19, 2009. As a condition to the closing of such financing, each member of the Board other than David Sidransky, Chairman of the Board, and Mr. Muniz agreed to resign from the Board upon the request of Dr. Sidransky made at any time following the closing and prior to December 31, 2009. In connection with such condition, the Board amended the vesting of the options granted on December 31, 2008 to non-employee directors, except for Dr. Sidransky, to be accelerated in full upon their resignation as requested by the Chairman of the Board. Additionally, with the exception of Dr. Sidransky, the terms of the options granted to non-employee directors on February 8, 2007, December 31, 2007 and December 31, 2008 were amended to provide that if the non-employee director leaves the Board, the option will be exercisable for two years, instead of one year, from the date such non-employee director leaves the Board any time between October 19, 2009 and December 31, 2009.

Donald R. Conklin and Kuslima Shogen resigned from the Board following a written request from Dr. Sidransky on January 2, 2010 and January 29, 2010, respectively. Stephen K. Carter, M.D did not stand for reelection at the Annual Meeting on April 27, 2010.

Under our director compensation policies, directors who also serve as executive officers do not receive additional compensation for their service on our Board.

The exercise price and vesting schedules for the regular and discretionary option grants described above are set forth in the table titled “Directors’ Stock Options” below. The total compensation paid to independent directors for their service as directors of the Company for fiscal year 2010 is set forth in the table titled “Directors’ Compensation” below.

During the fiscal year ended July 31, 2010, the following independent or non-employee directors were compensated as follows for their service as directors of the Company:

Directors’ Stock Options

During the fiscal year ended July 31, 2010, the following independent or non-employee directors were granted options under Tamir’s 2004 Stock Incentive Plan as described above:

Name	Number of Options Granted	Exercise Price of Options Granted
John P. Brancaccio	125,000(1)(2)	$0.26
Stephen K. Carter, M.D.*	-	-
Donald R. Conklin+	-	-
Kuslima Shogen (3)	11,667(3)	$0.34
David Sidransky, M.D.	180,000(1)(4)	$0.26
Paul M. Weiss, Ph.D.	125,000(1)(5)	$0.26

*Did not stand for reelection at the Annual Meeting on April 27, 2010.

+Resigned from the Board on January 2, 2010.

(1) All the options listed here were granted on April 28, 2010 which will vest on December 31, 2010, provided that the option holder continuously remained a director until such time, and expire on December 31, 2015. The exercise price of these options was the closing price of the Company's Common Stock on the date of the grant.

(2) Mr. Brancaccio's options are the result of his serving on the as Chairman of the Audit and Compensation Committees.

(3) Ms. Shogen's options are the result of her serving as a member of the Board after her retirement. These options expire on Oct 19, 2014, vested immediately and the exercise price was the closing price of the Company's Common Stock on the date of grant. Ms. Shogen resigned on January 29, 2010.

(4) Dr. Sidransky's options are the result of his serving as Chairman of the Board, Chairman of the Corporate Governance and Nominating Committee, Chairman of the Research and Clinical Oversight Committee and a member of the Commercial and Business Development Oversight Committee.

(5) Dr. Weiss' options are the result of his serving on the Compensation Committee, the Corporate Governance and Nominating Committee, the Audit Committee, the Research and Clinical Oversight Committee.

Directors' Compensation

During the fiscal year ended July 31, 2010, the following independent or non-employee directors were compensated as follows for their service as directors of the Company:

Name	Fees Earned or Paid in Cash ($)	Stock Awards(1) ($)	Option Awards(1) ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
John P. Brancaccio	$ 0	-	$24,875	-	-	-	$24,875
Stephen K. Carter, M.D.*	$ 0	-	-	-	-	-	-
Donald R. Conklin+	$ 0	-	-	-	-	-	-
Kuslima Shogen++	$ 0	-	$2,812	-	-	-	$2,812
David Sidransky, M.D.	$ 0	-	$35,820	-	-	-	$35,820
Paul Weiss, Ph.D.	$ 0	-	$24,875	-	-	-	$24,875

* Did not stand for reelection at the Annual Meeting on April 27, 2010.

\+ Resigned from the Board on January 2, 2010.

++ Resigned from the Board on January 29, 2010.

(1) These amounts represent the dollar amount recognized for financial statement reporting purposes for the fair value of stock options granted to non-employee directors for fiscal year 2010. The grant date fair value of the options was estimated using the Black-Scholes stock option pricing model in accordance with the FASB amended guidance on accounting for Stock Compensation. Valuation assumptions used in the calculation are as disclosed in this annual report on Form 10-K for the year ended July 31, 2010.

Outstanding Equity Awards at Fiscal Year-End

The following table sets forth the information with respect to the independent or non-employee directors concerning exercisable and unexercisable stock options held as of July 31, 2010(1):

Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date
John P. Brancaccio	20,000	-	$4.38	12/30/10
	20,000	-	$1.89	12/30/11
	20,000	-	$1.60	12/30/12
	15,000	-	$1.49	02/08/13
	35,000	-	$1.72	12/31/13
	35,000	-	$0.24	12/31/14
	-	125,000(2)	$0.26	12/31/15
Stephen K. Carter, M.D.*	20,000	-	$4.38	11/03/10
	20,000	-	$1.89	11/03/10
	20,000	-	$1.60	11/03/10
	5,000	-	$1.49	04/27/12
	25,000	-	$1.72	04/27/12
	25,000		$0.24	04/27/12
Donald R. Conklin+	10,000	-	$1.49	01/02/12
	30,000	-	$1.72	01/02/12
	30,000	-	$0.24	01/02/12
Kuslima Shogen++	11,667	-	$0.34	10/19/14
	-	1,000,000(3)	$2.00	04/25/18
David Sidransky, M.D.	20,000	-	$4.38	12/30/10
	20,000	-	$1.89	12/30/11
	20,000	-	$1.60	12/30/12
	70,000	-	$1.49	02/08/13
	90,000	-	$1.72	12/31/13
	90,000	-	$0.24	12/31/14
		180,000(2)	$0.26	12/31/15
Paul M. Weiss, Ph.D.	20,000	-	$4.38	12/30/10
	20,000	-	$1.89	12/30/11
	20,000	-	$1.60	12/30/12
	30,000	-	$1.49	02/08/13
	50,000	-	$1.72	12/31/13
	50,000		$0.24	12/31/14
	-	125,000(2)	$0.26	12/31/15

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* Is not standing for reelection at the Annual Meeting.

\+ Resigned from the Board on January 2, 2010.

++ Resigned from the Board on January 29, 2010.

(1) The Company does not have stock awards as part of its compensation program, therefore the columns entitled "Stock Awards" have been omitted from this table.

(2) These options will vest on December 31, 2010, provided that the option holder continuously remained a director as of December 31, 2010.

(3) These performance options are only exercisable upon the meeting of the conditions set out in Ms. Shogen's Retirement Agreement as previously described.

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REPORT OF THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS

The Compensation Committee has overall responsibility for evaluating and approving the Company's executive officer compensation plans, policies and programs, including compensation of the Chief Executive Officer. During the fiscal year ended July 31, 2010 the Compensation Committee consisted of three independent directors. Our compensation program, both for our executive officers as well as for all employees, is based on the philosophy that the interests of our employees should be closely aligned with those of our stockholders. As with many other biotechnology companies, Tamir's current level of development and the highly volatile nature of biotechnology stocks in general makes executive compensation, which is normally based on sales and earnings goals, or strictly based on stock performance, impracticable. In determining compensation, the Compensation Committee generally reviews the progress made by the individual officer in attaining his or her individual goals and the progress made by the Company in its drug development programs. In addition, the Compensation Committee keeps the Company's stock performance in mind when making compensation decisions. Finally, the Compensation Committee generally reviews and takes into account competitive factors regarding compensation. Our compensation program is based on the following principles:

- Compensation opportunities should attract the best talent, motivate individuals to perform at their highest levels, reward outstanding achievement, and retain the leadership and skills necessary for building long-term stockholder value;
    - Compensation should include a bonus potential which is tied directly to operating objectives; and
- Compensation should include a long-term incentive award generally in the form of stock option grants to increase ownership in the Company and encourage executives to manage from the perspective of owners of the Company.

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis as required by Item 402(b) of Regulation S-K with management. Based on these reviews and discussions, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the Company's annual meeting proxy statement on Schedule 14A.

This report is respectfully submitted by the members of the Compensation Committee of the Board.

John P. Brancaccio, Chairman
David Sidransky, M.D.
Paul M. Weiss, Ph.D.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

Security Ownership of Certain Beneficial Owners

Name and address of beneficial owner or identity of group	Amount and Nature of Beneficial Ownership	Percent of shares outstanding(1)
Charles Muniz(2) c/o Tamir Biotechnology, Inc. 300 Atrium Drive Somerset, NJ 08873	20,609,998(3)	30.6%
Knoll Capital Management LP, Fred Knoll and Europa International, Inc. (4)	18,280,520(5)	29.1%

666 Fifth Avenue, Suite 3702 New York, NY 10103		
McCash Family Limited Partnership N3810 S. Grand Oak Drive Iron Mountain, MI 49801	3,421,452(6)	7.2%
James O. McCash, and the James O. McCash Trust N3820 S. Grand Oak Drive Iron Mountain, MI 49801	2,910,820(7)	6.1%

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(1) The percentage of stock outstanding for each stockholder is calculated by dividing (i) the number of shares deemed to be beneficially held by such stockholder as of the date of the calculation by (ii) the sum of (A) the number of shares of Common Stock outstanding as of the date of the calculation, plus (B) the number of shares issuable upon conversion of securities convertible into shares of Common Stock and upon exercise of options or warrants held by such stockholder which were convertible or exercisable as of the date of the calculation or which will become exercisable within 60 days after the date of the calculation.

(2) Mr. Muniz is the Company's President, Chief Executive Officer, Chief Financial Officer and a Director.

(3) Includes 300,000 shares of Common Stock owned by Mr. Muniz' wife and 19,999,998 shares subject to a convertible note and warrants which are currently convertible or exercisable or which will become convertible or exercisable within 60 days after July 31, 2010.

(4) Knoll Capital Management LP, Fred Knoll and Europa International, Inc. filed a Schedule 13D on December 7, 2009 with the Securities and Exchange Commission (the "SEC") as joint filers.

(5) Includes 15,214,286 shares subject to a convertible note and warrants which are currently convertible or exercisable or will become convertible or exercisable within 60 days of July 31, 2010 held by Europa International Inc. and 214,286 shares subject to warrants which are currently exercisable or will become exercisable within 60 days of July 31, 2010 held by Knoll Special Opportunities Fund II Master Fund Ltd. This information concerning the stock ownership of Knoll Capital Management LP, Fred Knoll and Europa International, Inc. was obtained from the Schedule 13D filed by them with the SEC on December 7, 2009 and other information known to the Company.

(6) This information concerning the stock ownership of the McCash Family Limited Partnership was obtained from the Schedule 13D/A filed with the SEC on January 8, 2007 and other information known to the Company.

(7) This information concerning the stock ownership of the James O. McCash, and the James O. McCash Trust was obtained from the Schedule 13G/A filed with the SEC on February 5, 2008 and other information known to the Company.

Security Ownership of Management

Security Ownership of Management

Name and address of beneficial owner or identity of group(1)	Position	Amount and Nature of Beneficial Ownership(2)	Percent of shares outstanding(3)
Charles Muniz	President, Chief Executive Officer, Chief Financial Officer and Director	20,609,998(4)	30.6%
John P. Brancaccio	Director	151,300(5)	*
David Sidransky, M.D.	Chairman of the Board	355,000(6)	*
Paul M. Weiss, Ph.D.	Director	230,090(7)	*
All Named Executive Officers and directors as a group (4 persons)		21,346,388(8)	31.4%

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* Represents less than 1% of Tamir's outstanding Common Stock.

(1) Unless otherwise indicated below, the persons in the above table have sole voting and investment power with respect to all shares beneficially owned by them. The address of all Named Executive Officers and directors is c/o Tamir Biotechnology, Inc., 300 Atrium Drive, Somerset, New Jersey, 08873.

(2) All shares listed are Common Stock. Except as discussed below, none of these shares are subject to rights to acquire beneficial ownership, as specified in Rule 13d-3(1) under the Exchange Act, and the beneficial owner has sole voting and investment power, subject to community property law where applicable.

(3) The percentage of stock outstanding for each stockholder is calculated by dividing (i) the number of shares deemed to be beneficially held by such stockholder as of July 31, 2010 by (ii) the sum of (A) the number of shares of Common Stock outstanding as of July 31, 2010 plus (B) the number of shares issuable upon exercise of options or warrants held by such stockholder which were exercisable as of July 31, 2010 or which will become exercisable within 60 days after July 31, 2010.

(4) Includes 300,000 shares of Common Stock owned by Mr. Muniz' wife and 19,999,998 shares subject to a convertible note and warrants which are currently convertible or exercisable or which will become convertible or exercisable within 60 days after July 31, 2010.
(5) Includes 145,000 shares underlying options which are currently exercisable or which will become exercisable within 60 days after July 31, 2010.
(6) Includes 310,000 shares underlying options which are currently exercisable or which will become exercisable within 60 days after July 31, 2010.
(7) Includes 6,535 shares of Common Stock owned by Mr. Weiss' wife and 190,000 shares underlying options which are currently exercisable or which will become exercisable within 60 days after July 31, 2010.
(8) Includes all shares owned beneficially by the directors and the executive officers named in the table.

The following table provides information as of July 31, 2010 on our equity based compensation plans that may be issued upon the exercise of stock options:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	3,535,467	$ 1.45	5,175,333

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE.

Related Party Transactions

The Company recognizes that related party transactions can create the appearance that Company decisions are made based on factors other than the Company's best interest or the best interest of the Company's stockholders. Related party transactions can also create potential or actual conflicts of interest between the Company and the related party. For purposes of Item 404 of Regulation S-K, related person transactions are transactions which exceed $120,000 in the aggregate or 1% of the average of the Company's total assets at year end for the last three completed fiscal years, to which the Company and a related party with a direct or indirect material interest, participated. The Company's Code of Business Conduct and Ethics requires that any such related party transactions be specifically approved by the Audit Committee. In addition directors, officers and employees must notify the Ethics Officer or the Chair of the Audit Committee of the existence of any actual or potential conflicts of interest. The Audit Committee performs a review of related party transactions as part of its review of the annual report on Form 10-K for the fiscal year ended July 31, 2010.

The Company was a party to the following transactions in which the amount involved exceeded $120,000 and in which any executive officers, directors, holders of more than 5% of our capital stock and members of such person's immediate families had or will have a direct or indirect material interest.

On October 20, 2009, the Company completed a sale of 65 units (the "Units") in a private placement (the "Offering") to certain investors pursuant to a securities purchase agreement entered into on October 19, 2009. Each Unit consists of (i) $50,000 principal amount of 5% Senior Secured Convertible Promissory Notes (collectively, the "Notes") convertible into shares of the Company's Common Stock, (ii) Series A Common Stock Purchase Warrants (the "Series A Warrants") to purchase in the aggregate that number of shares of Common Stock initially issuable upon conversion of the aggregate amount of Notes issued as part of the Unit, at an exercise price of $0.15 per share with a three year term and (iii) Series B Common Stock Purchase Warrants (the "Series B Warrants" and together with the Series A Warrants, the "Warrants") to purchase in the aggregate that number of shares of Common Stock initially issuable upon conversion of the aggregate amount of Notes issued as part of the Unit, at an exercise price of $0.25 per share with a five year term. The closing of the Offering occurred on October 19, 2009 and the Company received an aggregate of $3,250,000 in gross proceeds. Charles Muniz, the Company's President, Chief Executive Officer, Chief Financial Officer and director, subscribed for 20 Units, certain trusts and individuals related to James O. McCash, a beneficial owner of more than five percent of the Company's voting securities, subscribed for an aggregate of 20 Units, Europa International Inc., an affiliate of Knoll Capital Management LP, a beneficial owner of more than five percent of the Company's voting securities, subscribed for 15 Units. The relevant documentation and additional description of the Offering were filed with the SEC on Form 8-K on October 20, 2009. The Company's entry into an employment agreement with Mr. Muniz upon terms reasonably acceptable to the investors in the Offering was a condition to the Closing.

In addition, see the discussion of the Retirement Agreement and arrangements related thereto by and between the Company and the Company's CEO, Kuslima Shogen, set forth above in the Post-Termination Agreement subsection of the "Compensation and Discussion Analysis".

In December 2009, the Company engaged Champions Biotechnology, Inc. to provide certain services for approximately $99,900. The Company's non-executive Chairman of the Board of Directors, Dr. David Sidransky, is also the chairman of the board of directors as well as a principal stockholder of Champions Biotechnology, Inc. As of July 31, 2010, the agreed amount was paid in full.

Director Independence

Please see the sections entitled Independent Directors and Board Committee Membership in Item 10 "Directors, Executive Officers and Corporate Governance" above for disclosures on Board independence and committee membership.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES.

In accordance with the requirements of the Sarbanes-Oxley Act of 2002 and the Audit Committee Charter, all audit and audit-related work and all non-audit work performed by the independent registered public accounting firm, J.H. Cohn LLP, is approved in advance by the Audit Committee, including the proposed fees for such work. The Audit Committee is informed of each service actually rendered that was approved through its pre-approval process.

Audit Fees

Audit fees paid by Tamir to J.H. Cohn LLP for the audit of the financial statements included in Tamir's annual report on Form 10-K, auditors' review of the financial statements included in Tamir's Quarterly Reports on Form 10-Q, work related to Tamir's registration statements and consultation on accounting topics for the years ended July 31, 2010 and 2009 totaled approximately $124,000 and $101,000, respectively.

Audit-Related Fees

None.

Tax Fees

None.

All Other Fees

None.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a)(1) and (2) The response to these portions of Item 15 is submitted as a separate section of this report commencing on page F-1.

(a)(3) Exhibits (numbered in accordance with Item 601 of Regulation S-K).

Exhibit No.	Item Title	Filed Herewith or Incorporated by Reference
3.1	Certificate of Incorporation, dated June 12, 1981 (incorporated by reference to Exhibit 3.1 to the Company's Registration Statement on Form S-1, File No. 333-112865, filed on February 17, 2004)	*
3.2	Amendment to Certificate of Incorporation, dated February 18, 1994 (incorporated by reference to Exhibit 3.2 to the Company's Registration Statement on Form S-1, File No. 333-112865, filed on February 17, 2004)	*
3.3	Amendment to Certificate of Incorporation, dated December 26, 1997 (incorporated by reference to Exhibit 3.3 to the Company's Registration Statement on Form S-1, File No. 333-112865, filed on February 17, 2004)	*
3.4	Amendment to Certificate of Incorporation, dated January 14, 2004 (incorporated by reference to Exhibit 3.4 to the Company's Registration Statement on Form S-1, File No. 333-112865, filed on February 17, 2004)	*
3.5	Certificate of Designation for Series A Preferred Stock, dated September 2, 2003 (incorporated by reference to Exhibit 3.5 to the Company's Registration Statement on Form S-1, File No. 333-112865, filed on February 17, 2004)	*
3.6	Certificate of Elimination of Series A Preferred Stock, dated February 3, 2004 (incorporated by reference to Exhibit 3.6 to the Company's Registration Statement on Form S-1, File No. 333-112865, filed on February 17, 2004)	*
3.7	Certificate of Amendment to Certificate of Incorporation, dated April 27, 2010 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, filed on April 30, 2010)	*
3.8	By-Laws (incorporated by reference to Exhibit 3.4 to Registration Statement on Form S-1, File No. 333-111101, filed on December 11,	*

	2003)	
4.1	Form of Note	*
4.2	Form of Series A Common Stock Purchase Warrant	*
4.3	Form of Series B Common Stock Purchase Warrant	*
10.1	1993 Stock Option Plan and Form of Option Agreement (incorporated by reference to Exhibit 10.10 to Registration Statement on Form SB-2, File No. 33-76950, filed on August 1, 1994)	*
10.2	1997 Stock Option Plan (incorporated by reference to Exhibit 10.2 to Registration Statement on Form S-1, File No. 333-111101, filed on December 11, 2003)	*

Exhibit No.	Item Title	Filed Herewith or Incorporated by Reference
10.2.1	Amendment No. 1 to 1997 Stock Option Plan (incorporated by reference to Exhibit 10.2.1 to the Company's Quarterly Report on Form 10-Q, filed on June 9, 2008)	*
10.3	2004 Stock Incentive Plan (incorporated by reference to Exhibit 10.3 to the Company's Registration Statement on Form S-1, File No. 333-112865, filed on February 17, 2004)	*
10.3.1	Amendment No. 1 to 2004 Stock Incentive Plan (incorporated by reference to Exhibit 10.3.1 to the Company's Quarterly Report on Form 10-Q, filed on June 9, 2008)	*
10.4	Form of Subscription Agreement and Warrant Agreement used in Private Placements completed in February 2000 (incorporated by reference to Exhibit 10.21 to the Company's annual report on Form 10-K, filed on October 30, 2000)	*
10.5	Form of Subscription Agreement and Warrant Agreement used in the August and September 2000 Private Placements (incorporated by reference to Exhibit 10.24 to the Company's Quarterly Report on Form 10-Q, filed on December 15, 2000)	*
10.6	Form of Subscription Agreement and Warrant Agreement used in the April 2001 Private Placements (incorporated by reference to Exhibit 10.23 to Registration Statement on Form S-1, File No. 333-38136, filed on July 30, 2001)	*
10.7	Form of Convertible Note entered into in April 2001 (incorporated by reference to Exhibit 10.24 to Registration Statement on Form S-1, File No. 333-38136, filed on July 30, 2001)	*
10.8	Form of Subscription Agreement and Warrant Agreement used in the July 2001 Private Placements (incorporated by reference to Exhibit 10.25 to Registration Statement on Form S-1, File No. 333-38136, filed on July 30, 2001)	*
10.9	Form of Subscription Agreement and Warrant Agreement used in the August and October 2001 private placement (incorporated by reference to Exhibit 10.26 to Registration Statement on Form S-1, File No. 333-38136, filed on December 14, 2001)	*
10.10	Form of Subscription Agreement and Warrant Agreement used in the September 2001, November 2001 and January 2002 private placements (incorporated by reference to Exhibit 10.27 to Registration Statement on Form S-1, File No. 333-38136, filed on February 21, 2002)	*
10.11	Warrant issued in the February 2002 private placement (incorporated by reference to Exhibit 10.28 to Registration Statement on Form S-1, File No. 333-38136, filed on February 21, 2002)	*
10.12	Form of Subscription Agreement and Warrant Agreement used in the March 2002, April 2002 and May 2002 private placements (incorporated by reference to Exhibit 10.29 to Registration Statement on Form S-1, File No. 333-89166, filed on May 24, 2002)	*

10.13	Form of Subscription Agreement and Warrant Agreement used in the June 2002 and October 2002 private placements (incorporated by reference to Exhibit 10.30 to the Post-Effective Amendment to Registration Statement on Form S-1, File No. 333-38136, filed on March 3, 2003)	*
10.14	Form of Note Payable and Warrant Certificate entered into April, June, July, September, November and December 2002 (incorporated by reference to Exhibit 10.31 to the Post-Effective Amendment to Registration Statement on Form S-1, File No. 333-38136, filed on March 3, 2003)	*
10.15	Form of Note Payable and Warrant Certificate entered into November 2001, January, March and May 2003 (incorporated by reference to Exhibit 10.23 to the Company's annual report on Form 10-K, filed on October 29, 2003)	*
10.16	Form of Subscription Agreement and Warrant Agreement used in the February 2003 and April through August 2003 private placements (incorporated by reference to Exhibit 10.24 to the Company's annual report on Form 10-K, filed on October 29, 2003)	*

Exhibit No.	Item Title	Filed Herewith or Incorporated by Reference
10.17	Form of Amended Notes Payable which amends the November 2001, April 2002, June 2002, July 2002, September 2002, November 2002 December 2002, January 2003, March 2003 and May 2003 notes payable (incorporated by reference to Exhibit 10.27 to The Company's annual report on Form 10-K, filed on October 29, 2003)	*
10.18	Securities Purchase Agreement and Warrant Agreement used in September 2003 private placement and Form of Warrant Certificate issued on January 16, 2004 and January 29, 2004 to SF Capital Partners Ltd. (incorporated by reference to Exhibit 10.25 to the Company's annual report on Form 10-K, filed on October 29, 2003)	*
10.19	Registration Rights Agreement used in September 2003 private placement with SF Capital Partners Ltd. (incorporated by reference to Exhibit 10.26 to the Company's annual report on Form 10-K, filed on October 29, 2003)	*
10.20	Form of Securities Purchase Agreement used in May 2004 private placement with Knoll Capital Fund II, Europa International, Inc. and Clifford and Phyllis Kalista JTWROS (incorporated by reference to Exhibit 4.3 to Registration Statement on Form S-1, File No. 333-112865, filed on May 18, 2004)	*
10.21	Form of Registration Rights Agreement used in May 2004 private placement with Knoll Capital Fund II, Europa International, Inc. and Clifford and Phyllis Kalista JTWROS (incorporated by reference to Exhibit 4.4 to Registration Statement on Form S-1, File No. 333-112865, filed on May 18, 2004)	*
10.22	Form of Warrant Certificate issued on May 11, 2004 to Knoll Capital Fund II, Europa International, Inc. and Clifford and Phyllis Kalista JTWROS (incorporated by reference to Exhibit 4.5 to Registration Statement on Form S-1, File No. 333-112865, filed on May 18, 2004)	*
10.23	Form of Stock Option Agreement issued to the Company's Board of Directors under the Company's 1997 Stock Option Plan (incorporated by reference to Exhibit 10.23 to the Company's quarterly report on Form 10-Q filed on June 9, 2005)	*
10.24	Form of Stock Option Agreement issued to the Company's Executive Officers under the Company's 1997 Stock Option Plan (incorporated by reference to Exhibit 10.24 to the Company's quarterly report on Form 10-Q filed on June 9, 2005)	*
10.25	Separation Agreement and General Release with Andrew Savadelis dated May 26, 2005 (incorporated by reference to Exhibit 10.25 to the Company's annual report on Form 10-K, filed on October 15, 2005)	*
10.26	Securities Purchase Agreement used in May 2005 private placement with Jeffrey D'Onofrio dated May 1, 2006 (incorporated by reference to Exhibit 10.26 to the Company's annual report on Form 10-K, filed on October 16, 2006)	*

10.27	Form of Warrant (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K, filed on July 19, 2006)	*
10.28	Registration Rights Agreement dated July 17, 2006 (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K, filed on July 19, 2006)	*
10.29	Agreement to Amend Knoll Warrant dated July 17, 2006 (incorporated by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K, filed on July 19, 2006)	*
10.30	Form of Amended Knoll Warrant (incorporated by reference to Exhibit 4.4 to the Company's Current Report on Form 8-K, filed on July 19, 2006)	*
10.31	Agreement to Amend SF Capital Warrant dated July 17, 2006 (incorporated by reference to Exhibit 4.5 to the Company's Current Report on Form 8-K, filed on July 19, 2006)	*
10.32	Form of Amended Warrant for SF Capital Partners, Ltd. (incorporated by reference to Exhibit 4.6 to the Company's Current Report on Form 8-K, filed on July 19, 2006)	*
10.33	Securities Purchase Agreement dated July 17, 2006 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed on July 19, 2006)	*

Exhibit No.	Item Title	Filed Herewith or Incorporated by Reference
10.34	Form of Stock Option Agreement for Executive Officers under the Company's 2004 Stock Incentive Plan (incorporated by reference to Exhibit 10.34 to the Company's Quarterly Report on Form 10-Q, filed on March 12, 2007)	*
10.35	Offer letter agreement with Lawrence A. Kenyon dated January 16, 2007 (incorporated by reference to Exhibit 10.35 to the Company's Quarterly Report on Form 10-Q, filed on March 12, 2007)	*
10.36	Summary of the Company's Non-Employee Director Compensation Policy (incorporated by reference to Exhibit 10.36 to the Company's Quarterly Report on Form 10-Q, filed on March 12, 2007)	*
10.37	Royalty Agreement between the Company and Kuslima Shogen, dated July 24, 1991 and Amendment to Royalty Agreement, dated April 16, 2001 (incorporated by reference to Exhibit 10.37 to the Company's Quarterly Report on Form 10-Q, filed on March 12, 2007)	*
10.38	Office Lease Agreement, dated March 14, 2007, between I&G Garden State, LLC and the Company (incorporated by reference to Exhibit 10.38 to the Company's Quarterly Report on Form 10-Q, filed on June 18, 2007)	*
10.39	Form of Distribution and Marketing Agreement, dated July 25, 2007, between the Company and USP Pharma Spolka Z.O.O. (incorporated by reference to Exhibit 10.39 to the Company's Quarterly Report on Form 10-Q, filed on October 15, 2007)	*^
10.40	Form of Securities Purchase Agreement, dated July 25, 2007, between the Company and Unilab LP. (incorporated by reference to Exhibit 10.40 to the Company's Quarterly Report on Form 10-Q, filed on October 15, 2007)	*
10.41	License Agreement, dated January 14, 2008, between the Company and Par Pharmaceutical, Inc. (incorporated by reference to Exhibit 10.41 to the Company's Quarterly Report on Form 10-Q, filed on March 7, 2008)	*^
10.42	Supply Agreement, dated January 14, 2008, between the Company and Par Pharmaceutical, Inc. (incorporated by reference to Exhibit 10.42 to the Company's Quarterly Report on Form 10-Q, filed on March 7, 2008)	*
10.43	Purchase and Supply Agreement, dated January 14, 2008, between the Company and Scientific Protein Laboratories LLC (incorporated by reference to Exhibit 10.43 to the Company's Quarterly Report on Form 10-Q, filed on March 7, 2008)	*
10.44	Amendment No. 1 to 1993 Stock Option Plan (incorporated by reference to Exhibit 10.44 to the Company's Quarterly Report on Form 10-Q, filed on June 9, 2008)	*
10.45	Retirement Agreement, dated April 25, 2008, between the Company and Kuslima Shogen (incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K, filed on April 28, 2008)	*~

10.46	Securities Purchase Agreement dated October 19, 2009 by and among the Company and the investors named therein (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed on October 20, 2009)	*
10.47	Amendment to Securities Purchase Agreement dated February 26, 2010 by and among the Company and the investors named therein (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed on March 4, 2010)	*
10.48	Investors Rights Agreement dated October 19, 2009 by and among the Company and the investors named therein (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, filed on October 20, 2009)	*
10.49	Amendment to Investor Rights Agreement dated February 26, 2010 by and among the Company and the investors named therein (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K, filed on March 4, 2010)	*
10.50	Security Agreement dated October 19, 2009 by and among the Company, the agent named therein and the secured parties named therein (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K, filed on October 20, 2009)	*

Exhibit No.	Item Title	Filed Herewith or Incorporated by Reference
10.51	Escrow Agreement by and among the Company and the parties named therein dated October 19, 2009 (incorporated by reference to Exhibit 10.4 to the Company's Current Report 8-K, filed on October 20, 2009)	*
10.52	Employment Agreement by and between the Company and Charles Muniz dated October 19, 2009 (incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K, filed on October 20, 2009)	*~
10.53	Termination Agreement between the Company and Par Pharmaceutical, Inc. (incorporated by reference to Exhibit 10.51 to the Company's Quarterly Report on Form 10-Q, filed on November 13, 2009)	*
10.54	Amendment to the Retirement Agreement, dated April 25, 2008, between the Company and Kuslima Shogen (incorporated by reference to Exhibit 10.52 to the Company's Quarterly Report on Form 10-Q, filed on November 13, 2009)	*
10.55	Amendment to each 5% Senior Secured Convertible Promissory Note by and between the Company and the holders thereof dated February 26, 2010 (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, filed on March 4, 2010)	*
10.56	Amendment to Investors Rights Agreement dated July 31, 2010 by and among the Company and the investors named therein	+
10.57	Office Lease Agreement, dated September 28, 2010, between Princeton Corporate Plaza, LLC and the Company	+
21.1	Subsidiaries of Registrant	*
23.1	Consent of J.H. Cohn LLP	+
23.2	Consent of KPMG LLP	+
31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	+
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	+
32.1	Certification of Principal Executive Officer and Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	+

* Previously filed; incorporated herein by reference

\+ Filed herewith

^Portions of this exhibit have been redacted and filed separately with the SEC pursuant to a confidential treatment request.

~ Management contract or compensatory plan or arrangement.

SIGNATURE

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TAMIR BIOTECHNOLOGY, INC.

Dated: October 29, 2010 By: /s/ CHARLES MUNIZ
Charles Muniz, Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Dated: October 29, 2010 /s/ CHARLES MUNIZ
Charles Muniz, Chief Executive Officer, President, Chief Financial Officer (Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer) and Director

Dated: October 29, 2010 /s/ DAVID SIDRANSKY
David Sidransky, M.D., Chairman of the Board

Dated: October 29, 2010 /s/ JOHN P. BRANCACCIO
John P. Brancaccio, Director

Dated: October 29, 2010 /s/ PAUL M. WEISS
Paul M. Weiss, Ph.D., Director

Tamir Biotechnology, Inc.

Index to Financial Statements

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Tamir Biotechnology, Inc.

We have audited the accompanying balance sheets of Tamir Biotechnology, Inc. (a development stage company) as of July 31, 2010 and 2009, and the related statements of operations, stockholders' equity (deficiency) and cash flows for the years then ended and for the period from August 24, 1981 (date of inception) to July 31, 2010. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. The financial statements of Tamir Biotechnology, Inc. for the period from August 24, 1981 to July 31, 2002 were audited by other auditors whose reports dated November 4, 2002 and December 9, 1992, except for Note 18 which is as of July 19, 1993 and Note 3 which is as of October 28, 1993, expressed unqualified opinions on those statements with explanatory paragraphs relating to the Company's ability to continue as a going concern.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, and as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, based on our audits and, for the effect on the period from August 24, 1981 (date of inception) to July 31, 2010 of the amounts for the period from August 24, 1981 (date of inception) to July 31, 2002, on the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of Tamir Biotechnology, Inc. as of July 31, 2010 and 2009, and its results of operations and cash flows for the years then ended and for the period from August 24, 1981 (date of inception) to July 31, 2010, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has suffered recurring losses from operations, has a working capital deficit and negative cash flows from operating activities that raise substantial doubt about its ability to continue as a going concern. Management's plans in regards to these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ J.H. Cohn LLP
Roseland, New Jersey
October 29, 2010

Report Of Independent Registered Public Accounting Firm

The Stockholders and Board of Directors
Tamir Biotechnology, Inc.:

We have audited the statements of operations, stockholders' equity (deficiency), and cash flows for the period from August 24, 1981 (date of inception) to July 31, 2002 (not presented herein) of Tamir Biotechnology, Inc. (a development stage company). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Tamir Biotechnology, Inc. for the period from August 24, 1981 to July 31, 1992 were audited by other auditors who have ceased operations and whose report dated December 9, 1992, except as to note 18 which is July 19, 1993 and note 3 which is October 28, 1993, expressed an unqualified opinion on those statements with an explanatory paragraph regarding the Company's ability to continue as a going concern.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit and, for the effect on the period from August 24, 1981 to July 31, 2002 of the amounts for the period from August 24, 1981 to July 31, 1992, on the report of other auditors who have ceased operations, the financial statements referred to above present fairly, in all material respects, the results of operations and cash flows for the period from August 24, 1981 to July 31, 2002 (not presented herein) of Tamir Biotechnology, Inc. in conformity with U.S. generally accepted accounting principles.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has suffered recurring losses from operations, has a working capital deficit and has limited liquid resources which raise substantial doubt about its ability to continue as a going concern. Management’s plans in regard to these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ KPMG LLP

Short Hills, New Jersey
November 4, 2002

On December 1, 1993, certain shareholders of Armus Harrison & Co. ("AHC") terminated their association with AHC (the "AHC termination"), and AHC ceased performing accounting and auditing services, except for limited accounting services to be performed on behalf of the Company. In June 1996, AHC dissolved and ceased all operations. The report of AHC with respect to the financial statements of the Company from inception to July 31, 1992 is included herein, although AHC has not consented to the use of such report herein and will not be available to perform any subsequent review procedures with respect to such report. Accordingly, investors will be barred from asserting claims against AHC under Section 11 of the Securities Act of 1933, as amended (the "Securities Act") on the basis of the use of such report in any registration statement of the Company into which such report is incorporated by reference. In addition, in the event any persons seek to assert a claim against AHC for false or misleading financial statements and disclosures in documents previously filed by the Company, such claim will be adversely affected and possibly barred. Furthermore, as a result of the lack of a consent from AHC to the use of its audit report herein, or, to its incorporation by reference into a registration statement or other filings, the officers and directors of the Company will be unable to rely on the authority of AHC as experts in auditing and accounting in the event any claim is brought against such persons under Section 11 of the Securities Act based on alleged false and misleading financial statements and disclosures attributable to AHC. The discussion regarding certain effects of the AHC termination is not meant and should not be construed in any way as legal advice to any party and any potential purchaser should consult with his, her or its own counsel with respect to the effect of the AHC termination on a potential investment in the Common Stock of the Company or otherwise.

Independent Auditors' Report

Board of Directors
Tamir Biotechnology, Inc.
Bloomfield, New Jersey

We have audited the balance sheets of Tamir Biotechnology, Inc. (a Development Stage Company) as of July 31, 1992 and 1991, as restated, and the related statements of operations, stockholders' deficiency, and cash flows for the three years ended July 31, 1992, as restated, and for the period from inception August 24, 1981 to July 31, 1992, as restated. In connection with our audit of the 1992 and 1991 financial statements, we have also audited the 1992, 1991 and 1990 financial statement schedules as listed in the accompanying index. These financial statements and financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements referred to above present fairly in all material respects, the financial position of Tamir Biotechnology, Inc. as of July 31, 1992 and 1991, as restated, and for the three years ended July 31, 1992, as restated, and for the period from inception August 24, 1981 to July 31, 1992, as restated, and the results of operations and cash flows for the years then ended in conformity with generally accepted accounting principles.

The accompanying financial statements have been prepared on a going concern basis which contemplates the realization of assets and the satisfaction of liability in the normal course of business. As shown in the statement of operations, the Company has incurred substantial losses in each year since its inception. In addition, the Company is a development stage company and its principal operation for production of income has not commenced. The Company's working capital has been reduced considerably by operating losses, and has a deficit net worth. These factors, among others, as discussed in Note 2 to the Notes of Financial Statements, indicates the uncertainties about the Company's ability to continue as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and the amount or classification of liabilities that might be necessary should the Company be unable to continue its existence.

/s/ Armus, Harrison & Co.
Armus, Harrison & Co.

Mountainside, New Jersey
December 9, 1992
Except as to Note 18 which
is July 19, 1993 and Note 3
which is October 28, 1993

TAMIR BIOTECHNOLOGY, INC.
(A Development Stage Company)

Balance Sheets

July 31, 2010 and 2009

	2010	2009
ASSETS		
Current assets:		
Cash and cash equivalents	$321,253	$129,194
Prepaid clinical trial expenses	372,216	–
Prepaid expenses	105,233	54,494
Restricted cash	1,228,236	–
Total current assets	2,026,938	183,688
Property and equipment, net of accumulated depreciation and amortization of $378,435 in 2010 and $377,134 in 2009	32,594	108,018
Other assets	–	266,280
Deferred financing costs	182,063	–
Total assets	$2,241,595	$557,986
LIABILITIES AND STOCKHOLDERS' DEFICIENCY		
Current liabilities:		
Accounts payable	$507,892	$407,273
Accrued clinical trial expenses	295,150	459,911
Accrued professional service fees	374,361	350,486
Accrued compensation expense	136,634	207,245
Derivative liability	15,479,366	–
Current portion of obligations under capital lease	5,353	4,299
Other accrued expenses	200,152	2,890
Total current liabilities	16,998,908	1,432,104
Other liabilities:		
Accounts payable, net of current portion	444,223	444,223
Obligations under capital lease, net of current portion	7,288	12,641
Accrued retirement benefits	231,250	335,250
Deferred rent	12,386	284,134
Convertible debt, less discount of $2,413,014 (related party, $251,093)	836,986	–
Accrued interest, convertible debt (related party, $37,664)	125,548	–
Deferred revenue	5,200,000	5,200,000
Total other liabilities	6,857,681	6,276,248
Total liabilities	23,856,589	7,708,352
Commitments and Contingencies		
Stockholders' deficiency:		
	–	–

Preferred stock, $.001 par value. Authorized and unissued, 1,000,000 shares at July 31, 2010 and 2009		
Common stock $.001 par value. Authorized 250,000,000 shares and 100,000,000 shares at July 31, 2010 and 2009, respectively; issued and outstanding 47,313,880 shares at July 31, 2010 and 2009	47,314	47,314
Capital in excess of par value	101,456,909	101,734,572
Deficit accumulated during development stage	(123,119,217)	(108,932,252)
Total stockholders' deficiency	(21,614,994)	(7,150,366)
Total liabilities and stockholders' deficiency	$2,241,595	$557,986

See accompanying notes to financial statements.

TAMIR BIOTECHNOLOGY, INC.
(A Development Stage Company)

Statements of Operations

Years ended July 31, 2010 and 2009
and the Period from August 24, 1981
(Date of Inception) to July 31, 2010

	2010	2009	August 24, 1981 (date of inception) to July 31, 2010
Sales	$18,750	$–	$572,239
Operating expenses:			
Cost of sales	–	–	336,495
Research and development	517,870	3,268,348	73,099,750
General and administrative	1,703,497	2,431,121	42,667,386
Total operating expenses	2, 221,367	5,699,469	116, 103,631
Loss from operations	(2,202,617)	(5,699,469)	(115,531,392)
Investment income	1,132	25,633	2,303,213
Other income	–	–	99,939
Interest expense:			
Related parties, net	(51,075)	–	(1,198,622)
Debt discount and fair value adjustment – derivative security	(12,455,267)	–	(12,455,267)
Others	(125,787)	(5,427)	(3,008,993)
Loss before state tax benefit	(14, 833,614)	(5,679,263)	(129,791,122)
State tax benefit	646,649	1,139,867	6,671,905
Net loss	$(14, 186,965)	$(4,539,396)	$(123,119,217)
Loss per basic and diluted common share	$(0.30)	$(0.10)	
Weighted average number of shares outstanding – basic and diluted	47,313,000	47,313,000	

See accompanying notes to financial statements.

TAMIR BIOTECHNOLOGY, INC.
(A Development Stage Company)

Statement of Stockholders' Equity (Deficiency)

Period from August 24, 1981
(Date of Inception) to July 31, 2010

	Common Stock							
	Number of Shares	Amount	Capital In Excess of par Value	Common Stock to be Issued	Deficit Accumulated During Development Stage	Subscription Receivable	Deferred compensation, restricted stock	Total Stockholders' Equity (Deficiency)
Issuance of shares to officers and stockholders for equipment, research and development, and expense reimbursement	712,500	$ 713	$ 212,987	$ —	$ —	$ —	$ —	$ 213,700
Issuance of shares for organizational legal service	50,000	50	4,950	—	—	—	—	5,000
Sale of shares for cash, net	82,143	82	108,418	—	—	—	—	108,500
Adjustment for 3 for 2 stock split declared September 8, 1982	422,321	422	(422)	—	—	—	—	—
Net loss	—	—	—	—	(121,486)	—	—	(121,486)
Balance at July 31, 1982	1,266,964	1,267	325,933	—	(121,486)	—	—	205,714
					—			
Issuance of shares for equipment	15,000	15	13,985	—	—	—	—	14,000
Sale of shares to private investors	44,196	44	41,206	—	—	—	—	41,250
Sale of shares in public offering, net	660,000	660	1,307,786	—	—	—	—	1,308,446
Issuance of shares under stock grant program	20,000	20	109,980	—	—	—	—	110,000
Exercise of warrants, net	1,165	1	3,494	—	—	—	—	3,495
Net loss	—	—	—	—	(558,694)	—	—	(558,694)
Balance at July 31, 1983	2,007,325	2,007	1,802,384	—	(680,180)	—	—	1,124,211
	287,566	287	933,696	—	—	—	—	933,983

Exercise of warrants, net								
Issuance of shares under stock grant program	19,750	20	101,199	—	—	—	—	101,219
Issuance of shares under stock bonus plan for directors and consultants	130,250	131	385,786	—	—	—	—	385,917
Net loss	—	—	—	—	(1,421,083)	—	—	(1,421,083)
Balance at July 31, 1984	2,444,891	2,445	3,223,065	—	(2,101,263)	—	—	1,124,247
Issuance of shares under stock grant program	48,332	48	478,057	—	—	—	—	478,105
Issuance of shares under stock bonus plan for directors and consultants	99,163	99	879,379	—	—	—	—	879,478
Shares canceled	(42,500)	(42)	(105,783)	—	—	—	—	(105,825)
Exercise of warrants, net	334,957	335	1,971,012		—	—	—	1,971,347
Net loss	—	—	—	—	(2,958,846)	—	—	(2,958,846)
Balance at July 31, 1985	2,884,843	2,885	6,445,730	—	(5,060,109)	—	—	1,388,506
Issuance of shares under stock grant program	11,250	12	107,020	—	—	—	—	107,032
Issuance of shares under stock bonus plan for directors and consultants	15,394	15	215,385	—	—	—	—	215,400
Exercise of warrants, net	21,565	21	80,977	—	—	—	—	80,998
Net loss	—	—	—	—	(2,138,605)	—	—	(2,138,605)
Balance at July 31, 1986 (carried forward)	2,933,052	2,933	6,849,112	—	(7,198,714)	—	—	(346,669)

TAMIR BIOTECHNOLOGY, INC.
(A Development Stage Company)

Statement of Stockholders' Equity (Deficiency), Continued

	Common Stock							
	Number of Shares	Amount	Capital In Excess of par Value	Common Stock to be Issued	Deficit Accumulated During Development Stage	Subscription Receivable	Deferred compensation, restricted stock	Total Stockholders' Equity (Deficiency)
Balance at July 31, 1986 (brought forward)	2,933,052	$ 2,933	$ 6,849,112	$ —	$ (7,198,714)	$ —	$ —	$ (346,669)
Exercise of warrants, net	14,745	15	147,435	—	—	—	—	147,450
Issuance of shares under stock bonus plan for directors and consultants	5,000	5	74,995	—	—	—	—	75,000
Issuance of shares for services	250,000	250	499,750	—	—	—	—	500,000
Sale of shares to private investors, net	5,000	5	24,995	—	—	—	—	25,000
Net loss	—	—	—	—	(2,604,619)	—	—	(2,604,619)
Balance at July 31, 1987	3,207,797	3,208	7,596,287	—	(9,803,333)	—	—	(2,203,838)
Issuance of shares for legal and consulting services	206,429	207	724,280	—	—	—	—	724,487
Issuance of shares under employment incentive program	700,000	700	2,449,300	—	—	—	(2,450,000)	—
Issuance of shares under stock grant program	19,000	19	66,481	—	—	—	—	66,500
Exercise of options, net	170,000	170	509,830	—	—	—	—	510,000
Issuance of shares for litigation settlement	12,500	12	31,125	—	—	—	—	31,137
Exercise of warrants, net	63,925	64	451,341	—	—	—	—	451,405
Sale of shares to private investors	61,073	61	178,072	—	—	—	—	178,133
Amortization of deferred	—	—	—	—	—	—	449,167	449,167

compensation, restricted stock								
Net loss	—	—	—	—	(3,272,773)	—	—	(3,272,773)
Balance at July 31, 1988	4,440,724	4,441	12,006,716	—	(13,076,106)	—	(2,000,833)	(3,065,782)
				—				
Sale of shares for litigation settlement	135,000	135	1,074,703	—	—	—	—	1,074,838
Conversion of debentures, net	133,333	133	399,867	—	—	—	—	400,000
Sale of shares to private investors	105,840	106	419,894	—	—	—	—	420,000
Exercise of options, net	1,000	1	3,499	—	—	—	—	3,500
Issuance of shares under employment agreement	750,000	750	3,749,250	—	—	—	(3,750,000)	—
Issuance of shares under the 1989 Stock Plan	30,000	30	149,970	—	—	—	(150,000)	—
Amortization of deferred compensation, restricted stock	—	—	—	—	—	—	1,050,756	1,050,756
Net loss	—	—	—	—	(2,952,869)	—	—	(2,952,869)
Balance at July 31, 1989	5,595,897	5,596	17,803,899	—	(16,028,975)	—	(4,850,077)	(3,069,557)
Issuance of shares for legal and consulting services	52,463	52	258,725	—	—	—	—	258,777
Issuance of shares under the 1989 Stock Plan	56,000	56	335,944	—	—	—	(336,000)	—
Sale of shares for litigation settlement	50,000	50	351,067	—	—	—	—	351,117
Exercise of options at, net	105,989	106	345,856	—	—	—	—	345,962

TAMIR BIOTECHNOLOGY, INC.
(A Development Stage Company)

Statement of Stockholders' Equity (Deficiency), Continued

	Common Stock							
	Number of Shares	Amount	Capital In Excess of par Value	Common Stock to be Issued	Deficit Accumulated During Development Stage	Subscription Receivable &	Deferred compensation, restricted stock	Total Stockholders' Equity (Deficiency)