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

FORM S-1
(Amendment No. 3)

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Oxis International, Inc.

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of incorporation or organization)

2834
(Primary Standard Industrial Classification Code)

100 South Ashley Street, Suite 600
Tampa, Florida 33602
Phone: (800) 304-9888
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Corporation Service Company
Corporation Trust Center
1209 Orange Street
Wilmington, DE
Telephone: (302) 658-7581
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies of Communications to:
Gary R. Henrie, Esq.
PO Box 107
Nauvoo, Illinois 62354
Tel: (309) 313-5092
Email: grhlaw@hotmail.com

Approximate date of commencement of proposed sale to public:

From time to time after the effective date of this registration statement.

If any securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act, check the following box. [X]

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. [ ]

CALCULATION OF REGISTRATION FEE

Title of each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee
Class A Units consisting of:	$12,000,000	$1,208.40
(i) Common stock, par value $0.001 per share(2)		
(ii) Warrants to purchase common stock		
Exercise price of Class A Unit Warrants (2)	$12,000,000	$1,208.40
Class B Units consisting of:	$12,000,000	$1,208.40

(i) Series J Convertible Preferred Stock, par value $0.001 per share		
(ii) Warrants to purchase common stock		
Common stock issuable upon conversion of Series J Convertible Preferred Stock (2)		
Exercise price of Class B Unit Warrants (2)	$12,000,000	$1,208.40
Exercise price of Placement Agent Warrants (2)	$1,920,000	$193.35
Total	$49,920,000	$5,026.95(3)

(1) Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.

(2) Pursuant to Rule 416 under the Securities Act, the securities being registered hereunder include such indeterminate number of additional shares of common stock as may be issued after the date hereof as a result of stock splits, stock dividends or similar transactions.

(3) Calculated in accordance with Rule 457(o) and Rule 457(g) of the Securities Act at the statutory rate of $100.70 per $1,000,000 of securities registered.

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this Prospectus is not complete and may be changed. We may not issue these securities until the registration statement filed with the Securities and Exchange Commission is effective. This Prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION
PRELIMINARY PROSPECTUS DATED OCTOBER XX, 2016

OXIS INTERNATIONAL, INC.

60,000,000 Class A Units consisting of Common Stock and Warrants, 6,000,000 Class B Units consisting of Series J Convertible Preferred Stock and Warrants, 60,000,000 shares of Common Stock underlying the Series J Convertible Preferred Stock, 60,000,000 shares of Common Stock underlying the warrants in the Class A Units, 60,000,000 shares of Common Stock underlying the warrants in the Class B Units, and 9,600,000 shares of Common Stock underlying the Placement Agent Warrants

We are offering 60,000,000 Class A Units (consisting of one share of our common stock and a Series A warrant to purchase one share of our common stock at an exercise price equal to the public offering price of the Class A Units ("Series A warrant")). The shares of common stock and Series A warrants part of a Class A Unit are immediately separable and will be issued separately in this offering.

We are also offering to those purchasers, if any, whose purchase of Class A Units in this offering would otherwise result in the purchaser, together with its affiliates and certain related parties, beneficially owning more than 4.99% of our outstanding common stock immediately following the consummation of this offering, the opportunity, in lieu of purchasing Class A Units, to purchase Class B Units. Each Class B Unit will consist of one share of our Series J Convertible Preferred Stock, or the Series J Preferred, convertible into ten shares of our common stock at the public offering price of the Class A Units times ten, together with the equivalent number of Series A warrants as would have been issued to such purchaser if they had purchased Class A Units based on the public offering price. The Series J Preferred do not generally have any voting rights but are convertible into shares of common stock. The shares of Series J Preferred and Series A warrants are immediately separable and will be issued separately in this offering.

We are also offering the shares of common stock that are issuable from time to time upon conversion of the Series J Preferred and upon exercise of the Series A warrants being offered by this prospectus.

Assuming we sell all 60,000,000 Class A Units (and no Class B Units) being offered in this offering and a public offering price of $0.20, the reported closing price of our common stock on August 18, 2016, we would issue in this offering an aggregate of 60,000,000 shares of our common stock and Series A warrants to purchase 60,000,000 shares of our common stock.

Our common stock is listed on the OTCQB under the symbol OXIS. Our common stock is also quoted on several European based exchanges including Berlin (OXI.BE), Frankfurt (OXI.DE), the Euronext (OXI.NX) and Paris, (OXI.PA). The last reported sale price of our common stock on OTCQB on August 18, 2016 was $0.20 per share. There is no established public trading market for the Series A warrants or Series J Preferred, and we do not expect a market to develop. In addition, the warrants and Series J Preferred are not and will not be listed for trading on any national securities exchange.

Investing in our common stock involves risks, which are described in the "Risk Factors" section beginning on page 9 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	Per Class A Unit (one share of common stock and a Series A warrant for one share of common stock)	Per Class B Unit (one shae of Series J Preferred and a Series A warrant for ten shares of common stock)	Total
Public offering price	**$**	**$**	**$**	**$**
Placement agent's fees(1)	**$**	**$**	**$**	**$**
Proceeds, before expenses, to Oxis International, Inc.	**$**	**$**	**$**	**$**

(1) We have agreed to reimburse the placement agent for certain of its expenses and to issue common stock purchase warrants to the placement agent. See "Plan of Distribution" on page 20 of this prospectus for a description of the compensation payable to the

placement agent.

Delivery of the shares will take place on or about , 2016, subject to satisfaction of certain conditions.

Sole Book-Running Manager

Rodman & Renshaw,
a unit of H.C. Wainwright & Co.

The date of this prospectus is October , 2016.

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IMPORTANT INFORMATION ABOUT THIS PROSPECTUS

You should rely only on the information contained in this prospectus. We have not authorized any person to provide you with any information or represent anything not contained in this prospectus, and, if given or made, any such other information or representation should not be relied upon as having been authorized by us. The selling stockholders are not offering to sell, or seeking offers to buy, our common stock in any jurisdiction where the offer or sale is not permitted. You should not assume that the information provided in this prospectus is accurate as of any date other than the date on the front cover of this prospectus.

In addition to historical information, this prospectus contains forward-looking statements. The words "forecast", "eliminate", "project", "intend", "expect", "should", "believe" and similar expressions are intended to identify forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors, including those discussed in "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Except as required by law, we assume no obligation to publicly update or revise these forward-looking statements for any reason, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus; it does not contain all of the information you should consider before investing in our common stock. You should read the entire prospectus before making an investment decision.

Throughout this prospectus, the terms "we," "us," "our," and "our company" refer to Oxis International, Inc., a Delaware corporation and related subsidiaries.

All references to the number of shares issued or outstanding in this prospectus, and all per share and other similar data, reflect a 1-for-250 reverse stock split that we effected on December 16, 2015.

Our Business

OXIS International, Inc., through its wholly owned subsidiary Oxis Biotech, Inc, is an immuno-oncology company with a robust technology platform consisting of bispecific and trispecific scFv constructs, full-length antibodies, proprietary drug payloads, proprietary antibody-drug linkers, dual-drug payload antibody-drug conjugates (ADCs), bispecific targeted ADCs, and NK cell and T-cell antibody directed cell-mediated cytotoxic (ADDCs) agents.

Our Offices

Our principal executive offices are located at 100 South Ashley Street, Suite 600, Tampa, Fl 33602 and our telephone number is (800) 304-9888.

Our Website

Our website is located at www.oxis.com. Information on our website is not, and should not be considered, part of this prospectus.

THE OFFERING

Class A Units offered by us	We are offering up to 60,000,000 Class A Units. Each Class A Unit will consist of one share of our common stock and a Series A warrant to purchase one share of our common stock at an exercise price equal to the public offering price of the Class A Units, ("Series A warrant"). The Class A Units will not be certificated and the share of common stock and warrants part of such unit are immediately separable and will be issued separately in this offering. This prospectus also relates to the offering of shares of our common stock issuable upon the exercise of the Series A warrants part of the Class A Units. Assuming we sell all 60,000,000 Class A Units (and no Class B Units) being offered in this offering and a public offering price of $0.20, the reported closing price of our common stock on August 18, 2016, we would issue in this offering an aggregate of 60,000,000 shares of our common stock and Series A warrants to purchase 60,000,000 shares of our common stock.
Class B Units offered by us	We are also offering to those purchasers, if any, whose purchase of Class A Units in this offering would otherwise result in the purchaser, together with its affiliates and certain related parties, beneficially owning more than 4.99% of our outstanding common stock immediately following the consummation of this offering, the opportunity, in lieu of purchasing Class A Units, to purchase Class B Units. Each Class B Unit will consist of one share of our Series J Convertible Preferred Stock, or the Series J Preferred, convertible into ten shares of our common stock at the public offering price of the Class A Units times ten, together with the equivalent number of Series A warrants as would have been issued to such purchaser if they had purchased Class A Units based on the public offering price. The Series J Preferred do not generally have any voting rights but are convertible into shares of common stock. The Class B Units will not be certificated and the share of Series J Preferred and warrants part of such unit are immediately separable and will be issued separately in this offering. This prospectus also relates to the offering of shares of our common stock issuable upon conversion of the Series J Preferred Stock and upon exercise of the Series A warrants part of the Class B Units.
Series A Warrants	Each Series A warrant included in the Units will have an exercise price equal to the public offering price of the Class A Units, will be exercisable upon issuance, and will expire five years from the date of issuance.
Common stock outstanding before this offering	28,065,959 shares
Common stock outstanding after this offering	shares[(1)]
Use of proceeds	We intend to use the net proceeds from this offering for general corporate purposes and working capital.
Risk factors	You should read the "Risk Factors" beginning on page 7 of this Prospectus for a discussion of factors to consider before deciding to purchase the securities we are offering.
OTC Markets symbol for our common stock	OXIS

(1) Assumes only Class A Units are sold in this offering. To the extent we sell any Class B Units, the same aggregate number of common stock equivalents resulting from this offering would be convertible under the Series J Preferred issued as part of the Class B Units.

Summary Financial Information

The tables and information below are derived from Oxis' audited financial statements for the six months ended June 30, 2016 and the year ended December 31, 2015.

Balance Sheet Summary	June 30, 2016 (Unaudited)	December 31, 2015 (Audited)
Cash	$ 355,000	$ 47,000
Prepaid expenses	2,000	2,000
Property and equipment, net	5,000	5,000
Total assets	362,000	54,000
Total liabilities	16,194,000	61,888,000
Total Stockholders' Deficit	(15,832,000)	(61,834,000)

Statement of Operations Summary	Six Months Ended June 30, 2016 (Unaudited)	Six Months Ended June 30, 2015 (Unaudited)
Revenues	$ -	27,000
Gross profit	-	-
Research and development	475,000	250,000
General and administrative expenses	5,547,000	3,019,000
Other income/(loss)	33,514,000	9,586,000
Net income/(loss)	27,492,000	6,344,000

RISK FACTORS

This offering involves a high degree of risk. You should carefully consider the risks and uncertainties described below in addition to the other information contained in this prospectus before deciding whether to invest in shares of our common stock. If any of the following risks actually occur, our business, financial condition or operating results could be harmed. In that case, the trading price of our common stock could decline and you may lose part or all of your investment. In the opinion of management, the risks discussed below represent the material risks known to the company. Additional risks and uncertainties not currently known to us or that we currently deem immaterial may also impair our business operations and adversely affect the market price of our common stock.

Risks Related to Our Business

We have a history of operating losses; we expect to continue to incur losses and we may never be profitable.

As of June 30, 2016, we had an accumulated deficit of $118,190,000. We do not expect to generate any product sales or royalty revenues for at least four years. We expect to incur significant additional operating losses in the future as we expand research and development and clinical trial efforts.

Our ability to achieve long-term profitability is dependent upon obtaining regulatory approvals for our products and successfully commercializing our products alone or with third parties. However, our operations may not be profitable even if any of our products under development are successfully developed and produced and thereafter commercialized.

Even if we succeed in commercializing one or more of our product candidates, we expect to continue to incur substantial research and development and other expenditures to develop and market additional product candidates. The size of our future net losses will depend, in part, on the rate of future growth of our expenses and our ability to generate revenue. Our prior losses and expected future losses have had and will continue to have an adverse effect on our stockholders' equity and working capital.

We will have to hire additional executive officers and employees to operate our business. If we are unable to hire qualified personnel, we may not be able to implement our business plan and if we are unable to do so, the value of our common stock could be reduced.

We currently have only two full-time employees. The loss of the services of any of our key product or business development employees could delay our product development programs and our research and development efforts. We do not maintain key person life insurance on any of our officers, employees or consultants. In order to develop our business in accordance with our business plan, we will have to hire additional qualified personnel, including in the areas of manufacturing, clinical trials management, regulatory affairs, and business development. We will need to raise sufficient funds to hire the necessary employees and have commenced our search for additional key employees. However, competition for qualified employees among companies in the biotechnology and biopharmaceutical industry is intense, and no assurance can be given that we will be able attract, hire, retain and motivate the highly skilled employees that we need. If we are unable to hire new skilled personnel, including management, our ability to properly develop our products and to implement our business plan will be adversely affected, which will result in a reduction in the value of our shares of common stock.

Our intellectual property may be compromised.

Part of the value of the Company going forward is vested in the intellectual property that the Company is acquiring the rights to at the present time. There may have been many persons involved in the development of the intellectual property, some of which the Company is not successful in obtaining the rights from. It is possible that in the future, claimants to the property rights may come forward that the Company is not aware of at the present time. It is also possible that the Company may not be successful in protecting its property rights. In either event, it is possible that the Company could lose the value of its intellectual property and if so the business prospects of the Company may suffer.

The fact that we have generated operating losses in the past raises doubt about our ability to continue as a going concern.

The Company has a history of generating operating losses. We have in the past covered any shortfall in operating capital from sales of equity and debt securities, but there can be no assurance that we will continue to be able to do so. The unpredictable economy in the United States and the volatile public equity markets may make it more difficult for us to raise capital as and when we need it, and it is difficult for us to assess the impact this might have on our operations or liquidity. If we cannot raise the funds that we require to continue our business operations, there is a substantial risk that our business will fail.

We are subject to extensive regulation, which can be costly, time consuming and can subject us to unanticipated delays; even if we obtain regulatory approval for some of our products, those products may still face regulatory difficulties.

All of our potential products, processing and manufacturing activities, are subject to comprehensive regulation by the FDA in the United States and by comparable authorities in other countries. The process of obtaining FDA and other required regulatory approvals, including foreign approvals, is expensive and often takes many years and can vary substantially based upon the type, complexity and novelty of the products involved. In addition, regulatory agencies may lack experience with our technologies and products, which may lengthen the regulatory review process, increase our development costs and delay or prevent their commercialization.

If we violate regulatory requirements at any stage, whether before or after marketing approval is obtained, we may be fined, forced to remove a product from the market and experience other adverse consequences including delay, which could materially harm our financial results. Additionally, we may not be able to obtain the labeling claims necessary or desirable for the promotion of our products. We may also be required to undertake post-marketing trials. In addition, if we or others identify side effects after any of our adoptive therapies are on the market, or if manufacturing problems occur, regulatory approval may be withdrawn and reformulations, additional clinical trials, changes in labeling of our products, and additional marketing applications may be required.

It may take longer to complete our clinical trials than we project, or we may not be able to complete them at all.

For budgeting and planning purposes, we have projected the date for the commencement, continuation and completion of our various clinical trials. However, a number of factors, including scheduling conflicts with participating clinicians and clinical institutions, and difficulties in identifying and enrolling patients who meet trial eligibility criteria, may cause significant delays. We may not commence or complete clinical trials involving any of our products as projected or may not conduct them successfully.

We expect to rely on medical institutions, academic institutions or clinical research organizations to conduct, supervise or monitor some or all aspects of clinical trials involving our products. We will have less control over the timing and other aspects of these clinical trials than if we conducted them entirely on our own. If we fail to commence or complete, or experience delays in, any of our planned clinical trials, our stock price and our ability to conduct our business as currently planned could be harmed.

We are exposed to the risk of liability claims, for which we may not have adequate insurance.

Since we participate in the pharmaceutical industry, we may be subject to liability claims by employees, customers, end users and third parties. We do not currently have product liability insurance. We intend to have proper insurance in place; however, there can be no assurance that any liability insurance we purchase will be adequate to cover claims asserted against us or that we will be able to maintain such insurance in the future. We intend to adopt prudent risk management programs to reduce these risks and potential liabilities; however, we have not taken any steps to create these programs and have no estimate as to the cost or time required to do so and there can be no assurance that such programs, if and when adopted, will fully protect us. We may not be able to put risk management programs in place, or obtain insurance, if we are unable to retain the necessary expertise and/or are unsuccessful in raising necessary capital in the future. Adverse rulings in any legal matters, proceedings and other matters could have a material adverse effect on our business.

Pre-clinical and clinical trials are conducted during the development of potential products and other treatments to determine their safety and efficacy for use by humans. Notwithstanding these efforts, when our treatments are introduced into the marketplace, unanticipated side effects may become evident. Manufacturing, marketing, selling and testing our product candidates under development or to be acquired or licensed, entails a risk of product liability claims. We could be subject to product liability claims in the event that our product candidates, processes, or products under development fail to perform as intended. Even unsuccessful claims could result in the expenditure of funds in litigation and the diversion of management time and resources, and could damage our reputation and impair the marketability of our product candidates and processes. While we plan to maintain liability insurance for product liability claims, we may not be able to obtain or maintain such insurance at a commercially reasonable cost. If a successful claim were made against us, and we don't have insurance or the amount of insurance was inadequate to cover the costs of defending against or paying such a claim or the damages payable by us, we would experience a material adverse effect on our business, financial condition and results of operations.

Risks Related to Our Securities

Our common shares are penny stock. Trading of our common shares may be restricted by the SEC's penny stock regulations and the FINRA's sales practice requirements, which may limit a shareholder's ability to buy and sell our common shares.

Our common shares are deemed to be penny stock. The Securities and Exchange Commission has adopted Rule 15g-9 which generally defines "penny stock" to be any equity security that has a market price (as defined) less than $5.00 per share subject to certain exceptions. Our securities are covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and "accredited investors". The term "accredited investor" refers generally to institutions with assets in excess of $5,000,000 or individuals with a net worth in excess of $1,000,000 or annual income exceeding $200,000 or $300,000 jointly with their spouse. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document in a form prepared by the SEC which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation. In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from these rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the common shares that are subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade our securities. We believe that the penny stock rules discourage investor interest in, and limit the marketability of, our common shares.

In addition to the "penny stock" rules promulgated by the Securities and Exchange Commission, the Financial Industry Regulatory Authority has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, the Financial Industry Regulatory Authority believes that there is a high probability that speculative low-priced securities will not be suitable for at least some customers. The Financial Industry Regulatory Authority requirements make it more difficult for broker-dealers to recommend that their customers buy our common shares, which may limit your ability to buy and sell our shares.

Clearing Brokers may Decline to Deposit the Shares in the Subscriber's Account.

Clearing brokers may decline to deposit into Subscriber's account a stock certificate for a security that (1) is a penny stock or (2) has stale or incomplete filings with the U.S. Securities and Exchange Commission (SEC). In addition to these conditions and limitations, the clearing broker may subject The Company's securities to additional review before accepting such securities for deposit. This review process may (1) take up to two weeks or longer, and (2) may include research into the Company or Subscriber. The characteristics that may trigger additional review include (1) low price of the security or securities under review; (2) large number of shares being deposited with clearing broker into Subscriber's account; (3) the securities in question are non-exchange traded; (4) the stock certificates are recently issued; (5) recent merger activity of the underlying company; and/or (6) change of name of the underlying company issuing these stock certificates. Finally, all of the aforementioned conditions, limitations, and characteristics triggering review may apply to Subscriber's Deposit/Withdrawal At Custodian (DWAC) requests, Automated Customer Account Transfer Account Service (ACATS) requests, and Depository Trust Company (DTC) receipts for deposit requests.

We may be unable to attract and retain qualified, experienced, highly skilled personnel, which could adversely affect the implementation of our business plan.

Our success depends to a significant degree upon our ability to attract, retain and motivate skilled and qualified personnel. As we become a more mature company in the future, we may find recruiting and retention efforts more challenging. If we do not succeed in attracting, hiring and integrating excellent personnel, or retaining and motivating existing personnel, we may be unable to grow effectively. The loss of any key employee, including members of our senior management team, and our inability to attract highly skilled personnel with sufficient experience in our industries could harm our business.

Our common stock is quoted on the OTCQB which may have an unfavorable impact on our stock price and liquidity.

Our common stock is quoted on the OTCQB, which is a significantly more limited trading market than the New York Stock Exchange or The NASDAQ Stock Market. The quotation of the Company's shares on the OTCQB may result in a less liquid market available for existing and potential stockholders to trade shares of our common stock, could depress the trading price of our common stock and could have a long-term adverse impact on our ability to raise capital in the future.

There is limited liquidity on the OTCQB which may result in stock price volatility and inaccurate quote information.

When fewer shares of a security are being traded on the OTCQB, volatility of prices may increase and price movement may outpace the ability to deliver accurate quote information. Due to lower trading volumes in shares of our common stock, there may be a lower likelihood of one's orders for shares of our common stock being executed, and current prices may differ significantly from the price one was quoted at the time of one's order entry.

Our common stock is thinly traded, so you may be unable to sell at or near asking prices or at all if you need to sell your shares to raise money or otherwise desire to liquidate your shares.

Currently, the Company's common stock is quoted in the OTCQB and future trading volume may be limited by the fact that many major institutional investment funds, including mutual funds, as well as individual investors follow a policy of not investing in OTCQB stocks and certain major brokerage firms restrict their brokers from recommending OTCQB stocks because they are considered speculative, volatile and thinly traded. The OTCQB market is an inter-dealer market much less regulated than the major exchanges and our common stock is subject to abuses, volatility and shorting. Thus, there is currently no broadly followed and established trading market for the Company's common stock. An established trading market may never develop or be maintained. Active trading markets generally result in lower price volatility and more efficient execution of buy and sell orders. Absence of an active trading market reduces the liquidity of the shares traded there.

Our common stock is subject to price volatility unrelated to our operations.

The market price of our common stock could fluctuate substantially due to a variety of factors, including market perception of our ability to achieve our planned growth, quarterly operating results of other companies in the same industry, trading volume in our common stock, changes in general conditions in the economy and the financial markets or other developments affecting the Company's competitors or the Company itself. In addition, the OTCBB is subject to extreme price and volume fluctuations in general. This volatility has had a significant effect on the market price of securities issued by many companies for reasons unrelated to their operating performance and could have the same effect on our common stock.

The Company has certain notes which could be converted into common stock, the exercise of which and the conversion of which may dilute the value of shares held by Company shareholders.

The Company has warrants outstanding that if exercised would lead to the issuance of 4,182,016 shares of common stock of the company. There are also certain notes on which the Company is not obligated but which are the subject of litigation in which the Company is involved that parties adverse to the Company have asked the Court to order a conversion of such notes into common shares of the Company. In the event the warrants or any of them are exercised, or if the court orders the described notes to be converted, the stock of the existing stockholders will be diluted.

If you are not an institutional investor, you may purchase securities in this offering only if you reside within the states in which we will apply to have the securities registered or are exempt from registration, and, if required, meet any requisite suitability standards.

Because our common stock is quoted on the OTCQB Marketplace and not listed on a national securities exchange, this offering must be registered, or be exempt from registration, in any state in which the securities are to be offered or sold. We will apply to register the securities, or will seek to obtain an exemption from registration, only in certain states. If you are not an "institutional investor," you must be a resident of these jurisdictions to purchase our securities in the offering. The definition of an "institutional investor" varies from state to state, but generally includes financial institutions, broker-dealers, banks, insurance companies and other qualified entities. If you are not an institutional investor, you may purchase securities in this offering only if you reside in the jurisdictions where there is an effective registration or an available exemption, and, if required, meet any requisite suitability standards.

USE OF PROCEEDS

Unless we state otherwise in the applicable prospectus supplement, we intend to use the net proceeds from the sale of securities described in this prospectus for the further development of our products and for general corporate purposes, which may include, among other things, reducing indebtedness, acquiring other businesses (although we currently have no agreement to acquire any business), and making capital expenditures, as well as for working capital.

DETERMINATION OF OFFERING PRICE

The offering price of the units has been arbitrarily determined and bears no relationship to any objective criterion of value. The price does not bear any relationship to our assets, book value, historical earnings or net worth. No valuation or appraisal has been prepared for our business. Our common stock is listed and traded on the OTCQB under the symbol "OXIS." The closing price of our common stock on August 18, 2016 was $0.20 per share.

DILUTION

Our net tangible book value of our common stock as of June 30, 2016 was approximately negative $15,800,000 ($(15,800,000)), or approximately $(0.563) per share of common stock. "Net tangible book value" is total assets minus the sum of liabilities and intangible assets. "Net tangible book value per share" is net tangible book value divided by the total number of shares outstanding.

Assuming that we issue 60,000,000 Units at an assumed offering price of $0.20 per Unit, the closing price of our common stock on the OTCQB on August 18, 2016, and after deducting placement agents fees and estimated offering expenses payable by us, our adjusted net tangible book value after giving effect to this offering as of June 30, 2016 would have been approximately$(4,833,625) or $(0.055) per share of our common stock. This calculation excludes the proceeds, if any, from the exercise of warrants issued in this offering. This amount represents an immediate dilution in net tangible book value of $0.255 per share to new investors purchasing units in this offering and an immediate increase in net tangible book value of $0.508 per share to our existing shareholders.

Because there is no minimum offering amount required as a condition to the closing of this offering, the dilution per share to new investors may be more than that indicated above in the event that the actual number of shares sold, if any, is less than the maximum number of shares of our common stock we are offering. If any shares of common stock are issued upon exercise of outstanding options or warrants, including the warrants issued in this offering, you may experience further dilution.

BUSINESS

Overview

OXIS International, Inc., through its wholly owned subsidiary Oxis Biotech, Inc,is an immuno-oncology company with a robust technology platform consisting of bispecific and trispecific scFv constructs, full-length antibodies, proprietary drug payloads, proprietary antibody-drug linkers, dual-drug payload antibody-drug conjugates (ADCs), bispecific targeted ADCs, and NK cell and T-cell antibody directed cell-mediated cytotoxic (ADDCs) agents.

OXS-1550

OXS-1550 is a bispecific scFv recombinant fusion protein-drug conjugate composed of the variable regions of the heavy and light chains of anti-CD19 and anti-CD22 antibodies and a modified form of diphtheria toxin as its cytotoxic drug payload. CD19 is a membrane glycoprotein present on the surface of all stages of B-lymphocyte development, and is also expressed on most B-cell mature lymphoma cells and leukemia cells. CD22 is a glycoprotein expressed on B-lineage lymphoid precursors, including precursor acute lymphoblastic leukemia, and often is co-expressed with CD19 on mature B-cell malignancies such as lymphoma.

OXS-1550 targets cancer cells expressing the CD19 receptor or CD22 receptor or both receptors. When OXS-1550 binds to cancer cells, the cancer cells internalize OXS-1550, and are killed due to the action of drug's cytotoxic diphtheria toxin payload. OXS-1550 has demonstrated success in a Phase 1 human clinical trial in patients with relapsed/refractory B-cell lymphoma or leukemia.

Oxis began enrolling patients in a Phase 1/Phase 2 trial of OXS-1550 during the second quarter of 2016. The FDA-approved clinical trial is being conducted at the University of Minnesota's Masonic Cancer Center. There are currently 32 patients who have participated in the clinical trial. The six new patients bring to 32 the number of patients who have participated in the clinical trial. All the new patients are given an approved increased dosage of OXS-1550.

p62/SQSTM1 (Sequestosome-1) Inhibitor Drug Development Program

In humans, the p62/SQSTM1 protein is encoded by the SQSTM1 gene. The p62/SQSTM1 protein is a multifunctional protein involved in autophagy, cell signaling, tumorigenesis, and plays an important role at the crossroad between autophagy and cancer. Cell-cell interactions between multiple myeloma cells and bone marrow stromal cells activate signaling pathways that result in enhanced multiple myeloma cell growth, osteoclast formation, and inhibition of osteoblast differentiation.

Multiple myeloma remains an incurable malignancy with systematic morbidity and a median survival of 3-5 years. Multiple myeloma is characterized by aberrant proliferation of terminally differentiated plasma cells and impairment in apoptosis capacity. Due to the interactions between myeloma cells and cells of the bone marrow microenvironment, the osteolytic bone disease associated with myeloma is inextricably linked with tumor progression. High incidence of bone metastasis in multiple myeloma patients is frequently associated with severe bone pain and pathological bone fracture. Activated osteoclast levels and suppressed osteoblast levels are thought to play a role in multiple myeloma associated osteolytic bone disease.

While a diverse spectrum of novel agents has shown therapeutic potential for the treatment of multiple myeloma including bortezomib, lenalidomide and arsenic trioxide, high relapse rates and drug resistance continue to plague these therapies. Thus, novel targets and new therapeutics for the treatment of multiple myeloma are of critical importance for improved patient outcomes.

It has been demonstrated that the ZZ domain of the p62/SQSTM1 protein is responsible for increased multiple myeloma cell growth and associated osteoclast mediated bone disease. Dr. Xiang-Qun Xie and colleagues at ID4 Pharma LLC have developed novel chemical compounds (e.g., OXS-4235) which inhibit osteoclastic bone destruction in multiple myeloma. Oxis Biotech has exclusively licensed rights to OXS-4135 and other compounds for the treatment of multiple myeloma and associated osteolytic bone disease.

Triple-Negative Breast Cancer Drug Development Program OXS-2175

OXS-2175 is a small molecule therapeutic candidate which has shown promise in early-stage preclinical *in vitro* and *in vivo* models of triple-negative breast cancer. Oxis Biotech is investigating OXS-2175 formulated as an infusible therapy, and as part of an ADC infusible therapy for the treatment of triple-negative breast cancer.

Therapeutic Antibody-Drug Conjugates Drug Development Program

Antibody-drug conjugates (ADCs) are a new class of highly potent biopharmaceutical drugs designed as a targeted therapy for the treatment of cancer. By combining the unique targeting capabilities of monoclonal antibodies with the cancer-killing ability of cytotoxic drugs, antibody-drug conjugates allow sensitive discrimination between healthy and diseased tissue.

Markets

B-cell lymphoma

B-cell lymphoma is a type of cancer that forms in B cells (a type of immune system cell). B-cell lymphomas may be either indolent (slow-growing) or aggressive (fast-growing). Most B-cell lymphomas are non-Hodgkin lymphomas. There are many different types of B-cell non-Hodgkin lymphomas. These include Burkitt lymphoma, chronic lymphocytic leukemia/small lymphocytic lymphoma (CLL/SLL), diffuse large B-cell lymphoma, follicular lymphoma, and mantle cell lymphoma. It is the most common type of non-Hodgkin lymphoma among adults, with an annual incidence of 7–8 cases per 100,000 people per year.

Triple-Negative Breast Cancer (TNBC)

According to the American Cancer Society there were approximately 231,840 new cases of invasive breast cancer last year in the USA and 40,290 deaths from breast cancer during the same period. Women represent 99% of all breast cancer patients. Breast cancer is treated by various combinations of surgery, radiation therapy, chemotherapy, and hormone therapy. TNBC is a type of breast cancer characterized by breast cancer cells that do not express estrogen receptors, progesterone receptors, or large amounts of HER2/neu protein. Approximately 10% - 20% percent of invasive breast cancers are diagnosed as triple-negative breast cancers. TNBC is more likely to affect younger people, African Americans or Hispanics, and those with a BRCA1 gene mutation. TNBC is insensitive to many of the most effective therapies available for the treatment of breast cancer including the HER2-directed therapy Herceptin® (trastuzumab), and endocrine therapies such as tamoxifen or the aromatase inhibitors. The relapse and survival rates of TNBC patients are shorter than for patients with other types of breast cancer.

Multiple Myeloma

Multiple myeloma is a type of cancer that forms in white blood cells, and affects about 26,850 people annually in the USA causing about 11,240 deaths per year. Multiple myeloma causes cancer cells to accumulate in the bone marrow, where they crowd out healthy blood cells. Multiple myeloma is also characterized by destructive lytic bone lesions (rounded, punched-out areas of bone), diffuse osteoporosis, bone pain, and the production of abnormal proteins which accumulate in the urine. Anemia is also present in most multiple myeloma patients at the time of diagnosis and during follow-up. Anemia in multiple myeloma is multifactorial, and is secondary to bone marrow replacement by malignant plasma cells, chronic inflammation, relative erythropoietin deficiency, and vitamin deficiency. Plasma cell leukemia, a condition in which plasma cells comprise greater than 20% of peripheral leukocytes, is typically a terminal stage of multiple myeloma and is associated with short survival.

Manufacturing

We do not currently own or operate manufacturing facilities for the production of clinical or commercial quantities of any of our product candidates. We rely on a small number of third-party manufacturers to produce our compounds, and expect to continue to do so to meet the preclinical and clinical requirements of our potential product candidates as well as for all of our commercial needs. We do not have long-term agreements with any of these third parties. We require in our manufacturing and processing agreements that all third-party contract manufacturers and processors produce active pharmaceutical ingredients, or API, and finished products in accordance with the FDA's current Good Manufacturing Practices, or cGMP, and all other applicable laws and regulations. We maintain confidentiality agreements with potential and existing manufacturers in order to protect our proprietary rights related to our drug candidates.

Patents and Trademarks

University of Minnesota License Agreement. Oxis executed an exclusive worldwide license agreement with the Regents of the University of Minnesota, to further develop and commercialize cancer therapies using Trispecific Killer Engager (TriKE) technology developed by researchers at the university to target NK cells to cancer. Under the terms of the agreement, OXIS receives exclusive rights to conduct research and to develop, make, use, sell, and import TriKe technology worldwide for the treatment of any disease, state or condition in humans. OXIS shall own all permits, licenses, authorizations, registrations and regulatory approvals required or granted by any governmental authority anywhere in the world that is responsible for the regulation of products such as the TriKe technology, including without limitation the Food and Drug Administration in the United States and the European Agency for the Evaluation of Medicinal Products in the European Union. Under the agreement, the University of Minnesota will receive an upfront license fee, royalty fees, and certain milestone payments.

The following is a list of the pending patent applications that we licensed from the University of Minnesota under our License Agreement:

Pat./Pub. No.	Title	Country	Status
U.S. Patent Application USSN 62/237,835	**Therapeutic compounds and its uses**	**US**	**Pending**

Daniel A. Vallera, Ph.D. License Agreement. Oxis executed an exclusive worldwide license agreement with Daniel A. Vallera, Ph.D. and his associate (jointly "Dr. Vallera"), to further develop and commercialize DT2219ARL (OXS-1550), a novel therapy for the treatment of various human cancers. Under the terms of the agreement, OXIS receives exclusive rights to conduct research and to develop, make, use, sell, and import DT2219ARL worldwide for the treatment of any disease, state or condition in humans. OXIS shall own all permits, licenses, authorizations, registrations and regulatory approvals required or granted by any governmental authority anywhere in the world that is responsible for the regulation of products such as DT2219ARL, including without limitation the Food and Drug Administration in the United States and the European Agency for the Evaluation of Medicinal Products in the European Union. Under the agreement, Dr. Vallera will receive an upfront license fee, royalty fees, and certain milestone payments.

The following is a list of the pending patent applications that we licensed from Dr. Vallera under our License Agreement:

Pat./Pub. No.	Title	Country	Status
U.S. Patent Application USSN 13/256,812	**Methods and compositions for bi-specific targeting of cd19/cd22**	**US**	**Issued**

ID4 Pharma, LLC License Agreement. Pursuant to a patent license agreement with ID4 Pharma LLC, dated January 2, 2015 (the "ID4 License Agreement"), we received an exclusive, worldwide license to certain intellectual property, including intellectual property related to treating a p62-mediated disease (e.g., multiple myeloma). The terms of this license require us to pay ID4 Pharma royalties equal to three percent (3%) of net sales of products and twenty-five percent royalty of net sublicensing revenues. The license will expire upon expiration of the last patent contained in the licensed patent rights, unless terminated earlier. We may terminate the licensing agreement with ID4 Pharma by providing ID4 Pharma with a 30-day written notice.

Oxis shall pay the following cash amounts to ID4 upon the attainment of the following milestones:

(i) filing of an investigational new drug application with a competent regulatory authority anywhere in the world -- $50,000;

(ii) Initiation of Phase I Human Clinical Trial -- $50,000;

(iii) Initiation of Phase II Human Clinical Trial -- $100,000;

(iv) Initiation of pivotal Phase III Human Clinical Trial -- $250,000; and

(v) Receipt of the first marketing approval -- $250,000

The following is a list of the pending patent applications that we licensed from ID4 Pharma under our License Agreement:

Pat./Pub. No.	Title	Country	Status
U.S. Patent Application USSN 14/237,494	**P62-zz chemical inhibitor**	**US**	**Pending**
China Patent Application CN201280048718	**P62-zz chemical inhibitor**	**China**	**Pending**

MultiCell Immunotherapeutics, Inc. (MCIT) License Agreement. Oxis licensed exclusive rights to three antibody-drug conjugates (ADCs) that MCIT will prepare for further evaluation by Oxis as prospective therapeutics for the treatment of triple-negative breast cancer, and multiple myeloma and associated osteolytic bone disease. Under the terms of the agreement, MCIT will develop three ADC product candidates which contain Oxis' lead drug candidates OXS-2175 and OXS-4235. Oxis paid MCIT a license fee of $500,000 and will reimburse MCIT up to $1.125 million for its development costs to make the three ADCs exclusively licensed to Oxis. Assuming all clinical development milestones are achieved and manufacturing rights to the three ADCs purchased, Oxis will pay MCIT an additional sum of $22.75 million and pay a royalty of 3% of net yearly worldwide sales upon marketing approval of the ADCs.

MCIT's ADC platform technology is based on unique multivalent, cleavable linkers that allow drugs tethered to the antibody to be released intracellularly or extracellularly upon binding of the antibody to the target cell. Additionally, the MCIT's ADC technology platform allows multiple drugs to be attached per targeting antibody, and to release the drugs in their original form without modification of the drug.

Research and Development

Expenditures for research and development activities related to continuing operations were $1,000,000 and $-0- for the years ended December 31, 2015 and 2014, respectively. During the six months ended June 30, 2016 and 2015, we incurred $475,000 and $250,000 of research and development expenses.

Our currently projected expenditures for 2016 include approximately $4-$5 million for research and development. The actual cost of our programs could differ significantly from our current projections if we change our planned development process. In the event that actual costs of our clinical program, or any of our other ongoing research activities, are significantly higher than our current estimates, we may be required to significantly modify our planned level of operations.

There is a risk that any drug discovery and development program may not produce revenue because of the risks inherent in drug discovery and development. The successful development of any product candidate is highly uncertain. It is difficult to reasonably estimate or know the nature, timing and costs of the efforts necessary to complete the development of, or the period in which material net cash inflows are expected to commence from any product candidate, due to the numerous risks and uncertainties associated with developing drugs. Any failure to complete any stage of the development of products in a timely manner could have a material adverse effect on our operations, financial position and liquidity.

Competition

The biotechnology and pharmaceutical industries are subject to rapid technological change. Competition from domestic and foreign biotechnology companies, large pharmaceutical companies and other institutions is intense and expected to increase. A number of companies are pursuing the development of pharmaceuticals in our targeted areas. According to the Pharmaceutical Manufacturers Research Association, at the end of 2015 there were 168 drugs in development for the treatment of breast cancer, and there were 135 drugs in development for the treatment of lymphomas (blood cell cancers including multiple myeloma).

Government Regulation

United States

Our research and development activities and the future manufacturing and marketing of any products we develop are subject to significant regulation by numerous government authorities in the United States and other countries. In the United States, the Federal Food, Drug and Cosmetic Act and the Public Health Service Act govern the testing, manufacture, safety, efficacy, labeling, storage, record keeping, approval, advertising and promotion, and distribution of our drug candidates and any products we may develop. In addition, this regulatory framework is subject to changes that may adversely affect approval, delay an application or require additional expenditures.

The steps required before a pharmaceutical compound may be marketed in the United States include: preclinical laboratory and animal testing; submission of an IND to the FDA, which must become effective before clinical trials may commence; conducting adequate and well-controlled clinical trials to establish the safety and efficacy of the drug; submission of a New Drug Application, or NDA, or Biologics License Application, or BLA, to the FDA; satisfactory completion of an FDA pre-approval inspection of the manufacturing facilities to assess compliance with cGMP; and FDA approval of the NDA or BLA prior to any commercial sale or shipment of the drug. In addition to obtaining FDA approval for each product, each drug-manufacturing establishment used must be registered with the FDA and be operated in conformity with cGMP. Drug product manufacturing facilities may also be subject to state and local regulatory requirements.

Preclinical testing includes laboratory evaluation of product chemistry and animal studies to assess the safety and efficacy of the product and its formulation. The results of preclinical testing are submitted to the FDA as part of an IND, and, unless the FDA objects, the IND becomes effective 30 days following its receipt by the FDA.

Clinical trials involve administration of the study drug to healthy volunteers and to patients diagnosed with the condition for which the study drug is being tested under the supervision of qualified clinical investigators. Clinical trials are conducted in accordance with protocols that detail the objectives of the study, the parameters to be used to monitor safety and the efficacy criteria to be evaluated. Each protocol is submitted to the FDA as part of the IND. Each clinical trial is conducted under the auspices of an independent Institutional Review Board, or IRB, in the United States, or Ethics Committee, or EC, outside the United States, for each trial site. The IRB or EC considers, among other matters, ethical factors and the safety of human clinical trial subjects.

Clinical trials are typically conducted in three sequential phases, but the phases may overlap or be repeated. In Phase 1 clinical trials, the drug is initially introduced into healthy human subjects or patients and is tested for adverse effects, dosage tolerance, pharmacokinetics, and clinical pharmacology. Phase 2 clinical trials involve the testing of a limited patient population in order to characterize the actions of the drug in targeted indications, in order to determine drug tolerance and optimal dosage and to identify possible adverse side effects and safety risks. When a compound appears to be effective at a specific dosage and have an acceptable safety profile in Phase 2 clinical trials, Phase 3 clinical trials are undertaken to further evaluate and confirm clinical efficacy and safety within an expanded patient population at multiple clinical trial sites. The FDA reviews the clinical plans and monitors the results of the trials and may discontinue the trials at any time if significant safety issues arise. Similarly, an IRB or EC may suspend or terminate a trial at a study site that is not being conducted in accordance with the IRB or EC's requirements or that has been associated with unexpected serious harm to subjects.

The results of preclinical testing and clinical trials are submitted to the FDA for marketing approval in the form of an NDA or BLA. The submission of an NDA or BLA also requires the payment of user fees, but a waiver of the fees may be obtained under specified circumstances. The testing and approval process is likely to require substantial time, effort and resources and there can be no assurance that any approval will be granted on a timely basis, if at all, or that conditions of any approval, such as warnings, contraindications, or scope of indications will not materially impact the potential market acceptance and profitability of the drug product. Data obtained from clinical trials are not always conclusive, and the FDA may interpret data differently than we interpret the same data. The FDA may refer the application to an advisory committee for review, evaluation and recommendation as to whether the application should be approved and under what conditions. The FDA is not bound by the recommendations of an advisory committee, but it generally follows such recommendations. The approval process is affected by a number of factors, including the severity of the disease, the availability of alternative treatments and the risks and benefits of the product demonstrated in clinical trials.

Additional preclinical testing or clinical trials may be requested during the FDA review period and may delay any marketing approval. After FDA approval for the initial indications, further clinical trials may be necessary to gain approval for the use of the product for additional indications. In addition, after approval, certain types of changes to the approved product, such as manufacturing changes, are subject to further FDA review and approval. The FDA mandates that adverse effects be reported to the FDA, and the regulatory agency may also require post-marketing testing to continue monitoring for expected and unexpected adverse effects, which can involve significant expense. Adverse effects observed during the commercial use of a drug product or which arise in the course of post-marketing studies can result in the need for labeling revisions, including additional warnings and contraindications; and if the findings significantly alter the risk/benefit assessment, the potential withdrawal of the drug from the market.

Among the conditions for FDA approval is the requirement that the prospective manufacturer's quality control and manufacturing procedures conform to the FDA's cGMP requirements. Domestic manufacturing facilities are subject to biannual FDA inspections and foreign manufacturing facilities are subject to periodic inspections by the FDA or foreign regulatory authorities. If the FDA finds that a company is not operating in compliance with cGMPs, the continued availability of the product can be interrupted until compliance is achieved; and if the deficiencies are not corrected within a reasonable time frame, the drug could be withdrawn from the market. In addition, the FDA strictly regulates labeling, advertising and promotion of drugs. Failure to conform to requirements relating to licensing, manufacturing and promoting drug products can result in informal or formal sanctions, including warning letters, injunctions, seizures, civil and criminal penalties, adverse publicity and withdrawal of approval.

Foreign

We are also subject to numerous and varying foreign regulatory requirements governing the design and conduct of clinical trials and marketing approval for pharmaceutical products to be marketed outside of the United States. The approval process varies among countries and regions and can involve additional testing; and the time required to obtain approval may differ from that required to obtain FDA approval.

The steps to obtain approval to market a pharmaceutical compound in the European Union include: preclinical laboratory and animal testing; conducting adequate and well-controlled clinical trials to establish safety and efficacy; submission of a Marketing Authorization Application, or MAA; and the issuance of a product marketing license by the European Commission prior to any commercial sale or shipment of drug. In addition to obtaining a product marketing license for each product, each drug manufacturing establishment must be registered with the European Medicines Agency, or EMA, must operate in conformity with European good manufacturing practice and must pass inspections by the European health authorities.

Upon receiving the MAA, the Committee for Human Medicinal Products, or CHMP, a division of the EMA, will review the MAA and may respond with a list of questions or objections. Answers to questions posed by the CHMP may require additional tests to be conducted. Responses to the list of questions or objections must be provided to and deemed sufficient by the CHMP within a defined time frame. Ultimately, a representative from each of the European Member States will vote whether to approve the MAA.

Foreign regulatory approval processes include all of the risks associated with obtaining FDA approval, and approval by the FDA does not ensure approval by the health authorities of any other country.

Employees

As of June 30, 2016, we had two employees, the chief executive officer and chief financial officer of the company. Many of our activities are out-sourced to consultants who provide services to us on a project basis. As business activities require and capital resources permit, we will hire additional employees to fulfill our company's needs.

Properties

Our executive offices are located at 100 South Ashley Drive, Suite 600, Tampa, FL, 33602.

Legal Proceedings

In May, 2015, Aaion Partners Inc, a consulting firm, filed a breach of contract action against the Company in the Superior Court of California County of Los Angeles, Case No: BC581098. The lawsuit seeks payment under a consulting agreement. In July, 2015, the Company filed a cross-claim against Aaion Partners Inc. for breach of contract and tort claims. In December 2015, we settled this claim for $150,000 to be made in three cash payments and 11,429 shares of restricted common stock. The Company paid $50,000 of the cash due and issued the stock owed. As of this filing, the Company has not made the 2 remaining cash payments and is in default in the settlement agreement.

On June 23, 2016, the Company was served with a complaint filed in the Circuit Court of the 13th Judicial Circuit in and for Hillsborough County, FL, Case No. 16-CA-004791. Suit was brought against the Company by Lippert/Heilshorn and Associates, Inc. who is alleging they are owed compensation for consulting services provided to the company. They are seeking payment of $73,898. The Company has engaged legal counsel to answer the complaint.

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

Until May 2009, our common stock was traded on the OTC Bulletin Board ("OTCBB") under the symbol "OXIS." From May 20, 2009 until March 11, 2010, our common stock was traded on Pink OTC Markets Inc. trading platform under the symbol "OXIS." Since January 2015, our common stock is quoted on the OTCQB under the "OXIS" trading symbol.

Trading in our common stock has fluctuated greatly during the past year. Accordingly, the prices for our common stock quoted on the OTCQB or Pink OTC Markets Inc. may not necessarily be reliable indicators of the value of our common stock. The following table sets forth the high and low bid prices for shares of our common stock for the quarters noted, as reported on the OTCQB and the Pink OTC Markets Inc. The following price information reflects inter-dealer prices, without retail mark-up, mark-down or commission and may not represent actual transactions.

YEAR	PERIOD	HIGH	LOW
Fiscal Year 2014	First Quarter	2.50	0.75
	Second Quarter	0.80	3.25
	Third Quarter	6.25	1.25
	Fourth Quarter	7.50	2.50
Fiscal Year 2015	First Quarter	13.50	5.13
	Second Quarter	11.78	5.03
	Third Quarter	6.23	3.50
	Fourth Quarter	5.23	2.93
Fiscal Year 2016	First Quarter	3.20	0.41
	Second Quarter	0.60	0.31

Our common stock is also quoted on several European based exchanges including Berlin (OXI.BE), Frankfurt (OXI.DE), the Euronext (OXI.NX) and Paris, (OXI.PA). The foregoing trading prices exclude trading on these foreign stock markets.

Stockholders

As of June 30, 2016, there were 1,330 stockholders of record, which total does not include stockholders who hold their shares in "street name." The transfer agent for our common stock is ComputerShare, whose address is 350 Indiana Street, Golden, CO 80401.

Dividends

We have not paid any dividends on our common stock to date and do not anticipate that we will pay dividends in the foreseeable future. Any payment of cash dividends on our common stock in the future will be dependent upon the amount of funds legally available, our earnings, if any, our financial condition, our anticipated capital requirements and other factors that the Board of Directors may think are relevant. However, we currently intend for the foreseeable future to follow a policy of retaining all of our earnings, if any, to finance the development and expansion of our business and, therefore, do not expect to pay any dividends on our common stock in the foreseeable future.

Equity Compensation Plan Information

The following is a summary of our equity compensation plans at June 30, 2016:

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 (1)	374,801	$4.78	133,445
Equity compensation plans not approved by security holders	-	-	-
Total	374,801	$4.78	133,445

(1) As of June 30, 2016, we had options issued and outstanding to purchase 967 shares of common stock under our 2003 Stock Incentive Plan, -0- shares of our common stock under the 2010 Plan and 373,833 shares of common stock under our 2014 Stock Incentive Plan.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

Until the end of 2008, we were engaged in the business of developing and selling clinical and research assay products and out-licensing certain therapeutic compounds addressing conditions and diseases associated with oxidative stress. During 2008, we lost our majority-owned subsidiary, BioCheck, Inc., which was engaged in the production of enzyme immunoassay diagnostic kits for clinical laboratories, and in December 2008 we sold substantially all of the assets of our research assay product line to Percipio Biosciences, Inc. Commencing in 2009, our focus shifted from the clinical and research assay business to developing and marketing nutraceutical products in the field of oxidative stress reduction, with a focus on products that include EGT™ as a component. We conducted limited operations, and had limited revenues from these products in 2013 and in 2014. In July 2014, we began pursuing the acquisition of novel therapeutics from various educational and research institutions.

As shown in the accompanying consolidated financial statements, the Company has incurred an accumulated deficit of $119,190,000 through June 30, 2016. On a consolidated basis, the Company had cash and cash equivalents of $355,000 at June 30, 2016. Because our lack of funds, we will have to raise additional capital in order to fund our selling, general and administrative, and research and development expenses. There are no assurances that we will be able to raise the funds necessary to maintain our operations or to implement our business plan. The consolidated financial statements included in this Annual Report do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts and classification of liabilities that might be necessary in the event we cannot continue our operations.

Recent Developments

License Agreements

Pursuant to a patent license agreement with the ID4, dated December 31, 2015, we received a non-exclusive, worldwide license to certain intellectual property, including intellectual property related to treating a p62-mediated disease (e.g., multiple myeloma).

On March 10, 2015, Oxis licensed exclusive rights to three antibody-drug conjugates (ADCs) that MCIT will prepare for further evaluation by Oxis as prospective therapeutics for the treatment of triple-negative breast cancer, and multiple myeloma and associated osteolytic bone disease. Under the terms of the agreement, MCIT will develop three ADC product candidates which contain Oxis' lead drug candidates OXS-2175 and OXS-4235.

In September 2015, Oxis executed an exclusive worldwide license agreement with Daniel A. Vallera, Ph.D. and his associate (jointly "Dr. Vallera"), to further develop and commercialize DT2219ARL (OXS-1550), a novel therapy for the treatment of various human cancers. Under the terms of the agreement, OXIS receives exclusive rights to conduct research and to develop, make, use, sell, and import DT2219ARL worldwide for the treatment of any disease, state or condition in humans. OXIS shall own all permits, licenses, authorizations, registrations and regulatory approvals required or granted by any governmental authority anywhere in the world that is responsible for the regulation of products such as DT2219ARL, including without limitation the Food and Drug Administration in the United States and the European Agency for the Evaluation of Medicinal Products in the European Union. Under the agreement, Dr. Vallera will receive an upfront license fee, royalty fees, and certain milestone payments.

In July 2016, Oxis executed an exclusive worldwide license agreement with the Regents of the University of Minnesota, to further develop and commercialize cancer therapies using Trispecific Killer Engager (TriKE) technology developed by researchers at the university to target NK cells to cancer. Under the terms of the agreement, OXIS receives exclusive rights to conduct research and to develop, make, use, sell, and import TriKe technology worldwide for the treatment of any disease, state or condition in humans. OXIS shall own all permits, licenses, authorizations, registrations and regulatory approvals required or granted by any governmental authority anywhere in the world that is responsible for the regulation of products such as the TriKe technology, including without limitation the Food and Drug Administration in the United States and the European Agency for the Evaluation of Medicinal Products in the European Union. Under the agreement, the University of Minnesota will receive an upfront license fee, royalty fees, and certain milestone payments.

Financing

In January 2016, the Company entered into a securities purchase agreement with one accredited investor to sell 10% convertible debentures, with and an exercise price of $1.25, with an initial principal balance of $150,000 and warrants to acquire up to 80,000 shares of the Company's common stock at an exercise price of $1.25 per share.

In May 2016, the Company entered into a securities purchase agreement with twenty accredited investors to sell 10% convertible debentures, with and an exercise price of $0.40, with an initial principal balance of $1,390,044 and warrants to acquire up to 3,475,111 shares of the Company's common stock at an exercise price of $0.45 per share.

In July 2016, the Company entered into a securities purchase agreement with one accredited investor to sell 10% convertible debentures, with and an exercise price of $0.40, with an initial principal balance of $112,135 and warrants to acquire up to 280,338 shares of the Company's common stock at an exercise price of $0.45 per share.

In August 2016, the Company entered into a securities purchase agreement with one accredited investor to sell 10% convertible debentures up $1,000,000, with and an exercise price of $0.40, with an initial principal balance of $250,000 and warrants to acquire up to 2,500,000 shares of the Company's common stock at an exercise price of $0.45 per share.

Restructuring Agreements

Effective January 8, 2016, Company entered into agreements to effect the restructuring (the "Restructuring") of certain unregistered debt and equity securities of the Company that will result in an issuance of up to 28,389,193 shares of common stock of the Company (the "Common Stock"). In connection with the Restructuring, the Company entered into a note conversion agreement (the "Conversion Agreement"), a warrant exercise agreement (the "Exercise Agreement") and a preferred stock exchange agreement (the "Exchange Agreement" and, collectively with the Conversion Agreement and the Exercise Agreement, the "Restructuring Agreements"), pursuant to which the Company and certain of the Company's creditors and investors have agreed that (i) certain outstanding debt of the Company (collectively, the "Debt") will be converted into shares of Common Stock; (ii) certain outstanding warrants to purchase shares of capital stock of the Company (collectively, the "Warrants") will be exercised on a cashless basis for shares of Common Stock; and (iii) certain outstanding shares of Series H Convertible Preferred Stock of the Company (the "Series H Preferred Stock") and Series I Convertible Preferred Stock of the Company (the "Series I Preferred Stock" and together with the Series H Preferred Stock, the "Preferred Stock") will be exchanged for shares of Common Stock. The Conversion Agreement, Exercise Agreement and Exchange Agreement and the transactions contemplated thereby are described in further detail below.

Under the Conversion Agreement, certain creditors of the Company holding an aggregate of approximately $15,056,000 (including accrued interest and penalties) of outstanding Debt agreed to convert all such outstanding Debt into shares of Common Stock at a conversion price of $1.25 per share upon successful completion by the Company of a $6 million financing. However, since the financing did not occur by March 15, 2016, the Conversion Agreement was terminated.

In addition, under the Exercise Agreement, certain investors together holding warrants to purchase 12,269,240 shares of capital stock of the Company exchanged such warrants and received one share of Common Stock in exchange for each share of capital stock of the Company underlying the warrants.

Finally, under the Exchange Agreement, certain investors together holding 25,000 shares of Series H Preferred Stock and 1,666,667 shares of Series I Preferred Stock have agreed to convert all such shares of Preferred Stock into an aggregate of 4,075,000 shares of Common Stock upon successful completion by the Company of a $6 million financing.
The Restructuring Agreements terminated the warrants and any anti-dilution protection thereunder. In addition, all creditor and investor parties to the Restructuring Agreements provided a waiver of any and all past defaults and breaches under the Warrants and Preferred Stock, in consideration of the shares issued pursuant to the Restructuring Agreements.

Results of Operations

Comparison of the Three Months Ended June 30, 2016 and 2015

License revenue

During the three months ended June 30, 2016 and 2015, we received $-0- and $20,000 of licensing revenue related to a Vitamin D producing line of sun care and skin care products under a license from ESLLC.

Research and Development Expenses

During the three months ended June 30, 2016 and 2015, we incurred $250,000 and $-0- of research and development expenses.

Selling, general and administrative expenses

During the three months ended June 30, 2016 and 2015, we incurred $1,871,000 and $1,451,000 of selling, general and administrative expenses. The increase in selling, general and administrative expenses is primarily attributable to an increase in professional fees, license fees investor relations and stock compensation.

Change in value of warrant and derivative liabilities

During the three months ended June 30, 2016, we recorded a gain as a result of a decrease in the fair market value of outstanding warrants and beneficial conversion features of $5,263,000, compared to a gain of $29,140,000 during the three months ended June 30, 2015. This reduction is a result of a decrease in the fair market value of outstanding debt and equity securities accounted for as derivative liabilities and the conversion of warrants to common stock.

Interest Expense

Interest expense was $1,599,000 and $849,000 for the three months ended June 30, 2016 and 2015 respectively. The increase is primarily due to an increase in the non-cash amortization of the debt issuance costs associated with the convertible debentures and demand notes payable and expenses related the issuance of additional shares

Comparison of the Six Months Ended June 30, 2016 and 2015

License revenue

During the six months ended June 30, 2016 and 2015, we received $-0- and $27,000 of licensing revenue related to a Vitamin D producing line of sun care and skin care products under a license from ESLLC.

Research and Development Expenses

During the six months ended June 30, 2016 and 2015, we incurred $475,000 and $250,000 of research and development expenses.

Selling, general and administrative expenses

During the six months ended June 30, 2016 and 2015, we incurred $5,547,000 and $3,019,000 of selling, general and administrative expenses. The increase in selling, general and administrative expenses is primarily attributable to an increase in professional fees, license fees investor relations and stock compensation.

Change in value of warrant and derivative liabilities

During the six months ended June 30, 2016, we recorded a gain as a result of a decrease in the fair market value of outstanding warrants and beneficial conversion features of $36,759,000, compared to a gain of $17,874,000 during the six months ended June 30, 2015.

Interest Expense

Interest expense was $3,245,000 and $8,288,000 for the six months ended June 30, 2016 and 2015 respectively. The decrease is primarily due to a decrease in the non-cash amortization of the debt issuance costs associated with the convertible debentures and demand notes payable, non-cash interest related to the beneficial conversion feature of new debt and expenses related the issuance of additional shares

Liquidity and Capital Resources

On a consolidated basis, we had cash and cash equivalents of $355,000 at June 30, 2016 and $15,666,000 of current liabilities (of which $15,174,000 represented current cash obligations and $492,000 represented non-cash warrant liabilities and accrued expenses). As a result, on a cash basis, as of June 30, 2016, we had a working capital deficit of $14,819,000. In addition, we have an accumulated deficit of $118,190,000 through June 30, 2016.
In January 2016, the Company entered into convertible debentures totaling $150,000.

In May 2016, the Company entered into convertible debentures totaling $1,390,044.

In July 2016, the Company entered into convertible debentures totaling $112,135.

In August 2016, the Company entered into convertible debentures totaling $250,000.

Critical Accounting Policies

We consider the following accounting policies to be critical given they involve estimates and judgments made by management and are important for our investors' understanding of our operating results and financial condition.

Basis of Consolidation

The consolidated financial statements contained in this report include the accounts of OXIS International, Inc. and its subsidiaries. All intercompany balances and transactions have been eliminated.

Revenue Recognition

Product Revenue

The Company manufactures, or has manufactured on a contract basis, fine chemicals and nutraceutical products, which are its primary products to be sold to customers. Revenue from the sale of its products, including shipping fees, will be recognized when title to the products is transferred to the customer which usually occurs upon shipment or delivery, depending upon the terms of the sales order and when collectability is reasonably assured. Revenue from sales to distributors of its products will be recognized, net of allowances, upon delivery of product to the distributors. According to the terms of individual distributor contracts, a distributor may return product up to a maximum amount and under certain conditions contained in its contract. Allowances are calculated based upon historical data, current economic conditions and the underlying contractual terms.

Long-Lived Assets

Our long-lived assets include property, plant and equipment, capitalized costs of filing patent applications and goodwill and other assets. We evaluate our long-lived assets for impairment in accordance with SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Estimates of future cash flows and timing of events for evaluating long-lived assets for impairment are based upon management's judgment. If any of our intangible or long-lived assets are considered to be impaired, the amount of impairment to be recognized is the excess of the carrying amount of the assets over its fair value.

Applicable long-lived assets are amortized or depreciated over the shorter of their estimated useful lives, the estimated period that the assets will generate revenue, or the statutory or contractual term in the case of patents. Estimates of useful lives and periods of expected revenue generation are reviewed periodically for appropriateness and are based upon management's judgment. Goodwill and other assets are not amortized.

Certain Expenses and Liabilities

On an ongoing basis, management evaluates its estimates related to certain expenses and accrued liabilities. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of liabilities that are not readily apparent from other sources. Actual results may differ materially from these estimates under different assumptions or conditions.

Derivative Financial Instruments

During the normal course of business, from time to time, we issue warrants as part of a debt or equity financing. We do not enter into any derivative contracts for speculative purposes. We recognize all derivatives as assets or liabilities measured at fair value with changes in fair value of derivatives reflected as current period income or loss unless the derivatives qualify for hedge accounting and are accounted for as such. During the six months ended June 30, 2016 and 2015, we issued warrants to purchase 3,475,111 and 376,000 shares of common stock, respectively, in connection with equity transactions. In accordance with ASC Topic 815-40, "Derivatives and Hedging — Contracts in Entity's Own Stock" ("ASC 815-40"), the value of these warrants is required to be recorded as a liability, as the holders have an option to put the warrants back to us in certain events, as defined.

Inflation

We believe that inflation has not had a material adverse impact on our business or operating results during the periods presented.

Off-balance Sheet Arrangements

We have no off-balance sheet arrangements as of June 30, 2016.

DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS

Executive Officers and Directors

The following table sets forth the name, age and position held by each of our executive officers and directors as of June 30, 2015. Directors are elected for a period of one year and thereafter serve until the next annual meeting at which their successors are duly elected by the stockholders.

Name	Age	Position
Anthony J. Cataldo	65	Chief Executive Officer and Chairman of the Board
Steven Weldon	40	Chief Financial Officer and Director

Anthony J. Cataldo was appointed to the Board of Directors on July 31, 2014 and he was appointed Chief Executive Officer on November 19, 2014. Most recently, From February 2011 to June 2013 Mr. Cataldo served as Chairman and CEO/ Founder of Genesis Biopharma, Inc. (Now known as Lion Biotechnologies, Inc. Trading symbol, LBIO) Mr. Cataldo created Lion/Genesis with the inclusion of assets purchase from the National Cancer Institute (NIH) for their novel treatment of Stage Four Cancer treatment for melanoma.

Mr. Cataldo also served as Chairman of the board of directors of Brand Partners Group, Inc., a provider of integrated products and services dedicated to providing financial services and traditional retail clients with turn-key environmental solutions, from October 2003 through August 2006.

Mr. Cataldo also served as non-executive co-chairman of the board of MultiCell Technologies, Inc., a supplier of functional, non-tumorigenic immortalized human hepatocytes from February 2005 through July 2006. Mr. Cataldo has also served as Executive Chairman of Calypte Biomedical Corporation, a publicly traded biotechnology company, involved in the development and sale of urine based HIV-1 screening tests from May 2001 through November 2004. Mr. Cataldo served as the Chief Executive Officer and Chairman of the Board of Directors of Miracle Entertainment, Inc., a Canadian film production company, from May 1999 through May 2002 where he was the executive producer or producer of several motion pictures. From August 1995 to December 1998, Mr. Cataldo served as President and Chairman of the Board of Senetek, PLC, a publicly traded biotechnology company involved in age-related therapies.

Steven Weldon was appointed to our Board of Directors in September, 2014 and as our President and Chief Financial Officer in November, 2014. Mr. Weldon has over 15 years of financial and accounting experience. The majority of his career has been focused on tax planning, preparation, and CFO consulting. Mr. Weldon's financial background includes experience in managerial, private accounting and planning. He has served on the board of several publicly traded companies as both, Chief Executive Officer and Chief Financial Officer. For several years, he taught accounting and tax courses to undergrad students at Florida Southern College. He received his Bachelor of Science degree and his Masters in Business Administration from Florida Southern College. Mr. Weldon was appointed as Chief Financial Officer and as a member of the board of directors of Growblox Sciences, Inc., a Delaware corporation in September 2005 and served in both positions until November 2014. Mr. Weldon also served as chief executive officer of Growblox Sciences from December 29, 2009, through May 2, 2011, and from April 18, 2012, through March 13, 2014.

During the past five years none of our directors, executive officers, promoters or control persons was:

1) the subject of any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
2) convicted in a criminal proceeding or is subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);
3) subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities; or
4) found by a court of competent jurisdiction (in a civil action), the Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law.

Director Independence

We do not have any independent directors serving on our Board of Directors. The definition the Company uses to determine whether a director is independent is NASDAQ Rule 4200(a)(15). See Exhibit 99 hereto.

Scientific & Medical Advisory Board

To assist with the development and commercialization of our drug platforms, we previously established a Scientific & Medical Advisory Board consisting of scientists and clinicians experienced with the development and use of the treatments of cancer. Under their advisory agreements, the members of our Scientific & Medical Advisory Board received a monthly advisory fee.

Jeffrey S. Miller, M.D., is the Deputy Director of the University of Minnesota Masonic Comprehensive Cancer Center. He is also a Professor of Medicine at the University of Minnesota. Dr. Miller has more than 20 years of experience studying the biology of NK cells and other immune effector cells and their use in clinical immunotherapy with over 170 peer-reviewed publications. He is a member of numerous societies such as the American Society of Hematology and the American Association of Immunologists. Dr. Miller has been a member of the American Society of Clinical Investigation since 1999. He serves on the editorial board for Blood and is a reviewer for a number of journals and NIH grants.

Dr. Miller received a Bachelor of Science degree from Northwestern University in Evanston, Illinois, and received his M.D. from Northwestern University School of Medicine. He completed an internship and residency in Internal Medicine at the University of Iowa in Iowa City. After completing a post-doctoral fellowship in Hematology, Oncology and Transplantation at the University of Minnesota, he joined the faculty in 1991.

Daniel A. Vallera, Ph.D. is an expert in developmental cancer therapeutics who oversees groundbreaking leukemia drug development and testing with the University of Minnesota, Scott and White Cancer Center, and MD Anderson Cancer Center. He is the Tumor Biology and Progression Professor at the University of Minnesota. He is also the Division of Radiation Oncology Section Head and the Molecular Cancer Therapeutics Lion Scholar. He joined the Masonic Cancer Center in 1984 where he conducts research on the development of new recombinant biological anti-cancer agents. Dr. Vallera has been published in International Journal of Cancer, the Clinical Cancer Research Journal, and Leukemia Research.

Dr. Vallera received his Ph.D. in Microbiology (Immunology) from the Ohio State University, Columbus, Ohio. He conducted post-doctoral training in the laboratory of Dr. John H. Kersey, Dept. of Laboratory Medicine/Pathology at the University of Minnesota.

Cassian Yee, M.D., University of Texas MD Anderson Cancer Center. Cassian Yee, M.D., Professor, Department of Immunology, Division of Cancer Medicine, and Director, Solid Tumor Cell Therapy, Center for Cancer Immunology Research at the University of Texas MD Anderson Cancer Center and a Professor, Department of Melanoma Medical Oncology, Division of Cancer Medicine at the University of Texas MD Anderson Cancer. Dr. Yee previously held the position of Professor in Division of Oncology at the University of Washington, and was a Member in the Department of Immunology, Clinical Research Division of the Fred Hutchinson Cancer Research Center. Dr. Yee received his medical degree from the University of Manitoba in Canada, and trained as a research fellow at the Ontario Cancer Institute in Toronto before continuing his medical residency at Stanford University. Dr. Yee completed his fellowship in medical oncology, and postdoctoral research studies at the University of Washington and the Fred Hutchinson Cancer Research Center. Dr. Yee is a recipient of the Cancer Research Institute Investigator Award, and the Damon Runyon Walter Winchell Clinical Investigator Award. Dr. Yee is also a Burroughs Wellcome Scientist in Translational Research, and has been elected a member of the American Society for Clinical Investigation.

Xing-Qun (Sean) Xie, MD, PHD, EMBA, University of Pittsburgh. Sean Xie, MD, PhD, EMBA is a tenured Professor at the Department of Pharmaceutical Sciences/Drug Discovery Institute at University of Pittsburgh and Associate Dean for Research Innovation at the School of Pharmacy. He is Principal Investigator of an integrated research laboratory of CompuGroup, BioGroup and ChemGroup, and Founding Director of Computational Chemical Genomics Screening Center. Dr. Xie is also Director/PI of NIH funded National Center of Excellence for Computational Drug Abuse Research. Dr. Xie holds joint faculty positions at the Departments of Computational System Biology and Structural Biology, and Pittsburgh Cancer Institute MT/DD Program. He serves as an invited guest editor for AAPS Journal, Editorial Board of American Journal of Molecular Biology, and Associate Editor of BMC Pharmacology and Toxicology. In 2013, he was named an honorary professor of Chinese Academy of Medical Sciences & Peking Union Medical College. Dr. Xie is a recipient of the 2014 American Association of Pharmaceutical Scientists (AAPS) Outstanding Research Achievement Award.

Dr. Lisa A. Haile, Ph.D., DLA Piper. Dr. Lisa A. Haile, Ph.D. currently serves as Co-Chair, Global Life Sciences Sector at DLA Piper. Dr. Haile has special technical expertise in molecular biology and immunology. She has particular experience with patentability, non-infringement and validity opinions; licensing strategies; FDA counseling; due diligence work in connection with venture capital, private and public financing; mergers and acquisitions in the life sciences industry; and strategic counseling for comprehensive life sciences patent portfolio management and value creation. Dr. Haile is a member of DLA Piper's Executive Committee.

Dr. Haile's experience includes US and international patent preparation and prosecution as well as IP reviews for investors relating to technologies including novel genetically altered organisms, antisense, RNA and siRNA molecules, peptides, proteins, DNA, antibodies, vaccines, diagnostics and therapeutics.

Dr. Stephen M. Chang, PH.D., New York Stem Cell Foundation. Dr. Stephen M. Chang is Vice President-Research & Development at New York Stem Cell Foundation, Chief Scientific Officer at Stemgent, Inc., and Independent Director at MultiCell Technologies, Inc. Dr. Chang was previously employed as Chief Scientific Officer & Vice President by Canji, Inc., Chief Scientific Officer & Vice President at Schering-Plough Research Institute, and President and Chief Executive Officer at MultiCell Immunotherapeutics, Inc. He served on the Board of Directors at Histogen, Inc. Dr. Chang received his undergraduate degree from the University of Michigan and a doctorate degree from the University of California, Irvine.

Committees of the Board of Directors

Due to the small number of directors, at the present time the duties of an Audit Committee, Nominating and Governance Committee, and Compensation Committee are performed by the board of directors as a whole. At such time as we have more directors on our board of directors, these committees will be reconstituted.

EXECUTIVE COMPENSATION

Compensation of Executive Officers

The following table set forth certain information concerning the annual and long-term compensation for services rendered to us in all capacities for the fiscal years ended December 31, 2015 and 2014 of all persons who served as our principal executive officers and as our principal financial officer during the fiscal year ended December 31, 2015. No other executive officers received total annual compensation during the fiscal year ended December 31, 2015 in excess of $100,000. The principal executive officer and the other named officers are collectively referred to as the "Named Executive Officers."

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards	Option Awards[1] ($)	Non-Equity Incentive Plan Compensation Earnings ($)	Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total
Anthony J. Cataldo, Chairman[2]	2015	$216,000	$134,000	$ ----	$ 102,535	$ —	$ —	$ —	$ 452,535
	2014	$154,000	$ —	$ 402,291	$ 139,079	$ —	$ —	$ —	$ 695,370
Kenneth Eaton, Chief Executive Officer (Principal Executive Officer)[3]	2015	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
	2014	$ 224,560	$ —	$ —	$ —	$ —	$ —	$ —	$ 224,560
Steven Weldon, Chief Financial Officer (Principal Financial Officer)[4]	2015	$168,000	$ —	$ 197,845	$ —	$ —	$ —	$ —	$365,845
	2014	$ 25,500	$ —	$ 57,945	$ —	$ —	$ —	$ —	$83,445

(1) This column represents option awards computed in accordance with FASB ASC Topic 718, excluding the effect of estimated forfeitures related to service-based vesting conditions. For additional information on the valuation assumptions with respect to the option grants, refer to Note 1 of our financial statements in this Annual Report. These amounts do not correspond to the actual value that will be recognized by the named executives from these awards.

(2) Mr. Cataldo served as our Chief Executive Officer from March 2009 to August 2011 and again in November 2014, and was appointed Chairman of the Board of Directors on July 25, 2014.

(3) Mr. Eaton was appointed Chief Executive Officer in November 2013 and resigned in November 2014.

(4) Mr. Weldon was appointed Chief Financial Officer on November 3, 2014.

Employment Agreements

The Company has entered into employment agreements with Anthony J. Cataldo and Steven Weldon. Pursuant to the agreements, Mr. Cataldo and Mr. Weldon receive annual salaries of $216,000 and $168,000 respectively, as well as bonuses under certain circumstances and as awarded by the Board of Directors. The term of employment under Mr. Cataldo's agreement is for three years with a year to year renewal option thereafter. The term of employment under Mr. Weldon's agreement is for two years with a year to year renewal option thereafter.

Stock Option Grants

The following table sets forth information as of December 31, 2015, concerning unexercised options, unvested stock and equity incentive plan awards for the executive officers named in the Summary Compensation Table.

OUTSTANDING EQUITY AWARDS AT YEAR ENDED DECEMBER 31, 2015

	Option Awards					Stock Awards			
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 ($)**	**Option Expiration Date**	**Number of Shares or Units of Stock That Have Not Vested (#)**	**Market Value of Shares or Units of Stock That Have Not Vested ($)**	**Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)**	**Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)**
Anthony Cataldo	321,833	-	-	$2.50	07/01/19				
Anthony Cataldo	321,833	-	-	$5.00	07/01/19				
Anthony Cataldo	321,833	321,833	-	$7.50	07/01/19				

Director Compensation

Beginning in January 2012, non-employee members of the Board of Directors are to receive $3,000 per quarter either in cash or registered shares, plus an option to purchase 25,000 shares at the market price at the end of each quarter. The options will vest equally over a one year period. There was no compensation paid to non-employee directors during fiscal 2015.

VOTING SECURITIES AND PRINCIPAL HOLDERS

The following table sets forth certain information regarding beneficial ownership of our common stock as of August 10, 2016 (a) by each person known by us to own beneficially 5% or more of any class of our common stock, (b) by each of our Named Executive Officers, (c) by each of our directors and (d) by all of our current executive officers and directors as a group. As of August 10, 2016 there were 28,065,959 shares of our common stock issued and outstanding. Shares of common stock subject to stock options and warrants that are currently exercisable or exercisable within 60 days of June 30, 2016 are deemed to be outstanding for the purpose of computing the percentage ownership of that person but are not treated as outstanding for the purpose of computing the percentage ownership of any other person. Unless indicated below, the persons and entities named in the table have sole voting and sole investment power with respect to all shares beneficially owned, subject to community property laws where applicable. Except as otherwise indicated, the address of each stockholder is c/o OXIS International, Inc. at 100 South Ashley Street, Suite 600, Tampa, FL 33602.

Name and Address of Beneficial Owner	**Number of Shares of Common Stock Beneficially Owned**	**Percent of Shares of Outstanding Common Stock**
Security Ownership of Certain Beneficial Owners:		
Bristol Investment Fund, Ltd.	1,525,472 (1)	5.44%
Theorem Group, LLC (2)	2,096,480 (2)	7.47%
Alpha Capital Anstalt	2,034,830(3)	7.25%
James W. Heavener	1,684,100(4)	6.00%
Security Ownership of Management:		
Anthony J. Cataldo	4,030,731	15.22%
Steven Weldon	601,610	2.27%
Executive officers and directors as a group — 2 persons	4,632,341	17.49%

(1) As reported on SC 13G/A filed with the SEC on April 4, 2016. Paul Kessler, manager of Bristol Capital Advisors, LLC, the investment advisor to Bristol Investment Fund, Ltd., has voting and investment control over the securities held by Bristol Investment Fund, Ltd. Mr. Kessler disclaims beneficial ownership of these securities.

(2) As reported on SC 13D/A filed with the SEC on January 26, 2016. Anshuman Dube, manager of Theorem Group, LLC, has voting and investment control over the securities. Mr. Dube disclaims beneficial ownership of these securities.

(3) As reported on SC 13G filed with the SEC on January 26, 2016 Konrad Ackermann, director of Alpha Capital Anstalt, has voting and investment control over the securities.

(4) As reported on SC 13G filed with the SEC on February 9, 2016 James W. Heavener has voting and investment control over the securities.

DESCRIPTION OF OUR CAPITAL STOCK

General

As of the date of this Prospectus, our authorized capital stock consists of 150,000,000 shares of common stock, par value $0.001 per share, and 15,000,000 shares of preferred stock, par value $0.001 per share. As of August 10, 2016, there were 28,065,959 shares of our common stock outstanding, and 1,787,897 shares of our preferred stock outstanding.

Common Stock

Holders of our common stock are entitled to one vote for each share of common stock held of record for the election of directors and on all matters submitted to a vote of stockholders. Holders of our common stock are entitled to receive dividends ratably, if any, as may be declared by our board of directors out of legally available funds, subject to any preferential dividend rights of any preferred stock then outstanding. In the event of our dissolution, liquidation or winding up, holders of our common stock are entitled to share ratably in our net assets legally available after the payment of all of our debts and other liabilities, subject to the liquidation preferences of any preferred stock then outstanding. Holders of our common stock have no preemptive, subscription, redemption or conversion rights. The rights, preferences and privileges of holders of common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock that we may designate and issue in the future. All outstanding shares of our common stock are fully paid and nonassessable. Except as described below in "Anti-Takeover Effects of Delaware Law Provisions of Our Amended and Restated Certificate of Incorporation and Our Amended and Restated By-Laws," a majority vote of common stockholders is generally required to take action under our amended and restated certificate of incorporation and amended and restated by-laws.

Preferred Stock

Our board of directors is authorized, without action by the stockholders, to designate and issue up to 15,000,000 shares of preferred stock in one or more series. In the past the board has designated series lettered A through I and issued shares in those series. As of the date of this prospectus, only preferred shares in the series designated C, H, and I have shares issued and outstanding. In connection with this Offering, the board has recently designated series J which is being offered in the Offering as part of the B Units. Our board of directors can fix or alter the rights, preferences and privileges of the shares of each series and any of its qualifications, limitations or restrictions, including dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences and the number of shares constituting a class or series. The issuance of preferred stock could, under certain circumstances, result in one or more of the following adverse effects:

- decreasing the market price of our common stock;
- restricting dividends on our common stock;
- diluting the voting power of our common stock;
- impairing the liquidation rights of our common stock; or
- delaying or preventing a change in control of us without further action by our stockholders.

Our board of directors will make any determination to issue such shares based on its judgment as to our best interests and the best interests of our stockholders. We have no current plans to issue any shares of preferred stock.

Series C

The 96,230 shares of Series C preferred stock are convertible into 111 shares of the Company's common stock at the option of the holders at any time. The conversion ratio is based on the average closing bid price of the common stock for the fifteen consecutive trading days ending on the date immediately preceding the date notice of conversion is given, but cannot be less than .20 or more than .2889 common shares for each Series C preferred share. The conversion ratio may be adjusted under certain circumstances such as stock splits or stock dividends. The Company has the right to automatically convert the Series C preferred stock into common stock if the Company lists its shares of common stock on the Nasdaq National Market and the average closing bid price of the Company's common stock on the Nasdaq National Market for 15 consecutive trading days exceeds $3,000.00. Each share of Series C preferred stock is entitled to the number of votes equal to .26 divided by the average closing bid price of the Company's common stock during the fifteen consecutive trading days immediately prior to the date such shares of Series C preferred stock were purchased. In the event of liquidation, the holders of the Series C preferred stock shall participate on an equal basis with the holders of the common stock (as if the Series C preferred stock had converted into common stock) in any distribution of any of the assets or surplus funds of the Company. The holders of Series C preferred stock are entitled to noncumulative dividends if and when declared by the Company's board of directors. No dividends to Series C preferred stockholders were issued or unpaid through June 30, 2016.

Series H

Effective February 10, 2010, the Company issued 25,000 shares of its new Series H Convertible Preferred Stock (the "Series H Preferred") in exchange for the 25,000 shares of Series G Stock

The Certificate of Designation of the Series H Preferred is based on, and substantially similar to the form and substance of the Certificate of Designation of the Series G Preferred. Some of the corrections, changes and differences between the Certificate of Designation of the Series G Preferred and the Certificate of Designation of the Series H Preferred include the following:

- As previously disclosed, the holder of the Series H Preferred is entitled to vote with the common stock, and is entitled to a number of votes equal to (i) the number of shares of common stock it can convert into (without any restrictions or limitations on such conversion), (ii) multiplied by 100.
- The holder of the Series H Preferred cannot convert such preferred stock into shares of common stock if the holder and its affiliates after such conversion would own more than 9.9% of the Company's then issued and outstanding shares of common stock.
- The Series G Preferred contained a limitation that the holder of the Series G Preferred could not convert such preferred shares into more than 19.999% of the issued and outstanding shares of common stock without the approval of the stockholders if the rules of the principal market on which the common stock is traded would prohibit such a conversion. Since the rules of the Company's principal market did not require such a limitation, that provision has been deleted.

Series I

The holder of the Series I Preferred Stock is entitled to receive, out of funds legally available, dividends in cash at the annual rate of 8.0% of the Preference Amount ($0.15), when, as, and if declared by the Board. No dividends or other distributions shall be made with respect to any shares of junior stock until dividends in the same amount per share on the Series I Preferred Stock shall have been declared and paid or set apart during that fiscal year. Dividends on the Series I Preferred Stock are not cumulative and no right accrues to the Series I Preferred Stock by reason of the fact that the Company may fail to declare or pay dividends on the Series I Preferred Stock in the amount of the Dividend Rate per share or in any amount in any previous fiscal year of the Company, whether or not the earnings of the Company in that previous fiscal year were sufficient to pay such dividends in whole or in part.

Each share of Series I Preferred Stock entitles the holder thereof to such number of votes per share as shall equal the number of shares of Common Stock (rounded to the nearest whole number) into which such share of Series I Preferred Stock is then convertible.

Upon any liquidation of the Company, subject to the rights of any series of Preferred Stock that may from time to time come into existence, before any distribution or payment shall be made to the holders of any Junior Stock, the holders of the shares of Series I Preferred Stock then outstanding are entitled to receive and be paid out of the assets of the Company legally available for distribution to its stockholders liquidating distributions in cash or property at its fair market value as determined by the Board in the amount of $0.15 per share (as adjusted for any stock dividends, combinations or splits with respect to such shares).

Shares of Series I Preferred Stock may, at the option of the holder thereof, be converted at any time or from time to time into fully paid and non-assessable shares of Common Stock. The number of shares of Common Stock which a holder of shares of Series I Preferred Stock shall be entitled to receive upon conversion of such shares shall be the product obtained by multiplying the Conversion Rate by the number of shares of Series I Preferred Stock being converted. Initially, the Series I Preferred Stock is convertible into 6,667 shares of common stock.

In the event that the per-share Market Price of the Common Stock over a period of 20 consecutive trading days is equal to at least 130% of the initial conversion price (130% of $0.15), all outstanding shares of Series I Preferred Stock shall be converted automatically into the number of shares of Common Stock into which such shares of Series I Preferred Stock are then convertible without any further action by the holders of such shares and whether or not the certificates representing such shares of Series I Preferred Stock are surrendered to the Company or its transfer agent.

As of the date of this prospectus, there are 1,666,667 shares of Series I Preferred Stock issued and outstanding.

Warrants

As of June 30, 2016, Oxis has warrants issued and outstanding for the purchase of 3,721,768 shares of its common stock.

DESCRIPTION OF SECURITIES WE ARE OFFERING

We are offering up to $10,000,000 of Class A Units and Class B Units. Class A Units consist of one share of our common stock and a Series A warrant to purchase one share of our common stock at an exercise price equal to the public offering price of the Class A Units, ("Series A warrant"). Class B Units consist of one share of our Class J Convertible Preferred Stock with a stated value of $1,000 and convertible into shares of our common stock at the public offering price of the Class A Units, together with the equivalent number of Series A warrants as would have been issued to such purchaser if they had purchased Class A Units based on the public offering price. The shares of common stock and Series A warrant part of a Class A Unit and the Series J Preferred, and Series A warrant part of a Class B Unit are each immediately separable and will be issued separately in this offering.

Common Stock

The material terms of our common stock are described in the section of this prospectus titled "Description of Capital Stock" beginning on page 29 of this prospectus.

Series J Convertible Preferred Stock

The following summary of certain terms and provisions of our Series J Preferred Stock offered in this offering is subject to, and qualified in its entirety by reference to, the terms and provisions set forth in our certificate of designation of preferences, rights and limitations of Series J Convertible Preferred Stock.

General. Our certificate of incorporation authorizes our board of directors to issue up to 15,000,000 shares of our preferred stock, par value $0.001 per share of which 1,787,897 are issued and outstanding.

Subject to the limitations prescribed by our certificate of incorporation, our board of directors is authorized to establish the number of shares constituting each series of preferred stock and to fix the designations, powers, preferences and rights of the shares of each of those series and the qualifications, limitations and restrictions of each of those series, all without any further vote or action by our stockholders. Our board of directors has designated 13,000,000 of the 15,000,000 authorized shares of preferred stock as Series J Preferred Stock. When issued, the shares of Series J Preferred Stock will be validly issued, fully paid and non-assessable.

Rank. The Series J Preferred Stock will rank:

- senior to all of our common stock to the extent of its liquidation preference of $0.001 per share;

- senior to any class or series of our capital stock hereafter created specifically ranking by its terms junior to the Series J Preferred Stock to the extent of its liquidation preference of $0.001 per share;

- on parity to any class or series of our capital stock hereafter created specifically ranking by its terms on parity with the Series J Preferred Stock.

Conversion. Each share of the Series J Preferred Stock is convertible into ten shares of our common stock (subject to adjustment as provided in the related certificate of designation of preferences) at any time at the option of the holder, provided that the holder will be prohibited from converting Series J Preferred Stock into shares of our common stock if, as a result of such conversion, the holder, together with its affiliates, would own more than 4.99% of the total number of shares of our common stock then issued and outstanding. However, any holder may increase or decrease such percentage to any other percentage not in excess of 9.99%, provided that any increase in such percentage shall not be effective until 61 days after such notice to us.

Liquidation Preference. In the event of our liquidation, dissolution or winding up, holders of the Series J Preferred Stock will receive a payment equal to $0.001 per share of Series J Preferred Stock before any proceeds are distributed to the holders of our common stock. Following the payment described in the preceding sentence, the holders of the Series J Preferred Stock will participate, on an as-if-converted-to-common stock basis, in any distributions to the holders of common stock.

Voting Rights. Shares of Series J Preferred Stock will generally have no voting rights, except as required by law and except that the consent of the holders of the outstanding Series J Preferred Stock will be required to amend any provision of our certificate of incorporation that would have a materially adverse effect on the rights of the holders of the Series J Preferred Stock.

Dividends. Shares of Series J Preferred Stock will not be entitled to receive any dividends, unless and until specifically declared by our board of directors. The holders of the Series J Preferred Stock will participate, on an as-if-converted-to-common stock basis, in any dividends to the holders of common stock.

Redemption. We are not obligated to redeem or repurchase any shares of Series J Preferred Stock. Shares of Series J Preferred Stock are not otherwise entitled to any redemption rights or mandatory sinking fund or analogous fund provisions.

Restrictive Covenant. We are restricted from selling equity securities for the first 60 days following the closing, subject to certain exceptions.

Warrants to Purchase Common Stock

The material terms of the Series A warrants to be issued are summarized below. This summary does not purport to be complete in all respects. This description is subject to and qualified entirely by the terms of the form of warrant filed as an exhibit to the registration statement of which this prospectus is a part.

The Series A warrants to be issued with each Unit will have an exercise price of $ per share (equal to the public offering price of the Class A Units) and will be exercisable from their date of issuance and at any time up to the date that is five years after their original date of issuance.

The Series A warrants may not be exercised by the holder to the extent that the holder, together with its affiliates, would beneficially own, after such exercise more than 4.99% of the shares of common stock then outstanding (subject to the right of the holder to increase or decrease such beneficial ownership limitation upon notice to us, provided that such limitation cannot exceed 9.99%) and provided that any increase in the beneficial ownership limitation shall not be effective until 61 days after such notice is delivered.

The warrants are exercisable for cash or, solely in the absence of an effective registration statement or prospectus, by cashless exercise.

The exercise price of the warrants is subject to adjustment in the case of stock dividends or other distributions on shares of common stock or any other equity or equity equivalent securities payable in shares of common stock, stock splits, stock combinations, reclassifications or similar events affecting our common stock, and also, subject to limitations, upon any distribution of assets, including cash, stock or other property to our stockholders.

Prior to the exercise of any warrants to purchase common stock, holders of the warrants will not have any of the rights of holders of the common stock purchasable upon exercise, including voting rights, however, the holders of the warrants will have certain rights to participate in distributions or dividends paid on our common stock to the extent set forth in the warrants.

In addition, the warrants provide that if, at any time while such warrants are outstanding, we (1) consolidate or merge with or into another corporation, (2) sell all or substantially all of our assets or (3) are subject to or complete a tender or exchange offer pursuant to which holders of our common stock are permitted to tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding Common Stock, (4) effect any reclassification, reorganization or recapitalization of our common stock or any compulsory share exchange pursuant to which our common stock is converted into or exchanged for other securities, cash or property, or (5) engage in one or more transactions with another party that results in that party acquiring more than 50% of our outstanding shares of common stock (each, a "Fundamental Transaction"), then the holder of such warrants shall have the right thereafter to receive, upon exercise of the warrant, the same amount and kind of securities, cash or property as it would have been entitled to receive upon the occurrence of such Fundamental Transaction if it had been, immediately prior to such Fundamental Transaction, the holder of the number of warrant shares then issuable upon exercise of the warrant, and any additional consideration payable as part of the Fundamental Transaction. Any successor to us or surviving entity shall assume the obligations under the warrant.

The provisions of the Series A warrants may be amended if we obtain the written consent of holders representing not less than a majority of shares of our common stock then exercisable under the Series A warrants collectively (in which case such amendments shall be binding on all holders of the warrants). However, the number of shares of our common stock exercisable, the exercise price or the exercise period may not be amended without the written consent of the holder of each such warrant.

We do not plan on applying to list the Series J Preferred or any of the warrants on the NASDAQ Capital Market, any other national securities exchange or any other nationally recognized trading system.

PLAN OF DISTRIBUTION

We engaged H.C. Wainwright & Co., LLC ("Wainwright" or the "placement agent") to act as our exclusive placement agent to solicit offers to purchase the securities offered by this prospectus. Wainwright is not purchasing or selling any securities, nor are they required to arrange for the purchase and sale of any specific number or dollar amount of securities, other than to use their "reasonable best efforts" to arrange for the sale of Units by us. Therefore, we may not sell the entire amount of Units being offered. We intend to offer and sell the securities offered hereby to institutional investors in certain states. However, we will not make any offer of these securities in any jurisdiction where the offer is not permitted or exempted. We will enter into a securities purchase agreement directly with certain institutional investors who purchase our securities in this offering. We will not enter into securities purchase agreements with all other investors and such investors shall rely solely on this prospectus in connection with the purchase of our securities in this offering. Wainwright may engage one or more sub-placement agents or selected dealers to assist with the offering.

Upon the closing of this offering, we will pay the placement agent a cash transaction fee equal to 8.0% of the gross proceeds to us from the sale of the Units in the offering and we will issue to the placement agent the Placement Agent Warrants as outlined below.

The following table shows the per Unit and total placement agent fees we will pay in connection with the sale of the securities in this offering, assuming the purchase of all of the securities we are offering.

Per Class A Unit	$
Per Class B Unit	$
Total	$

We estimate the total expenses of this offering, which will be payable by us, excluding the placement agent fees, will be approximately $71,000. After deducting the fees due to the placement agent and our estimated offering expenses, we expect the net proceeds from this offering to be approximately $8,979,000.

In addition, we to issue Wainwright on August 5, 2016, 1,000,000 shares of Common Stock (the " Shares"). We will also reimburse the placement agent for its accountable expenses incurred in connection with the offering, including up to $100,000 for legal fees and expenses, up to $15,000 for road show expenses, up to $4,000 per background checks on individuals, not to exceed $20,000 in the aggregate, up to $5,000 for tombstone and other advertising efforts, and up to $10,000 of the fees and expenses of the placement agent's clearing firm.

Subject to certain conditions, we granted to the placement agent in this offering, for a period of twelve months after the date of effectiveness of this registration statement, a right of first refusal to act as lead underwriter, financial advisor or agent in connection with any offering of equity or debt securities, any financing or refinancing of indebtedness or any merger, acquisition or disposition transaction.

Also, we agreed to grant compensation warrants to the placement agent (the "Placement Agent Warrants") to purchase a number of shares of our common stock equal to 8% of the number of shares of Common Stock sold in this offering (including the number of shares of Common Stock issuable upon conversion of shares of Series J Convertible Preferred Stock but excluding any shares of Common Stock underlying the warrants issued in this offering). The compensation warrants will have an exercise price of $ _____ (110% of the per share equivalent paid by the investors in this offering) and will terminate on the five year anniversary of the effective date of the registration statement of which this prospectus is a part. Pursuant to FINRA Rule 5110(g), the compensation warrants and any shares issued upon exercise of the compensation warrants shall not be sold, transferred, assigned, pledged, or hypothecated, or be the subject of any hedging, short sale, derivative, put, or call transaction that would result in the effective economic disposition of the securities by any person for a period of 180 days immediately following the date of effectiveness or commencement of sales of this offering, except the transfer of any security:

- by operation of law or by reason of reorganization of our company;
- to any FINRA member firm participating in the offering and the officers or partners thereof, if all securities so transferred remain subject to the lock-up restriction set forth above for the remainder of the time period;
- if the aggregate amount of securities of our company held by the holder of the compensation warrants or related persons do not exceed 1% of the securities being offered;
- that is beneficially owned on a pro-rata basis by all equity owners of an investment fund, provided that no participating member manages or otherwise directs investments by the fund, and participating members in the aggregate do not own more than 10% of the equity in the fund; or
- the exercise or conversion of any security, if all securities received remain subject to the lock-up restriction set forth above for the remainder of the time period.

The placement agent may be deemed to be an underwriter within the meaning of Section 2(a)(11) of the Securities Act and any fees received by it and any profit realized on the sale of the securities by it while acting as principal might be deemed to be underwriting discounts or commissions under the Securities Act. The placement agent will be required to comply with the requirements of the Securities Act and the Exchange Act of 1934, as amended (the "Exchange Act"), including, without limitation, Rule 10b-5 and Regulation M under the Exchange Act. These rules and regulations may limit the timing of purchases and sales of our securities by the placement agent. Under these rules and regulations, the placement agent may not (i) engage in any stabilization activity in connection with our securities; and (ii) bid for or purchase any of our securities or attempt to induce any person to purchase any of our securities,

other than as permitted under the Exchange Act, until they have completed their participation in the distribution.

LEGAL MATTERS

Certain legal matters in connection with this offering will be passed upon for us by Gary R. Henrie, Attorney at Law, Nauvoo, Illinois. These legal matters include that shares of common stock to be sold by the selling shareholders is validly issued, fully paid and non-assessable. Mr. Henrie's address is PO Box 107, Nauvoo, Illinois 62354. Mr. Henrie is licensed to practice law in the States of Utah and Nevada.

DISCLOSURE OF COMMISSION POSITION ON INDEMNIFICATION FOR SECURITIES ACT LIABILITIES

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers or persons controlling the registrant pursuant to the foregoing provisions, the registrant has been informed that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is therefore unenforceable.

EXPERTS

The unaudited financial statements as of June 30, 2016 and the audited financial statements December 31, 2015 included in this prospectus have been audited by Seligson & Giannattasio, LLP, independent registered public accounting firm, as stated in their report appearing elsewhere herein, and are included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed a registration statement on Form S-1 under the Securities Act with the Securities and Exchange Commission with respect to the shares of our common stock offered by this prospectus. This prospectus was filed as a part of that registration statement but does not contain all of the information contained in the registration statement and exhibits. Reference is thus made to the omitted information. Statements made in this prospectus are summaries of the material terms of contracts, agreements and documents and are not necessarily complete; however, all information we considered material has been disclosed. Reference is made to each exhibit for a more complete description of the matters involved and these statements are qualified in their entirety by the reference. You may inspect the registration statement, exhibits and schedules filed with the Securities and Exchange Commission at the Securities and Exchange Commission's principle office in Washington, D.C. Copies of all or any part of the registration statement may be obtained from the Public Reference Section of the Securities and Exchange Commission, 100 F. Street, N.E., Washington, D.C. 20549. The Securities and Exchange Commission also maintains a web site (http://www.sec.gov) that contains this filed registration statement, reports, proxy statements and information regarding us that we have filed electronically with the Commission. For more information pertaining to our company and the common stock offered in this prospectus, reference is made to the registration statement.

Upon the effective date of this registration statement and thereafter, we will file with the Securities and Exchange Commission annual and quarterly periodic reports on forms 10-K and 10-Q respectively and current reports on form 8-K as needed. We are not required to deliver annual reports to our shareholders and at this time we do not intend to do so. We encourage our shareholders, however, to access and review all materials that we will file with the Securities and Exchange Commission at http://www.sec.gov. Our SEC file number is 000-08092.

OXIS INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016
(UNAUDITED)

OXIS INTERNATIONAL, INC. AND SUBSIDIARIES
Consolidated Balance Sheets
As of June 30, 2016 and December 31, 2015

	June 30, 2016 (unaudited)	December 31, 2015
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 355,000	$ 47,000
Prepaid expenses	2,000	2,000
Total Current Assets	357,000	49,000
Fixed assets, net	5,000	5,000
Total Other Assets	5,000	5,000
TOTAL ASSETS	$ 362,000	$ 54,000
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities:		
Accounts payable	1,574,000	893,000
Accrued interest	2,853,000	2,391,000
Accrued expenses	674,000	4,326,000
Line of credit	31,000	31,000
Warrant liability	492,000	44,531,000
Settlement note payable	691,000	691,000
Demand notes payable	363,000	452,000
Convertible debentures, current portion, net of discount of $1,952,000 and $1,682,000	7,949,000	6,820,000
Convertible debentures	1,039,000	1,039,000
Total current liabilities	15,666,000	61,174,000
Long term liabilities:		
Convertible debt, net of discount of $767,000 and $1,097,000	528,000	714,000
Total long term liabilities	528,000	714,000
Total liabilities	16,194,000	61,888,000
Stockholders' Deficit:		
Convertible preferred stock - $0.001 par value; 15,000,000 shares authorized:		
Series C - 96,230 and 96,230 shares issued and outstanding at June 30, 2016 and December 31, 2015, respectively	1,000	1,000
Series H – 25,000 and 25,000 shares issued and outstanding at June 30, 2016 and December 31, 2015, respectively	-	-
Series I – 1,666,667 and 1,666,667 shares issued and outstanding at June 30, 2016 and December 31, 2015, respectively	2,000	2,000
Common stock - $0.001 par value; 150,000,000 shares authorized; 25,8889,940 and 2,400,000 shares issued and outstanding at June 30, 2016 and December 31, 2015	26,000	2,000
Additional paid-in capital	102,498,000	84,012,000
Accumulated deficit	(118,190,000)	(145,682,000)
Noncontrolling interest	(169,000)	(169,000)
Total Stockholders' Deficit	(15,832,000)	(61,834,000)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 362,000	$ 54,000

The accompanying condensed notes are an integral part of these consolidated financial statements.

OXIS INTERNATIONAL, INC. AND SUBSIDIARIES
Consolidated Statements of Operations
For the Six Months Ended June 30, 2016 and 2015

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	**2015**	**2016**	**2015**
Product revenues	$ -	$ -	$ -	$ -
License revenue	-	20,000	-	27,000
Total revenue	-	20,000	-	27,000
Cost of product revenue	-	-	-	-
Gross profit	-	20,000	-	27,000
Operating expenses				
Research and development	250,000	-	475,000	250,000
Selling, general and administrative expenses	1,871,000	1,451,000	5,547,000	3,019,000
Total operating expenses	2,121,000	1,451,000	6,022,000	3,269,000
Loss from operations	(2,121,000)	(1,431,000)	(6,022,000)	(3,242,000)
Other income (expense)				
Change in value of warrant and derivative liabilities	5,263,000	29,140,000	36,759,000	17,874,000
Interest expense	(1,599,000)	(849,000)	(3,245,000)	(8,288,000)
Total other income (expense)	3,664,000	28,291,000	33,514,000	9,586,000
Income before minority interest and provision for income taxes	1,543,000	26,860,000	27,492,000	6,344,000
Plus: net (income) loss attributable to the noncontrolling interest	-	-	-	-
Income before provision for income taxes	1,543,000	26,860,000	27,492,000	6,344,000
Provision for income tax	-	-	-	-
Net income	1,543,000	26,860,000	27,492,000	6,344,000
Weighted average common shares outstanding – basis and diluted				
Basic	23,335,603	2,396,381	20,375,396	2,389,080
Diluted	25,407,055	4,907,238	22,446,848	4,899,898
Net income per share				
Basic	$ 0.07	$ 11.21	$ 1.35	$ 2.66
Diluted	$ 0.06	$ 5.47	$ 1.22	$ 1.29

The accompanying condensed notes are an integral part of these consolidated financial statements.

OXIS INTERNATIONAL, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the Six Months Ended June 30, 2016 and 2015

	Six months Ended June 30, 2016 (unaudited)	2015 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income/(loss)	$ 27,492,000	$ 6,344,000
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation	-	1,000
Amortization of intangible assets	-	-
Stock compensation expense for options and warrants issued to employees and non-employees	4,051,000	231,000
Non-cash interest expense	1,504,000	6,880,000
Amortization of debt discounts	972,000	1,043,000
Change in value of warrant and derivative liabilities	(36,759,000)	(17,874,000)
Changes in operating assets and liabilities:		
Accounts receivable	-	-
Other assets	-	25,000
Accounts payable and accrued expenses	1,508,000	270,000
Net cash used in operating activities	(1,232,000)	(3,080,000)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of note payable	-	-
Proceeds of notes payable	1,540,000	2,350,000
Net cash provided by financing activities	1,540,000	2,350,000
Minority interest	-	-
NET DECREASE IN CASH AND CASH EQUIVALENTS	308,000	(730,000)
CASH AND CASH EQUIVALENTS - Beginning of period	47,000	855,000
CASH AND CASH EQUIVALENTS - End of period	$ 355,000	$ 125,000
Supplemental Disclosures		
Interest paid	$ -	$ -
Income taxes paid	$ -	$ -
Supplemental non-cash activities:		
Common stock issued upon conversion of convertible notes	$ 1,429,000	$ -
Common stock issued upon conversion of accrued interest and penalty	$ 270,000	$ -
Issuance of common stock to interest expense	$ -	$ 247,000

The accompanying condensed notes are an integral part of these consolidated financial statements.

OXIS INTERNATIONAL, INC. AND SUBSIDIARIES
CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016
(UNAUDITED)

1. The Company and Summary of Significant Accounting Policies

OXIS International, Inc. (collectively, "OXIS" or the "Company") is engaged in discovering, developing and commercializing novel therapeutics from our proprietary product platform in a broad range of disease areas. Currently, OXIS develops innovative drugs focused on the treatment of cancer. OXIS' lead drug candidate, OXS-2175, is a small molecule therapeutic candidate targeting the treatment of triple-negative breast cancer. In *in vitro* and *in vivo* models of TNBC, OXS-2175 demonstrated the ability to inhibit metastasis. OXIS' lead drug candidate, OXS-4235, also a small molecule therapeutic candidate, targets the treatment of multiple myeloma and associated osteolytic lesions. In *in vitro* and *in vivo* models of multiple myeloma, OXS-4235 demonstrated the ability to kill multiple myeloma cells, and decrease osteolytic lesions in bone. OXIS' lead drug candidate, OXS-1550, is a bispecific scFv recombinant fusion protein-drug conjugate composed of the variable regions of the heavy and light chains of anti-CD19 and anti-CD22 antibodies and a modified form of diphtheria toxin as its cytotoxic drug payload. OXS-1550 has demonstrated success in early human clinical trials in patients with relapsed/refractory B-cell lymphoma or leukemia.

In 1965, the corporate predecessor of OXIS, Diagnostic Data, Inc. was incorporated in the State of California. Diagnostic Data changed its incorporation to the State of Delaware in 1972; and changed its name to DDI Pharmaceuticals, Inc. in 1985. In 1994, DDI Pharmaceuticals merged with International BioClinical, Inc. and Bioxytech S.A. and changed its name to OXIS International, Inc.

Basis of Presentation

The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the U.S. ("U.S. GAAP") and the rules and regulations of the U.S. Securities and Exchange Commission ("SEC"). Certain information and disclosures required by U.S. GAAP for complete consolidated financial statements have been condensed or omitted herein. The interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's Form 10-K for the year ended December 31, 2015. The unaudited interim condensed consolidated financial information presented herein reflects all normal adjustments that are, in the opinion of management, necessary for a fair statement of the financial position, results of operations and cash flows for the periods presented. The Company is responsible for the unaudited interim consolidated financial statements included in this report. The results of operations of any interim period are not necessarily indicative of the results for the full year.

Going Concern

As shown in the accompanying consolidated financial statements, the Company has incurred an accumulated deficit of $118,190,000 through June 30, 2016. On a consolidated basis, the Company had cash and cash equivalents of $355,000 at June 30, 2016. The Company's plan is to raise additional capital until such time that the Company generates sufficient revenues to cover its cash flow needs and/or it achieves profitability. However, the Company cannot assure that it will accomplish this task and there are many factors that may prevent the Company from reaching its goal of profitability.

The current rate of cash usage raises substantial doubt about the Company's ability to continue as a going concern, absent any sources of significant cash flows. In an effort to mitigate this near-term concern the Company intends to seek additional equity or debt financing to obtain sufficient funds to sustain operations. However, the Company cannot provide assurance that it will successfully obtain equity or debt or other financing, if any, sufficient to finance its goals or that the Company will generate future product related revenues. The Company's financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts and classification of liabilities that might be necessary in the event that the Company cannot continue in existence.

Basis of Consolidation and Comprehensive Income

The accompanying consolidated financial statements include the accounts of OXIS International, Inc. and its subsidiaries. All intercompany balances and transactions have been eliminated. The Company's financial statements are prepared using the accrual method of accounting.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Concentrations of Credit Risk

The Company's cash and cash equivalents, marketable securities and accounts receivable are monitored for exposure to concentrations of credit risk. The Company maintains substantially all of its cash balances in a limited number of financial institutions. The balances are each insured by the Federal Deposit Insurance Corporation up to $250,000. The Company does not have balances in excess of this limit at June 30, 2016.

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, restricted cash, accounts receivable, inventory, accounts payable and accrued expenses approximate fair value because of the short-term nature of these instruments. The fair value of debt is based upon current interest rates for debt instruments with comparable maturities and characteristics and approximates the carrying amount.

Stock Based Compensation to Other than Employees

The Company accounts for equity instruments issued in exchange for the receipt of goods or services from other than employees in accordance with ASC 718. Costs are measured at the estimated fair market value of the consideration received or the estimated fair value of the equity instruments issued, whichever is more reliably determinable. The value of equity instruments issued for consideration other than employee services is determined on the earlier of a performance commitment or completion of performance by the provider of goods or services. In the case of equity instruments issued to consultants, the fair value of the equity instrument is recognized over the term of the consulting agreement.

Impairment of Long Lived Assets

The Company's long-lived assets currently consist of capitalized patents. The Company evaluates its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If any of the Company's long-lived assets are considered to be impaired, the amount of impairment to be recognized is equal to the excess of the carrying amount of the assets over the fair value of the assets.

Income Taxes

The Company accounts for income taxes using the asset and liability approach, whereby deferred income tax assets and liabilities are recognized for the estimated future tax effects, based on current enacted tax laws, of temporary differences between financial and tax reporting for current and prior periods. Deferred tax assets are reduced, if necessary, by a valuation allowance if the corresponding future tax benefits may not be realized.

Net Income (Loss) per Share

Basic net income (loss) per share is computed by dividing the net loss for the period by the weighted average number of common shares outstanding during the period. Diluted net income (loss) per share is computed by dividing the net loss for the period by the weighted average number of common shares outstanding during the period, plus the potential dilutive effect of common shares issuable upon exercise or conversion of outstanding stock options and warrants during the period. The weighted average number of potentially dilutive common shares excluded from the calculation of net income (loss) per share totaled in 12,900,521 and 1,677,144 as of June 30, 2016 and 2015, respectively.

Patents

Acquired patents are capitalized at their acquisition cost or fair value. The legal costs, patent registration fees and models and drawings required for filing patent applications are capitalized if they relate to commercially viable technologies. Commercially viable technologies are those technologies that are projected to generate future positive cash flows in the near term. Legal costs associated with patent applications that are not determined to be commercially viable are expensed as incurred. All research and development costs incurred in developing the patentable idea are expensed as incurred. Legal fees from the costs incurred in successful defense to the extent of an evident increase in the value of the patents are capitalized.

Capitalized cost for pending patents are amortized on a straight-line basis over the remaining twenty year legal life of each patent after the costs have been incurred. Once each patent is issued, capitalized costs are amortized on a straight-line basis over the shorter of the patent's remaining statutory life, estimated economic life or ten years.

Fixed Assets

Fixed assets are stated at cost. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets, which are 3 to 10 years for machinery and equipment and the shorter of the lease term or estimated economic life for leasehold improvements.

Fair Value

The carrying amounts reported in the balance sheets for receivables and current liabilities each qualify as financial instruments and are a reasonable estimate of fair value because of the short period of time between the origination of such instruments and their expected realization and their current market rate of interest. The three levels are defined as follows:

- Level 1 inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets. The Company's Level 1 assets include cash equivalents, primarily institutional money market funds, whose carrying value represents fair value because of their short-term maturities of the investments held by these funds.

- Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. The Company's Level 2 liabilities consist of liabilities arising from the issuance of convertible securities and in accordance with ASC 815-40: a warrant liability for detachable warrants, as well as an accrued derivative liability for the beneficial conversion feature. These liabilities are remeasured each reporting period. Fair value is determined using the Black-Scholes valuation model based on observable market inputs, such as share price data and a discount rate consistent with that of a government-issued security of a similar maturity.

- Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following table represents the Company's assets and liabilities by level measured at fair value on a recurring basis at June 30, 2016.

Description	Level 1	Level 2	Level 3
Assets			
	$ —	$ —	$ —
Liabilities			
Warrant liability	—	492,000	—

Research and Development

Research and development costs are expensed as incurred and reported as research and development expense. Research and development costs totaling $475,000 and $250,000 for the six months ended June 30, 2016 and 2015, respectively.

Revenue Recognition

License Revenue

License arrangements may consist of non-refundable upfront license fees, exclusive licensed rights to patented or patent pending technology, and various performance or sales milestones and future product royalty payments. Some of these arrangements are multiple element arrangements.

Non-refundable, up-front fees that are not contingent on any future performance by us, and require no consequential continuing involvement on our part, are recognized as revenue when the license term commences and the licensed data, technology and/or compound is delivered. We defer recognition of non-refundable upfront fees if we have continuing performance obligations without which the technology, right, product or service conveyed in conjunction with the non-refundable fee has no utility to the licensee that is separate and independent of our performance under the other elements of the arrangement. In addition, if we have continuing involvement through research and development services that are required because our know-how and expertise related to the technology is proprietary to us, or can only be performed by us, then such up-front fees are deferred and recognized over the period of continuing involvement.

Payments related to substantive, performance-based milestones in a research and development arrangement are recognized as revenue upon the achievement of the milestones as specified in the underlying agreements when they represent the culmination of the earnings process.

Use of Estimates

The financial statements and notes are representations of the Company's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America, and have been consistently applied in the preparation of the financial statements. The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities revenues and expenses and disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

2. Debt

Convertible debentures

On October 25, 2006, the Company entered into a securities purchase agreement ("2006 Purchase Agreement") with four accredited investors (the "2006 Purchasers"). In conjunction with the signing of the 2006 Purchase Agreement, the Company issued secured convertible debentures ("2006 Debentures") and Series A, B, C, D, and E common stock warrants ("2006 Warrants") to the 2006 Purchasers, and the parties also entered into a security agreement (the "2006 Security Agreement") pursuant to which the Company agreed to grant the 2006 Purchasers, pari passu, a security interest in substantially all of the Company's assets.

Pursuant to the terms of the 2006 Purchase Agreement, the Company issued the 2006 Debentures in an aggregate principal amount of $1,694,250 to the 2006 Purchasers. The 2006 Debentures are subject to an original issue discount of 20.318% resulting in proceeds to the Company of $1,350,000 from the transaction. The 2006 Debentures were due on October 25, 2008. The 2006 Debentures are convertible, at the option of the 2006 Purchasers, at any time prior to payment in full, into shares of common stock of the Company. As a result of the full ratchet anti-dilution provision the current conversion price is $2.50 per share (the "2006 Conversion Price"). Beginning on the first of the month beginning February 1, 2007, the Company was required to amortize the 2006 Debentures in equal installments on a monthly basis resulting in a complete repayment by the maturity date (the "Monthly Redemption Amounts"). The Monthly Redemption Amounts could have been paid in cash or in shares, subject to certain restrictions. If the Company chose to make any Monthly Redemption Amount payment in shares of common stock, the price per share would have been the lesser of the Conversion Price then in effect and 85% of the weighted average price for the 10-trading days prior to the due date of the Monthly Redemption Amount. The Company did not make any of the required monthly redemption payments.

Pursuant to the provisions of the 2006 Debentures, such non-payment was an event of default and penalty interest has accrued on the unpaid redemption balance at an interest rate equal to the lower of 18% per annum and the maximum rate permitted by applicable law. In addition, each of the 2006 Purchasers has the right to accelerate the cash repayment of at least 130% of the outstanding principal amount of the 2006 Debenture (plus accrued but unpaid liquidated damages and interest) and to sell substantially all of the Company's assets pursuant to the provisions of the 2006 Security Agreement to satisfy any such unpaid balance. On June 6, 2008, the Company received notification from Bristol Investment Fund, Ltd ("Bristol"), that the collateral held under the 2006 Security Agreement would be sold to the highest qualified bidder on Thursday, June 19, 2008. On June 19, 2008, the Company received a Notice of Disposition of Collateral from Bristol in which Bristol notified the Company that Bristol, acting as the agent for itself and the three other 2006 Purchasers, purchased certain assets held as collateral under the 2006 Security Agreement. Bristol purchased 111,025 shares of common stock of BioCheck, Inc., the Company's majority owned subsidiary, on a credit bid of $50,000, and Bristol also purchased 1,000 shares of the capital stock of OXIS Therapeutics, Inc., a wholly owned subsidiary of OXIS, for a credit bid of $10,000. In December 2005, OXIS purchased the 111,025 shares of common stock of BioCheck, Inc. for $3,060,000. After crediting the aggregate amount of $60,000 to the aggregate amount due under the 2006 Debentures, plus fees and charges due through June 19, 2008, Bristol notified the Company that the Company remains obligated to the 2006 Purchasers in a deficiency in an aggregate amount of $2,688,000 as of June 19, 2008. As a result of the disposition of the collateral, the Company recorded a net loss aggregating $2,978,000.

Under the 2006 Purchase Agreement, the 2006 Purchasers also have a right of first refusal to participate in up to 100% of any future financing undertaken by the Company until the 2006 Debentures are no longer outstanding. In addition, the Company is also prohibited from effecting any subsequent financing involving a variable rate transaction until such time as no 2006 Purchaser holds any of the 2006 Debentures. Furthermore, so long as any 2006 Purchaser holds any of the securities issued under the 2006 Purchase Agreement, if the Company issues or sells any common stock or instruments convertible into common stock which a 2006 Purchaser reasonably believes is on terms more favorable to such investors than the terms pursuant to the 2006 Debentures or 2006 Warrants, the Company is obligated to permit such 2006 Purchaser the benefits of such better terms.

Of the 2006 Warrants issued by the Company to the 2006 Purchasers, only the Series A Warrants remain outstanding. The Series A Warrants, which now expire in July 2019, permit the holders to purchase 9,681 shares of common stock at an original exercise price of $87.50 per share. Such exercise price is adjustable pursuant to a full ratchet anti-dilution provision and upon the occurrence of a stock split or a related event.

During 2009, Bristol converted $177,900 of the principal amount of 2006 Debentures for 71,160 shares of the Company's common stock. During 2010, Bristol converted an additional $401,000 of the principal amount of 2006 Debentures for 160,400 shares of the Company's common stock. During 2011, an additional $605,000 of the principal amount of 2006 Debentures was converted into 242,000 shares of the Company's common stock. During 2012, an additional $369,625 of the principal amount of 2006 Debentures was converted into 350,619 shares of the Company's common stock.

The 2006 Debentures do not meet the definition of a "conventional convertible debt instrument" since they are not convertible into a fixed number of shares. The Monthly Redemption Amounts can be paid with common stock at a conversion price that is a percentage of the market price; therefore the number of shares that could be required to be delivered upon "net-share settlement" is essentially indeterminate. Therefore, the 2006 Debentures are considered "non-conventional," which means that the conversion feature must be bifurcated from the debt and shown as a separate derivative liability. This beneficial conversion liability has been calculated to be $690,000 on October 25, 2006. In addition, since the 2006 Debentures are convertible into an indeterminate number of shares of common stock, it is assumed that the Company could never have enough authorized and unissued shares to settle the conversion of the 2006 Warrants issues in this transaction into common stock. Therefore, the 2006 Warrants have a fair value of $2,334,000 at October 25, 2006. The value of the 2006 Warrant was calculated using the Black-Scholes model using the following assumptions: Discount rate of 4.5%, volatility of 158% and expected term of 1 to 6 years. The fair value of the beneficial conversion feature and the 2006 Warrant liability will be adjusted to fair value on each balance sheet date with the change being shown as a component of net loss. The fair value of the beneficial conversion feature and the 2006 Warrants at the inception of the 2006 Debentures were $690,000 and $2,334,000, respectively. The first $1,350,000 of these discounts was amortized over the term of the 2006 Debenture and the excess of $1,674,000 was shown as financing costs in statement of operations.

The Company and Bristol entered into a Forbearance Agreement on December 3, 2015, pursuant to which Bristol agreed to refrain and forbear from exercising certain rights and remedies with respect the 2006 Debentures for three months. In exchange for the Forbearance Agreement, the Company issued an allonge in the amount of $250,000 increasing the principal amount if the 2006 Debentures.

On October 1, 2009, the Company entered into a financing arrangement with several accredited investors (the "2009 Investors"), pursuant to which it sold various securities in consideration of a maximum aggregate purchase price of $2,000,000 (the "2009 Financing"). In connection with the 2009 Financing, the Company issued the following securities to the 2009 Investors:

- 0% Convertible Debentures in the principal amount of $2,000,000 due 24 months from the date of issuance (the " 2009 Debentures"), convertible into shares of the Company's common stock at a per share conversion price equal to $12.50 per share;
- Series A warrant to purchase such number of shares of the Company's common stock equal to 50% of the principal amount invested by each 2009 Investor (the "2009 Class A Warrants") resulting in the issuance of Class A Warrants to purchase 80,000 shares of common stock of the Company.
- Series B warrant to purchase such number of shares of the Company's common stock equal to 50% of the principal amount invested by each 2009 Investor (the "2009 Class B Warrants") resulting in the issuance of Class B Warrants to purchase 80,000 shares of common stock of the Company.

The Class A Warrants and Class B Warrants (collectively, the " 2009 Warrants") are exercisable for up to five years from the date of issue at a per share exercise price equal to $15.625 and $18.75 for the Class A Warrants and the Class B Warrants, respectively, on a cash or cashless basis. The 2009 Debentures and the 2009 Warrants are collectively referred to herein as the "2009 Securities".

In connection with the sale of the 2009 Securities by the Company, the Company and Bristol entered a Standstill and Forbearance Agreement, pursuant to which Bristol agreed to refrain and forbear from exercising certain rights and remedies with respect to (i) the 2006 Debentures and (ii) certain demand notes (the "Bridge Notes") issued by the Company on October 8, 2008, March 19, 2009, April 7, 2009, April 28, 2009, May 21, 2009 and June 25, 2009 and discussed under the caption "Demand Notes" below. In connection with the sale of the 2009 Securities by the Company, the Company and Bristol have also entered into a waiver agreement (the "Waiver Agreement") pursuant to which Bristol waived certain rights with respect to the 2006 Debentures and Bridge Notes.

The conversion price of the 2009 Debentures and the exercise price of the 2009 Warrants are subject to full ratchet anti-dilution adjustment in the event that the Company thereafter issues common stock or common stock equivalents at a price per share less than the conversion price or the exercise price, respectively, and to other normal and customary anti-dilution adjustment upon certain other events. So long as the 2009 Debentures are outstanding, if the Company effects a subsequent financing, the October 2009 Investors may elect, in their sole discretion, to exchange all or some of the October 2009 Debentures (but not the 2009 Warrants) for any securities or units issued in a subsequent financing on a $1.00 for $1.00 basis or to have any particular provisions of the subsequent financing legal documents apply to the documents utilized for the October 2009 Financing.

The Company also agreed that if it determines to prepare and file with the Commission a registration statement relating to an offering for its own account or the account of others, then it shall include the shares of common stock underlying the 2009 Securities on such registration statement. The 2009 Investors have contractually agreed to restrict their ability to convert the 2009 Debentures and exercise the 2009 Warrants and receive shares of our common stock such that the number of shares of the Company common stock held by a 2009 Investor and its affiliates after such conversion or exercise does not exceed 4.9% of the Company's then issued and outstanding shares of common stock.

During 2010, 2009 Investors converted $1,335,000 of the principal amount of 2009 Debentures for 106,800 shares of the Company's common stock. During 2011, 2009 Investors converted $610,000 of the principal amount of 2009 Debentures for 48,800 shares of the Company's common stock.

The Company entered into a Forbearance Agreement on December 3, 2015, pursuant to which the remaining 2009 Debenture holder agreed to refrain and forbear from exercising certain rights and remedies with respect the 2009 Debentures for three months. In exchange for the Forbearance Agreement, the Company issued an allonge in the amount of $250,000 increasing the principal amount of the 2009 Debentures to $305,000 as of March 31,2016.

On June 1, 2011, the Company entered into a financing arrangement with several accredited investors (the "June 2011 Investors"), pursuant to which it sold various securities in consideration of a maximum aggregate purchase price of $500,000 (the "June 2011 Financing"). In connection with the June 2011 Financing, the Company issued the following securities to the June 2011 Investors:

- 12% Convertible Debentures in the principal amount of $500,000 due April 15, 2012, convertible into shares of the Company's common stock at a per share conversion price equal to $25.00 per share; and
- Warrants to purchase 20,000 of shares of the Company's common stock. The warrants are exercisable, on a cash or cashless basis, for up to two years from the date of issue at a per share exercise price equal to $37.50. During 2015, the exercise price was adjusted to $1.25 and the exercise date was extended to June 2019.

In November, 2011, the Company entered into a financing arrangement with several accredited investors (the "November 2011 Investors"), pursuant to which it sold various securities in consideration of a maximum aggregate purchase price of $275,000 (the "November 2011 Financing"). In connection with the November 2011 Financing, the Company issued the following securities to the November 2011 Investors:

- 8% Convertible Debentures in the principal amount of $275,000 due in two years, convertible into shares of the Company's common stock at a per share conversion price equal to $12.50 per share; and
- Warrants to purchase 22,000 of shares of the Company's common stock. The Class A Warrants and Class B Warrants (collectively, the "Warrants") are exercisable for up to five years from the date of issue at a per share exercise price equal to $15.625 and $18.75 for the Class A Warrants and the Class B Warrants, respectively, on a cash or cashless basis.

In March, 2012, the Company entered into a financing arrangement with several accredited investors pursuant to which it sold various securities in consideration of a maximum aggregate purchase price of $617,500 (the "March 2012 Financing"). In connection with the March 2012 Financing, the Company issued the following securities to the investors:

- 8% Convertible Debentures in the principal amount of $617,500 due in two years, convertible into shares of the Company's common stock at a per share conversion price equal to $12.50 per share; and
- Warrants to purchase 49,400 of shares of the Company's common stock. The Class A Warrants and Class B Warrants (collectively, the " March 2012 Warrants") are exercisable for up to five years from the date of issue at a per share exercise price equal $15.625 and $18.75 for the Class A Warrants and the Class B Warrants, respectively, on a cash or cashless basis.

In April 2012, the Company agreed to an adjustment as negotiated to enable inducement of further financing of the Company. Pursuant to the anti-dilution provisions in the convertible instruments, the conversion price of certain convertible instruments is now $2.50 (with the exception of the conversion price of the October 2006 Debenture which is already priced at the lesser of $2.50 and 60% of the average of the lowest three trading prices occurring at any time during the 20 trading days preceding conversion).

In May, 2012, the Company entered into a financing arrangement with several accredited investors pursuant to which it sold various securities in consideration of a maximum aggregate purchase price of $275,000 (the "May 2012 Financing"). In connection with the May 2012 Financing, the Company issued the following securities to the investors:

- 8% Convertible Debentures in the principal amount of $275,000 due May 2014, convertible into shares of the Company's common stock at a per share conversion price equal to $12.50 per share; and
- Warrants to purchase 22,000 of shares of the Company's common stock. The Class A Warrants and Class B Warrants (collectively, the " May 2012 Warrants") are exercisable for up to five years from the date of issue at a per share exercise price equal to $15.625 and $18.75 for the Class A Warrants and the Class B Warrants, respectively, on a cash or cashless basis.

On August 8, 2012, a Settlement Agreement and Mutual General Release ("Agreement") was made by and between OXIS and Bristol Investment Fund, Ltd., in order to settle certain claims regarding certain convertible debentures held by Bristol.

Pursuant to the Agreement, OXIS shall pay Bristol (half of which payment would redound to Theorem Capital LLC ("Theorem")) a total of $1,119,778 as payment in full for the losses suffered and all costs incurred by Bristol in connection with the Transaction. Payment of such $1,119,778 shall be made as follows: OXIS shall issue restricted common stock to each of Bristol and Merit, in an amount such that each Bristol and Theorem shall hold no more than 9.99% of the outstanding shares of OXIS (including any shares that each may hold as of the date of issuance). The shares so issued represent $417,475.65 of the $1,119,778 payment (111,327 shares at $3.75 per share, of which 36,675 will be retained by Bristol and 74,652 will be issued to Theorem). The remaining balance of the payment shall be made in the form of two convertible promissory notes in the respective amounts of $422,357.75 for Bristol and $279,944.60 for Theorem (collectively, the "Notes") with a maturity of December 1, 2017 having an 8% annual interest rate, with interest only accruing until January 1, 2013, and then level payments of $3,750 each beginning January 1, 2013 until paid in full on December 1, 2017. In the event a default in the monthly payments on the Notes has occurred and is continuing each holder of the Notes shall be permitted to convert the unpaid principal and interest of the Notes into shares of OXIS at $2.50 cents per share. In the absence of such continuing default no conversion of the Notes will be permitted. OXIS will have the right to repay the Notes in full at any time without penalty.

Effective April, 2013 the Company entered into a securities purchase agreement with one accredited investor to sell 10% convertible debentures with an initial principal balance of $75,000.

In October and November, 2013, the Company entered into a securities purchase agreement with four accredited investors to sell 10% convertible debentures with an initial principal balance of $172,000 and warrants to acquire up to 98,286 shares of the Company's common stock at an exercise price of $2.50 per share.

In December, 2013, the Company entered into a convertible demand promissory note with an initial principal balance of $189,662 convertible at $1.75 per share and warrants to acquire up to 108,378 shares of the Company's common stock at an exercise price of $2.50 per share.

In January, 2014, the Company entered into a securities purchase agreement with one accredited investor to sell 10% convertible debentures with an initial principal balance of $50,000 and warrants to acquire up to 28,571 shares of the Company's common stock at an exercise price of $2.50 per share.

In April, 2014, the Company entered into a securities purchase agreement with three accredited investors to sell 10% convertible debentures with an initial principal balance of $49,000 and warrants to acquire up to 22,286 shares of the Company's common stock at an exercise price of $2.50 per share.

In July 2014, the Company agreed to an adjustment as negotiated to enable inducement of further financing of the Company. Pursuant to the anti-dilution provisions in the convertible instruments, the conversion price of certain convertible instruments is now $1.75 (with the exception of the conversion price of the October 2006 Debenture which is already priced at the lesser of $1.75 and 60% of the average of the lowest three trading prices occurring at any time during the 20 trading days preceding conversion).

On July 24, 2014, the Company entered into a securities purchase agreement with ten accredited investors to sell 10% convertible debentures, with an exercise price of $1.75, with an initial principal balance of $1,250,000 and warrants to acquire up to 714,286 shares of the Company's common stock at an exercise price of $2.50 per share.

Also on July 24, 2014, the Company sold to Kenneth Eaton, the Company's Chief Executive Officer, a $175,000 debenture, with an exercise price of $1.75, as payment in full for all accrued and unpaid salary and fees owed to Mr. Eaton. This note was converted on the second quarter of 2016.

On October 15, 2014, the Company entered into a securities purchase agreement with three accredited investors to sell 10% convertible debentures, with an exercise price of $2.50, with an initial principal balance of $1,250,000 and warrants to acquire up to 400,000 shares of the Company's common stock at an exercise price of $5.00 per share.

On February 23, 2015, the Company entered into a securities purchase agreement with ten accredited investors to sell 10% convertible debentures, with an exercise price of $6.25, with an initial principal balance of $2,350,000 and warrants to acquire up to 376,000 shares of the Company's common stock at an exercise price of $7.50 per share.

Effective July 2015, the Company entered into a securities purchase agreement with three accredited investors to sell 10% convertible debentures, with an exercise price of $5.00, with an initial principal balance of $550,000 and warrants to acquire up to 111,765 shares of the Company's common stock at an exercise price of $6.25 per share.

Effective October 2015, the Company entered into a securities purchase agreement with three accredited investors to sell 10% convertible debentures, with an exercise price of $2.50, with an initial principal balance of $500,000 and warrants to acquire up to 200,000 shares of the Company's common stock at an exercise price of $2.50 per share.

Effective November 2015, the Company entered into a securities purchase agreement with two accredited investors to sell 10% convertible debentures, with an exercise price of $2.50, with an initial principal balance of $100,000 and warrants to acquire up to 80,000 shares of the Company's common stock at an exercise price of $2.50 per share.

Effective December 2015, the Company entered into a securities purchase agreement with two accredited investors to sell 10% convertible debentures, with and an exercise price of $1.25, with an initial principal balance of $350,000 and warrants to acquire up to 280,000 shares of the Company's common stock at an exercise price of $1.25 per share.

In December 2015, the Company agreed to an adjustment as negotiated to enable inducement of further financing of the Company. Pursuant to the anti-dilution provisions in all the convertible instruments, the conversion price of certain convertible instruments is now $1.25 (with the exception of the conversion price of the October 2006 Debenture which is already priced at the lesser of $1.25 and 60% of the average of the lowest three trading prices occurring at any time during the 20 trading days preceding conversion).

In January 2016, the Company entered into a securities purchase agreement with one accredited investor to sell 10% convertible debentures, with and an exercise price of $1.25, with an initial principal balance of $150,000 and warrants to acquire up to 80,000 shares of the Company's common stock at an exercise price of $1.25 per share.

In May 2016, the Company entered into a securities purchase agreement with twenty accredited investors to sell 10% convertible debentures, with and an exercise price of $0.40, with an initial principal balance of $1,390,044 and warrants to acquire up to 3,475,111 shares of the Company's common stock at an exercise price of $0.45 per share.

Allonges

On August 18, 2015, the Company entered into a settlement agreement with three noteholders. In accordance with the July 24, 2014 Security Purchase Agreements, The Company was required to establish and maintain a reserve of shares of its common stock from its duly authorized shares of Common Stock for issuance in an amount equal to 150% of a required minimum by December 21, 2014 which did not occur. As compensation for the default, the Company issued allonges to the noteholders for a total of $837,500, increasing the principal amount of the convertible notes.

On October 7, 2015, the Company entered into a settlement agreement with two noteholders. In accordance with the July 24, 2014 Security Purchase Agreements, The Company was required to establish and maintain a reserve of shares of its common stock from its duly authorized shares of Common Stock for issuance in an amount equal to 150% of a required minimum by December 21, 2014 which did not occur. As compensation for the default, the Company issued allonges to the noteholders for a total of $537,500, increasing the principal amount of the convertible notes.

On November 5, 2015, the Company entered into a Second Settlement Agreement with three noteholders. On August 18, 2015 the Company entered into a Settlement Agreement that required the Company to increase its authorized shares to not less 8,000,000 shares and reserve 150% of the number of shares of its Common Stock no later than the earlier of (1) two days after Oxis obtaining all corporate and regulatory approvals necessary to increase it authorized shares; or (2) September 30, 2015 which did not occur. As compensation for the default, the Company issued additional allonges to the noteholders for a total of $837,500, increasing the principal amount of the convertible notes.

On Dec 5, 2015, the Company entered into a Second Settlement Agreement with three noteholders. On October 7, 2015 the Company entered into a Settlement Agreement that required the Company to increase its authorized shares to not less than 8,000,000 shares and reserve 150% of the number of shares of its Common Stock no later than the earlier of (1) two days after Oxis obtaining all corporate and regulatory approvals necessary to increase it authorized shares; or (2) September 30, 2015 which did not occur. As compensation for the default, the Company issued additional allonges to the noteholders for a total of $537,500, increasing the principal amount of the convertible notes.

Demand Notes

On May 15, 2009, the Company entered into a convertible demand promissory note with Bristol Capital, LLC for certain consulting services totaling $100,000. The note does not provide for any interest and is due upon demand by the holder. The note has been converted into common stock of the Company.

On June 22, 2009, the Company entered into a convertible demand promissory note with Theorem Group ("Theorem") pursuant to which Theorem purchased an aggregate principal amount of $31,375 of convertible demand promissory notes for an aggregate purchase price of $25,000 (the " 2009 Theorem Note"). The 2009 Theorem Note was subsequently sold as described below.

Simultaneously with the issuance of the 2009 Theorem Note, the Company issued Theorem a seven-year warrant (the "2009 Theorem Warrant") to purchase 12,550 shares of common stock of the Company at a price equal to the lower of (i) $2.50 and (ii) 60% of the average of the three (3) lowest trading prices occurring at any time during the 20 trading days preceding the issue date of the Theorem Note (the "Exercise Price"). The 2009 Theorem Warrant may be exercised on a cashless basis if the shares of common stock underlying the 2009 Theorem Warrant are not then registered pursuant to an effective registration statement. In the event the 2009 Theorem Warrant is exercised on a cashless basis, we will not receive any proceeds.

On December 1, 2009, Theorem sold the 2009 Theorem Note to Net Capital Partners, Inc. ("Net Capital"). In December 2009, Net Capital converted $24,000 of the principal for 9,600 shares of the Company's common stock. In January 2010, Net Capital converted the remaining $7,375 of principal amount for an additional 2,950 shares of the Company's common stock.

On February 7, 2011 the Company entered into a convertible demand promissory note with Bristol pursuant to which Bristol purchased an aggregate principal amount of $31,375 of convertible demand promissory notes for an aggregate purchase price of $25,000 (the "February 2011 Bristol Note"). The February 2011 Bristol Note is convertible into shares of common stock of the Company at a price equal to $12.50 per share.

Simultaneously with the issuance of the February 2011 Bristol Note, the Company issued Bristol a Series A Warrant (the "February 2011 Bristol Series A Warrants") to purchase 1,255 shares of the Company's common stock at a per share exercise price of $15.625, and a Series B Warrant (the "February 2011 Bristol Series B Warrants" and, together with the February 2011 Bristol Series A Warrants, the "February 2011 Bristol Warrants") to purchase 1,255 shares of the Company's common stock at a per share exercise price of $18.75. The February 2011 Warrants are exercisable for up to seven years from the date of issue. The February 2011 Warrants may be exercised on a cashless basis if the shares of common stock underlying the February 2011 Warrants are not then registered pursuant to an effective registration statement. In the event the February 2011 Bristol Warrants are exercised on a cashless basis, the Company will not receive any proceeds.

On February 7, 2011 the Company entered into a convertible demand promissory note with Net Capital pursuant to which Net Capital purchased an aggregate principal amount of $31,375 of convertible demand promissory notes for an aggregate purchase price of $25,000 (the "February 2011 Net Capital Note"). The February 2011 Net Capital Note is convertible into shares of common stock of the Company at a price equal to $12.50 per share. As of September, 2012, the February 2011 Net Capital Note had been converted into shares of the Company's common stock.

Simultaneously with the issuance of the February 2011 Net Capital Note, the Company issued Net Capital a Series A Warrant (the "February 2011 Net Capital Series A Warrants") to purchase 1,255 shares of the Company's common stock at a per share exercise price of $15.625, and a Series B Warrant (the "February 2011 Net Capital Series B Warrants" and, together with the February 2011 Net Capital Series A Warrants, the "February 2011 Net Capital Warrants") to purchase 1,255 shares of the Company's common stock at a per share exercise price of $18.75. The February 2011 Net Capital Warrants are exercisable for up to seven years from the date of issue. The February 2011 Net Capital Warrants may be exercised on a cashless basis if the shares of common stock underlying the February 2011 Net Capital Warrants are not then registered pursuant to an effective registration statement. In the event the February 2011 Net Capital Warrants are exercised on a cashless basis, the Company will not receive any proceeds.

On March 4, 2011 the Company entered into a convertible demand promissory note with Bristol pursuant to which Bristol purchased an aggregate principal amount of $31,375 of convertible demand promissory notes for an aggregate purchase price of $25,000 (the "March 2011 Bristol Note"). The March 2011 Bristol Note is convertible at the option of the holder at any time into shares of common stock, at a price equal to $12.50.

Simultaneously with the issuance of the March 2011 Bristol Note, the Company issued Bristol a Series A Warrant (the "March 2011 Bristol Series A Warrants") to purchase 1,255 shares of the Company's common stock at a per share exercise price of $15.625, and a Series B Warrant (the "March 2011 Bristol Series B Warrants" and, together with the March 2011 Bristol Series A Warrants, (the "March 2011 Bristol Warrants") to purchase 1,255 shares of the Company's common stock at a per share exercise price of $18.75. The March 2011 Warrants are exercisable for up to seven years from the date of issue. The March 2011 Warrants may be exercised on a cashless basis if the shares of common stock underlying the March 2011 Warrants are not then registered pursuant to an effective registration statement. In the event the March 2011 Warrants are exercised on a cashless basis, the Company will not receive any proceeds.

On April 4, 2011 the Company entered into a convertible demand promissory note with Net Capital pursuant to which Net Capital purchased an aggregate principal amount of $31,375 of convertible demand promissory notes for an aggregate purchase price of $25,000 (the "April 2011 Net Capital Note"). The April 2011 Net Capital Note is convertible into shares of common stock of the Company, at a price equal to $12.50 per share. As of September, 2012, the April 2011 Net Capital Note had been converted into shares of the Company's common stock.

Simultaneously with the issuance of the Net Capital Note, the Company issued Net Capital a Series A Warrant (the "April 2011 Net Capital Series A Warrants") to purchase 1,255 shares of common stock of the Company at a per share exercise price of $15.625, and a Series B Warrant (the "April 2011 Net Capital Series B Warrants" and, together with the April 2011 Net Capital Series A Warrants, the "April 2011 Net Capital Warrants") to purchase 1,255 shares of common stock of the Company at a per share exercise price of $18.75. The April 2011 Net Capital Warrants are exercisable for up to seven years from the date of issue. The April 2011 Net Capital Warrants may be exercised on a cashless basis if the shares of common stock underlying the April 2011 Net Capital Warrants are not then registered pursuant to an effective registration statement. In the event the April 2011 Net Capital Warrants are exercised on a cashless basis, we will not receive any proceeds.

On October 26, 2011 the Company entered into a convertible demand promissory note with Theorem pursuant to which Theorem purchased an aggregate principal amount of $200,000 of convertible demand promissory notes for an aggregate purchase price of $157,217 (the "October 2011 Theorem Note"). The October 2011 Theorem Note is convertible into shares of common stock of the Company, at a price equal to $12.50 per share.

Simultaneously with the issuance of the October 2011 Theorem Note, the Company issued Theorem a Series A Warrant (the "October 2011 Series A Warrant") to purchase 40,000 shares of common stock of the Company at a per share exercise price of $15.625, and a Series B Warrant (the "October 2011 Series B Warrants" and, together with the October 2011 Series A Warrants, the "October 2011 Warrants") to purchase 40,000 shares of common stock of the Company at a per share exercise price of $18.75. The October 2011 Warrants are exercisable for up to
seven years from the date of issue. The October 2011 Warrants may be exercised on a cashless basis if the shares of common stock underlying the October 2011 Warrants are not then registered pursuant to an effective registration statement. In the event the October 2011 Warrants are exercised on a cashless basis, we will not receive any proceeds.

All of the foregoing securities were issued in reliance upon an exemption from the registration requirements pursuant to Section 4(2) of the Securities Act of 1933, as amended.

On December 7, 2012, the Company entered into, and made its initial $315,000 borrowing under, a short-term loan agreement with two lenders pursuant to which it is permitted to borrow up to an aggregate of $350,000. The loans made under the loan agreement are evidence by the Company's notes and secured pursuant to a Security Agreement, that is junior to the Company's existing security arrangements under the Company's October 26, 2006 Debentures but cover the same assets of the Company.

Interest on the Notes is at the rate of 18% per annum, payable on the first day of each month until maturity on May 1, 2013. On April 1, 2013, the Company was required to pay 25.7143% of the Loan, with the remaining balance due on May 1, 2013.

The full principal amount of the Loans may be due upon default under the terms of the Loan Agreement, the Notes or the Security Agreement.

Under the Loan Agreement, the Company is required to issue 266.67 shares of its common stock for each $1,000 of Loans made. Accordingly, on December 7, 2012, the Company issued 84,000 shares of its common stock. Assuming the entire amounts of Loans permitted under the Loan Agreement are borrowed, the Company will issue 93,334 shares in connection with the Loan Agreement.

In March 2013, the Company entered into, and made an additional $35,000 borrowing under, a short-term loan agreement with two lenders the Company entered into in December 2012, pursuant to which it is permitted to borrow up to an aggregate of $350,000. The loans made under the loan agreement are evidence by the Company's notes and secured pursuant to a Security Agreement, that is junior to the Company's existing security arrangements under the Company's October 26, 2006 Debentures but cover the same assets of the Company.

Financing Agreement

On November 8, 2010, the Company entered into a financing arrangement with Gemini Pharmaceuticals, Inc., a product development and manufacturing partner of the Company, pursuant to which Gemini Pharmaceuticals made a $250,000 strategic equity investment in the Company and agreed to make a $750,000 purchase order line of credit facility available to the Company. The outstanding principal of all Advances under the Line of Credit will bear interest at the rate of interest of prime plus 2 percent per annum. There is $31,000 due on this credit line at June 30, 2016.

3. Stockholders' Equity

Common Stock

In January 2015, the Company agreed to issue 39,657 shares of common stock as a price protection to a note holder that originally converted notes at a price of $2.50 and continues to hold these shares. These additional shares would have been issued if the conversion shares price was $1.75. As of December 31, 2015, 33,142 shares of common stock have been issued and $247,000 of interest expense was recorded for this issuance. During January 2016 the remaining 6,515 share were issued and $20,000 of interest expense was recorded.

During the six months ending June 30, 2016, the Company issued an aggregate of 12,580,183 shares of common stock to a total of 34 persons or entities in exchange of the cancellation of warrants on a cashless basis. The shares issued were exempt from the registration requirements of Section 5 of the Securities Act of 1933 (the "Act") pursuant to Section 4(2) of the Act since the shares were issued to persons or entities closely associated with the Company and there was no public offering of the shares.

During the six months ending June 30, 2016, the Company also issued an aggregate of 2,022,230 shares of common stock to a total of 17 persons as payment for consulting services provided to the Company. The average valuation of these shares was $2.00 per share. These shares were also exempt from the registration requirements of Section 5 of the Act pursuant to Section 4(2) of the Act since the shares were also issued to persons closely associated with the Company and there was no public offering of the shares.

During the six months ending June 30, 2016, the Company also issued an aggregate of 4,612,341 shares of common stock to two executive officers of the Company in fulfilment of contractual rights held by the officers pursuant to their employment agreements. These shares were also exempt from the registration requirements of Section 5 of the Act pursuant to Section 4(2) of the Act since the shares were also issued to persons closely associated with the Company and there was no public offering of the shares.

During the six months ending June 30, 2016, the Company also issued an aggregate of 4,275,186 shares of common stock to a total of 17 persons as payment for the conversion of certain note and the related accrued interest. The conversion price of these shares was $0.40 per share. These shares were also exempt from the registration requirements of Section 5 of the Act pursuant to Section 4(2) of the Act since the shares were also issued to persons closely associated with the Company and there was no public offering of the shares.

Preferred Stock

OXIS INTERNATIONAL, INC. AND SUBSIDIARIES
CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016
(UNAUDITED)

On January 8, 2016 the Company entered into an Exchange Agreement with certain investors together holding 25,000 shares of Series H Preferred Stock and 1,666,667 shares of Series I Preferred Stock have agreed to convert all such shares of Preferred Stock into an aggregate of 4,075,000 shares of Common Stock upon successful completion by the Company of a $6 million financing.

4. Stock Options and Warrants

Stock Options

Following is a summary of the stock option activity:

	Options Outstanding	Weighted Average Exercise Price
Outstanding as of December 31, 2015	374,800	$ 4.88
Granted	-	-
Forfeited	-	-
Exercised	-	-
Outstanding as of June 30, 2016	374,800	$ 4.88

Warrants

Following is a summary of the warrant activity:

	Warrants Outstanding	Weighted Average Exercise Price
Outstanding as of December 31, 2015	12,525,721	$ 1.25
Granted	4,146,162	1.25
Forfeited	(339,932)	1.25
Exercised	(12,610,183)	1.25
Outstanding as of June 30, 2016	3,721,768	$ 1.25

6. Subsequent Events

In July 2016, the Company entered into a securities purchase agreement with one accredited investor to sell 10% convertible debentures, with and an exercise price of $0.40, with an initial principal balance of $112,135 and warrants to acquire up to 280,338 shares of the Company's common stock at an exercise price of $0.45 per share.

In July 2016, the Company also issued an aggregate of 1,026,019 shares of common stock to a total of three persons or entities as payment for the conversion of certain note and the related accrued interest. The conversion price of these shares was $0.40 per share. These shares were also exempt from the registration requirements of Section 5 of the Act pursuant to Section 4(2) of the Act since the shares were also issued to persons closely associated with the Company and there was no public offering of the shares.

On July 15, 2015, the Company entered into a settlement agreement with one noteholder. In accordance with a 10% Convertible Debenture Due July 24, 2016, The Company was required pay accrued interest in case upon a conversion of the debt within three business days for the conversion which did not occur. As compensation for the default, the Company issued allonges to the noteholders for a total of $40,000, increasing the principal amount of the convertible notes.

In August 2016, the Company issued 1 ,115,000 shares of common stock to H.C. Wainwright and Co., LLC as payment for investment banking services provided to the Company.

In August 2016, the Company entered into a securities purchase agreement with one accredited investor to sell 10% convertible debentures up $1,000,000, with and an exercise price of $0.40, with an initial principal balance of $250,000 and warrants to acquire up to 2,500,000 shares of the Company's common stock at an exercise price of $0.45 per share.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To The Board of Directors and Stockholders of
Oxis International, Inc.

We have audited the accompanying consolidated balance sheets of Oxis International, Inc. (the "Company") and subsidiaries as of December 31, 2015 and 2014 and the related consolidated statements of operations, changes in stockholders' deficit and cash flows for the two years then ended. These consolidated 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.

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 audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Oxis International, Inc. and subsidiaries as of December 31, 2015 and 2014 and the consolidated results of their operations and their consolidated cash flows for the two years then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has incurred significant recurring losses. The realization of a major portion of its assets is dependent upon its ability to meet its future financing needs and the success of its future operations. These factors raise substantial doubt about the Company's ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from this uncertainty.

/s/ Seligson & Giannattasio, LLP
Seligson & Giannattasio, LLP
White Plains, New York
March 30, 2016

OXIS International, Inc. and Subsidiaries
December 31, 2015 and 2014
Consolidated Balance Sheets

	December 31, 2015	December 31, 2014
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 47,000	$ 855,000
Prepaid expenses	2,000	27,000
Total Current Assets	49,000	882,000
Fixed assets, net	5,000	6,000
Total Other Assets	5,000	6,000
TOTAL ASSETS	$ 54,000	$ 888,000
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities:		
Accounts payable	$ 893,000	$ 412,000
Accrued interest	2,391,000	2,025,000
Accrued expenses	4,326,000	3,085,000
Line of credit	31,000	28,000
Warrant liability	44,531,000	21,581,000
Settlement note payable	691,000	691,000
Demand notes payable, net of discount of $-0- and $-0-	452,000	252,000
Convertible debentures, net of discount of $900,000 and $-0-, current portion	6,820,000	1,207,000
Convertible debentures	1,039,000	547,000
Total Current Liabilities	61,174,000	29,828,000
Long term liabilities:		
Convertible debentures, net of discount of $2,536,000 and $2,302,000	714,000	634,000
Total long term liabilities	714,000	634,000
Total liabilities	61,888,000	30,462,000
Stockholders' Deficit:		
Convertible preferred stock - $0.001 par value; 15,000,000 shares authorized:		
Series C - 96,230 and 96,230 shares issued and outstanding at December 31, 2015 and December 31, 2014, respectively	1,000	1,000
Series H – 25,000 and 25,000 shares issued and outstanding at December 31, 2015 and December 31, 2014, respectively	—	—
Series I – 1,666,667 shares issued and outstanding at December 31, 2015 and December 31, 2014, respectively	2,000	2,000
Common stock - $0.001 par value; 2,400,000 shares authorized; and 2,400,000 and 2,366,588 shares issued and outstanding at December 31, 2015 and December 31, 2014, respectively	2,000	2,000
Additional paid-in capital	84,012,000	83,546,000
Accumulated deficit	(145,682,000)	(112,956,000)
Noncontrolling interest	(169,000)	(169,000)
Total Stockholders' Deficit	(61,834,000)	(29,574,000)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 54,000	$ 888,000

The accompanying notes are an integral part of these consolidated financial statements.

OXIS International, Inc. and Subsidiaries
December 31, 2015 and 2014
Statements of Operations

	December 31,	
	2015	**2014**
Revenue:		
Product revenues	$ -	$ 28,000
License revenues	27,000	33,000
TOTAL REVENUE	27,000	61,000
Cost of Product Revenue	-	57,000
Gross profit	27,000	4,000
Operating Expenses:		
Research and development	1,000,000	-
Selling, general and administrative	7,954,000	2,400,000
Total operating expenses	8,954,000	2,400,000
Loss from Operations	(8,927,000)	(2,396,000)
Other income (expense)		
Change in value of warrant and derivative liabilities	(6,760,000)	(15,963,000)
Interest expense/income	(17,039,000)	(5,146,000)
Total Other Income (Expense)	(23,799,000)	(21,109,000)
Loss before minority interest and provision for income taxes	(32,726,000)	(23,505,000)
Less: Net loss attributable to the noncontrolling interests	0	16,000
Loss before provision for income taxes	(32,726,000)	(23,489,000)
Provision for income taxes	-	-
Net loss	(32,726,000)	(23,489,000)
Loss Per Share – basic and diluted	$ (13.67)	$ (10.09)
Weighted Average Shares Outstanding – basic and diluted	2,394,540	2,327,873

The accompanying notes are an integral part of these consolidated financial statements.

OXIS INTERNATIONAL, INC. AND SUBSIDIARIES
Consolidated Statement of Stockholders' Deficit
For the Years Ended December 31, 2015 and 2014

	Preferred Stock		Common Stock		Additional Paid-in	Accumulated
	Shares	Amount	Shares	Amount	Capital	Deficit
Balance at December 31, 2013	1,787,897	$ 3,000	2,292,206	$ 2,000	$ 83,281,000	$ (89,467,000)
Issuance of stock options					162,000	
Issuance of common stock for accrued expenses			74,652	-	103,000	
Net loss						(501,000)
Balance at December 31, 2014	1,787,897	$ 3,000	2,366,588	$ 2,000	$ 83,546,000	$(112,956,000)
Issuance of stock options					220,000	
Issuance of common stock for accrued expenses			33,412		246,000	(32,680,000)
Net loss						
Balance at December 31, 2015	**1,787,897**	**$ 3,000**	**2,400,00**	**$ 2,000**	**$ 84,012,000**	**$(145,682,000)**

The accompanying notes are an integral part of these consolidated financial statements.

OXIS INTERNATIONAL, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2015 and 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$(32,726,000)	$(23,489,000)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	2,000	-
Amortization of intangible assets	-	22,000
Stock compensation expense for options and warrants issued to employees and non-employees	3,761,000	2,630,000
Note Allonges	3,667,000	-
Amortization of debt discounts	2,494,000	2,759,000
Non-cash interest expense	9,840,000	2,764,000
Change in value of warrant and derivative liabilities	7,400,000	13,962,000
Note settlement	-	(176,000)
Changes in operating assets and liabilities:		
Inventory	-	42,000
Other assets	25,000	13,000
Accounts payable and accrued liabilities	880,000	(276,000)
Net cash used in operating activities	(4,657,000)	(1,749,000)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of fixed assets	(1,000)	(6,000)
Net cash used by investing activities	(1,000)	(6,000)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from notes payable	3,850,000	2,589,000
Repayment of note payable	-	(6,000)
Net cash provided by financing activities	3,850,000	2,583,000
Minority interest	-	(16,000)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(808,000)	812,000
CASH AND CASH EQUIVALENTS - Beginning of period	855,000	43,000
CASH AND CASH EQUIVALENTS - End of period	$ 47,000	$ 855,000

The accompanying notes are an integral part of these consolidated financial statements.

1. The Company and Summary of Significant Accounting Policies

OXIS International, Inc. (collectively, "OXIS" or the "Company") is engaged in discovering, developing and commercializing novel therapeutics from our proprietary product platform in a broad range of disease areas. Currently, OXIS develops innovative drugs focused on the treatment of cancer. OXIS' lead drug candidate, OXS-2175, is a small molecule therapeutic candidate targeting the treatment of triple-negative breast cancer. In *in vitro* and *in vivo* models of TNBC, OXS-2175 demonstrated the ability to inhibit metastasis. OXIS' lead drug candidate, OXS-4235, also a small molecule therapeutic candidate, targets the treatment of multiple myeloma and associated osteolytic lesions. In *in vitro* and *in vivo* models of multiple myeloma, OXS-4235 demonstrated the ability to kill multiple myeloma cells, and decrease osteolytic lesions in bone. OXIS' lead drug candidate, OXS-1550, is a bispecific scFv recombinant fusion protein-drug conjugate composed of the variable regions of the heavy and light chains of anti-CD19 and anti-CD22 antibodies and a modified form of diphtheria toxin as its cytotoxic drug payload. OXS-1550 has demonstrated success in early human clinical trials in patients with relapsed/refractory B-cell lymphoma or leukemia.

In 1965, the corporate predecessor of OXIS, Diagnostic Data, Inc. was incorporated in the State of California. Diagnostic Data changed its incorporation to the State of Delaware in 1972; and changed its name to DDI Pharmaceuticals, Inc. in 1985. In 1994, DDI Pharmaceuticals merged with International BioClinical, Inc. and Bioxytech S.A. and changed its name to OXIS International, Inc.

Going Concern

As shown in the accompanying consolidated financial statements, the Company has incurred an accumulated deficit of $145,636,000 through December 31, 2015. On a consolidated basis, the Company had cash and cash equivalents of $47,000 at December 31, 2015. The Company's plan is to raise additional capital until such time that the Company generates sufficient revenues to cover its cash flow needs and/or it achieves profitability. However, the Company cannot assure that it will accomplish this task and there are many factors that may prevent the Company from reaching its goal of profitability.

The current rate of cash usage raises substantial doubt about the Company's ability to continue as a going concern, absent any sources of significant cash flows. In an effort to mitigate this near-term concern the Company intends to seek additional equity or debt financing to obtain sufficient funds to sustain operations. The Company plans to increase revenues by introducing new nutraceutical products primarily based on its ergothioneine assets. However, the Company cannot provide assurance that it will successfully obtain equity or debt or other financing, if any, sufficient to finance its goals or that the Company will generate future product related revenues. The Company's financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts and classification of liabilities that might be necessary in the event that the Company cannot continue in existence.

Accounts receivable

The Company carries its accounts receivable at cost less an allowance for doubtful accounts. On a periodic basis, the Company evaluates its accounts receivable and establishes an allowance for doubtful accounts, based on a history of past write-offs and collections and current credit conditions.

Advertising and promotional fees

Advertising expenses consist primarily of costs incurred in the design, development, and printing of Company literature and marketing materials. The Company expenses all advertising expenditures as incurred. There were no advertising expenses for the years ended December 31, 2015 and 2014, respectively.

Basis of Consolidation and Comprehensive Income

The accompanying consolidated financial statements include the accounts of OXIS International, Inc. and its subsidiaries. All intercompany balances and transactions have been eliminated. The Company's financial statements are prepared using the accrual method of accounting.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Concentrations of Credit Risk

The Company's cash and cash equivalents, marketable securities and accounts receivable are monitored for exposure to concentrations of credit risk. The Company maintains substantially all of its cash balances in a limited number of financial institutions. The balances are each insured by the Federal Deposit Insurance Corporation up to $250,000. The Company does not have balances in excess of this limit at December 31, 2015

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, restricted cash, accounts receivable, inventory, accounts payable and accrued expenses approximate fair value because of the short-term nature of these instruments. The fair value of debt is based upon current interest rates for debt instruments with comparable maturities and characteristics and approximates the carrying amount.

Stock Based Compensation to Employees

The Company accounts for its stock-based compensation for employees in accordance with Accounting Standards Codification ("ASC") 718. The Company recognizes in the statement of operations the grant-date fair value of stock options and other equity-based compensation issued to employees and non-employees over the related vesting period.

The Company granted stock options to purchase 52,000 and 321,941 shares of the Company's common stock to employees and directors during the year ended December 31, 2015 and 2014, respectively. The fair values of employee stock options are estimated for the calculation of the pro forma adjustments at the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions during 2015: expected volatility of 90%; average risk-free interest rate of 1.50% initial expected life of 5 years; no expected dividend yield; and amortized over the vesting period of typically one to four years. The Company reported an expense for share-based compensation for its employees and directors of $311,000 and $162,000 for the year ended December 31, 2015 and 2014, respectively.

Impairment of Long Lived Assets

The Company's long-lived assets currently consist of capitalized patents The Company evaluates its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If any of the Company's long-lived assets are considered to be impaired, the amount of impairment to be recognized is equal to the excess of the carrying amount of the assets over the fair value of the assets.

Income Taxes

The Company accounts for income taxes using the asset and liability approach, whereby deferred income tax assets and liabilities are recognized for the estimated future tax effects, based on current enacted tax laws, of temporary differences between financial and tax reporting for current and prior periods. Deferred tax assets are reduced, if necessary, by a valuation allowance if the corresponding future tax benefits may not be realized.

Net Income (Loss) per Share

Basic net income (loss) per share is computed by dividing the net loss for the period by the weighted average number of common shares outstanding during the period. Diluted net income (loss) per share is computed by dividing the net loss for the period by the weighted average number of common shares outstanding during the period, plus the potential dilutive effect of common shares issuable upon exercise or conversion of outstanding stock options and warrants during the period. The weighted average number of potentially dilutive common shares excluded from the calculation of net income (loss) per share totaled in 12,525,721 in 2015 and 3,092,737 in 2014.

Patents

Acquired patents are capitalized at their acquisition cost or fair value. The legal costs, patent registration fees and models and drawings required for filing patent applications are capitalized if they relate to commercially viable technologies. Commercially viable technologies are those technologies that are projected to generate future positive cash flows in the near term. Legal costs associated with patent applications that are not determined to be commercially viable are expensed as incurred. All research and development costs incurred in developing the patentable idea are expensed as incurred. Legal fees from the costs incurred in successful defense to the extent of an evident increase in the value of the patents are capitalized.

Capitalized cost for pending patents are amortized on a straight-line basis over the remaining twenty year legal life of each patent after the costs have been incurred. Once each patent is issued, capitalized costs are amortized on a straight-line basis over the shorter of the patent's remaining statutory life, estimated economic life or ten years.

Fixed Assets

Fixed assets is stated at cost. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets, which are 3 to 10 years for machinery and equipment and the shorter of the lease term or estimated economic life for leasehold improvements.

Fair Value

The carrying amounts reported in the balance sheets for receivables and current liabilities each qualify as financial instruments and are a reasonable estimate of fair value because of the short period of time between the origination of such instruments and their expected realization and their current market rate of interest. The three levels are defined as follows:

- Level 1 inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets. The Company's Level 1 assets include cash equivalents, primarily institutional money market funds, whose carrying value represents fair value because of their short-term maturities of the investments held by these funds.

- Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. The Company's Level 2 liabilities consist of liabilities arising from the issuance of convertible securities and in accordance with ASC 815-40: a warrant liability for detachable warrants, as well as an accrued derivative liability for the beneficial conversion feature. These liabilities are remeasured each reporting period. Fair value is determined using the Black-Scholes valuation model based on observable market inputs, such as share price data and a discount rate consistent with that of a government-issued security of a similar maturity.

- Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following table represents the Company's assets and liabilities by level measured at fair value on a recurring basis at December 31, 2015.

Description	Level 1	Level 2	Level 3
Assets			
	$ —	$ —	$ —
Liabilities			
Warrant liability	—	44,531,000	—
Accrued expense		4,326,000	

Research and Development

Research and development costs are expensed as incurred and reported as research and development expense. Research and development costs totaling $900,000 and $-0- for the years ended December 31, 2015 and 2014, respectively.

Revenue Recognition

Product Revenue

The Company manufactures, or has manufactured on a contract basis, fine chemicals and nutraceutical products, which are its primary products to be sold to customers. Revenue from the sale of its products, including shipping fees, will be recognized when title to the products is transferred to the customer which usually occurs upon shipment or delivery, depending upon the terms of the sales order and when collectability is reasonably assured. Revenue from sales to distributors of its products will be recognized, net of allowances, upon delivery of product to the distributors. According to the terms of individual distributor contracts, a distributor may return product up to a maximum amount and under certain conditions contained in its contract. Allowances are calculated based upon historical data, current economic conditions and the underlying contractual terms.

License Revenue

License arrangements may consist of non-refundable upfront license fees, exclusive licensed rights to patented or patent pending technology, and various performance or sales milestones and future product royalty payments. Some of these arrangements are multiple element arrangements.

Non-refundable, up-front fees that are not contingent on any future performance by us, and require no consequential continuing involvement on our part, are recognized as revenue when the license term commences and the licensed data, technology and/or compound is delivered. We defer recognition of non-refundable upfront fees if we have continuing performance obligations without which the technology, right, product or service conveyed in conjunction with the non-refundable fee has no utility to the licensee that is separate and independent of our performance under the other elements of the arrangement. In addition, if we have continuing involvement through research and development services that are required because our know-how and expertise related to the technology is proprietary to us, or can only be performed by us, then such up-front fees are deferred and recognized over the period of continuing involvement.

Payments related to substantive, performance-based milestones in a research and development arrangement are recognized as revenue upon the achievement of the milestones as specified in the underlying agreements when they represent the culmination of the earnings process.

Use of Estimates

The financial statements and notes are representations of the Company's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America, and have been consistently applied in the preparation of the financial statements. The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities revenues and expenses and disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

2.
Patents

	December 30, 2015	December 31, 2014
Capitalized patent costs	$ 642,000	$ 642,000
Accumulated amortization	(642,000)	(642,000)
	$ -	$ -

Periodically, the Company reviews its patent portfolio and has determined that certain patent applications no longer possessed commercial viability or were abandoned since they were inconsistent with the Company's business development strategy.

3. Debt

Convertible debentures

On October 25, 2006, the Company entered into a securities purchase agreement ("2006 Purchase Agreement") with four accredited investors (the "2006 Purchasers"). In conjunction with the signing of the 2006 Purchase Agreement, the Company issued secured convertible debentures ("2006 Debentures") and Series A, B, C, D, and E common stock warrants ("2006 Warrants") to the 2006 Purchasers, and the parties also entered into a security agreement (the "2006 Security Agreement") pursuant to which the Company agreed to grant the 2006 Purchasers, pari passu, a security interest in substantially all of the Company's assets.

Pursuant to the terms of the 2006 Purchase Agreement, the Company issued the 2006 Debentures in an aggregate principal amount of $1,694,250 to the 2006 Purchasers. The 2006 Debentures are subject to an original issue discount of 20.318% resulting in proceeds to the Company of $1,350,000 from the transaction. The 2006 Debentures were due on October 25, 2008. The 2006 Debentures are convertible, at the option of the 2006 Purchasers, at any time prior to payment in full, into shares of common stock of the Company. As a result of the full ratchet anti-dilution provision the current conversion price is $2.50 per share (the "2006 Conversion Price"). Beginning on the first of the month beginning February 1, 2007, the Company was required to amortize the 2006 Debentures in equal installments on a monthly basis resulting in a complete repayment by the maturity date (the "Monthly Redemption Amounts"). The Monthly Redemption Amounts could have been paid in cash or in shares, subject to certain restrictions. If the Company chose to make any Monthly Redemption Amount payment in shares of common stock, the price per share would have been the lesser of the Conversion Price then in effect and 85% of the weighted average price for the 10-trading days prior to the due date of the Monthly Redemption Amount. The Company did not make any of the required monthly redemption payments.

Pursuant to the provisions of the 2006 Debentures, such non-payment was an event of default and penalty interest has accrued on the unpaid redemption balance at an interest rate equal to the lower of 18% per annum and the maximum rate permitted by applicable law. In addition, each of the 2006 Purchasers has the right to accelerate the cash repayment of at least 130% of the outstanding principal amount of the 2006 Debenture (plus accrued but unpaid liquidated damages and interest) and to sell substantially all of the Company's assets pursuant to the provisions of the 2006 Security Agreement to satisfy any such unpaid balance. On June 6, 2008, the Company received notification from Bristol Investment Fund, Ltd ("Bristol"), that the collateral held under the 2006 Security Agreement would be sold to the highest qualified bidder on Thursday, June 19, 2008. On June 19, 2008, the Company received a Notice of Disposition of Collateral from Bristol in which Bristol notified the Company that Bristol, acting as the agent for itself and the three other 2006 Purchasers, purchased certain assets held as collateral under the 2006 Security Agreement. Bristol purchased 111,025 shares of common stock of BioCheck, Inc., the Company's majority owned subsidiary, on a credit bid of $50,000, and Bristol also purchased 1,000 shares of the capital stock of OXIS Therapeutics, Inc., a wholly owned subsidiary of OXIS, for a credit bid of $10,000. In December 2005, OXIS purchased the 111,025 shares of common stock of BioCheck, Inc. for $3,060,000. After crediting the aggregate amount of $60,000 to the aggregate amount due under the 2006 Debentures, plus fees and charges due through June 19, 2008, Bristol notified the Company that the Company remains obligated to the 2006 Purchasers in a deficiency in an aggregate amount of $2,688,000 as of June 19, 2008. As a result of the disposition of the collateral, the Company recorded a net loss aggregating $2,978,000.

Under the 2006 Purchase Agreement, the 2006 Purchasers also have a right of first refusal to participate in up to 100% of any future financing undertaken by the Company until the 2006 Debentures are no longer outstanding. In addition, the Company is also prohibited from effecting any subsequent financing involving a variable rate transaction until such time as no 2006 Purchaser holds any of the 2006 Debentures. Furthermore, so long as any 2006 Purchaser holds any of the securities issued under the 2006 Purchase Agreement, if the Company issues or sells any common stock or instruments convertible into common stock which a 2006 Purchaser reasonably believes is on terms more favorable to such investors than the terms pursuant to the 2006 Debentures or 2006 Warrants, the Company is obligated to permit such 2006 Purchaser the benefits of such better terms.

Of the 2006 Warrants issued by the Company to the 2006 Purchasers, only the Series A Warrants remain outstanding. The Series A Warrants, which now expire in July 2019, permit the holders to purchase 9,681 shares of common stock at an original exercise price of $87.50 per share. Such exercise price is adjustable pursuant to a full ratchet anti-dilution provision and upon the occurrence of a stock split or a related event.

During 2009, Bristol converted $177,900 of the principal amount of 2006 Debentures for 71,160 shares of the Company's common stock. During 2010, Bristol converted an additional $401,000 of the principal amount of 2006 Debentures for 160,400 shares of the Company's common stock. During 2011, an additional $605,000 of the principal amount of 2006 Debentures was converted into 242,000 shares of the Company's common stock. During 2012, an additional $369,625 of the principal amount of 2006 Debentures was converted into 350,619 shares of the Company's common stock.

The 2006 Debentures do not meet the definition of a "conventional convertible debt instrument" since they are not convertible into a fixed number of shares. The Monthly Redemption Amounts can be paid with common stock at a conversion price that is a percentage of the market price; therefore the number of shares that could be required to be delivered upon "net-share settlement" is essentially indeterminate. Therefore, the 2006 Debentures are considered "non-conventional," which means that the conversion feature must be bifurcated from the debt and shown as a separate derivative liability. This beneficial conversion liability has been calculated to be $690,000 on October 25, 2006. In addition, since the 2006 Debentures are convertible into an indeterminate number of shares of common stock, it is assumed that the Company could never have enough authorized and unissued shares to settle the conversion of the 2006 Warrants issues in this transaction into common stock. Therefore, the 2006 Warrants have a fair value of $2,334,000 at October 25, 2006. The value of the 2006 Warrant was calculated using the Black-Scholes model using the following assumptions: Discount rate of 4.5%, volatility of 158% and expected term of 1 to 6 years. The fair value of the beneficial conversion feature and the 2006 Warrant liability will be adjusted to fair value on each balance sheet date with the change being shown as a component of net loss. The fair value of the beneficial conversion feature and the 2006 Warrants at the inception of the 2006 Debentures were $690,000 and $2,334,000, respectively. The first $1,350,000 of these discounts was amortized over the term of the 2006 Debenture and the excess of $1,674,000 was been shown as financing costs in statement of operations.

The Company and Bristol entered into a Forbearance Agreement on December 3, 2015, pursuant to which Bristol agreed to refrain and forbear from exercising certain rights and remedies with respect the 2006 Debentures for three months. In exchange for the Forbearance Agreement, the Company issued an allonge in the amount of $250,000 increasing the principal amount if the 2006 Debentures.

On October 1, 2009, the Company entered into a financing arrangement with several accredited investors (the "2009 Investors"), pursuant to which it sold various securities in consideration of a maximum aggregate purchase price of $2,000,000 (the "2009 Financing"). In connection with the 2009 Financing, the Company issued the following securities to the 2009 Investors:

- 0% Convertible Debentures in the principal amount of $2,000,000 due 24 months from the date of issuance (the " 2009 Debentures"), convertible into shares of the Company's common stock at a per share conversion price equal to $12.50 per share;
- Series A warrant to purchase such number of shares of the Company's common stock equal to 50% of the principal amount invested by each 2009 Investor (the "2009 Class A Warrants") resulting in the issuance of Class A Warrants to purchase 80,000 shares of common stock of the Company.
- Series B warrant to purchase such number of shares of the Company's common stock equal to 50% of the principal amount invested by each 2009 Investor (the "2009 Class B Warrants") resulting in the issuance of Class B Warrants to purchase 80,000 shares of common stock of the Company.

The Class A Warrants and Class B Warrants (collectively, the " 2009 Warrants") are exercisable for up to five years from the date of issue at a per share exercise price equal to $15.625 and $18.75 for the Class A Warrants and the Class B Warrants, respectively, on a cash or cashless basis. The 2009 Debentures and the 2009 Warrants are collectively referred to herein as the "2009 Securities".

In connection with the sale of the 2009 Securities by the Company, the Company and Bristol entered a Standstill and Forbearance Agreement, pursuant to which Bristol agreed to refrain and forbear from exercising certain rights and remedies with respect to (i) the 2006 Debentures and (ii) certain demand notes (the "Bridge Notes") issued by the Company on October 8, 2008, March 19, 2009, April 7, 2009, April 28, 2009, May 21, 2009 and June 25, 2009 and discussed under the caption "Demand Notes" below. In connection with the sale of the 2009 Securities by the Company, the Company and Bristol have also entered into a waiver agreement (the "Waiver Agreement") pursuant to which Bristol waived certain rights with respect to the 2006 Debentures and Bridge Notes.

The conversion price of the 2009 Debentures and the exercise price of the 2009 Warrants are subject to full ratchet anti-dilution adjustment in the event that the Company thereafter issues common stock or common stock equivalents at a price per share less than the conversion price or the exercise price, respectively, and to other normal and customary anti-dilution adjustment upon certain other events. So long as the 2009 Debentures are outstanding, if the Company effects a subsequent financing, the October 2009 Investors may elect, in their sole discretion, to exchange all or some of the October 2009 Debentures (but not the 2009 Warrants) for any securities or units issued in a subsequent financing on a $1.00 for $1.00 basis or to have any particular provisions of the subsequent financing legal documents apply to the documents utilized for the October 2009 Financing.

The Company also agreed that if it determines to prepare and file with the Commission a registration statement relating to an offering for its own account or the account of others, then it shall include the shares of common stock underlying the 2009 Securities on such registration statement. The 2009 Investors have contractually agreed to restrict their ability to convert the 2009 Debentures and exercise the 2009 Warrants and receive shares of our common stock such that the number of shares of the Company common stock held by a 2009 Investor and its affiliates after such conversion or exercise does not exceed 4.9% of the Company's then issued and outstanding shares of common stock.

During 2010, 2009 Investors converted $1,335,000 of the principal amount of 2009 Debentures for 106,800 shares of the Company's common stock. During 2011, 2009 Investors converted $610,000 of the principal amount of 2009 Debentures for 48,800 shares of the Company's common stock. Accordingly, at December 31, 2015, $55,000 in aggregate principal amount of 2009 Debentures remained outstanding.

The Company entered into a Forbearance Agreement on December 3, 2015, pursuant to which the remaining 2009 Debenture holder agreed to refrain and forbear from exercising certain rights and remedies with respect the 2009 Debentures for three months. In exchange for the Forbearance Agreement, the Company issued an allonge in the amount of $250,000 increasing the principal amount if the 2009 Debentures.

On June 1, 2011, the Company entered into a financing arrangement with several accredited investors (the "June 2011 Investors"), pursuant to which it sold various securities in consideration of a maximum aggregate purchase price of $500,000 (the "June 2011 Financing"). In connection with the June 2011 Financing, the Company issued the following securities to the June 2011 Investors:

- 12% Convertible Debentures in the principal amount of $500,000 due April 15, 2012, convertible into shares of the Company's common stock at a per share conversion price equal to $25.00 per share; and
- Warrants to purchase 20,000 of shares of the Company's common stock. The warrants are exercisable, on a cash or cashless basis, for up to two years from the date of issue at a per share exercise price equal to $37.50. During 2015, the exercise price was adjusted to $1.25 and the exercise date was extended to June 2019.

In November, 2011, the Company entered into a financing arrangement with several accredited investors (the "November 2011 Investors"), pursuant to which it sold various securities in consideration of a maximum aggregate purchase price of $275,000 (the "November 2011 Financing"). In connection with the November 2011 Financing, the Company issued the following securities to the November 2011 Investors:

- 8% Convertible Debentures in the principal amount of $275,000 due in two years, convertible into shares of the Company's common stock at a per share conversion price equal to $12.50 per share; and
- Warrants to purchase 22,000 of shares of the Company's common stock. The Class A Warrants and Class B Warrants (collectively, the "Warrants") are exercisable for up to five years from the date of issue at a per share exercise price equal to $15.625 and $18.75 for the Class A Warrants and the Class B Warrants, respectively, on a cash or cashless basis.

In March, 2012, the Company entered into a financing arrangement with several accredited investors pursuant to which it sold various securities in consideration of a maximum aggregate purchase price of $617,500 (the "March 2012 Financing"). In connection with the March 2012 Financing, the Company issued the following securities to the investors:

- 8% Convertible Debentures in the principal amount of $617,500 due in two years, convertible into shares of the Company's common stock at a per share conversion price equal to $12.50 per share; and
- Warrants to purchase 49,400 of shares of the Company's common stock. The Class A Warrants and Class B Warrants (collectively, the " March 2012 Warrants") are exercisable for up to five years from the date of issue at a per share exercise price equal $15.625 and $18.75 for the Class A Warrants and the Class B Warrants, respectively, on a cash or cashless basis.

In April 2012, the Company agreed to an adjustment as negotiated to enable inducement of further financing of the Company. Pursuant to the anti-dilution provisions in the convertible instruments, the conversion price of certain
convertible instruments is now $2.50 (with the exception of the conversion price of the October 2006 Debenture which is already priced at the lesser of $2.50 and 60% of the average of the lowest three trading prices occurring at any time during the 20 trading days preceding conversion).

In May, 2012, the Company entered into a financing arrangement with several accredited investors pursuant to which it sold various securities in consideration of a maximum aggregate purchase price of $275,000 (the "May 2012 Financing"). In connection with the May 2012 Financing, the Company issued the following securities to the investors:

- 8% Convertible Debentures in the principal amount of $275,000 due May 2014, convertible into shares of the Company's common stock at a per share conversion price equal to $12.50 per share; and
- Warrants to purchase 22,000 of shares of the Company's common stock. The Class A Warrants and Class B Warrants (collectively, the " May 2012 Warrants") are exercisable for up to five years from the date of issue at a per share exercise price equal to $15.625 and $18.75 for the Class A Warrants and the Class B Warrants, respectively, on a cash or cashless basis.

On August 8, 2012, a Settlement Agreement and Mutual General Release ("Agreement") was made by and between OXIS and Bristol Investment Fund, Ltd., in order to settle certain claims regarding certain convertible debentures held by Bristol.

Pursuant to the Agreement, OXIS shall pay Bristol (half of which payment would redound to Theorem Capital LLC ("Theorem")) a total of $1,119,778 as payment in full for the losses suffered and all costs incurred by Bristol in connection with the Transaction. Payment of such $1,119,778 shall be made as follows: OXIS shall issue restricted common stock to each of Bristol and Merit, in an amount such that each Bristol and Theorem shall hold no more than 9.99% of the outstanding shares of OXIS (including any shares that each may hold as of the date of issuance). The shares so issued represent $417,475.65 of the $1,119,778 payment (111,327 shares at $3.75 per share, of which 36,675 will be retained by Bristol and 74,652 will be issued to Theorem). The remaining balance of the payment shall be made in the form of two convertible promissory notes in the respective amounts of $422,357.75 for Bristol and $279,944.60 for Theorem (collectively, the "Notes") with a maturity of December 1, 2017 having an 8% annual interest rate, with interest only accruing until January 1, 2013, and then level payments of $3,750 each beginning January 1, 2013 until paid in full on December 1, 2017. In the event a default in the monthly payments on the Notes has occurred and is continuing each holder of the Notes shall be permitted to convert the unpaid principal and interest of the Notes into shares of OXIS at $2.50 cents per share. In the absence of such continuing default no conversion of the Notes will be permitted. OXIS will have the right to repay the Notes in full at any time without penalty.

Effective April, 2013 the Company entered into a securities purchase agreement with one accredited investor to sell 10% convertible debentures with an initial principal balance of $75,000.

In October and November, 2013, the Company entered into a securities purchase agreement with four accredited investors to sell 10% convertible debentures with an initial principal balance of $172,000 and warrants to acquire up to 98,286 shares of the Company's common stock at an exercise price of $2.50 per share.

In December, 2013, the Company entered into a convertible demand promissory note with an initial principal balance of $189,662 convertible at $1.75 per share and warrants to acquire up to 108,378 shares of the Company's common stock at an exercise price of $2.50 per share.

In January, 2014, the Company entered into a securities purchase agreement with one accredited investor to sell 10% convertible debentures with an initial principal balance of $50,000 and warrants to acquire up to 28,571 shares of the Company's common stock at an exercise price of $2.50 per share.

In April, 2014, the Company entered into a securities purchase agreement with three accredited investors to sell 10% convertible debentures with an initial principal balance of $49,000 and warrants to acquire up to 22,286 shares of the Company's common stock at an exercise price of $2.50 per share.

In July 2014, the Company agreed to an adjustment as negotiated to enable inducement of further financing of the Company. Pursuant to the anti-dilution provisions in the convertible instruments, the conversion price of certain
convertible instruments is now $1.75 (with the exception of the conversion price of the October 2006 Debenture which is already priced at the lesser of $1.75 and 60% of the average of the lowest three trading prices occurring at any time during the 20 trading days preceding conversion).

On July 24, 2014, the Company entered into a securities purchase agreement with ten accredited investors to sell 10% convertible debentures, with an exercise price of $1.75, with an initial principal balance of $1,250,000 and warrants to acquire up to 714,286 shares of the Company's common stock at an exercise price of $2.50 per share.

Also on July 24, 2014, the Company sold to Kenneth Eaton, the Company's Chief Executive Officer, a $175,000 debenture, with an exercise price of $1.75, as payment in full for all accrued and unpaid salary and fees owed to Mr. Eaton.

On October 15, 2014, the Company entered into a securities purchase agreement with three accredited investors to sell 10% convertible debentures, with an exercise price of $2.50, with an initial principal balance of $1,250,000 and warrants to acquire up to 400,000 shares of the Company's common stock at an exercise price of $5.00 per share.

On February 23, 2015, the Company entered into a securities purchase agreement with ten accredited investors to sell 10% convertible debentures, with and an exercise price of $6.25, with an initial principal balance of $2,350,000 and warrants to acquire up to 376,000 shares of the Company's common stock at an exercise price of $7.50 per share.

Effective July 2015, the Company entered into a securities purchase agreement with three accredited investors to sell 10% convertible debentures, with and an exercise price of $5.00, with an initial principal balance of $550,000 and warrants to acquire up to 111,765 shares of the Company's common stock at an exercise price of $6.25 per share.

Effective October 2015, the Company entered into a securities purchase agreement with three accredited investors to sell 10% convertible debentures, with and an exercise price of $2.50, with an initial principal balance of $500,000 and warrants to acquire up to 200,000 shares of the Company's common stock at an exercise price of $2.50 per share.

Effective November 2015, the Company entered into a securities purchase agreement with two accredited investors to sell 10% convertible debentures, with and an exercise price of $2.50, with an initial principal balance of $100,000 and warrants to acquire up to 80,000 shares of the Company's common stock at an exercise price of $2.50 per share.

Effective December 2015, the Company entered into a securities purchase agreement with two accredited investors to sell 10% convertible debentures, with and an exercise price of $1.25, with an initial principal balance of $350,000 and warrants to acquire up to 280,000 shares of the Company's common stock at an exercise price of $1.25 per share.

In December 2015, the Company agreed to an adjustment as negotiated to enable inducement of further financing of the Company. Pursuant to the anti-dilution provisions in all the convertible instruments, the conversion price of certain convertible instruments is now $1.25 (with the exception of the conversion price of the October 2006 Debenture which is already priced at the lesser of $1.25 and 60% of the average of the lowest three trading prices occurring at any time during the 20 trading days preceding conversion).

Allonges

On August 18, 2015, the Company entered into a settlement agreement with three noteholders. In accordance with the July 24, 2014 Security Purchase Agreements, The Company was required to establish and maintain a reserve of shares of its common stock from its duly authorized shares of Common Stock for issuance in an amount equal to 150% of a required minimum by December 21, 2014 which did not occur. As compensation for the default, the Company issued allonges to the noteholders for a total of $812,500, increasing the principal amount of the convertible notes.

On October 7, 2015, the Company entered into a settlement agreement with two noteholders. In accordance with the July 24, 2014 Security Purchase Agreements, The Company was required to establish and maintain a reserve of shares of its common stock from its duly authorized shares of Common Stock for issuance in an amount equal to 150% of a required minimum by December 21, 2014 which did not occur. As compensation for the default, the Company issued allonges to the noteholders for a total of $537,500, increasing the principal amount of the convertible notes.

On November 5, 2015, the Company entered into a Second Settlement Agreement with three noteholders. On August 14, 2015 the Company entered into a Settlement Agreement that required the Company to increase its authorized shares to not less 8,000,000 shares and reserve 150% of the number of shares of its Common Stock no later than the earlier of (1) two days after Oxis obtaining all corporate and regulatory approvals necessary to increase it authorized shares; or (2) September 30, 2015 which did not occur. As compensation for the default, the Company issued additional allonges to the noteholders for a total of $837,500, increasing the principal amount of the convertible notes.

On Dec 5, 2015, the Company entered into a Second Settlement Agreement with three noteholders. On October 7, 2015 the Company entered into a Settlement Agreement that required the Company to increase its authorized shares to not less than 8,000,000 shares and reserve 150% of the number of shares of its Common Stock no later than the earlier of (1) two days after Oxis obtaining all corporate and regulatory approvals necessary to increase it authorized shares; or (2) September 30, 2015 which did not occur. As compensation for the default, the Company issued additional allonges to the noteholders for a total of $537,500, increasing the principal amount of the convertible notes.

Demand Notes

On May 15, 2009, the Company entered into a convertible demand promissory note with Bristol Capital, LLC for certain consulting services totaling $100,000. The note does not provide for any interest and is due upon demand by the holder. The note has been converted into common stock of the Company.

On June 22, 2009, the Company entered into a convertible demand promissory note with Theorem Group ("Theorem") pursuant to which Theorem purchased an aggregate principal amount of $31,375 of convertible demand promissory notes for an aggregate purchase price of $25,000 (the " 2009 Theorem Note"). The 2009 Theorem Note was subsequently sold as described below.

Simultaneously with the issuance of the 2009 Theorem Note, the Company issued Theorem a seven-year warrant (the "2009 Theorem Warrant") to purchase 12,550 shares of common stock of the Company at a price equal to the lower of (i) $2.50 and (ii) 60% of the average of the three (3) lowest trading prices occurring at any time during the 20 trading days preceding the issue date of the Theorem Note (the "Exercise Price"). The 2009 Theorem Warrant may be exercised on a cashless basis if the shares of common stock underlying the 2009 Theorem Warrant are not then registered pursuant to an effective registration statement. In the event the 2009 Theorem Warrant is exercised on a cashless basis, we will not receive any proceeds.

On December 1, 2009, Theorem sold the 2009 Theorem Note to Net Capital Partners, Inc. ("Net Capital"). In December 2009, Net Capital converted $24,000 of the principal for 9,600 shares of the Company's common stock. In January 2010, Net Capital converted the remaining $7,375 of principal amount for an additional 2,950 shares of the Company's common stock.

On February 7, 2011 the Company entered into a convertible demand promissory note with Bristol pursuant to which Bristol purchased an aggregate principal amount of $31,375 of convertible demand promissory notes for an aggregate purchase price of $25,000 (the "February 2011 Bristol Note"). The February 2011 Bristol Note is convertible into shares of common stock of the Company at a price equal to $12.50 per share.

Simultaneously with the issuance of the February 2011 Bristol Note, the Company issued Bristol a Series A Warrant (the "February 2011 Bristol Series A Warrants") to purchase 1,255 shares of the Company's common stock at a per share exercise price of $15.625, and a Series B Warrant (the "February 2011 Bristol Series B Warrants" and, together with the February 2011 Bristol Series A Warrants, the "February 2011 Bristol Warrants") to purchase 1,255 shares of the Company's common stock at a per share exercise price of $18.75. The February 2011 Warrants are exercisable for up to seven years from the date of issue. The February 2011 Warrants may be exercised on a cashless basis if the shares of common stock underlying the February 2011 Warrants are not then registered pursuant to an effective registration statement. In the event the February 2011 Bristol Warrants are exercised on a cashless basis, the Company will not receive any proceeds.

On February 7, 2011 the Company entered into a convertible demand promissory note with Net Capital pursuant to which Net Capital purchased an aggregate principal amount of $31,375 of convertible demand promissory notes for an aggregate purchase price of $25,000 (the "February 2011 Net Capital Note"). The February 2011 Net Capital Note is convertible into shares of common stock of the Company at a price equal to $12.50 per share. As of September, 2012, the February 2011 Net Capital Note had been converted into shares of the Company's common stock.

Simultaneously with the issuance of the February 2011 Net Capital Note, the Company issued Net Capital a Series A Warrant (the "February 2011 Net Capital Series A Warrants") to purchase 1,255 shares of the Company's common stock at a per share exercise price of $15.625, and a Series B Warrant (the "February 2011 Net Capital Series B Warrants" and, together with the February 2011 Net Capital Series A Warrants, the "February 2011 Net Capital Warrants") to purchase 1,255 shares of the Company's common stock at a per share exercise price of $18.75. The February 2011 Net Capital Warrants are exercisable for up to seven years from the date of issue. The February 2011 Net Capital Warrants may be exercised on a cashless basis if the shares of common stock underlying the February 2011 Net Capital Warrants are not then registered pursuant to an effective registration statement. In the event the February 2011 Net Capital Warrants are exercised on a cashless basis, the Company will not receive any proceeds.

On March 4, 2011 the Company entered into a convertible demand promissory note with Bristol pursuant to which Bristol purchased an aggregate principal amount of $31,375 of convertible demand promissory notes for an aggregate purchase price of $25,000 (the "March 2011 Bristol Note"). The March 2011 Bristol Note is convertible at the option of the holder at any time into shares of common stock, at a price equal to $12.50.

Simultaneously with the issuance of the March 2011 Bristol Note, the Company issued Bristol a Series A Warrant (the "March 2011 Bristol Series A Warrants") to purchase 1,255 shares of the Company's common stock at a per share exercise price of $15.625, and a Series B Warrant (the "March 2011 Bristol Series B Warrants" and, together with the March 2011 Bristol Series A Warrants, (the "March 2011 Bristol Warrants") to purchase 1,255 shares of the Company's common stock at a per share exercise price of $18.75. The March 2011 Warrants are exercisable for up to seven years from the date of issue. The March 2011 Warrants may be exercised on a cashless basis if the shares of common stock underlying the March 2011 Warrants are not then registered pursuant to an effective registration statement. In the event the March 2011 Warrants are exercised on a cashless basis, the Company will not receive any proceeds.

On April 4, 2011 the Company entered into a convertible demand promissory note with Net Capital pursuant to which Net Capital purchased an aggregate principal amount of $31,375 of convertible demand promissory notes for an aggregate purchase price of $25,000 (the "April 2011 Net Capital Note"). The April 2011 Net Capital Note is convertible into shares of common stock of the Company, at a price equal to $12.50 per share. As of September, 2012, the April 2011 Net Capital Note had been converted into shares of the Company's common stock.

Simultaneously with the issuance of the Net Capital Note, the Company issued Net Capital a Series A Warrant (the "April 2011 Net Capital Series A Warrants") to purchase 1,255 shares of common stock of the Company at a per share exercise price of $15.625, and a Series B Warrant (the "April 2011 Net Capital Series B Warrants" and, together with the April 2011 Net Capital Series A Warrants, the "April 2011 Net Capital Warrants") to purchase 1,255 shares of common stock of the Company at a per share exercise price of $18.75. The April 2011 Net Capital Warrants are exercisable for up to seven years from the date of issue. The April 2011 Net Capital Warrants may be exercised on a cashless basis if the shares of common stock underlying the April 2011 Net Capital Warrants are not then registered pursuant to an effective registration statement. In the event the April 2011 Net Capital Warrants are exercised on a cashless basis, we will not receive any proceeds.

On October 26, 2011 the Company entered into a convertible demand promissory note with Theorem pursuant to which Theorem purchased an aggregate principal amount of $200,000 of convertible demand promissory notes for an aggregate purchase price of $157,217 (the "October 2011 Theorem Note"). The October 2011 Theorem Note is convertible into shares of common stock of the Company, at a price equal to $12.50 per share.

Simultaneously with the issuance of the October 2011 Theorem Note, the Company issued Theorem a Series A Warrant (the "October 2011 Series A Warrant") to purchase 40,000 shares of common stock of the Company at a per share exercise price of $15.625, and a Series B Warrant (the "October 2011 Series B Warrants" and, together with the October 2011 Series A Warrants, the "October 2011 Warrants") to purchase 40,000 shares of common stock of the Company at a per share exercise price of $18.75. The October 2011 Warrants are exercisable for up to
seven years from the date of issue. The October 2011 Warrants may be exercised on a cashless basis if the shares of common stock underlying the October 2011 Warrants are not then registered pursuant to an effective registration statement. In the event the October 2011 Warrants are exercised on a cashless basis, we will not receive any proceeds.

All of the foregoing securities were issued in reliance upon an exemption from the registration requirements pursuant to Section 4(2) of the Securities Act of 1933, as amended.

On December 7, 2012, the Company entered into, and made its initial $315,000 borrowing under, a short-term loan agreement with two lenders pursuant to which it is permitted to borrow up to an aggregate of $350,000. The loans made under the loan agreement are evidence by the Company's notes and secured pursuant to a Security Agreement, that is junior to the Company's existing security arrangements under the Company's October 26, 2006 Debentures but cover the same assets of the Company.

Interest on the Notes is at the rate of 18% per annum, payable on the first day of each month until maturity on May 1, 2013. On April 1, 2013, the Company was required to pay 25.7143% of the Loan, with the remaining balance due on May 1, 2013.

The full principal amount of the Loans may be due upon default under the terms of the Loan Agreement, the Notes or the Security Agreement.

Under the Loan Agreement, the Company is required to issue 266.67 shares of its common stock for each $1,000 of Loans made. Accordingly, on December 7, 2012, the Company issued 84,000 shares of its common stock. Assuming the entire amounts of Loans permitted under the Loan Agreement are borrowed, the Company will issue 93,334 shares in connection with the Loan Agreement.

In March 2013, the Company entered into, and made an additional $35,000 borrowing under, a short-term loan agreement with two lenders the Company entered into in December 2012, pursuant to which it is permitted to borrow up to an aggregate of $350,000. The loans made under the loan agreement are evidence by the Company's notes and secured pursuant to a Security Agreement, that is junior to the Company's existing security arrangements under the Company's October 26, 2006 Debentures but cover the same assets of the Company.

Financing Agreement

On November 8, 2010, the Company entered into a financing arrangement with Gemini Pharmaceuticals, Inc., a product development and manufacturing partner of the Company, pursuant to which Gemini Pharmaceuticals made a $250,000 strategic equity investment in the Company and agreed to make a $750,000 purchase order line of credit facility available to the Company.

The aggregate amount of outstanding Advances available to the Company under the Line of Credit may not exceed $750,000.00 at any time. The credit amounts available to the Company will be tiered, starting at $250,000 and will ramp up to $500,000 and then $750,000 upon achievement of determined milestones. The Advances requested under the Line of Credit may only be used for purchases of products and inventory from Gemini Pharmaceuticals.

The outstanding principal of all Advances under the Line of Credit will bear interest at the rate of interest of prime plus 2 percent per annum.

In partial consideration of the commitment made by Gemini Pharmaceuticals under the Line of Credit, the Company has issued to Gemini, non-callable 5-year warrants to purchase 1,200 additional shares of Common Stock at a share price of $30.00. The warrants contain a cashless exercise provision. The warrants vest as follows: 50% immediately, 25% when the credit line is increased to $500,000, and the remaining 25% when the credit line is increased to $750,000. These warrants expired in October 2015. There is currently $31,000 due on this credit line.

Joint Ventures

In March 2011, the Company agreed to form a joint venture with engage:BDR, Inc., an on-line marketing company that offers both premium and placement-specific display marketing solutions and the ability to distribute campaigns through its own display platforms and channels. engage:BDR partners with most of comScore's top 1000 websites (globally) for the most advanced display marketing capabilities. Under the joint venture agreement, engage:BDR will provide a full range of online marketing services to the joint venture, including developing brand strategy, the design of all digital media and interfaces, online media planning and buying, leveraging and integrating social media, and customer analysis.

In March 2012 the Company signed a term sheet with engage:BDR that further evidences its arrangement and that permits both parties to commence operations under the arrangement. The parties contemplate that the existing binding arrangement will be evidenced by a formal limited liability company agreement that the parties are preparing. The following is a summary of the principal provisions of our joint venture arrangement (the "Joint Venture") with engage:BDR, Inc.:

A. The Company has agreed to grant the Joint Venture an exclusive license for the on-line marketing of products containing EGT™. The first product to be marketed and sold through the Joint Venture shall be OXIS' ErgoFlex™ product, which product was successfully test marketed in mail offering in late 2010 and early 2011. Additional OXIS products designated by the Company will be offered by the Joint Venture. If both parties agree, third party products may also be offered through the Joint Venture. However, nothing in the Joint Venture is intended to prohibit the Company from marketing, distributing and selling ErgoFlex™ or any of its other current or future products by means other than through online sales.

B. OXIS and engage:BDR have agreed to make the following contributions to the Joint Venture:

(a) OXIS will contribute up to $240,000 during the first year following the formation of the Joint Venture. These funds will be provided if, when and as needed by the Joint Venture. OXIS' cash capital contribution will be used (i) to purchase ErgoFlex and other products from OXIS, at OXIS' cost, without any markup, (ii) to purchase website media inventory from engage:BDR, at engage:BDR's cost, plus a 15% administrative mark-up, and (iii) to fund the Joint Venture's other operating costs. engage:BDR has agreed to waive the 15% administrative mark-up through December 31, 2012.

(b) In addition to the cash, OXIS' contribution to the Joint Venture includes the exclusive license for the on-line marketing of any products created by OXIS which utilize its proprietary EGT™.

(c) engage:BDR , at its own cost and expense, is designing, developing and providing to the Joint Venture, on a turnkey basis, all online product offering systems and technologies, including website layouts, landing pages, graphic designs, display advertising, rich media, in-banner and in-stream video development. During the initial start-up phase of the Joint Venture, engage:BDR will, at its own cost and expense, also manage all day-to-day online activities of the Joint Venture. Cash from operations in excess of the amounts needed for its operations and for reasonable reserves, shall be distributed by the Joint Venture in the following order:

(a) First, to OXIS on a cumulative basis, an amount equal to the cash that OXIS contributed to the Joint Venture, and

(b) Thereafter, all excess net operating cash will be distributed 50.1% to OXIS and 49.9% to engage:BDR.

C. The administrative affairs of the Joint Venture shall be managed by a committee consisting of one representative of each Joint Venture member.

As additional consideration for engage:BDR entering into the Joint Venture and for contributing its services in designing, developing and implementing the advertising platform, at the time that the Joint Venture operating agreement is signed, OXIS will grant engage:BDR a two-year option to purchase OXIS securities. The option shall entitle engage:BDR to purchase the type of securities sold by us in a future $6,000,000 or more financing, on the same terms and conditions, and at the same price, as such securities are sold to third party investors in such financing. The number of such securities that engage:BDR may purchase upon the exercise of the option (determined by assuming all convertible securities are converted and all exercisable securities are exercised) shall be equal to 4.99% of the Company's common stock issued and outstanding on the date the Joint Venture agreement is signed. If the Company has not raised $6,000,000 by December 31, 2012, commencing on that date, engage:BDR will have a two-year right to purchase OXIS' common stock at a price equal to $7.50. OXIS has also agreed to issue to engage:BDR a warrant to purchase up to 20,000 shares of its common stock if the Joint Venture, through engage:BDR efforts, attains certain revenue and profits targets. The warrant will have an exercise price of $7.50 per share. This joint venture ceased operations in 2014.

4. Stockholders' Equity

Common Stock

On May 8, 2015, the Company obtained stockholder consent for the approval of an amendment to our certificate of incorporation to effect a reverse stock split of the Company's common stock at a ratio to be determined by the Board prior to the effective time of the amendment (the "Effective Time") of not less than one-for-fifty and not more than one-for-two hundred fifty and the approval of an amendment to our certificate of incorporation to set the number of authorized shares of common stock the Company shall authority to issue following the reverse stock split in an amount to be determined by the Board prior to the Effective Time.

The Company filed the amended certificate of incorporation with the State of Delaware on December 16, 2015. The Company effected a reverse stock split of the Company's common stock at a ratio of one-for-two hundred fifty and set the number of authorized shares of common stock the Company shall authority to issue following the reverse stock split in an amount of 150,000,000.

Stock Issuances

In January 2015, the Company agreed to issue 39,657 shares of common stock as a price protection to a note holder that originally converted notes at a price of $2.50 and continues to hold these shares. These additional shares would have been issued if the conversion shares price was $1.75. As of December 31, 2015, 33,142 shares of common stock have been issued and $247,000 of interest expense was recorded for this issuance.

Preferred Stock

The 96,230 shares of Series C preferred stock are convertible into 111 shares of the Company's common stock at the option of the holders at any time. The conversion ratio is based on the average closing bid price of the common stock for the fifteen consecutive trading days ending on the date immediately preceding the date notice of conversion is given, but cannot be less than .20 or more than .2889 common shares for each Series C preferred share. The conversion ratio may be adjusted under certain circumstances such as stock splits or stock dividends. The Company has the right to automatically convert the Series C preferred stock into common stock if the Company lists its shares of common stock on the Nasdaq National Market and the average closing bid price of the Company's common stock on the Nasdaq National Market for 15 consecutive trading days exceeds $3,000.00. Each share of Series C preferred stock is entitled to the number of votes equal to .26 divided by the average closing bid price of the Company's common stock during the fifteen consecutive trading days immediately prior to the date such shares of Series C preferred stock were purchased. In the event of liquidation, the holders of the Series C preferred stock shall participate on an equal basis with the holders of the common stock (as if the Series C preferred stock had converted into common stock) in any distribution of any of the assets or surplus funds of the Company. The holders of Series C preferred stock are entitled to noncumulative dividends if and when declared by the Company's board of directors. No dividends to Series C preferred stockholders were issued or unpaid through December 31, 2015.

On December 4, 2008, the Company entered into and closed an Agreement (the "Bristol Agreement") with Bristol Investment Fund, Ltd. pursuant to which Bristol agreed to cancel the debt payable by the Company to Bristol in the amount of approximately $20,000 in consideration of the Company issuing Bristol 25,000 shares of Series G Convertible Preferred Stock, which such shares carry a stated value equal to $1.00 per share (the "Series G Stock").

The Series G Stock is convertible, at any time at the option of the holder, into common shares of the Company based on a conversion price equal to the lesser of $2.50 or 60% of the average of the three lowest trading prices occurring
at any time during the 20 trading days preceding the conversion. The Series G Stock, as amended, shall have voting rights on an as converted basis multiplied by 100.

In the event of any liquidation or winding up of the Company, the holders of Series G Stock will be entitled to receive, in preference to holders of common stock, an amount equal to the stated value plus interest of 15% per year.

The Series G Stock restricts the ability of the holder to convert the Series G Stock and receive shares of the Company's common stock such that the number of shares of the Company common stock held by Bristol and its affiliates after such conversion does not exceed 4.9% of the Company's then issued and outstanding shares of common stock.

The Series G Stock was previously referred to in an 8-K filed by the Company on December 10, 2008 in error as the "Series E Stock". Further, the Series G Stock initially incorrectly provided that it voted on an as converted basis multiplied by 10. This incorrectly reflected the intent of the Company and the holder.

On October 13, 2009 the Company was informed by Theorem Group, LLC that it had purchased all of the outstanding Series G Preferred Stock and Theorem gave notice to the Company that it intended to exercise its ability to vote on all shareholder matters utilizing the super voting privileges provided by the Series G Stock.

Effective February 10, 2010, the Company issued 25,000 shares of its new Series H Convertible Preferred Stock (the "Series H Preferred") to Theorem Group, LLC, a California limited liability company (the "Stockholder"), in exchange for the 25,000 shares of Series G Stock then owned by the Stockholder. The foregoing exchange was effected pursuant to that certain Exchange Agreement, dated February 10, 2010, between the Company and the Stockholder (the "Exchange Agreement").

The Certificate of Designation of the Series H Preferred is based on, and substantially similar to the form and substance of the Certificate of Designation of the Series G Preferred. Some of the corrections, changes and differences between the Certificate of Designation of the Series G Preferred and the Certificate of Designation of the Series H Preferred include the following:

- As previously disclosed, the holder of the Series H Preferred is entitled to vote with the common stock, and is entitled to a number of votes equal to (i) the number of shares of common stock it can convert into (without any restrictions or limitations on such conversion), (ii) multiplied by 100.
- The holder of the Series H Preferred cannot convert such preferred stock into shares of common stock if the holder and its affiliates after such conversion would own more than 9.9% of the Company's then issued and outstanding shares of common stock.
- The Series G Preferred contained a limitation that the holder of the Series G Preferred could not convert such preferred shares into more than 19.999% of the issued and outstanding shares of common stock without the approval of the stockholders if the rules of the principal market on which the common stock is traded would prohibit such a conversion. Since the rules of the Company's principal market did not require such a limitation, that provision has been deleted.

On November 8, 2010, Gemini Pharmaceuticals purchased 1,666,667 shares of the Company's Series I Preferred Stock, $.001 par value, at a price of $0.15 per share ($250,000).

As the holder of the Series I Preferred Stock, Gemini Pharmaceuticals will be entitled to receive, out of funds legally available, dividends in cash at the annual rate of 8.0% of the Preference Amount ($0.15), when, as, and if declared by the Board. No dividends or other distributions shall be made with respect to any shares of junior stock until dividends in the same amount per share on the Series I Preferred Stock shall have been declared and paid or set apart during that fiscal year. Dividends on the Series I Preferred Stock shall not be cumulative and no right shall accrue to the Series I Preferred Stock by reason of the fact that the Company may fail to declare or pay dividends on the Series I Preferred Stock in the amount of the Dividend Rate per share or in any amount in any previous fiscal year of the Company, whether or not the earnings of the Company in that previous fiscal year were sufficient to pay such dividends in whole or in part.

Each share of Series I Preferred Stock shall entitle the holder thereof to such number of votes per share as shall equal the number of shares of Common Stock (rounded to the nearest whole number) into which such share of Series I Preferred Stock is then convertible.

Upon any liquidation of the Company, subject to the rights of any series of Preferred Stock that may from time to time come into existence, before any distribution or payment shall be made to the holders of any Junior Stock, the holders of the shares of Series I Preferred Stock then outstanding shall be entitled to receive and be paid out of the assets of the Company legally available for distribution to its stockholders liquidating distributions in cash or property at its fair market value as determined by the Board in the amount of $0.15 per share (as adjusted for any stock dividends, combinations or splits with respect to such shares).

Shares of Series I Preferred Stock may, at the option of the holder thereof, be converted at any time or from time to time into fully paid and non-assessable shares of Common Stock. The number of shares of Common Stock which a holder of shares of Series I Preferred Stock shall be entitled to receive upon conversion of such shares shall be the product obtained by multiplying the Conversion Rate by the number of shares of Series I Preferred Stock being converted. Initially, the Series I Preferred Stock is convertible into 6,667 shares of common stock.

In the event that the per-share Market Price of the Common Stock over a period of 20 consecutive trading days is equal to at least 130% of the initial conversion price (130% of $0.15), all outstanding shares of Series I Preferred Stock shall be converted automatically into the number of shares of Common Stock into which such shares of Series I Preferred Stock are then convertible without any further action by the holders of such shares and whether or not the certificates representing such shares of Series I Preferred Stock are surrendered to the Company or its transfer agent.

Common Stock Warrants

Warrant transactions for the years ended December 31, 2015 and 2014 are as follows:

	Number of Warrants		Weighted Average Exercise Price
Outstanding, December 31, 2013:	2,364,183	$	5.00
Granted	1,325,155		3.25
Forfeited	(1,037,240)		2.50
Exercised	-		
Outstanding at December 31, 2014:	2,652,088	$	2.50
Granted	9,874,833		1.25
Forfeited	(1,200)		0.01
Exercised	-		
Outstanding at December 31, 2015	12,525,721	$	1.25
Exercisable warrants:			
December 31, 2014	326,040	$	2.50
December 31, 2015	12,525,721	$	1.25

Consulting Agreements

On December 29, 2014, the Company issued 120,000 warrants to a consultant for services rendered. The warrants were valued to $601,000 and were recorded as an expense in the Statement of Operations for the year ended December 31, 2014.

On October 1, 2015, the Company issued 120,000 warrants to a consultant for services rendered. The warrants were valued to $448,000 and were recorded as an expense in the Statement of Operations for the year ended December 31, 2015.

Stock Options

The Company reserved 400,000 shares of its common stock at December 31, 2014 for issuance under the 2014 Stock Incentive Plan (the "2014 Plan"). The 2014 Plan, approval by stockholders in May 2015, permits the Company to grant stock options to acquire shares of the Company's common stock, award stock bonuses of the Company's common stock, and grant stock appreciation rights. At December 31, 2015, 133,445 shares of common stock were available for grant and options to purchase 266,555 shares of common stock are outstanding under the 2014 Plan.

The Company has no shares of its common stock at December 31, 2015 to issue under the 2010 Stock Incentive Plan (the "2010 Plan"). The 2010 Plan, approved by stockholders at the 2011 annual meeting, permits the Company to grant stock options to acquire shares of the Company's common stock, award stock bonuses of the Company's common stock, and grant stock appreciation rights. At December 31, 2015, options to purchase 600 shares of common stock are outstanding under the 2010 Plan.

The Company has no of its common stock reserved at December 31, 2014 for issuance under the 2003 Stock Incentive Plan (the "2003 Plan"). The 2003 Plan, approved by stockholders at the 2003 annual meeting, permits the Company to grant stock options to acquire shares of the Company's common stock, award stock bonuses of the Company's common stock, and grant stock appreciation rights. At December 31, 2015, options to purchase 967 shares of common stock are outstanding under the 2003 Plan.

In addition, the Company has reserved 2,000 shares of its common stock for issuance outside of its stock incentive plans. At December 31, 2015, options to purchase 2,000 shares of common stock are outstanding outside of its stock incentive plans.

The following table summarizes stock option transactions for the years ended December 31, 2015 and 2014:

	Number of Options		Weighted Average Exercise Price
Outstanding, December 31, 2013	117,110	$	15.00
Granted	321,833		-
Exercised	-		
Expired	(112,903)		22.50
Outstanding, December 31, 2014	326,040	$	15.00
Granted	52,000		3.29
Exercised	-		
Expired	(3,240)		61.00
Outstanding, December 31, 2014	374,800	$	4.88
Exercisable Options:			
December 31, 2014	326,040	$	15.00
December 31, 2015	374,800	$	4.88

The weighted-average fair value of options granted was $1,829,000 and $1,609,000 in 2015 and 2014, respectively.

The following table summarizes information about all outstanding and exercisable stock options at December 31, 2015:

	Outstanding Options			Exercisable Options	
Range of Exercise Prices	Number of Options	Weighted-Average Remaining Contractual Life	Weighted-Average Exercise Price	Number of Options	Weighted-Average Exercise Price
$ 2.50 to $7.50	373,833	3.34	$ 4.76	266,555	$ 3.66
$ 0.10 to $0.20	908	.85	50.00	908	50.00
$ 0.30 to $0.59	59	.71	65.54	59	62.54
	374,800			267,522	

5. Income Taxes

Deferred Taxes

Deferred taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes, and operating losses and tax credit carryforwards. The significant components of net deferred income tax assets for the Company are:

	December 31, 2015	2014
Deferred tax assets:		
Federal net operating loss carryforward	$ 15,400,000	$ 14,481,000
Other	1,028,000	871,000
Patent amortization	(13,000)	(15,000)
Deferred tax assets before valuation	16,415,000	15,337,000
Valuation allowance	(16,415,000)	(15,337,000))
Net deferred income tax assets	$ —	$ —

Generally accepted accounting principles requires that the tax benefit of net operating losses, temporary differences and credit carryforwards be recorded as an asset to the extent that management assesses that realization is "more likely than not." Realization of the future tax benefits is dependent on the Company's ability to generate sufficient taxable income within the carryforward period. Because of the Company's history of operating losses, management has provided a valuation allowance equal to its net deferred tax assets.

Tax Carryforward

At December 31, 2015, the Company had net operating loss carryforwards of approximately $35,800,000 to reduce United States federal taxable income in future years. These carryforwards expire through 2035.

The Company is no longer subject to U.S. and state tax examinations for years ending before the fiscal year ended December 31, 2011. Management does not believe there will be any material changes in our unrecognized tax positions over the next twelve months.

The Company's policy is to recognize interest and penalties accrued on any unrecognized tax benefits as a component of income tax expense. There was no accrued interest or penalties associated with any unrecognized tax benefits, nor was any interest expense recognized during the years ended December 31, 2015 and 2014.

6. Subsequent Events

In January 2016, the Company entered into a securities purchase agreement with one accredited investor to sell 10% convertible debentures, with and an exercise price of $1.25, with an initial principal balance of $100,000 and warrants to acquire up to 80,000 shares of the Company's common stock at an exercise price of $1.25 per share.

Restructuring Agreements

Effective January 8, 2016, Company entered into agreements to effect the restructuring (the "Restructuring") of certain unregistered debt and equity securities of the Company that will result in an issuance of up to 28,389,193 shares of common stock of the Company (the "Common Stock"). In connection with the Restructuring, the Company entered into a note conversion agreement (the "Conversion Agreement"), a warrant exercise agreement (the "Exercise Agreement") and a preferred stock exchange agreement (the "Exchange Agreement" and, collectively with the Conversion Agreement and the Exercise Agreement, the "Restructuring Agreements"), pursuant to which the Company and certain of the Company's creditors and investors have agreed that (i) certain outstanding debt of the Company (collectively, the "Debt") will be converted into shares of Common Stock; (ii) certain outstanding warrants to purchase shares of capital stock of the Company (collectively, the "Warrants") will be exercised on a cashless basis for shares of Common Stock; and (iii) certain outstanding shares of Series H Convertible Preferred Stock of the Company (the "Series H Preferred Stock") and Series I Convertible Preferred Stock of the Company (the "Series I Preferred Stock" and together with the Series H Preferred Stock, the "Preferred Stock") will be exchanged for shares of Common Stock. The Conversion Agreement, Exercise Agreement and Exchange Agreement and the transactions contemplated thereby are described in further detail below.

Under the Conversion Agreement, certain creditors of the Company holding an aggregate of approximately $15,056,000 (including accrued interest and penalties) of outstanding Debt have agreed to convert all such outstanding Debt into shares of Common Stock at a conversion price of $1.25 per share upon successful completion by the Company of a $6 million financing.

In addition, under the Exercise Agreement, certain investors together holding warrants to purchase 12,269,240 shares of capital stock of the Company exchanged such warrants and received one share of Common Stock in exchange for each share of capital stock of the Company underlying the warrants.

Finally, under the Exchange Agreement, certain investors together holding 25,000 shares of Series H Preferred Stock and 1,666,667 shares of Series I Preferred Stock have agreed to convert all such shares of Preferred Stock into an aggregate of 4,075,000 shares of Common Stock upon successful completion by the Company of a $6 million financing.
The Restructuring Agreements terminated the notes, the warrants, and any anti-dilution protection thereunder. In addition, all creditor and investor parties to the Restructuring Agreements provided a waiver of any and all past defaults and breaches under the Notes, Warrants and Preferred Stock, in consideration of the shares issued pursuant to the Restructuring Agreements.

Common Stock

The Company has issued an aggregate of 12,397,040 shares of common stock to a total of 29 persons or entities in exchange of the cancellation of warrants on a cashless basis. The shares issued were exempt from the registration requirements of Section 5 of the Securities Act of 1933 (the "Act") pursuant to Section 4(2) of the Act since the shares were issued to persons or entities closely associated with the Company and there was no public offering of the shares.

The Company also issued an aggregate of 2,283,840 shares of common stock to a total of 15 persons as payment for consulting services provided to the Company. The average valuation of these shares was $2.50 per share. These shares were also exempt from the registration requirements of Section 5 of the Act pursuant to Section 4(2) of the Act since the shares were also issued to persons closely associated with the Company and there was no public offering of the shares.

The Company also issued an aggregate of 4,612,341 shares of common stock to two executive officers of the Company in fulfilment of contractual rights held by the officers pursuant to their employment agreements. These shares were also exempt from the registration requirements of Section 5 of the Act pursuant to Section 4(2) of the Act since the shares were also issued to persons closely associated with the Company and there was no public offering of the shares.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth an itemization of all estimated expenses in connection with the issuance and distribution of the securities to be registered:

Item	Amount
Registration Statement filing fee	**$ 5,026**
Accountants fees and expenses	**10,000**
Legal fees and expenses	**50,000**
Printing	**5,000**
Miscellaneous	**5,000**
Total	**$ 75,026**

Item 14. Indemnification of Directors and Officers.

Section 145 of the Delaware General Corporation Law, or DGCL, provides that a corporation may indemnify directors and officers as well as other employees and individuals against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any threatened, pending or completed actions, suits or proceedings in which such person is made a party by reason of such person being or having been a director, officer, employee or agent to the corporation. The DGCL provides that Section 145 is not exclusive of other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise.

Section 102(b)(7) of the DGCL permits a corporation to provide in its certificate of incorporation that a director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability for any breach of the director's duty of loyalty to the corporation or its stockholders, for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, for unlawful payments of dividends or unlawful stock repurchases, redemptions or other distributions, or for any transaction from which the director derived an improper personal benefit.

Our amended and restated certificate of incorporation and amended and restated by-laws include provisions to (i) eliminate the personal liability of our directors for monetary damages resulting from breaches of their fiduciary duty to the extent permitted by Section 102(b)(7) of the DGCL and (ii) require the registrant to indemnify its directors and officers to the fullest extent permitted by Section 145 of the DGCL, including circumstances in which indemnification is otherwise discretionary. Pursuant to Section 145 of the DGCL, a corporation generally has the power to indemnify its present and former directors, officers, employees and agents against expenses incurred by them in connection with any suit to which they are, or are threatened to be made, a party by reason of their serving in such positions so long as they acted in good faith and in a manner they reasonably believed to be in or not opposed to, the best interests of the corporation and with respect to any criminal action, they had no reasonable cause to believe their conduct was unlawful. We believe that these provisions are necessary to attract and retain qualified persons as directors and officers. These provisions do not eliminate the directors' duty of care, and, in appropriate circumstances, equitable remedies such as injunctive or other forms of non-monetary relief will remain available under DGCL. In addition, each director will continue to be subject to liability for breach of the director's duty of loyalty to the registrant, for acts or omissions not in good faith or involving intentional misconduct, for knowing violations of law, for acts or omissions that the director believes to be contrary to the best interests of the registrant or its stockholders, for any transaction from which the director derived an improper personal benefit, for acts or omissions involving a reckless disregard for the director's duty to the registrant or its stockholders when the director was aware or should have been aware of a risk of serious injury to the registrant or its stockholders, for acts or omissions that constitute an unexcused pattern of inattention that amounts to an abdication of the director's duty to the registrant or its stockholders, for improper transactions between the director and the registrant and for improper distributions to stockholders and loans to directors and officers. The provision also does not affect a director's responsibilities under any other law, such as the federal securities law or state or federal environmental laws.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling us pursuant to the foregoing, we have been informed that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

We have entered into indemnification agreements with our directors and officers. The indemnification agreements will provide indemnification to our directors and officers under certain circumstances for acts or omissions which may not be covered by directors' and officers' liability insurance, and may, in some cases, be broader than the specific indemnification provisions contained under Delaware law.

At present, there is no pending litigation or proceeding involving any of our directors or officers as to which indemnification is being sought nor are we aware of any threatened litigation that may result in claims for indemnification by any officer or director.

We do not have an insurance policy covering our officers and directors with respect to certain liabilities, including liabilities arising under the Securities Act or otherwise.

The foregoing statements are subject to the detailed provisions of the DGCL, our articles and our by-laws.

Item 15. Recent Sales of Unregistered Securities.

Effective April, 2013 the Company entered into a securities purchase agreement with one accredited investor to sell 10% convertible debentures with an initial principal balance of $75,000.

In October and November, 2013, the Company entered into a securities purchase agreement with four accredited investors to sell 10% convertible debentures with an initial principal balance of $172,000 and warrants to acquire up to 98,286 shares of the Company's common stock at an exercise price of $2.50 per share.

In December, 2013, the Company entered into a convertible demand promissory note with an initial principal balance of $189,662 convertible at $1.75 per share and warrants to acquire up to 108,378 shares of the Company's common stock at an exercise price of $2.50 per share.

In January, 2014, the Company entered into a securities purchase agreement with one accredited investor to sell 10% convertible debentures with an initial principal balance of $50,000 and warrants to acquire up to 28,571 shares of the Company's common stock at an exercise price of $2.50 per share.

In April, 2014, the Company entered into a securities purchase agreement with three accredited investors to sell 10% convertible debentures with an initial principal balance of $49,000 and warrants to acquire up to 22,286 shares of the Company's common stock at an exercise price of $2.50 per share.

In July 2014, the Company agreed to an adjustment as negotiated to enable inducement of further financing of the Company. Pursuant to the anti-dilution provisions in the convertible instruments, the conversion price of certain
convertible instruments is now $1.75 (with the exception of the conversion price of the October 2006 Debenture which is already priced at the lesser of $1.75 and 60% of the average of the lowest three trading prices occurring at any time during the 20 trading days preceding conversion).

On July 24, 2014, the Company entered into a securities purchase agreement with ten accredited investors to sell 10% convertible debentures, with an exercise price of $1.75, with an initial principal balance of $1,250,000 and warrants to acquire up to 714,286 shares of the Company's common stock at an exercise price of $2.50 per share.

Also on July 24, 2014, the Company sold to Kenneth Eaton, the Company's Chief Executive Officer, a $175,000 debenture, with an exercise price of $1.75, as payment in full for all accrued and unpaid salary and fees owed to Mr. Eaton.

On October 15, 2014, the Company entered into a securities purchase agreement with three accredited investors to sell 10% convertible debentures, with an exercise price of $2.50, with an initial principal balance of $1,250,000 and warrants to acquire up to 400,000 shares of the Company's common stock at an exercise price of $5.00 per share.

On December 29, 2014, the Company issued 120,000 warrants to a consultant for services rendered. The warrants were valued at $601,000 and were recorded as an expense in the Statement of Operations for the year ended December 31, 2014.

In January 2015, the Company agreed to issue 39,657 shares of common stock as a price protection to a note holder that originally converted notes at a price of $2.50 and continues to hold these shares. These additional shares would have been issued if the conversion shares price was $1.75. As of December 31, 2015, 33,142 shares of common stock have been issued and $247,000 of interest expense was recorded for this issuance.

On February 23, 2015, the Company entered into a securities purchase agreement with ten accredited investors to sell 10% convertible debentures, with an exercise price of $6.25, with an initial principal balance of $2,350,000 and warrants to acquire up to 376,000 shares of the Company's common stock at an exercise price of $7.50 per share.

Effective July 2015, the Company entered into a securities purchase agreement with three accredited investors to sell 10% convertible debentures, with an exercise price of $5.00, with an initial principal balance of $550,000 and warrants to acquire up to 111,765 shares of the Company's common stock at an exercise price of $6.25 per share.

On August 18, 2015, the Company entered into a settlement agreement with three noteholders. In accordance with the July 24, 2014 Security Purchase Agreements, the Company was required to establish and maintain a reserve of shares of its common stock from its duly authorized shares of Common Stock for issuance in an amount equal to 150% of a required minimum by December 21, 2014 which did not occur. As compensation for the default, the Company issued allonges to the noteholders for a total of $812,500, increasing the principal amount of the convertible notes.

On October 1, 2015, the Company issued 120,000 warrants to a consultant for services rendered. The warrants were valued at $448,000 and were recorded as an expense in the Statement of Operations for the year ended December 31, 2015.

Effective October 2015, the Company entered into a securities purchase agreement with three accredited investors to sell 10% convertible debentures, with an exercise price of $2.50, with an initial principal balance of $500,000 and warrants to acquire up to 200,000 shares of the Company's common stock at an exercise price of $2.50 per share.

On October 7, 2015, the Company entered into a settlement agreement with two noteholders. In accordance with the July 24, 2014 Security Purchase Agreements, The Company was required to establish and maintain a reserve of shares of its common stock from its duly authorized shares of Common Stock for issuance in an amount equal to 150% of a required minimum by December 21, 2014 which did not occur. As compensation for the default, the Company issued allonges to the noteholders for a total of $537,500, increasing the principal amount of the convertible notes.

On November 5, 2015, the Company entered into a Second Settlement Agreement with three noteholders. On August 18, 2015 the Company entered into a Settlement Agreement that required the Company to increase its authorized shares to not less 8,000,000 shares and reserve 150% of the number of shares of its Common Stock no later than the earlier of (1) two days after Oxis obtaining all corporate and regulatory approvals necessary to increase it authorized shares; or (2) September 30, 2015 which did not occur. As compensation for the default, the Company issued additional allonges to the noteholders for a total of $837,500, increasing the principal amount of the convertible notes.

Effective November 2015, the Company entered into a securities purchase agreement with two accredited investors to sell 10% convertible debentures, with an exercise price of $2.50, with an initial principal balance of $100,000 and warrants to acquire up to 80,000 shares of the Company's common stock at an exercise price of $2.50 per share.

Effective December 2015, the Company entered into a securities purchase agreement with two accredited investors to sell 10% convertible debentures, with and an exercise price of $1.25, with an initial principal balance of $350,000 and warrants to acquire up to 280,000 shares of the Company's common stock at an exercise price of $1.25 per share.

In December 2015, the Company agreed to an adjustment as negotiated to enable inducement of further financing of the Company. Pursuant to the anti-dilution provisions in all the convertible instruments, the conversion price of certain convertible instruments is now $1.25 (with the exception of the conversion price of the October 2006 Debenture which is already priced at the lesser of $1.25 and 60% of the average of the lowest three trading prices occurring at any time during the 20 trading days preceding conversion).

On Dec 5, 2015, the Company entered into a Second Settlement Agreement with three noteholders. On October 7, 2015 the Company entered into a Settlement Agreement that required the Company to increase its authorized shares to not less than 8,000,000 shares and reserve 150% of the number of shares of its Common Stock no later than the earlier of (1) two days after Oxis obtaining all corporate and regulatory approvals necessary to increase it authorized shares; or (2) September 30, 2015 which did not occur. As compensation for the default, the Company issued additional allonges to the noteholders for a total of $537,500, increasing the principal amount of the convertible notes.

In January 2016, the Company entered into a securities purchase agreement with one accredited investor to sell 10% convertible debentures, with and an exercise price of $1.25, with an initial principal balance of $150,000 and warrants to acquire up to 80,000 shares of the Company's common stock at an exercise price of $1.25 per share.

During the six months ending June 30, 2016, the Company also issued an aggregate of 2,022,230 shares of common stock to a total of 17 persons as payment for consulting services provided to the Company. The average valuation of these shares was $2.00 per share.

During the six months ending June 30, 2016, the Company also issued an aggregate of 4,612,341 shares of common stock to two executive officers of the Company in fulfilment of contractual rights held by the officers pursuant to their employment agreements.

During the six months ending June 30, 2016, the Company also issued an aggregate of 4,275,186 shares of common stock to a total of 17 persons as payment for the conversion of certain note and the related accrued interest. The conversion price of these shares was $0.40 per share.

In July 2016, the Company entered into a securities purchase agreement with one accredited investor to sell 10% convertible debentures, with and an exercise price of $0.40, with an initial principal balance of $112,135 and warrants to acquire up to 280,338 shares of the Company's common stock at an exercise price of $0.45 per share.

In July 2016, the Company also issued an aggregate of 1,026,019 shares of common stock to a total of three persons or entities as payment for the conversion of certain note and the related accrued interest. The conversion price of these shares was $0.40 per share. These shares were also exempt from the registration requirements of Section 5 of the Act pursuant to Section 4(2) of the Act since the shares were also issued to persons closely associated with the Company and there was no public offering of the shares.

In August 2016, the Company issued 1 ,115,000 shares of common stock to H.C. Wainwright and Co., LLC as payment for investment banking services provided to the Company.

In August 2016, the Company entered into a securities purchase agreement with one accredited investor to sell 10% convertible debentures up $1,000,000, with and an exercise price of $0.40, with an initial principal balance of $250,000 and warrants to acquire up to 2,500,000 shares of the Company's common stock at an exercise price of $0.45 per share.

All securities described above in this Item 15 were exempt from the registration requirements of Section 5 of the Securities Act of 1933 (the "Act") pursuant to Section 4(2) of the Act since the securities were issued to persons or entities closely associated with the Company and there was no public offering of the securities.

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits: The list of Exhibits is set forth on page 41 of this Registration Statement and is incorporated herein by reference.

Item 17. Undertakings.

(h) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

(i) The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Los Angeles, State of California, on this 28 th day of October , 2016.

Oxis International, Inc.

/s/ Anthony J. Cataldo
By: _____
Anthony J. Cataldo
President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

/s/ Anthony J. Cataldo
_____
Anthony J. Cataldo
Chief Executive Officer
Director
Dated: October 28 , 2016

/s/ Steven Wendon
_____
Steven Weldon
Chief Financial Officer
Principal Accounting Officer
Director
Dated: October 28 , 2016

EXHIBIT INDEX

Exhibit No.	Exhibit Description
3.1	Restated Certificate of Incorporation as filed in Delaware September 10, 1996 and as thereafter amended through March 1, 2002 (filed as Exhibit 3A to the Company's Form 10-KSB as filed with the SEC on April 1, 2002 and incorporated herein by reference).
3.2	Certificate of Amendment to Amended and Restated Certificate of Incorporation of Oxis International, Inc. (filed as Exhibit 3.2 to the Company's Form 10-K as filed with the SEC on March 31, 2011 and incorporated herein by reference).
3.3	Certificate of Amendment of Certificate of Incorporation (filed as Exhibit 3.3 to the Company's Form S-1/A on August 25, 2016).
3.4	Bylaws, as restated effective September 7, 1994 and as amended through April 29, 2003 (filed as Exhibit 3 to the Company's Form 10-QSB as filed with the SEC on August 13, 2003 and incorporated herein by reference).
4.1	Certificate of Designation of Preferences, Rights and Limitations of Series C Convertible Preferred Stock of Oxis International, Inc. (filed as a section of Exhibit 3A to the Company's Form 10-KSB as filed with the SEC on April 1, 2002 and incorporated herein by reference).
4.2	Certificate of Designation of Preferences, Rights and Limitations of Series H Convertible Preferred Stock of Oxis International, Inc. (filed as Exhibit 3.1 to the Company's Form 8-K as filed with the SEC on February 16, 2010 and incorporated herein by reference).
4.3	Certificate of Designation of Preferences, Rights and Limitations of Series I Convertible Preferred Stock of Oxis International, Inc. (filed as Exhibit 3.4 to the Company's Form 10-K as filed with the SEC on March 31, 2011 and incorporated herein by reference).
4.4	Certificate of Designation of Preferences, Rights and Limitations of Series J Convertible Preferred Stock of Oxis International, Inc. (filed as Exhibit 4.4 to the Company's Form S-1/A on August 25, 2016).
5	Opinion re legality
10.1	Employment Agreement of Steven Weldon (filed as Exhibit 10.1 to the Company's Form 10-K as filed with the SEC on March 30, 2016 and incorporated herein by reference).
10.2	Employment Agreement of Anthony Cataldo (filed as Exhibit 10.2 to the Company's Form 10-K as filed with the SEC on March 30, 2016 and incorporated herein by reference).
10.3	License Agreement with ID4 Pharna LLC (1`)
10.4	License Agreement with the University of Minnesota (1)
10.5	License Agreement with Daniel A. Vallera, Ph.D. (1)
10.6	License Agreement with MultiCell Immunotherapeutics, Inc. (1)
10.7	Note Conversion Agreement (filed as Exhibit 10.7 to the Company's Form S-1/A filed with the SEC on October 3, 2016)
10.8	Warrant Conversion Agreement (filed as Exhibit 10.8 to the Company's Form S-1/A filed with the SEC on October 3, 2016)
10.9	Preferred Stock Exchange Agreement (filed as Exhibit 10.9 to the Company's Form S-1/A filed with the SEC on October 3, 2016)
10.10	Form of Series A Warrant (filed as Exhibit 10.10 to the Company's Form S-1/A filed with the SEC on October 3, 2016)
10.11	Placement Agent Agreement with H.C. Wainwright & Co., LLC. (filed as Exhibit 10.11 to the Company's Form S-1/A filed with the SEC on October 3, 2016)
21	Subsidiaries of Oxis International, Inc. (filed as Exhibit 21 to the Company's Form S-1/A on August 25, 2016).
23.1	Consent of Independent Accounting Firm
23.2	Consent of Attorney (see Exhibit 5 above).
101	Interactive Data Files (filed as Exhibit 101 to the Company's Form S-1/A filed with the SEC on October 3, 2016)

(1) Confidential treatment is being sought for Exhibits 10.3, 10.4, 10.5, and 10.6.

Gary R. Henrie

Attorney at Law

(Licensed in the States of Nevada and Utah)

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1565 Knight
Street
E-mail: grhlaw@hotmail.com
Nauvoo, IL 62354

October 28, 2016

Oxis International, Inc.
100 South Ashley Street, Suite 600
Tampa, Florida 33602

Re: Registration Statement on Form S-1

Ladies and Gentlemen:

We have acted as counsel to Oxis International, Inc., a Delaware corporation (the "Company"), in connection with the registration of 60,000,000 Class A Units, 6,000,000 Class B Units (collectively the "Units") consisting of shares of common stock (the "Common Stock") and in some cases shares of Series J Convertible Preferred Stock (the "Preferred Stock"), par value $0.001 per share (hereinafter the shares of Common Stock and the shares of Preferred Stock are referred to collectively as the "Shares"), warrants to purchase shares of Common Stock of the Company which are a component of the Units (the "Warrants"), warrants to purchase Common Stock of the Company issued to the placement agent (the "Placement Agent Warrants"), shares of Common Stock (the "Warrant Shares") issuable upon exercise of the Warrants and the Place Agent Warrants, and shares of Common Stock (the "Conversion Shares") issuable upon the conversion of the Preferred Stock to Common Stock (each a "Security" and collectively, the "Securities") under the Securities Act of 1933, as amended (the "Securities Act"), by the Company on a registration statement on Form S-1 (the "Registration Statement") filed with the Securities and Exchange Commission (the "Commission").

In our capacity as counsel to the Company and for purposes of this opinion, we have examined originals, or copies certified or otherwise identified to our satisfaction, of the following documents (collectively, the "Documents"):

(i) the Amended and Restated Certificate of Incorporation of the Company as in effect on the date hereof (the "Charter");

(ii) the By-Laws of the Company as in effect on the date hereof (the "By-Laws");

(iii) the Registration Statement and all exhibits thereto;

(iv) a status certificate of the Secretary of State of the State of Delaware, dated as of a recent date, to the effect that the Company is duly incorporated and validly existing under the laws of the State of Delaware and is duly authorized to transact business in the State of Delaware;
(vi) such other documents and matters as we have deemed necessary or appropriate to express the opinions set forth in this letter, subject to the assumptions, limitations and qualifications stated herein.

In reaching the opinions set forth below, we have assumed the following:

(a) each person executing any of the Documents on behalf of any party (other than the Company) is duly authorized to do so;

(b) each natural person executing any of the Documents is legally competent to do so;

(c) any of the Documents submitted to us as originals are authentic; the form and content of any Documents submitted to us as unexecuted drafts do not differ in any respect relevant to this opinion from the form and content of such documents as executed and delivered; any of the Documents submitted to us as certified, facsimile or photostatic copies conform to the original documents; all signatures on all of the Documents are genuine; all public records reviewed or relied upon by us or on our behalf are true and complete; all statements and information contained in the Documents are true and complete; there has been no modification of, or amendment to, any of the Documents, and there has been no waiver of any provision of any of the Documents by action or omission of the parties or otherwise;

(d) all certificates submitted to us are true, correct and complete both when made and as of the date hereof; and

(e) the Registration Statement has been filed with the Commission and the Registration Statement and any and all Prospectus Supplement(s) required by applicable laws have been effective under the Securities Act.

The scope of this opinion is limited to the federal laws of the United States of America and the laws of the State of Delaware, including without limitation applicable provisions of the Delaware Constitution and reported judicial decisions interpreting these laws.

Based on the foregoing, and subject to the assumptions, limitations and qualifications set forth herein, we are of the opinion that:

1) all necessary corporate action on the part of the Company has been taken to authorize the issuance and sale of the Units, and when such Units are issued and delivered against payment of the consideration therefor as contemplated in the Registration Statement, such Units will be duly authorized, validly issued, fully paid and non-assessable.

2) all necessary corporate action on the part of the Company has been taken to authorize the issuance and sale of the Shares, and when such Shares are issued and delivered against payment of the consideration therefor as contemplated in the Registration Statement, such Shares will be duly authorized, validly issued, fully paid and non-assessable.

3) all necessary corporate action on the part of the Company has been taken to authorize the issuance and sale of the Warrants, and when such Warrants are issued and delivered against payment of the consideration therefor as contemplated in the Registration Statement, such Warrants will have been duly authorized, executed and delivered by the Company and will constitute legal, valid and binding obligations of the Company.

4) all necessary corporate action on the part of the Company has been taken to authorize the issuance of the Placement Agent Warrants, and when such Placement Agent Warrants are issued and delivered against payment of the consideration therefor as contemplated in the Registration Statement, such Placement Agent Warrants will have been duly authorized, executed and delivered by the Company and will constitute legal, valid and binding obligations of the Company.

5) all necessary corporate action on the part of the Company has been taken to authorize the issuance and sale of the Warrant Shares, and when such Warrant Shares are issued and delivered against payment therefore in accordance with the provisions of the Warrants, including the payment of the exercise price therefor, the Warrant Shares will be duly authorized, validly issued, fully paid and non-assessable.

6) all necessary corporate action on the part of the Company has been taken to authorize the issuance and sale of the Conversion Shares, and when such Conversion Shares are issued and delivered in connection with the conversion of Preferred Stock in accordance with the provisions of the Preferred Stock designation, the Conversion Shares will be duly authorized, validly issued, fully paid and non-assessable.

This opinion letter is issued as of the date hereof and is necessarily limited to laws now in effect and facts and circumstances presently existing and brought to our attention. We assume no obligation to supplement this opinion letter if any applicable laws change after the date hereof, or if we become aware of any facts or circumstances which now exist or which occur or arise in the future and may change the opinions expressed herein after the date hereof.

We consent to the use of this opinion as an exhibit to the Registration Statement and further consent to the reference to us under the heading "Legal Matters" in the Registration Statement, the prospectus constituting a part thereof and any amendments or supplements thereto, as incorporated by reference in the Registration Statement.
This opinion is rendered to the Company and for its benefit in connection with the registration of the Securities under the Registration Statement.

Very truly yours,

/s/ Gary R. Henrie

Text marked [****] has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested for the omitted information.

LICENSE AGREEMENT

THIS LICENSE AGREEMENT (the "Agreement") dated as of December 31, 2014 (the "Effective Date"), is entered into between ID4 Pharma, LLC ("ID4"), a having a place of business at 1654 Settlers Drive, Sewickley, PA 15143, and Oxis Biotech, Inc., a Delaware corporation ("Company"), having a place of business at 1402 North Beverly Drive, Beverly Hills, CA 90210 .

WHEREAS, ID4 owns or has rights in the Technology (as defined below).

WHEREAS, Company desires to obtain an exclusive license under ID4's rights in the Technology on the terms and conditions set forth below.

WHEREAS, Xiangqun Xie, Ph.D. and Company have entered into a Consulting Agreement dated December 31, 2014 (attached hereto as Schedule C).

WHEREAS, Xiangqun Xie, Ph.D. and Company have entered into a Confidentiality Agreement dated December 31, 2014 (attached hereto as Schedule D).

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants herein contained, the parties hereby agree as follows:

1. DEFINITIONS

For purposes of this Agreement, the terms defined in this Section 1 shall have the respective meanings set forth below:

1.1 "Affiliate" shall mean, with respect to any Person, any other Person which directly or indirectly controls, is controlled by, or is under common control with, such Person. A Person shall be regarded as in control of another Person if it owns, or directly or indirectly controls, at least fifty percent (50%) of the voting stock or other ownership interest of the other Person, or if it directly or indirectly possesses the power to direct or cause the direction of the management and policies of the other Person by any means whatsoever.

1.2 "Competent Authority(ies)" or "Competent Regulatory Authority(ies)" shall mean, collectively, (a) the governmental entities in each country or supranational organization that is responsible for the regulation of any Product intended for use in the Field or the establishment, maintenance and/or protection of rights related to the Licensed IP Rights (including the FDA, the EMEA and the MHLW), or (b) any other applicable regulatory or administrative agency in any country or supranational organization that is comparable to, or a counterpart of, the foregoing.

1.3 "EMEA" shall mean the European Agency for the Evaluation of Medicinal Products of the European Union, or the successor thereto.

1.4 "FDA" shall mean the Food and Drug Administration of the United States, or the successor thereto.

1.5 "Field" shall mean compounds and methods for detection, diagnosis, prognosis, monitoring or predisposition testing of any disease, state or condition in humans or other animals..

1.6 "First Commercial Sale" shall mean, with respect to any Product, the first sale of such Product after all applicable marketing and pricing approvals (if any) have been granted by the applicable governing health authority of such country.

1.7 "Licensed IP Rights" shall mean, collectively, the Licensed Patent Rights and the Licensed Know-How Rights.

1.8 "Licensed Know-How Rights" shall mean all trade secret and other know-how rights in and to all data, information, compositions and other technology (including, but not limited to, formulae, procedures, protocols, techniques and results of experimentation and testing) which are necessary or useful for Company to make, use, develop, sell or seek regulatory approval to market a composition, or to practice any method or process, at any time claimed or disclosed in any issued patent or pending patent application within the Licensed Patent Rights or which otherwise relates to the Technology.

1.9 "Licensed Patent Rights" shall mean (a) the patents and patent applications listed on Schedule A hereto, (b) all patents and patent applications in any country of the world that claim or cover the Technology in which ID4 heretofore or hereafter has an ownership or (sub)licensable interest, (c) all divisions, continuations, continuations-in-part, that claim priority to, or common priority with, the patent applications listed in clauses (a) - (b) above or the patent applications that resulted in the patents described in clauses (a) - (b) above, and (d) all patents that have issued or in the future issue from any of the foregoing patent applications, including utility, model and design patents and certificates of invention, together with any reissues, renewals, extensions or additions thereto.

1.10 "NDA" shall mean a New Drug Application, or similar application for marketing approval of a Product for use in the Field submitted to the FDA, or its foreign equivalent.

1.11 "Net Sales" shall mean, with respect to any Product, the gross sales price of such Product invoiced by Company or its Affiliate to customers who are not Affiliates (or are Affiliates but are the end users of such Product) less, to the extent actually paid or accrued by Company or its Affiliate (as applicable), (a) credits, allowances, discounts and rebates to, and chargebacks from the account of, such customers for nonconforming, damaged, out-dated and returned Product; (b) freight and insurance costs incurred by Company or its Affiliate (as applicable) in transporting such Product to such customers; (c) cash, quantity and trade discounts, rebates and other price reductions for such Product given to such customers under price reduction programs; (d) sales, use, value-added and other direct taxes incurred on the sale of such Product to such customers; (e) customs duties, tariffs, surcharges and other governmental charges incurred in exporting or importing such Product to such customers; (f) sales commissions incurred on the sale of such Product to such customers; and (g) an allowance for uncollectible or bad debts determined in accordance with generally accepted accounting principles.

1.12 "Net Sublicensing Revenues" shall mean, with respect to any Product, the aggregate cash consideration received by Company or its Affiliates in consideration for the sublicense under the Licensed Patent Rights or Licensed Know-How Rights by Company or its Affiliates to a Third Party sublicensee with respect to such Product (including royalties received by Company or its Affiliates based on sales of such Product by such sublicensee, but excluding amounts received to reimburse Company' or its Affiliates' cost to perform research, development or similar services conducted for such Product after signing the agreement with the Third Party, in reimbursement of patent or other out-of-pocket expenses relating to such Product, or in consideration for the purchase of any debt or securities of Company or its Affiliates).

1.13 "Person" shall mean an individual, corporation, partnership, limited liability company, trust, business trust, association, joint stock company, joint venture, pool, syndicate, sole proprietorship, unincorporated organization, governmental authority or any other form of entity not specifically listed herein.

1.14 "Phase I Clinical Trial" shall mean a human clinical trial that is intended to initially evaluate the safety and/or pharmacological effect of a Product in subjects or that would otherwise satisfy requirements of 21 C.F.R. 312.21(a), or its foreign equivalent.

1.15 "Phase II Clinical Trial" shall mean a human clinical trial in any country that is intended to initially evaluate the effectiveness of a Product for a particular indication or indications in patients with the disease or indication under study or would otherwise satisfy requirements of 21 CFR 312.21(b), or its foreign equivalent.

1.16 "Phase IIa Clinical Trial" shall mean a Phase II Clinical Trial that is solely intended to make a preliminary determination of the effectiveness of a Product for a particular indication or indications in patients with the disease or indication under study.

1.17 "Phase IIb Clinical Trial" shall mean a Phase II Clinical Trial, other than one that is solely intended to make a preliminary determination of the effectiveness of a Product for a particular indication or indications in patients with the disease or indication under study.

1.18 "Phase III Clinical Trial" shall mean a human clinical trial in any country, the results of which could be used to establish safety and efficacy of a Product as a basis for an NDA or would otherwise satisfy requirements of 21 CFR 312.21(c), or its foreign equivalent.

1.19 "Product(s)" shall mean any product for use in the Field that if made, used, sold, offered for sale or imported absent the license granted hereunder would infringe a Valid Claim, or that otherwise uses or incorporates the Licensed Know-How Rights.

1.20 "Registration(s)" shall mean any and all permits, licenses, authorizations, registrations or regulatory approvals (including NDAs) required and/or granted by any Competent Authority as a prerequisite to the development, manufacturing, packaging, marketing and selling of any product.

1.21 "Royalty Term" shall mean, with respect to each Product in each country, the term for which a Valid Claim remains in effect and would be infringed but for the license granted by this Agreement, by the use, offer for sale, sale or import of such Product in such country.

1.22 "Technology" shall mean compounds and uses for treating p62 mediated diseases as described in the Licensed IP Rights.

1.23 "Territory" shall mean worldwide.

1.24 "Third Party" shall mean any Person other than ID4, Company and their respective Affiliates.

1.25 "Valid Claim" shall mean a claim of an issued and unexpired patent included within the Licensed Patent Rights, which has not been held permanently revoked, unenforceable or invalid by a decision of a court or other governmental agency of competent jurisdiction, unappealable or unappealed within the time allowed for appeal, and which has not been admitted to be invalid or unenforceable through reissue or disclaimer or otherwise.

2. REPRESENTATIONS AND WARRANTIES

2.1 Mutual Representations and Warranties. Each party hereby represents and warrants to the other party as follows:

2.1.1 Such party is an individual or corporation duly organized, validly existing and in good standing under the laws of the state in which it is incorporated.

2.1.2 Such party (a) has the power and authority and the legal right to enter into this Agreement and to perform its obligations hereunder, and (b) has taken all necessary action on its part to authorize the execution and delivery of this Agreement and the performance of its obligations hereunder. This Agreement has been duly executed and delivered on behalf of such party, and constitutes a legal, valid, binding obligation, enforceable against such party in accordance with its terms.

2.1.3 All necessary consents, approvals and authorizations of all governmental authorities and other Persons required to be obtained by such party in connection with this Agreement have been obtained.

2.1.4 The execution and delivery of this Agreement and the performance of such party's obligations hereunder (a) do not conflict with or violate any requirement of applicable laws or regulations, and (b) do not conflict with, or constitute a default under, any contractual obligation of it.

2.2 ID4 Representations and Warranties. ID4 hereby represents and warrants to Company as follows:

2.2.1 ID4 (a) is the owner or exclusive licensee of the Licensed IP Rights and has the sole right to execute this Agreement on behalf of the other co-owner/inventors as evidenced by Schedule B, and has not granted to any Third Party any license or other interest in the Licensed IP Rights, (b) is not aware of any Third Party patent, patent application or other intellectual property rights that would be infringed (i) by practicing any process or method or by making, using or selling any composition which is claimed or disclosed in the Licensed Patent Rights or which constitutes Licensed Know-How Rights, or (ii) by making, using or selling Products, and (c) is not aware of any infringement or misappropriation by a Third Party of the Licensed IP Rights.

3. LICENSE GRANT

3.1 Licensed IP Rights. ID4 hereby grants to Company an exclusive license (with the right to grant sublicenses) under the Licensed IP Rights to conduct research and to develop, make, have made, use, offer for sale, sell and import Products in the Territory for use in the Field.

3.2 Sublicenses. ID4 grants to Company the right to grant sublicenses to third parties, provided that (i) the Sublicensee agrees to abide by all the terms and provisions of this Agreement; (ii) Company remains fully liable for the performance of its and its Sublicensee's obligations hereunder; and (iii) Company notifies ID4 of any grant of a sublicense and provide to ID4 upon ID4 request a copy of any sublicense agreement.

3.3 Availability of the Licensed IP Rights. ID4 shall provide Company with a copy of all information available to ID4 relating to the Licensed IP Rights, Products or Technology, including without limitation: (a) regulatory submissions, (b) communications with the Competent Authorities (including the minutes of any meetings), (c) trial master files, including case report forms, (d) listings and tables of results from the clinical trials, (e) treatment-related serious adverse event reports from the clinical trials, (f) storage of and access permission to any retained samples of materials used in clinical trials, and (g) access to CROs involved in the clinical trials.

3.4 Registrations. ID4 acknowledges and agrees that Company shall own all Registrations for Products for use in the Field in each country in the Territory. Additionally, ID4 acknowledges and agrees that Company shall have the right to conduct pre-clinical and clinical development activities outside of the Territory. ID4 hereby grants to Company a free-of-charge right to reference and use and have full access to all other Registrations and all other regulatory documents that relate to the Licensed IP Rights, Products or Technology, including INDs, BLAs, NDAs and DMFs (whether as an independent document or as part of any NDA, and all chemistry, manufacturing and controls information), and any supplements, amendments or updates to the foregoing (for the purposes of this Section, the "Right of Reference"). Company shall have the right to (sub)license the Right of Reference to its sublicensees and Affiliates.

3.5 Access to Manufacturers. ID4 shall use his commercially reasonable efforts to provide access to Company to any suppliers of the API form of any Product for use in the Field on terms and conditions no less favorable than those terms and conditions between ID4 and such supplier.

Text marked [****] has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested for the omitted information.

4. FINANCIAL CONSIDERATIONS

4.1 Royalties.

4.1.1 Royalty Rate. During the applicable Royalty Term for a Product, subject to the terms and conditions of this Agreement, Company shall pay to ID4 royalties, with respect to each Product, equal to (a) THREE percent (3%)of Net Sales of such Product by Company and its Affiliates, and (b) TWENTY-FIVE percent (25%)of Net Sublicensing Revenues for such Product. Only one royalty shall be owing for a Product regardless of how many Valid Claims cover such Product for the life of the last to expire Patent in a country having Valid Claim.

4.1.2 Third Party Royalties. If Company, its Affiliates or sublicensees is required to pay royalties to any Third Party in order to exercise its rights hereunder to make, have made, use, sell, offer to sale or import any Product, then Company shall have the right to credit [****] of such Third Party royalty payments against the royalties owing to ID4 under Section 4.1.1 above with respect to sales of such Product in such country; provided, however, that Company shall not reduce the amount of the royalties paid to ID4 under Section 4.1.1 above by reason of this Section 4.1.2, with respect to sales of such Product in such country, to less than[****]of Net Sales of such Product in such country. In consideration of the right to sublicense third parties granted under Section 3.2, Company shall pay to ID4 [****] of all royalties received by Company from its Sublicensees if the sublicense is executed on or before the first anniversary of the Effective Date of the License Agreement signed between the parties, and[****] of all royalties received by Company from its Sublicensees if the Sublicense is executed thereafter. In no event, however, shall Company pay ID4 less than the amount which would have been due under Section 4.1.2 of this Agreement in the absence of a sublicense.

4.2 Diligence Fee. A good faith diligence fee of[****]paid upon the execution of the Letter of Intent (Schedule C). Said good faith diligence fee shall be credited against any monies owed by Company to ID4 as a result of the parties executing this License Agreement.

4.3 License Fee. Company shall pay ID4 a non-refundable license fee of **[****]** which shall be payable upon execution of this Agreement.

4.4 Milestones. Company shall pay to ID4 the following milestone payment within thirty (30) days following the first achievement of the applicable milestone:

(i) FIFTY THOUSAND dollars ($50,000.00) due upon filing of an investigational new drug application with a competent regulatory authority anywhere in the world.

(ii) FIFTY THUOSAND dollars ($50,000.00) due upon initiation of the first Phase 1 human clinical trial anywhere in the world.

(iii) ONE HUNDRED THOUSAND dollars ($100,000.00) due upon initiation of the first Phase 2 human clinical trial anywhere in the world.

(iv) TWO HUNDRED FIFTY THOUSAND dollars ($250,000.00) due upon initiation of the first Phase 3 human clinical trial anywhere in the world.

(v) TWO HUNDRED FIFTY THOUSAND dollars ($250,000.00) due upon receipt of the first marketing approval from a competent regulatory authority anywhere in the world.

5. ROYALTY REPORTS AND ACCOUNTING

5.1 Royalty Reports. Within sixty (60) days after the end of each calendar quarter during the term of this Agreement following first to occur of the First Commercial Sale of a Product and the receipt by Company or its Affiliates of Net Sublicensing Revenues, Company shall furnish to ID4 a quarterly written report showing in reasonably specific detail (a) the calculation of Net Sales during such calendar quarter; (b) the calculation of Net Sublicensing Revenues for such quarter; (c) the calculation of the royalties, if any, that shall have accrued based upon such Net Sales and Net Sublicensing Revenues; (d) the withholding taxes, if any, required by law to be deducted with respect to such sales; and (e) the exchange rates, if any, used in determining the amount of United States dollars. With respect to sales of Products invoiced in United States dollars, the gross sales, Net Sales and royalties payable shall be expressed in United States dollars. With respect to (i) Net Sales invoiced in a currency other than United States dollars and (ii) cash consideration paid in a currency other than United States dollars by Company's sublicensees hereunder, all such amounts shall be expressed both in the currency in which the distribution is invoiced and in the United States dollar equivalent. The United States dollar equivalent shall be calculated using the average of the exchange rate (local currency per US$1) published in The Wall Street Journal, Western Edition, under the heading "Currency Trading" on the last business day of each month during the applicable calendar quarter.

5.2 Audits.

5.2.1 Upon the written request of ID4 and not more than once in each calendar year, Company shall permit an independent certified public accounting firm of nationally recognized standing selected by ID4 and reasonably acceptable to Company, at ID4's expense, to have access during normal business hours to such of the financial records of Company as may be reasonably necessary to verify the accuracy of the payment reports hereunder for the eight (8) calendar quarters immediately prior to the date of such request (other than records for which ID4 has already conducted an audit under this Section.

5.2.2 If such accounting firm concludes that additional amounts were owed during the audited period, Company shall pay such additional amounts within thirty (30) days after the date ID4 delivers to Company such accounting firm's written report so concluding. The fees charged by such accounting firm shall be paid by ID4; provided, however, if the audit discloses that the royalties payable by Company for such period are more than one hundred ten percent (110%) of the royalties actually paid for such period, then Company shall pay the reasonable fees and expenses charged by such accounting firm.

5.2.3 ID4 shall cause its accounting firm to retain all financial information subject to review under this Section 5.2 in strict confidence; provided, however, that Company shall have the right to require that such accounting firm, prior to conducting such audit, enter into an appropriate non-disclosure agreement with Company regarding such financial information. The accounting firm shall disclose to ID4 only whether the reports are correct or not and the amount of any discrepancy. No other information shall be shared. ID4 shall treat all such financial information as Company' Confidential Information.

6. PAYMENTS

6.1 Payment Terms. Royalties shown to have accrued by each royalty report provided for under Section 5 above shall be due on the date such royalty report is due. Payment of royalties in whole or in part may be made in advance of such due date.

6.2 Exchange Control. If at any time legal restrictions prevent the prompt remittance of part or all royalties with respect to any country in the Territory where the Product is sold, Company shall have the right, in its sole discretion, to make such payments by depositing the amount thereof in local currency to ID4's account in a bank or other depository institution in such country. If the royalty rate specified in this Agreement should exceed the permissible rate established in any country, the royalty rate for sales in such country shall be adjusted to the highest legally permissible or government-approved rate.

6.3 Withholding Taxes. Company shall be entitled to deduct the amount of any withholding taxes, value-added taxes or other taxes, levies or charges with respect to such amounts, other than United States taxes, payable by Company, its Affiliates or sublicensees, or any taxes required to be withheld by Company, its Affiliates or sublicensees, to the extent Company, its Affiliates or sublicensees pay to the appropriate governmental authority on behalf of ID4 such taxes, levies or charges. Company shall use reasonable efforts to minimize any such taxes, levies or charges required to be withheld on behalf of ID4 by Company, its Affiliates or sublicensees. Company promptly shall deliver to ID4 proof of payment of all such taxes, levies and other charges, together with copies of all communications from or with such governmental authority with respect thereto.

7. RESEARCH AND DEVELOPMENT OBLIGATIONS

7.1 Research and Development Efforts. Company shall use its commercially reasonable efforts to conduct such research, development and preclinical and human clinical trials as Company determines are necessary or desirable to obtain regulatory approval to manufacture and market such Products as Company determines are commercially feasible in the Territory, and shall use its commercially reasonable efforts to obtain regulatory approval to market, and following approval to commence marketing and market each such Product in such countries in the Territory as Company determines are commercially feasible.

7.2 Consulting Agreement. ID4 shall use his reasonable efforts in performing the services identified in the Consulting Agreement executed between ID4 and Company on December __, 2014 and attached hereto as Schedule C.

7.3 Records. ID4 and Company shall maintain records, in sufficient detail and in good scientific manner, which shall reflect all work done and results achieved in the performance of its research and development regarding the Products.

7.4 Reports. Within ninety (90) days following the end of each calendar year during the term of this Agreement, ID4 shall prepare and deliver to Company a written summary report which shall describe (a) the research performed to date employing the Licensed IP Rights, (b) the progress of the development, and testing of Products in clinical trials, and (c) the status of obtaining regulatory approvals to market Products.

8. CONFIDENTIALITY

8.1 Confidential Information. Nothing contained in this Agreement shall supersede the confidentiality requirements set forth in the Consulting Agreement and Confidentiality Agreement signed by the parties; each agreement dated December __, 2014 attached hereto as Schedule C and Schedule D, respectively. Said Consulting Agreement and Confidentiality Agreement shall both remain in full force and effect.

9. PATENTS

9.1 Patent Prosecution and Maintenance. Company shall have the right to control, at its sole cost, the preparation, filing, prosecution and maintenance of all patents and patent applications within the Licensed Patent Rights. Company shall give ID4 an opportunity to review and comment on the text of each patent application subject to this Section 9.1 before filing, and shall supply ID4 with a copy of such patent application as filed, together with notice of its filing date and serial number. ID4 shall cooperate with Company, execute all lawful papers and instruments and make all rightful oaths and declarations as may be necessary in the preparation, prosecution and maintenance of all patents and other filings referred to in this Section 9.1. If Company, in its sole discretion, decides to abandon the preparation, filing, prosecution or maintenance of any patent or patent application in the Licensed Patent Rights, then Company shall notify ID4 in writing thereof and following the date of such notice (a) ID4 shall be responsible for and shall control, at its sole cost, the preparation, filing, prosecution and maintenance of such patents and patent applications, and (b) Company shall thereafter have no license under this Agreement to such patent or patent application.

9.2 Notification of Infringement. Each party shall notify the other party of any substantial infringement in the Territory known to such party of any Licensed Patent Rights and shall provide the other party with the available evidence, if any, of such infringement.

9.3 Enforcement of Patent Rights. Company, at its sole expense, shall have the right to determine the appropriate course of action to enforce Licensed Patent Rights or otherwise abate the infringement thereof, to take (or refrain from taking) appropriate action to enforce Licensed Patent Rights, to defend any declaratory judgments seeking to invalidate or hold the Licensed Patent Rights unenforceable, to control any litigation or other enforcement action and to enter into, or permit, the settlement of any such litigation, declaratory judgments or other enforcement action with respect to Licensed Patent Rights, in each case in Company's own name and, if necessary for standing purposes, in the name of ID4 and shall consider, in good faith, the interests of ID4 in so doing. If Company does not, within one hundred twenty (120) days of receipt of notice from ID4, abate the infringement or file suit to enforce the Licensed Patent Rights against at least one infringing party in the Territory, ID4 shall have the right to take whatever action it deems appropriate to enforce the Licensed Patent Rights; provided, however, that, within thirty (30) days after receipt of notice of ID4's intent to file such suit, Company shall have the right to jointly prosecute such suit and to fund up to one-half (½) the costs of such suit. The party controlling any such enforcement action shall not settle the action or otherwise consent to an adverse judgment in such action that diminishes the rights or interests of the non-controlling party without the prior written consent of the other party. All monies recovered upon the final judgment or settlement of any such suit to enforce the Licensed Patent Rights shall be shared, after reimbursement of expenses, in relation to the damages suffered by each party. If Company does not receive sufficient monies from a final judgment or settlement to cover its expenses for such suit, Company shall have the right to credit up to fifty percent (50%) of such expenses against any royalties or other fees owing by Company pursuant to Section 4 above.

9.4 Cooperation. In any suit to enforce and/or defend the License Patent Rights pursuant to this Section 9, the party not in control of such suit shall, at the request and expense of the controlling party, reasonably cooperate and, to the extent possible, have its employees testify when requested and make available relevant records, papers, information, samples, specimens, and the like.

10. TERMINATION

10.1 Expiration. Subject to Sections 10.2 and 10.3 below, this Agreement shall expire on the expiration of Company' obligation to pay royalties to ID4 under Section 4.1 above. The license grant under Section 3.1 shall be effective at all times prior to such expiration and following such expiration of this Agreement (a) Company shall have a fully paid-up, non-exclusive license under the Licensed Know-How Rights to conduct research and to develop, make, have made, use, sell, offer for sale and import Products in the Territory for use in the Field, and (b) Sections 3.4 and 3.5 shall survive.

10.2 Termination by Company. Company may terminate this Agreement, in its sole discretion, upon thirty (30) days prior written notice to ID4. This includes and is not limited to the failure to revive U.S. Patent Application Serial No. 14/237,494 from abandoned status.

10.3 Termination for Cause. Except as otherwise provided in Section 12, ID4 may terminate this Agreement upon or after the breach of any material provision of this Agreement by Company if Company has not cured such breach within ninety (90) days after receipt of express written notice thereof by ID4; provided, however, if any default is not capable of being cured within such ninety (90) day period and Company is diligently undertaking to cure such default as soon as commercially feasible thereafter under the circumstances, ID4 shall have no right to terminate this Agreement.

10.4 Effect of Expiration or Termination. Expiration or termination of this Agreement shall not relieve the parties of any obligation accruing prior to such expiration or termination, and the provisions of Sections 8, 9, 10, 11 and 13 shall survive the expiration or termination of this Agreement. Upon any termination of this Agreement, ID4 shall grant a direct license to any sublicense of Company hereunder having the same scope as such sublicense and on terms and conditions no less favorable to such sublicensee than the terms and conditions of this Agreement, provided that such sublicensee is not in default of any applicable obligations under this Agreement and agrees in writing to be bound by the terms and conditions of such direct license.

11. INDEMNIFICATION

11.1 Indemnification. Company shall defend, indemnify and hold ID4 harmless from all losses, liabilities, damages and expenses (including attorneys' fees and costs) incurred as a result of any claim, demand, action or proceeding arising out of any breach of this Agreement by Company, or the gross negligence or willful misconduct of Company in the performance of its obligations under this Agreement, except in each case to the extent arising from the gross negligence or willful misconduct of ID4 or the breach of this Agreement by ID4.

11.2 Procedure. ID4 promptly shall notify Company of any liability or action in respect of which ID4 intends to claim such indemnification, and Company shall have the right to assume the defense thereof with counsel selected by Company. The indemnity agreement in this Section 11 shall not apply to amounts paid in settlement of any loss, claim, damage, liability or action if such settlement is effected without the consent of Company, which consent shall not be withheld unreasonably. The failure to deliver notice to Company within a reasonable time after the commencement of any such action, if prejudicial to its ability to defend such action, shall relieve Company of any liability to ID4 under this Section 11, but the omission so to deliver notice to Company will not relieve it of any liability that it may have to ID4 otherwise than under this Section 11. ID4 under this Section 11, its employees and agents, shall cooperate fully with Company and its legal representatives in the investigation and defense of any action, claim or liability covered by this indemnification.

11.3 Insurance. Company shall maintain product liability insurance with respect to the research, development, manufacture and sales of Products by Company in such amount as Company customarily maintains with respect to the research, development, manufacture and sales of its similar products. Company shall maintain such insurance for so long as it continues to research, develop, manufacture or sell any Products, and thereafter for so long as Company customarily maintains insurance covering the research, development, manufacture or sale of its similar products.

12. FORCE MAJEURE

Neither party shall be held liable or responsible to the other party nor be deemed to have defaulted under or breached this Agreement for failure or delay in fulfilling or performing any term of this Agreement to the extent, and for so long as, such failure or delay is caused by or results from causes beyond the reasonable control of the affected party including but not limited to fire, floods, embargoes, war, acts of war (whether war be declared or not), acts of terrorism, insurrections, riots, civil commotions, strikes, lockouts or other labor disturbances, acts of God or acts, omissions or delays in acting by any governmental authority or the other party.

13. MISCELLANEOUS

13.1 Notices. Any consent, notice or report required or permitted to be given or made under this Agreement by one of the parties hereto to the other party shall be in writing, delivered by any lawful means to such other party at its address indicated below, or to such other address as the addressee shall have last furnished in writing to the addressor and (except as otherwise provided in this Agreement) shall be effective upon receipt by the addressee.

ID4: Dr. Xiangqun Xie, Ph.D.

1654 Settlers Drive
Sewickley, PA 15143

Company: Anthony Cataldo
Chairman & CEO
Oxis Biotech, Inc.
1402 North Beverly Drive
Beverly Hills, CA 90210

with a copy to: DLA Piper US
4365 Executive Drive, Suite 1100
San Diego, California 92130
Attention: Lisa A. Haile

13.2 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to the conflicts of law principles thereof.

13.3 Arbitration. Any dispute, controversy or claim initiated by either party arising out of, resulting from or relating to this Agreement, or the performance by either party of its obligations under this Agreement (other than (a) any dispute, controversy or claim regarding the validity, enforceability, claim construction or infringement of any patent rights, or defenses to any of the foregoing, or (b) any bona fide third party action or proceeding filed or instituted in an action or proceeding by a Third Party against a party to this Agreement), whether before or after termination of this Agreement, shall be finally resolved by binding arbitration. Whenever a party shall decide to institute arbitration proceedings, it shall give written notice to that effect to the other party. Any such arbitration shall be conducted under the Commercial Arbitration Rules of the American Arbitration Association by a panel of three arbitrators appointed in accordance with such rules. Any such arbitration shall be held in Los Angeles, California. The method and manner of discovery in any such arbitration proceeding shall be governed by California Code of Civil Procedure § 1282 et seq. (including without limitation California Code of Civil Procedure § 1283.05). The arbitrators shall have the authority to grant specific performance and to allocate between the parties the costs of arbitration in such equitable manner as they determine. Judgment upon the award so rendered may be entered in any court having jurisdiction or application may be made to such court for judicial acceptance of any award and an order of enforcement, as the case may be. In no event shall a demand for arbitration be made after the date when institution of a legal or equitable proceeding based upon such claim, dispute or other matter in question would be barred by the applicable statute of limitations. Notwithstanding the foregoing, either party shall have the right, without waiving any right or remedy available to such party under this Agreement or otherwise, to seek and obtain from any court of competent jurisdiction any interim or provisional relief that is necessary or desirable to protect the rights or property of such party, pending the selection of the arbitrators hereunder or pending the arbitrators' determination of any dispute, controversy or claim hereunder.

13.4 Assignment. Company shall not assign its rights or obligations under this Agreement without the prior written consent of ID4; provided, however, that Company may, without such consent, assign this Agreement and its rights and obligations hereunder (a) to any Affiliate, or (b) in connection with the transfer or sale of all or substantially all of its business to which this Agreement relates, or in the event of its merger, consolidation, change in control or similar transaction. Any permitted assignee shall assume all obligations of its assignor under this Agreement.

13.5 Waivers and Amendments. No change, modification, extension, termination or waiver of this Agreement, or any of the provisions herein contained, shall be valid unless made in writing and signed by duly authorized representatives of the parties hereto.

13.6 Entire Agreement. This Agreement embodies the entire agreement between the parties and supersedes any prior representations, understandings and agreements between the parties regarding the subject matter hereof. There are no representations, understandings or agreements, oral or written, between the parties regarding the subject matter hereof that are not fully expressed herein.

13.7 Severability. Any of the provisions of this Agreement which are determined to be invalid or unenforceable in any jurisdiction shall be ineffective to the extent of such invalidity or unenforceability in such jurisdiction, without rendering invalid or unenforceable the remaining provisions hereof and without affecting the validity or enforceability of any of the terms of this Agreement in any other jurisdiction.

13.8 Waiver. The waiver by either party hereto of any right hereunder or the failure to perform or of a breach by the other party shall not be deemed a waiver of any other right hereunder or of any other breach or failure by said other party whether of a similar nature or otherwise.

13.9 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the Effective Date.

LICENSOR: ID4

By: /s/ Xiang-Qun Xie

Name: Xiang-Qun Xie, Ph.D.

Title Managing Member

LICENSEE: Oxis Biotech, Inc.

By: /s/ Anthony Cataldo

Name: Anthony Cataldo

Title: Chairman & CEO

SCHEDULE A

LICENSED PATENT RIGHTS

1. PCT/US2012/049911 (WO2013022919A1)

2. USSN 61/521,287

3. USSN 14/237,494

4. Chinese Patent Application No. 201280048718; Pre-grant Publ. No. 103930166

SCHEDULE B

ASSIGNMENT DOCUMENTS

1. Assignment document from University of Pittsburgh to inventors (Patent family of USSN 14/237,494).

2. Assignment document from Inventors to Dr. Xiang-Qun Xie (Patent family of USSN 14/237,494) .

3. Assignment document from Dr. Xiang-Qun Xie to ID4Pharma, LLC (Patent family of USSN 14/237,494).

SCHEDULE C

CONSULTING AGREEMENT

SCHEDULE D

CONFIDENTIALITY AGREEMENT

Text marked [****] has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested for the omitted information.

Internal University Use Only

OTC Agreement No.:
OTC Case No.(s):
Document Revision Date:

UNIVERSITY OF MINNESOTA

EXCLUSIVE PATENT LICENSE AGREEMENT

THIS EXCLUSIVE PATENT LICENSE AGREEMENT (this "Agreement") is made by and between Regents of the University of Minnesota, a constitutional corporation under the laws of the state of Minnesota, having a place of business at 200 Oak Street, SE, Suite 280, Minneapolis, Minnesota 55455 (the "University"), and the Licensee identified below. The University and the Licensee agree that:

The Terms and Conditions of Exclusive Patent License attached hereto as Exhibit A (the "Terms and Conditions") are incorporated herein by reference in their entirety. In the event of a conflict between provisions of this Agreement and the Terms and Conditions, the provisions in this Agreement shall govern. Capitalized terms used in this Agreement without definition shall have the meanings given to them in the Terms and Conditions. The section numbers used in the parentheses below correspond to the section numbers in the Terms and Conditions.

1. **Licensee (§1.8):** Oxis Biotech, Inc., a corporation under the laws of Delaware, having its principal offices at 100 South Ashley Drive, Suite 600 Tampa, FL 33602

2. **Field(s) of Use (§1.3):** All

3. **Territory (§1.16):** Any country or territory where unexpired Licensed Patents exist.

4. **Effective Date (§2):** Date of the last signature of the Agreement.

5. Licensed Patents and Technical Information:

5.1 Patents(s) (§1.4): NONE

5.2 Patent Applications (§1.5):

Application No.	Country	Filing Date	Title
62/237,835	USA	October 6, 2015	Therapeutic compounds and its uses

5.3 Technical Information:

None

6. Patent-Related Expenses (§§1.10 & 6.3): The Licensee shall reimburse the University for Patent-Related Expenses incurred before and during the Term as provided in section 6.3 of the attached Terms and Conditions.

7. Sublicense Rights (§3.1.2): [Select one of the following]

Yes No

Text marked [****] has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested for the omitted information.

8. Federal Government Rights (§3.2): [Select one of the following]

Yes No

9. Performance Milestones (§5.1): The Licensee shall achieve the following milestones:

- Perform First dosing of first patient in a Phase I clinical trial for the Licensed Product within 24 months from the Effective Date;
- Perform the first dosing of a patient in a Phase II clinical trial for the Licensed Product within 48 months from the Effective Date.
- Perform the first dosing of a patient in a Phase III clinical trial within 84 months from the Effective Date;
- Obtain regulatory approval for commercial sale of the Licensed Product in the Territory within 120 months from the Effective Date.

By March 1 of each year, Licensee will submit a written annual report to University covering the preceding calendar year. The report will include information sufficient to enable University to satisfy reporting requirements of the U.S. Government and for University to ascertain progress by Licensee toward meeting this Agreement's diligence requirement. Each report will describe, where relevant: Licensee's progress toward commercialization of Licensed Product, including work completed, key scientific discoveries, summary of work-in-progress, current schedule of anticipated events or milestones, market plans for introduction of Licensed Product, and significant corporate transactions involving Licensed Product. Licensee will specifically describe how each Licensed Product is related to each Licensed Patent.

10. Commercialization Reports (§5.4): On each anniversary of the Effective Date, the Licensee shall deliver written commercialization reports to the University as provided in section 5.4 of the Terms and Conditions.

11. Payments (§6.1). All amounts are non-refundable, and payable as defined below or as specified in the University's invoice.

11.1 **Upfront Payment**:[****]payable as follows: [****] is payable within 15 calendar days after the Effective Date. The remaining [****]is payable within 6 months of the Effective Date of the Agreement. For clarification, Licensee's obligation to pay the full amount of [****]survives any termination by Licensee pursuant to Section 8.2 of the Terms and Conditions and would be in addition to the early termination fee set forth in Section 8.2 of the Terms and Conditions

Text marked [****] has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested for the omitted information.

11.2 **License Maintenance Fee**.

- [****] payable on the first and second anniversary of the Effective Date
- **[******] payable on the third and fourth anniversary of the Effective Date.
- [****] payable on the fifth anniversary of the Effective Date an on each anniversary of the Effective Date thereafter.

11.3 **Document Fee**: None.

11.4 **Running Royalties on Net Sales**. Licensee shall pay the University a royalty of [****] of Net Sales of Licensed Product, determined and payable as provided in section 6.4 of the Terms and Conditions. For clarification, Licensee intends to sponsor research at the University which may result in additional inventions, for which Licensee will have an opportunity to negotiate a license. If Licensee develops products which are covered by a Licensed Patent or Technical Information under this Agreement and also is covered by the claims in a patent for any inventions developed by the University, the maximum royalty for which Licensee will be obligated to pay under a subsequent license agreement or amendment to this Agreement will not exceed 6%.

11.5 **Annual Minimum.** The annual minimum amount of Royalties owed by the Licensee under subsection 11.4.1, upon commencement of commercial sales, shall be [****] beginning in Year 2022; [****] beginning in year 2025; and [****] beginning in year 2027 throughout the remainder of the term.).

11.5 **Non-Royalty Sublicense Consideration**:

- Licensee shall pay the University [****] of all Non-Royalty Sublicensee Consideration received by Licensee prior to the initiation of a Phase I clinical trial.
- Licensee shall pay the University [****] of all Non-Royalty Sublicensee Consideration received by Licensee after the initiation of a Phase I clinical trial but prior to the initiation of a Phase III clinical trial
- Licensee shall pay the University **[****]** of all Non-Royalty Sublicensee Consideration received by Licensee after regulatory approval of the first Licensed Product for commercial sale in North America, the European Union, Japan, or Australia.

11.8 **Change of Control Fee**: **[****]** payable as provided in section 12.5 of the Terms and Conditions.

11.9 **Performance Milestone Payments:**

11.9.1 Clinical Development Milestones:

- [****]upon dosing of the first human subject in a Phase I clinical trial of a Licensed Product;
- [****]upon dosing of a first human subject in a Phase II clinical trial of a Licensed Product;
- **[****]** upon dosing of a first human subject in a Phase III clinical trial of a Licensed Product;
- [****]upon filing of an BLA with FDA (or EMEA or an equivalent authority in) in any jurisdiction, for a Licensed Product;
- **[****]** following the first commercial sale of a Licensed Product;
- **[****]**for the second commercial sale of a Licensed Product.
- [********] for the first commercial sale of a Licensed Product for any non-human use.

11.9.2 Patent issuance milestone:

- A one-time[****]payment due upon issuance of a Licensed Patent in any of Australia, European Union, Japan, the U.S. or Canada including a valid claim to a Licensed Product.

11.9.3 Sales Milestones (one time):

- [****] upon reaching 250 Million dollars in cumulative gross sales of Licensed Products.
- [****] upon reaching 500 Million dollars in cumulative gross sales of Licensed Products.

11.7 Equity: None

12. Licensee's Address for Notice (§12.13). Notices will be sent to the Licensee at:

Attn:
Anthony J. Cataldo
Chairman & Chief Executive Officer
Oxis Biotech, Inc.
4830 West Kennedy Boulevard, Suite 600
Tampa, Florida 33609

Facsimile No.:
Email: cataldo14@aol.com

13. Licensee's Contact Person for Patent Prosecution Consultation (§4.2.1). The University will, as set forth in this Agreement, communicate with the contact person named below with respect to patent prosecution and maintenance: (Upon ten (10) days prior written notice to the University, the Licensee may change the person designated below.)

Lisa A. Haile, J.D., Ph.D.
DLA Piper LLP (US)
4365 Executive Drive, Suite 1100
San Diego, California 92121
858.677.1456 **T**
858.735.2456 **C**
858.638.5040 **F**
lisa.haile@dlapiper.com

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute this Agreement.

Regents of the University of Minnesota	**Oxis Biotech, Inc.**
By: /s/ Jay W. Schrankler	By: /s/ Anthony J. Cataldo
Jay W. Schrankler	Name: Anthony J. Cataldo
Executive Director	Title: Chairman & Chief Executive Officer
Office for Technology Commercialization	
Date: July 15, 2016	Date: July 18, 2016

EXHIBIT A
Terms and Conditions
Exclusive Patent License Agreement

These terms and conditions to the Exclusive Patent License Agreement ("Terms and Conditions") govern the grant of license by Regents of the University of Minnesota ("University") to the Licensee identified in the Exclusive Patent License Agreement (the "EPLA"). These Terms and Conditions are incorporated by reference into the EPLA. All section references in these Terms and Conditions refer to provisions in these Terms and Conditions unless explicitly stated otherwise.

1. Definitions. For purposes of interpreting this Agreement, the following terms have the following meanings:

1.1 "Affiliate" means an entity that controls the Licensee or the sublicensee, as the case may be, is controlled by the Licensee or sublicensee, or along with the Licensee or sublicensee, is under the common control of a Third Party. An entity shall be deemed to have control of the controlled entity if it (i) owns, directly or indirectly, fifty percent (50%) or more of the outstanding voting securities of the controlled entity, or (ii) has the right, power or authority, directly or indirectly, to direct or cause the direction of the policy decisions of the controlled entity, whether by ownership of securities, by representation on the controlled entity's governing body, by contract, or otherwise.

1.2 "Change of Control" means (A) acquisition of ownership -- either directly or indirectly. by any person or group -- of the capital stock of Licensee representing more than 50% of either the aggregate ordinary voting power or the aggregate equity value represented by the issued and outstanding capital stock of the Licensee; and/or (B) the sale of all or substantially all the Licensee's assets and/or business in one transaction or in a series of related transactions.

1.3 "Exclusive" means that, subject to Sections 3.2 and 3.3, University will not grant further licenses under the Licensed Patent or Licensed Patent Applications in the Field of Use in the Territory.

1.3 "Field of Use" means the field(s) of use described in section 2 of the EPLA.

1.4 "Licensed Patent" means the (i) the patent(s) described in section 5.1 and (ii) the patent applications described in Section 5.2 of the EPLA, along with any issued and unexpired patent(s) issued during the Term that arose out of and claim priority to such patent applications, such as for example, continuations, divisionals, continuation-in-part, or foreign applications. "Licensed Patent" also means any reissues or reexaminations of a Licensed Patent that contain one or more valid claims directed to Licensed Technology. Any claim of an unexpired Licensed Patent is presumed to be valid unless it has been held to be invalid by a final judgment of a court of competent jurisdictions from which no appeal can be or is taken.

1.6 "Licensed Product(s)" means any product or part of a product in the Field of Use:

(i) the making, using, importing or selling of which, absent this license, infringes, induces infringement, or contributes to infringement of a Licensed Patent; or

(ii) which is made with, uses, was derived from, identified or validated by, incorporates, or was developed in whole or in part using any Technical Information.

1.7 "Licensee" means the entity identified in section 1 of the EPLA.

1.9 "Net Sales" means all gross derived by Licensee, its Affiliates, or sublicensees, their distributors or designees from the sale, transfer or other disposition of Licensed Product to an end user. Net Sales excludes the following items: (i) all trade, quantity, and cash discounts actually allowed, (ii) all credits and allowances actually granted due to rejections, returns, billing errors, and retroactive price reductions, (iii) applicable duties, and (iv) applicable excise, sale and use taxes.

1.10 "Nonroyalty Sublicensing Consideration" means any consideration received by Licensee from a sublicensee other than (i) royalties on product sales (royalties on product sales by sublicensees will be treated as if Licensee made the sale of such product).

1.10 "Patent-Related Expenses" means costs and expenses (including out-of-pocket attorneys' fees, patent agent fees and governmental filing fees) that the University incurs in prosecuting and maintaining the Licensed Licensed Patents.

1.11 "Performance Milestone" means an act or event specified in section 5.1 and described in section 9 of the EPLA.

1.16 "Territory" means the geographical area described in section 3 of the EPLA.

1.17 "Third Party" means any party other than the University or Licensee.

1.18 "University Indemnitees" means University, its respective regents, officers, employees, students, agents, faculty, representatives, and volunteers.

2. Term. The term of this Agreement commences on the Effective Date as defined in section 4 of the EPLA and, unless terminated earlier as provided in section 8, expires on the date on which both no Licensed Patent is active in the Territory and no Licensed Patent Application is pending in the Territory (the "Term").

3. Grant of License.

3.1 The Licensee's Rights.

3.1.1 Licensed Patent. Subject to the terms and conditions of this Agreement, the University hereby grants to the Licensee an Exclusive license (sub-licensable if Section 7 of the EPLA is marked "Yes") under the Licensed Patent in the Field of Use to make, have made, use, import, offer to sell and sell Licensed Product in the Territory.

3.1.2 Technical Information (unless "None" is selected in Section 5.3 of the EPLA). Subject to the terms and conditions of this Agreement, the University hereby grants to the Licensee a non-exclusive license to use the Technical Information.

3.1.3 Specific Exclusion. University does not grant any other rights under this Agreement except as contained in Section 3.1.1 and 3.1.2. Except as may be provided under Section 3.1.2, the University does not agree to furnish to Licensee any technical information. Additionally, the University has not agreed to provide Licensee with any assistance under this Agreement.

3.2 The University's Retained Rights. The University retains on behalf of itself and all other non-profit research institutions, to practice the Licensed Patent for any non-profit purpose, including research, teaching, and educational purposes. Licensee agrees that, notwithstanding any other provision of this Agreement, it has no right to enforce the Licensed Patent against any such institution using the Licensed Patent for non-profit purposes.

3.3 Right of U.S. Government. [Applicable if Section 5 of the EPLA is checked "Yes."] This Agreement is subject to Title 35 Sections 200-204 of the United States Code. Among other things, these provisions provide the United States Government with nonexclusive rights in the Licensed Patent. They also impose the obligation that the Licensed Product sold or produced in the United States be "manufactured substantially in the United States." Licensee will ensure all obligations of these provisions are met.

4. Applications and Patents.

4.1 Pre-EPLA Patent Filings. The Licensee acknowledges that it has reviewed each Licensed Patent and each Licensed Patent Application and that it will not dispute the inventorship, validity, or enforceability of any of the claims made in a Licensed Patent or a Licensed Patent Application. The Licensee further represents that as of the Effective Date, it has not and does not manufacture, have manufactured, offer to sell, sell, offer to lease, lease, or import (a) any product or good that infringes (including under the doctrine of equivalents) a claim in any Licensed Patent or Licensed Patent Application, or (b) any product or good that is made using a process or machine that infringes (including under the doctrine of equivalents) a claim in a Licensed Patent or Licensed Patent Application.

4.2 Patent Application Filings during the Term of this Agreement.

4.2.1 The University, in consultation with the Licensee, shall determine in which countries patent application(s) will be filed and prosecuted with respect to the Licensed Technology. The University shall retain counsel of its choice to file and prosecute such patent applications. The University will inform the Licensee of the status of the prosecution of the patent application, including delivering to the Licensee pertinent notices, written and oral communications with governmental officials, and documents, and shall consult with the Licensee on the prosecution of the patent application. The Licensee shall cooperate with the University in the filing and prosecution of all patent applications with respect to the Licensed Technology. In furtherance of the foregoing, the Licensee shall notify the University, in writing, of the individual whom the Licensee has designated to consult and cooperate as provided in this subsection and is identified in section 13 of the EPLA. The Contact Person shall respond to the University's request for consultation and cooperation on a pending matter within five business days or sooner as may be required under the circumstances. If the Contact Person fails to respond in such time period, the University, exercising its own judgment and discretion, may respond to the matter as it deems appropriate. Except as provided in subsection 4.2.2, the Licensee shall reimburse the University for all Patent-Related Expenses as provided in section 6.3 and in section 6 of the EPLA.

4.2.2 The grant of license in section 3.1 and the definition of Territory in section 1.16 shall not extend to or include any country in which Licensee elects, in writing to the University, not to pay or reimburse the payment of the cost, in whole or in part, to seek or maintain intellectual property protection.

4.2.3 No provision of this Agreement limits, conditions, or otherwise affects the University's right to prosecute a patent application with respect to the Licensed Technology in any country. The University retains the sole and exclusive right to file or otherwise prosecute a patent application with respect to the Licensed Technology. In no event shall the Licensee file a patent application with respect to the Licensed Technology. The Licensee shall cooperate with the University in the filing and prosecution of all patent applications with respect to the Licensed Technology.

4.3 Rights in the Licensed Patents and Licensed Patent Applications. No provision of this Agreement grants the Licensee any rights, titles, or interests (except for the grant of license in subsection 3.1.1) in the Licensed Patents or Licensed Patent Applications, notwithstanding the Licensee's payment of all or any portion of the patent prosecution, maintenance, and related costs.

5. Commercialization.

5.1 Commercialization and Performance Milestones. The Licensee shall use its commercially reasonable efforts, consistent with sound and reasonable business practices and judgment, to commercialize the Licensed Technology and to manufacture and offer to sell and sell Licensed Products as soon as practicable and to maximize sales thereof. The Licensee shall perform, or shall cause to happen or be performed, as the case may be, all the performance milestones described in section 9 of the EPLA.

5.2 Covenants Regarding the Manufacture of Licensed Products. The Licensee hereby covenants and agrees that (i) the manufacture, use, sale, or transfer of Licensed Products shall comply with all applicable federal and state laws, including all federal export laws and regulations; and (ii) the Licensed Products shall not be defective in design or manufacture. The Licensee hereby further covenants and agrees that, pursuant to 35 United States Code Section 204, it shall, and it shall cause each sublicensee, to substantially manufacture in the United States of America all products embodying or produced through the use of an invention that is subject to the rights of the federal government of the United States of America.

5.3 Export and Regulatory Compliance. The Licensee understands that the Arms Export Control Act (AECA), including its implementing International Traffic In Arms Regulations (ITAR,) and the Export Administration Act (EAA), including its Export Administration Regulations (EAR), are some (but not all) of the laws and regulations that comprise the U.S. export laws and regulations. Licensee further understands that the U.S. export laws and regulations include (but are not limited to): (i) ITAR and EAR product/service/data-specific requirements; (ii) ITAR and EAR ultimate destination-specific requirements; (iii) ITAR and EAR end user-specific requirements; (iv) Foreign Corrupt Practices Act; and (v) antiboycott laws and regulations. The Licensee shall comply with all then-current applicable export laws and regulations of the U.S. Government (and other applicable U.S. laws and regulations) pertaining to the Licensed Products (including any associated products, items, articles, computer software, media, services, technical data, and other information). The Licensee certifies that it shall not, directly or indirectly, export (including any deemed export), nor re-export (including any deemed re-export) the Licensed Products (including any associated products, items, articles, computer software, media, services, technical data, and other information) in violation of U.S. export laws and regulations or other applicable U.S. laws and regulations. The Licensee shall include an appropriate provision in its agreements with its authorized sublicensees to assure that these parties comply with all then-current applicable U.S. export laws and regulations and other applicable U.S. laws and regulations.

5.4 Commercialization Reports. Throughout the Term and during the Post-termination Period, and within thirty (30) days of the date specified in the schedule set forth in section 10 of the EPLA, the Licensee shall deliver to the University written reports of the Licensee's and the sublicensees' efforts and plans to commercialize the Licensed Technology and to manufacture, offer to sell, or sell Licensed Products.

5.5 Use of the University's Name and Trademarks or the Names of University Faculty, Staff, or Students. No provision of this Agreement grants the Licensee or sublicensee any right or license to use the name, logo, or any marks owned by or associated with the University or the names, or identities of any member of the faculty, staff, or student body of the University. The Licensee shall not use and shall not permit a sublicensee to use any such logos, marks, names, or identities without the University's prior written approval.

5.6 Governmental Markings.

5.6.1 The Licensee shall mark all Licensed Products, where feasible, with patent notice appropriate under Title 35, United States Code.

5.6.2 The Licensee is responsible for obtaining all necessary governmental approvals for the development, production, distribution, sale, and use of any Licensed Product, at the Licensee's expense, including, without limitation, any safety studies. The Licensee is responsible for including with the Licensed Product any warning labels, packaging and instructions as to the use and the quality control for any Licensed Product.

5.6.3 The Licensee agrees to register this Agreement with any foreign governmental agency that requires such registration, and the Licensee shall pay all costs and legal fees in connection with such registration. The Licensee shall comply with all foreign laws affecting this Agreement or the sale of Licensed Products.

6. Payments, Reimbursements, Reports, and Records.

6.1 Payments. The Licensee shall pay all amounts due under this Agreement by check (payable to the "Regents of the University of Minnesota" and sent to the address specified in section 12.13), wire transfer, or any other mutually agreed-upon method of payment.

6.2 Interest. All amounts due under this Agreement shall bear interest at 12% per annum on the entire unpaid balance computed from the due date until the amount is paid.

6.3 Reimbursement of Patent-Related Expenses. The Licensee shall pay invoices for Patent-Related Expenses under this Agreement within thirty (30) days of its receipt of the University's invoice. With respect to each invoice, the University shall use reasonable efforts to specify the date on which the Patent-Related Expense was incurred and the purpose of the expense (including, as applicable, a summary of patent attorney services giving rise to the expense); provided, however, the University is not required to disclose to the Licensee any information that is protected by the University's attorney-client privilege. Patent-Related Expenses incurred as of the Effective Date are set forth in section 6 of the EPLA. The University reserves the right to require that Licensee provide and maintain a reasonable advance deposit with the University or some other form of security to ensure payment of Patent-Related Expenses.

6.4 Royalty Payments/Sales Reports. Within sixty (60) days after the last day of the second and fourth calendar quarters during the Term and the Post-termination Period, the Licensee shall deliver to the University a written sales report in the form acceptable to the University, recounting the number and Net Sales Amount (expressed in U. S. dollars) of all sales, leases, or other dispositions of Licensed Products, whether made by the Licensee or a sublicensee, during such semi-annual period. The Licensee shall deliver such written report to the University even if the Licensee is not required hereunder to pay to the University a payment for sales, leases, or other dispositions of Licensed Products during the semi-annual period. The Licensee shall deliver along with such sales reports its payment for royalties owed on all Net Sales of Licensed Products by the Licensee and the sublicensees during such semi-annual period.

6.5 Records Retention and Audit Rights.

6.5.1 Throughout the Term and the Post-termination Period and for five (5) years thereafter, the Licensee, at its expense, shall keep and maintain and shall cause each sublicensee and each non-affiliated Third Party that manufactures, sells, leases, or otherwise disposes of Licensed Products on behalf of the Licensee to keep and maintain complete and accurate records of all sales, leases, and other dispositions of Licensed Products during the Term and the Post-termination Period and all other records related to this Agreement.

6.5.2 In connection with an audit, the Licensee, upon written request, shall deliver to the University and its representatives true, correct and complete copies of all documents and materials (including electronic records) reasonably relevant to the Licensee's and sublicensees' performance of this Agreement, including, without limitation, all sublicenses granted.

6.5.3 To determine the Licensee's compliance with the terms of this Agreement, the University, at its expense (except as set forth in this subsection), may inspect and audit the Licensee's records referred to in subsection 6.5.1 at the Licensee's address as set forth in this Agreement or such other location(s) as the parties mutually agree during the Licensee's normal business hours. The Licensee shall cooperate in the audit, including providing at no cost, commodious space in the Licensee's place of business for the auditor. The Licensee shall reimburse the University for all its out-of-pocket expenses to inspect and audit such records if the University, in accordance with the results of such inspection and audit, determines that the Licensee has underpaid amounts owed to the University by at least three percent (3%) or twenty-five thousand dollars ($25,000), whichever is smaller, in a reporting period. The Licensee shall cause each sublicensee and each non-affiliated Third Party that manufactures, sells, leases, or otherwise disposes of Licensed Products on behalf of the Licensee to grant the University a right to inspect and audit the sublicensee's or Third Party's records substantially similar to the rights granted the University in this subsection. In connection with, and before the commencement of, an audit, if the Licensee requests in writing to the University, then prior to conducting such audit, the Licensee, the University and the auditor must enter into an agreement prohibiting the auditor and the University from disclosing the Licensee's nonpublic, proprietary information to any Third Party without the Licensee's prior written consent; provided, however, that consistent with generally accepted auditing standards and the auditor's professional judgment, the auditor may disclose such information to the University and its agents, counsel, or consultants. The Licensee acknowledges that such an agreement is adequate to protect its legitimate interests, and the parties agree that there shall be no additional nondisclosure agreement demanded as a condition to the commencement of an audit and the University's exercising its rights under this subsection.

6.6 Currency and Checks. All computations and payments made under this Agreement shall be in United States dollars. To determine the dollar value of transactions conducted in non-United States dollar currencies, the parties shall use the exchange rate for the currency into dollars as reported in the *Wall Street Journal* as the New York foreign exchange mid-range rate on the last business day of the month in which the transaction occurred.

7. Infringement.

7.1 If a party learns of substantial, credible evidence that a Third Party is making, using, or selling a product in the Field of Use in the Territory that infringes a Licensed Patent, such party shall promptly notify the other party in writing of the possible infringement and in such notice describe in detail the information suggesting infringement of the Licensed Patent. Prior to commencing any action to enforce a Licensed Patent, the parties shall enter into good faith negotiations on the desirability of bringing suit, the parties to the action, the selection of counsel, and such other matters as the parties may agree to discuss. No provision of this Agreement limits, conditions, or otherwise affects a party's statutory and common-law rights to commence an action to enforce a Licensed Patent. In any such action, the parties agree to cooperate fully with each other and will use reasonable efforts to permit access to relevant personnel, records, papers, information, samples and specimens during regular business hours. Any amounts recovered (less amounts actually paid for reasonable attorney's fees and legal expenses) by Licensee in any such action or settlement that constitute compensation for lost profits or sales will be considered subject to the royalty rate in subsection 11.4.1 of the EPLA. All other amounts recovered (less amounts actually paid for reasonable attorney's fees and legal expenses) by Licensee in such action or settlement shall be considered subject to the rate for Sublicense Revenues in subsection 11.5.2 of the EPLA.

7.2. If any suit, action or proceeding is brought or commenced against the Licensee alleging the infringement of a patent or other intellectual property right owned by a Third Party by reason of the manufacture, use or sale of Licensed Products, the Licensee shall give the University prompt notice thereof. If the validity of a Licensed Patent is questioned in such suit, action or proceeding, the Licensee shall have no right to make any settlement or compromise which affects the scope, validity, enforceability or otherwise the Licensed Patent without the University's prior written approval.

8. Termination.

8.1 University may terminate this Agreement if Licensee

(A) is delinquent on any report or payment;
(B) is not diligently developing and commercializing Licensed Product;
(C) misses a milestone under Section 11.9 of the EPLA;
(D) is in breach of any provision of this Agreement;
(E) provides any false report; or
(F) fails to enter into any of the following agreements by the dates indicated below; or having so entered in to the following agreements, defaults on any of the terms contained therein, or terminates the agreement(s).

- Sponsored research agreement within 90 days of the Effective Date of this Agreement with the University to carry out further research on (1) the TriKE platform including the cytokine linker and the best target antigens on cancer targets and (2) building on higher production systems that generate higher concentrations of TriKEs for expanded use beyond the initial bacterial production used for phase I testing.

Termination under this Section 8.1 will take effect 30 days after written notice by University unless Licensee remedies the default in that 30-day period.

8.2 Licensee may terminate this Agreement

Text marked [****] has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested for the omitted information.

(A) any time prior to the dosing of the first patient in a Phase I clinical trial upon payment of [****] to the University; or

(B) any time after the dosing of the first patient in a Phase I clinical trial upon payment of **[****]** to the University.

8.2 Surviving Provisions. Surviving any termination or expiration are:

(A) Licensee's obligation to pay royalties accrued or accruable;

(B) any claim of Licensee or University, accrued or to accrue, because of any breach or default by the other party; and

(C) the provisions of Articles 8, 9, and 10 and any other provision that by its nature is intended to survive.

9. Indemnification, and Insurance.

Licensee shall indemnify, hold harmless, and defend all University Indemnitees against any claim of any kind arising out of or related to the exercise of any rights granted Licensee under this Agreement or the breach of this Agreement by Licensee.

9.4 The Licensee's Insurance.

9.4.1 Throughout the Term, or during such other period as the parties agree in writing, the Licensee shall maintain, and shall cause each sublicensee to maintain, in full force and effect comprehensive general liability ("CGL") insurance, with single claim limits acceptable to the University. Such insurance policy shall include coverage for claims that may be asserted by the University against the Licensee under section 9.2 and for claims by a Third Party against the Licensee or the University arising out of the purchase or use of a Licensed Product. Such insurance policy must (i) name the University as an additional insured if the University so requests in writing and (ii) require the insurer to deliver written notice to the University at the address set forth in section 12.13, at least thirty (30) days before the termination of the policy. Upon receipt of the University's written request, the Licensee shall deliver to the University a copy of the certificate of insurance for such policy.

9.4.2 The provisions of subsection 9.4.1 do not apply if the University agrees in writing to accept the Licensee's or a sublicensee's, as the case may be, self-insurance plan as adequate insurance.

9.5 Sublicensees - Release. The Licensee shall cause each sublicensee to grant the University a release from liabilities substantially similar to the release granted in favor of the University in section 9.1.

10. Disclaimer of Warranties.

UNIVERSITY PROVIDES LICENSEE THE RIGHTS GRANTED IN THIS AGREEMENT AS IS AND WITH ALL FAULTS. UNIVERSITY MAKES NO REPRESENTATIONS AND EXTENDS NO WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED. AMONG OTHER THINGS, THE UNIVERSITY EXPRESSLY DISCLAIMS ANY WARRANTIES CONCERNING AND MAKES NO REPRESENTATIONS:

(i) that the Licensed Patent Applications will be allowed or granted or that a patent will issue from any Licensed Patent Application;
(ii) concerning the validity, enforceability, interpretation of claims or scope of any Licensed Patent; or
(iii) that the exercise of the rights or licenses granted to the Licensee under this Agreement will not infringe a Third Party's patent or violate its intellectual property rights;
(iv) that the exploitation of Licensed Patent or Technology will be successful

10.3 Sublicensees - Warranties. The Licensee shall cause each sublicensee to give the University warranties and disclaimers and exclusions of warranties substantially similar to the warranty and disclaimers and exclusions of warranties in favor of the University in section 10.1 and subsections 10.2.1 and 10.2.2.

11. Damages.

11.1 **No Indirect Liability. University is not liable for any special, consequential, lost profit, expectation, punitive or other indirect damages in connection with any claim arising out of or related to this Agreement,**

12. General Terms

12.1 Access to University Information.

12.1.1 Data Practices Act. The parties acknowledge that the University is subject to the terms and provisions of the Minnesota Government Data Practices Act, Minnesota Statutes §13.01 *et seq.* (the "Act"), and that the Act requires, with certain exceptions, the University to permit the public to inspect and copy any information that the University collects, creates, receives, maintains, or disseminates.

12.1.2 Confidentiality. To the extent permitted by law, including as provided in the Act, the University shall hold in confidence and disclose only to University employees, agents and contractors who need to know the reports described in sections 5.4 and 6.4 and the records inspected in accordance with section 6.5 of the Terms and Conditions. No provision of this Agreement is to be construed to further prohibit, limit, or condition the University's right to use and disclose any information in connection with enforcing this Agreement, in court or elsewhere.

12.2 Amendment and Waiver. The Agreement may be amended from time to time only by a written instrument signed by the parties. No term or provision of this Agreement may be waived and no breach excused unless such waiver or consent is in writing and signed by the party claimed to have waived or consented. No waiver of a breach is to be deemed a waiver of a different or subsequent breach.

12.3 Applicable Law and Forum Selection. The internal laws of the state of Minnesota, without giving effect to its conflict of laws principles, govern the validity, construction, and enforceability of this Agreement. A suit, claim, or other action to enforce the terms of this Agreement may be brought only in the state courts of Hennepin County, Minnesota. The Licensee hereby submits to the jurisdiction of that court and waives any objections it may have to that court asserting jurisdiction over the Licensee or its assets and property.

12.4 Assignment and Sublicense. Except as permitted under subsection 3.1.2 and section 12.5 of the Terms and Conditions, the Licensee shall not assign or sublicense its interest or delegate its duties under this Agreement. Any assignment, sublicense, or delegation attempted to be made in violation of this section is void. Absent the consent of all the parties, an assignment or delegation will not release the assigning or delegating party from its obligations. The Agreement inures to the benefit of the Licensee and the University and their respective permitted sublicensees and trustees.

12.5 Change of Control. Licensee may assign this Agreement as part of a Change of Control upon prior and complete performance of the following conditions:

(A) Licensee must give University 30 days prior written notice of the assignment, including the new assignee's contact information;

(B) the new assignee must agree in writing to University to be bound by this Agreement; and

(C) University must have received the full Change of Control Fee.

12.6 Collection Costs and Attorneys' Fees. If a party fails to perform an obligation or otherwise breaches one or more of the terms of this Agreement, the other party may recover from the non-performing breaching party all its reasonable costs (including actual attorneys' and investigative fees) to enforce the terms of this Agreement.

12.7 Consent and Approvals. Except as otherwise expressly provided, in order to be effective, all consents or approvals required under this Agreement must be in writing.

12.8 Construction. The headings preceding and labeling the sections of this Agreement are for the purpose of identification only and are not to be employed or used for the purpose of construction or interpretation of any portion of the EPLA. As used herein and where necessary, the singular includes the plural and vice versa, and masculine, feminine, and neuter expressions are interchangeable.

12.9 Enforceability. If a court of competent jurisdiction adjudges a provision of this Agreement to be unenforceable, invalid, or void, such determination is not to be construed as impairing the enforceability of any of the remaining provisions hereof and such provisions will remain in full force and effect.

12.10 Entire Agreement. The parties intend this Agreement (including all attachments, exhibits, and amendments hereto) to be the final and binding expression of their contract and agreement and the complete and exclusive statement of the terms thereof. The Agreement cancels, supersedes, and revokes all prior negotiations, representations and agreements among the parties, whether oral or written, relating to the subject matter of this Agreement.

12.11 Language and Currency. Unless otherwise expressly provided in this Agreement and in order to be effective, all notices, reports, and other documents and instruments that a party elects or is required to deliver to the other party must be in English, and all notices, reports, and other documents and instruments detailing revenues and earned under this Agreement or expenses chargeable to a party must be United States dollar denominated.

12.12 No Third-Party Beneficiaries. No provision of this Agreement, express or implied, is intended to confer upon any person other than the parties to this Agreement any rights, remedies, obligations, or liabilities hereunder. No sublicensee may enforce or seek damages under this Agreement.

12.13 Notices. In order to be effective, all notices, requests, and other communications that a party is required or elects to deliver must be in writing and must be delivered personally, or by facsimile or electronic mail (provided such delivery is confirmed), or by a recognized overnight courier service or by United States mail, first-class, certified or registered, postage prepaid, return receipt requested, to the other party at its address set forth below or to such other address as such party may designate by notice given under this section:

If to the University: University of Minnesota
Office for Technology Commercialization
200 Oak Street, SE
Suite 280
Minneapolis, MN 55455
Phone: 612.624.0550
Fax: 612.624.6554
E-mail: otcagree@umn.edu

For notices sent under section 8, with a copy to:	University of Minnesota Office of the General Counsel Attn: Transactional Law Services 360 McNamara Alumni Center 200 Oak Street S.E. Minneapolis, MN 55455-2006 Facsimile No.: 612.626.9624 E-mail: contracts@mail.ogc.umn.edu
If to the Licensee:	As indicated in section 12 of the EPLA.

12.14 Relationship of Parties. In entering into, and performing their duties under this Agreement, the parties are acting as independent contractors and independent employers. No provision of this Agreement creates or is to be construed as creating a partnership, joint venture, or agency relationship between the parties. No party has the authority to act for or bind the other party in any respect.

12.15 Security Interest. In no event may the Licensee grant, or permit any person to assert or perfect, a security interest in the Licensee's rights under this Agreement.

12.16 Survival. Immediately upon the termination or expiration of this Agreement, except for certain rights granted for the Post-termination Period, all the Licensee's rights under this Agreement terminate; provided, however, the Licensee's obligations that have accrued before the effective date of termination or expiration (*e.g.*, the obligation to report and make payments on sales, leases, or dispositions of Licensed Products and to reimburse the University for costs) and the obligations specified in section 6.1 survive. The obligations and rights set forth in sections 6.4 and 8.3 and sections 9, 10, and 11 also survive the termination or expiration of this Agreement.

Text marked [****] has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested for the omitted information.

LICENSE AGREEMENT

THIS LICENSE AGREEMENT (this "Agreement") dated as of September 3, 2015 (the "Effective Date"), is entered into between Daniel A. Vallera, an individual having a place of residence at _____ , Jeffrey Lion, an individual having a place of residence at _____ (collectively hereinafter "Licensor"), and Oxis Biotech, Inc., a Delaware corporation ("Company" or "Oxis"), having a place of business at 1402 North Beverly Drive, Beverly Hills, CA 90210 .

WHEREAS, Licensor owns or has rights in the Technology (as defined below).

WHEREAS, Oxis desires to obtain an exclusive license under Licensor's rights in the Technology on the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants herein contained, the parties hereby agree as follows:

1. DEFINITIONS

For purposes of this Agreement, the terms defined in this Section 1 shall have the respective meanings set forth below:

1.1 "Affiliate" shall mean, with respect to any Person, any other Person which directly or indirectly controls, is controlled by, or is under common control with, such Person. A Person shall be regarded as in control of another Person if it owns, or directly or indirectly controls, at least fifty percent (50%) of the voting stock or other ownership interest of the other Person, or if it directly or indirectly possesses the power to direct or cause the direction of the management and policies of the other Person by any means whatsoever.

1.2 "Competent Authority(ies)" or "Competent Regulatory Authority(ies)" shall mean, collectively, (a) the governmental entities in each country or supranational organization that is responsible for the regulation of any Product intended for use in the Field or the establishment, maintenance and/or protection of rights related to the Licensed IP Rights (including the FDA, the EMEA and the MHLW), or (b) any other applicable regulatory or administrative agency in any country or supranational organization that is comparable to, or a counterpart of, the foregoing.

1.3 "EMEA" shall mean the European Agency for the Evaluation of Medicinal Products of the European Union, or the successor thereto.

1.4 "FDA" shall mean the Food and Drug Administration of the United States, or the successor thereto.

1.5 "Field" shall mean compounds and methods for the treatment of any disease, state or condition in humans.

1.6 "First Commercial Sale" shall mean, with respect to any Product, the first sale of such Product after all applicable marketing and pricing approvals (if any) have been granted by the applicable governing health authority of such country.

1.7 "Licensed IP Rights" shall mean, collectively, the Licensed Patent Rights and the Licensed Know-How Rights.

1.8 "Licensed Know-How Rights" shall mean all trade secret and other know-how rights in and to all data, information, compositions and other technology (including, but not limited to, formulae, procedures, protocols, techniques and results of experimentation, all CD19 scFv and CD22 scFv clones used to manufacture DT2219ARL, the aggregation reducing linker (ARL) technology used to manufacture DT2219ARL, and the mutated and deimmunized form of truncated diphtheria toxin used to manufacture DT2219ARL) which are necessary or useful for Oxis to make, use, develop, sell or seek regulatory approval to market a composition such as DT2219ARL, or to practice any method or process, at any time claimed or disclosed in any issued patent or pending patent application within the Licensed Patent Rights or which otherwise relates to the Technology.

1.9 "Licensed Patent Rights" shall mean (a) the patents and patent applications listed on Schedule A hereto, (b) all patents and patent applications in any country of the world that claim or cover the Technology in which Licensor heretofore or hereafter has an ownership or (sub)licensable interest, (c) all divisions, continuations, continuations-in-part, that claim priority to, or common priority with, the patent applications listed in clauses (a) - (b) above or the patent applications that resulted in the patents described in clauses (a) - (b) above, and (d) all patents that have issued or in the future issue from any of the foregoing patent applications, including utility, model and design patents and certificates of invention, together with any reissues, renewals, extensions or additions thereto.

1.10 "NDA" shall mean a New Drug Application, or similar application for marketing approval of a Product for use in the Field submitted to the FDA, or its foreign equivalent.

1.11 "Net Sales" shall mean, with respect to any Product, the gross sales price of such Product invoiced by Oxis or its Affiliate to customers who are not Affiliates (or are Affiliates but are the end users of such Product) less, to the extent actually paid or accrued by Oxis or its Affiliate (as applicable), (a) credits, allowances, discounts and rebates to, and chargebacks from the account of, such customers for nonconforming, damaged, out-dated and returned Product; (b) freight and insurance costs incurred by Oxis or its Affiliate (as applicable) in transporting such Product to such customers; (c) cash, quantity and trade discounts, rebates and other price reductions for such Product given to such customers under price reduction programs; (d) sales, use, value-added and other direct taxes incurred on the sale of such Product to such customers; (e) customs duties, tariffs, surcharges and other governmental charges incurred in exporting or importing such Product to such customers; (f) sales commissions incurred on the sale of such Product to such customers; and (g) an allowance for uncollectible or bad debts determined in accordance with generally accepted accounting principles.

1.12 "Net Sublicensing Revenues" shall mean, with respect to any Product, the aggregate cash consideration received by Oxis or its Affiliates in consideration for the sublicense under the Licensed Patent Rights or Licensed Know-How Rights by Oxis or its Affiliates to a Third Party sublicensee with respect to such Product (including royalties received by Oxis or its Affiliates based on sales of such Product by such sublicensee, but excluding amounts received to reimburse Oxis' or its Affiliates' cost to perform research, development or similar services conducted for such Product after signing the agreement with the Third Party, in reimbursement of patent or other out-of-pocket expenses relating to such Product, or in consideration for the purchase of any debt or securities of Oxis or its Affiliates).

1.13 "Person" shall mean an individual, corporation, partnership, limited liability company, trust, business trust, association, joint stock company, joint venture, pool, syndicate, sole proprietorship, unincorporated organization, governmental authority or any other form of entity not specifically listed herein.

1.14 "Phase I Clinical Trial" shall mean a human clinical trial that is intended to initially evaluate the safety and/or pharmacological effect of a Product in subjects or that would otherwise satisfy requirements of 21 C.F.R. 312.21(a), or its foreign equivalent.

1.15 "Phase II Clinical Trial" shall mean a human clinical trial in any country that is intended to initially evaluate the effectiveness of a Product for a particular indication or indications in patients with the disease or indication under study or would otherwise satisfy requirements of 21 CFR 312.21(b), or its foreign equivalent.

1.16 "Phase III Clinical Trial" shall mean a human clinical trial in any country, the results of which could be used to establish safety and efficacy of a Product as a basis for an NDA or would otherwise satisfy requirements of 21 CFR 312.21(c), or its foreign equivalent.

1.17 "Product(s)" shall mean DT2219ARL, a CD19/CD22 bispecific scFv antibody-drug conjugate containing aggregation reducing linkers and a mutated and deimmunized form of a truncated diphtheria toxin for use in the Field that if made, used, sold, offered for sale or imported absent the license granted hereunder would infringe a Valid Claim, or that otherwise uses or incorporates the Licensed Know-How Rights.

1.18 "Registration(s)" shall mean any and all permits, licenses, authorizations, registrations or regulatory approvals (including NDAs) required and/or granted by any Competent Authority as a prerequisite to the development, manufacturing, packaging, marketing and selling of any product.

1.19 "Royalty Term" shall mean, with respect to each Product in each country, the term for which a Valid Claim remains in effect and would be infringed but for the license granted by this Agreement, by the use, offer for sale, sale or import of such Product in such country.

1.20 "Technology" shall mean all compositions, CD19 scFv producing clones, CD22 scFv producing clones, aggregation reducing linkers (ARL), mutated and deimmunized form of a truncated diphtheria toxin, formulae, procedures, formulations, methods of manufacture, *in vitro* data, and animal and human *in vivo* data related to Products, and all uses thereof for treating diseases in humans.

1.21 "Territory" shall mean worldwide.

1.22 "Third Party" shall mean any Person other than Licensor, Oxis and their respective Affiliates.

1.23 "Valid Claim" shall mean a claim of an issued and unexpired patent included within the Licensed Patent Rights, which has not been held permanently revoked, unenforceable or invalid by a decision of a court or other governmental agency of competent jurisdiction, unappealable or unappealed within the time allowed for appeal, and which has not been admitted to be invalid or unenforceable through reissue or disclaimer or otherwise.

2. REPRESENTATIONS AND WARRANTIES

2.1 Mutual Representations and Warranties. Each party hereby represents and warrants to the other party as follows:

2.1.1 Such party is an individual, or is a corporation duly organized, validly existing and in good standing under the laws of the state in which it is incorporated.

2.1.2 Such party (a) has the power and authority and the legal right to enter into this Agreement and to perform its obligations hereunder, and (b) has taken all necessary action on its part to authorize the execution and delivery of this Agreement and the performance of its obligations hereunder. This Agreement has been duly executed and delivered on behalf of such party, and constitutes a legal, valid, binding obligation, enforceable against such party in accordance with its terms.

2.1.3 All necessary consents, approvals and authorizations of all governmental authorities and other Persons required to be obtained by such party in connection with this Agreement have been obtained.

2.1.4 The execution and delivery of this Agreement and the performance of such party's obligations hereunder (a) do not conflict with or violate any requirement of applicable laws or regulations, and (b) do not conflict with, or constitute a default under, any contractual obligation of it.

2.2 Licensor Representations and Warranties. Licensor hereby represents and warrants to Oxis as follows:

2.2.1 Licensor (a) is the owner of the Licensed IP Rights and has the sole right to execute this Agreement, and has not granted to any Third Party any license or other interest in the Licensed IP Rights, (b) is not aware of any Third Party patent, patent application or other intellectual property rights that would be infringed (i) by practicing any process or method or by making, using or selling any composition which is claimed or disclosed in the Licensed Patent Rights or which constitutes Licensed Know-How Rights, or (ii) by making, using or selling Products, and (c) is not aware of any infringement or misappropriation by a Third Party of the Licensed IP Rights.

3. LICENSE GRANT

3.1 Licensed IP Rights. Licensor hereby grants to Oxis an exclusive license (with the right to grant sublicenses) under the Licensed IP Rights to conduct research and to develop, make, have made, use, offer for sale, sell, have sold, and import Products in the Territory for use in the Field.

3.2 Sublicenses. Licensor grants to Oxis the right to grant sublicenses to third parties, provided that (i) the Sublicensee agrees to abide by all the terms and provisions of this Agreement; (ii) Oxis remains fully liable for the performance of its and its Sublicensee's obligations hereunder; and (iii) Oxis notifies Licensor of any grant of a sublicense and provide to Licensor upon Licensor request a copy of any sublicense agreement.

3.3 Availability of the Licensed IP Rights. Licensor shall provide Oxis with a copy of all information available to Licensor relating to the Licensed IP Rights, Products or Technology, including without limitation: (a) regulatory submissions, (b) communications with the Competent Authorities (including the minutes of any meetings), (c) trial master files, including case report forms, (d) listings and tables of results from the clinical trials, (e) treatment-related serious adverse event reports from the clinical trials, (f) storage of and access permission to any retained samples of materials used in clinical trials, (g) manufacturing and quality control procedures and formulation procedures, and (h) access to CMOs and CROs involved in the clinical trials.

3.4 Registrations. Licensor acknowledges and agrees that Oxis shall own all Registrations for Products for use in the Field in each country in the Territory. Additionally, Licensor acknowledges and agrees that Oxis shall have the right to conduct pre-clinical and clinical development activities outside of the Territory. Licensor hereby grants to Oxis a free-of-charge right to reference and use and have full access to all other Registrations and all other regulatory documents that relate to the Licensed IP Rights, Products or Technology, including INDs, BLAs, NDAs and DMFs (whether as an independent document or as part of any NDA, and all chemistry, manufacturing and controls information), and any supplements, amendments or updates to the foregoing (for the purposes of this Section, the "Right of Reference"). Oxis shall have the right to (sub)license the Right of Reference to its sublicensees and Affiliates.

3.5 Access to Manufacturers. Licensor shall use his commercially reasonable efforts to provide access to Oxis to any suppliers of Products and any form of any Product for use in the Field on terms and conditions no less favorable than those terms and conditions between Licensor and such supplier.

4. FINANCIAL CONSIDERATIONS

4.1 Royalties.

Text marked [****] has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested for the omitted information.

4.1.1 Royalty Rate. During the applicable Royalty Term for a Product, subject to the terms and conditions of this Agreement, Oxis shall pay to Licensor royalties, with respect to each Product, equal to (a) **[****]** of Net Sales of such Product by Oxis and its Affiliates, and (b) [****] of Net Sublicensing Revenues for such Product. Only one royalty shall be owing for a Product regardless of how many Valid Claims cover such Product for the life of the last to expire Patent in a country having Valid Claim.

4.1.2 Third Party Royalties. If Oxis, its Affiliates or sublicensees is required to pay royalties to any Third Party in order to exercise its rights hereunder to make, have made, use, sell, offer to sale or import any Product, then Oxis shall have the right to credit [****] of such Third Party royalty payments against the royalties owing to Licensor under Section 4.1.1 above with respect to sales of such Product in such country; provided, however, that Oxis shall not reduce the amount of the royalties paid to Licensor under Section 4.1.1 above by reason of this Section 4.1.2, with respect to sales of such Product in such country, to less than [****] of Net Sales of such Product in such country. In consideration of the right to sublicense third parties granted under Section 3.2, Oxis shall pay to Licensor **[****]** of all royalties received by Oxis from its Sublicensees if the sublicense is executed on or before the first anniversary of the Effective Date of the License Agreement signed between the parties, and [****] of all royalties received by Oxis from its Sublicensees if the Sublicense is executed thereafter. In no event, however, shall Oxis pay Licensor less than the amount which would have been due under Section 4.2.2 of this Agreement in the absence of a sublicense.

4.2 License Fee. Oxis shall pay Licensor a non-refundable license fee of [****] which shall be payable upon execution of this Agreement.

4.3 Milestone Payments. Oxis shall pay to Licensor the following clinical development milestone payments within thirty (30) days following the first achievement of the applicable milestone:

4.3.1 [****] due upon initiation of a Phase Ib/II clinical trial;

4.3.2 [****] due upon initiation of a Phase III clinical trial;

4.3.3 [****]due upon receipt by Oxis of marketing approval by any Competent Regulatory Authority within the Territory.

Each of the foregoing Milestone Payments shall be paid only one time.

5. ROYALTY REPORTS AND ACCOUNTING

5.1 Royalty Reports. Within sixty (60) days after the end of each calendar quarter during the term of this Agreement following first to occur of the First Commercial Sale of a Product and the receipt by Oxis or its Affiliates of Net Sublicensing Revenues, Oxis shall furnish to Licensor a quarterly written report showing in reasonably specific detail (a) the calculation of Net Sales during such calendar quarter; (b) the calculation of Net Sublicensing Revenues for such quarter; (c) the calculation of the royalties, if any, that shall have accrued based upon such Net Sales and Net Sublicensing Revenues; (d) the withholding taxes, if any, required by law to be deducted with respect to such sales; and (e) the exchange rates, if any, used in determining the amount of United States dollars. With respect to sales of Products invoiced in United States dollars, the gross sales, Net Sales and royalties payable shall be expressed in United States dollars. With respect to (i) Net Sales invoiced in a currency other than United States dollars and (ii) cash consideration paid in a currency other than United States dollars by Oxis's sublicensees hereunder, all such amounts shall be expressed both in the currency in which the distribution is invoiced and in the United States dollar equivalent. The United States dollar equivalent shall be calculated using the average of the exchange rate (local currency per US$1) published in The Wall Street Journal, Western Edition, under the heading "Currency Trading" on the last business day of each month during the applicable calendar quarter.

5.2 Audits.

5.2.1 Upon the written request of Licensor and not more than once in each calendar year, Oxis shall permit an independent certified public accounting firm of nationally recognized standing selected by Licensor and reasonably acceptable to Oxis, at Licensor's expense, to have access during normal business hours to such of the financial records of Oxis as may be reasonably necessary to verify the accuracy of the payment reports hereunder for the eight (8) calendar quarters immediately prior to the date of such request (other than records for which Licensor has already conducted an audit under this Section.

5.2.2 If such accounting firm concludes that additional amounts were owed during the audited period, Oxis shall pay such additional amounts within thirty (30) days after the date Licensor delivers to Oxis such accounting firm's written report so concluding. The fees charged by such accounting firm shall be paid by Licensor; provided, however, if the audit discloses that the royalties payable by Oxis for such period are more than one hundred ten percent (110%) of the royalties actually paid for such period, then Oxis shall pay the reasonable fees and expenses charged by such accounting firm.

5.2.3 Licensor shall cause its accounting firm to retain all financial information subject to review under this Section 5.2 in strict confidence; provided, however, that Oxis shall have the right to require that such accounting firm, prior to conducting such audit, enter into an appropriate non-disclosure agreement with Oxis regarding such financial information. The accounting firm shall disclose to Licensor only whether the reports are correct or not and the amount of any discrepancy. No other information shall be shared. Licensor shall treat all such financial information as Oxis' Confidential Information.

6. PAYMENTS

6.1 Payment Terms. Royalties shown to have accrued by each royalty report provided for under Section 5 above shall be due on the date such royalty report is due. Payment of royalties in whole or in part may be made in advance of such due date.

6.2 Exchange Control. If at any time legal restrictions prevent the prompt remittance of part or all royalties with respect to any country in the Territory where the Product is sold, Oxis shall have the right, in its sole discretion, to make such payments by depositing the amount thereof in local currency to Licensor's account in a bank or other depository institution in such country. If the royalty rate specified in this Agreement should exceed the permissible rate established in any country, the royalty rate for sales in such country shall be adjusted to the highest legally permissible or government-approved rate.

6.3 Withholding Taxes. Oxis shall be entitled to deduct the amount of any withholding taxes, value-added taxes or other taxes, levies or charges with respect to such amounts, other than United States taxes, payable by Oxis, its Affiliates or sublicensees, or any taxes required to be withheld by Oxis, its Affiliates or sublicensees, to the extent Oxis, its Affiliates or sublicensees pay to the appropriate governmental authority on behalf of Licensor such taxes, levies or charges. Oxis shall use reasonable efforts to minimize any such taxes, levies or charges required to be withheld on behalf of Licensor by Oxis, its Affiliates or sublicensees. Oxis promptly shall deliver to Licensor proof of payment of all such taxes, levies and other charges, together with copies of all communications from or with such governmental authority with respect thereto.

7. RESEARCH AND DEVELOPMENT OBLIGATIONS

7.1 Research and Development Efforts. Oxis shall use its commercially reasonable efforts to conduct such research, development and preclinical and human clinical trials as Oxis determines are necessary or desirable to obtain regulatory approval to manufacture and market such Products as Oxis determines are commercially feasible in the Territory, and shall use its commercially reasonable efforts to obtain regulatory approval to market, and following approval to commence marketing and market each such Product in such countries in the Territory as Oxis determines are commercially feasible.

7.2 Records. Licensor and Oxis shall maintain records, in sufficient detail and in good scientific manner, which shall reflect all work done and results achieved in the performance of its research and development regarding the Products.

7.3 Reports. Within ninety (90) days following the end of each calendar year during the term of this Agreement, Licensor shall prepare and deliver to Oxis a written summary report which shall describe (a) the research performed to date employing the Licensed IP Rights, (b) the progress of the development, and testing of Products in clinical trials, and (c) the status of obtaining regulatory approvals to market Products.

8. CONFIDENTIALITY

8.1 For purposes of this Agreement "Confidential Information" means any and all information and material disclosed by the disclosing party to the recipient or obtained by recipient through inspection or observation of discloser's property or facilities (before or after the signing of this Agreement, and whether in writing, or in oral, graphic, electronic or any other form), including, but not necessarily limited to, trade secret, know-how, idea, invention, process, technique, algorithm, program (whether in source code or object code form), hardware, device, design, schematic, drawing, formula, data, plan, strategy and forecast of, technical, engineering, manufacturing, product, marketing, all notes, books, papers, diagrams, documents, reports, memoranda, servicing, financial, personnel and other information and materials of, discloser and its employees, consultants, investors, affiliates, licensors, suppliers, vendors, customers, clients and other persons and entities, disclosed by one Party to the other.

8.2 Licensor and Oxis agree that the recipient of Confidential Information shall not disclose, cause, or permit to be disclosed said information to any third party or parties, subject to the exceptions contained herein, without the prior written consent of the disclosing Party.

8.3 Confidential Information may be disclosed to consultants, agents, and advisors of either Licensor or Oxis; provided, those to whom information or data is disclosed, regarding or concerning the matters contemplated herein, shall become parties to this Agreement or otherwise be bound to maintain such information in confidence under terms at least as protective as those provided herein. Either Party may also disclose such information as it deems appropriate to its employees provided such employees have a need to know. Licensor and Oxis agree to enforce the terms and provisions of this Agreement as to any such employee, consultant, agent or advisor who receives Confidential Information hereunder, and to assume liability for breach of this Agreement by any or all such persons.

8.4 Notwithstanding anything to the contrary contained herein, the recipient of Confidential Information disclosed hereunder shall be under no duty to maintain the confidentiality of any such information which it can reasonably establish:

8.4.1 At the time of disclosure is within the public domain;

8.4.2 After disclosure becomes a part of the public domain through no fault, act or failure to act, error, effort or breach of this Agreement by the recipient;

8.4.3 Is known to the recipient at the time of disclosure as evidenced by recipient's contemporaneous written documentation;

8.4.4 Is required by order, statute or regulation, of any government authority to be disclosed to any federal or state agency, court or other body, provided, however that any Party directed to disclose information pursuant to a subpoena or other legal compulsion shall use its best efforts under the circumstances to promptly notify the disclosing Party of same so as to provide or afford the disclosing Party the opportunity to obtain such protective orders or other relief as the compelling court or other entity may grant.

8.4.5 Confidential Information will not be deemed to have been published merely because individual portions of the information have been separately published, but only if all material features comprising such information have been published in combination.

8.5 Neither Licensor nor Oxis will use for its own purpose(s), nor cause or permit to be used by others, either directly or indirectly, any Confidential Information disclosed hereunder without the prior written consent of the Party making such disclosure.

9. PATENTS

9.1 Patent Prosecution and Maintenance. Oxis shall have the right to control, at its sole cost, the preparation, filing, prosecution and maintenance of all patents and patent applications within the Licensed Patent Rights. Oxis shall give Licensor an opportunity to review and comment on the text of each patent application subject to this Section 9.1 before filing, and shall supply Licensor with a copy of such patent application as filed, together with notice of its filing date and serial number. Licensor shall cooperate with Oxis, execute all lawful papers and instruments and make all rightful oaths and declarations as may be necessary in the preparation, prosecution and maintenance of all patents and other filings referred to in this Section 9.1. If Oxis, in its sole discretion, decides to abandon the preparation, filing, prosecution or maintenance of any patent or patent application in the Licensed Patent Rights, then Oxis shall notify Licensor in writing thereof and following the date of such notice (a) Licensor shall be responsible for and shall control, at its sole cost, the preparation, filing, prosecution and maintenance of such patents and patent applications, and (b) Oxis shall thereafter have no license under this Agreement to such patent or patent application.

9.2 Notification of Infringement. Each party shall notify the other party of any substantial infringement in the Territory known to such party of any Licensed Patent Rights and shall provide the other party with the available evidence, if any, of such infringement.

9.3 Enforcement of Patent Rights. Oxis, at its sole expense, shall have the right to determine the appropriate course of action to enforce Licensed Patent Rights or otherwise abate the infringement thereof, to take (or refrain from taking) appropriate action to enforce Licensed Patent Rights, to defend any declaratory judgments seeking to invalidate or hold the Licensed Patent Rights unenforceable, to control any litigation or other enforcement action and to enter into, or permit, the settlement of any such litigation, declaratory judgments or other enforcement action with respect to Licensed Patent Rights, in each case in Oxis' own name and, if necessary for standing purposes, in the name of Licensor and shall consider, in good faith, the interests of Licensor in so doing. If Oxis does not, within one hundred twenty (120) days of receipt of notice from Licensor, abate the infringement or file suit to enforce the Licensed Patent Rights against at least one infringing party in the Territory, Licensor shall have the right to take whatever action it deems appropriate to enforce the Licensed Patent Rights; provided, however, that, within thirty (30) days after receipt of notice of Licensor's intent to file such suit, Oxis shall have the right to jointly prosecute such suit and to fund up to one-half (½) the costs of such suit. The party controlling any such enforcement action shall not settle the action or otherwise consent to an adverse judgment in such action that diminishes the rights or interests of the non-controlling party without the prior written consent of the other party. All monies recovered upon the final judgment or settlement of any such suit to enforce the Licensed Patent Rights shall be shared, after reimbursement of expenses, in relation to the damages suffered by each party. If Oxis does not receive sufficient monies from a final judgment or settlement to cover its expenses for such suit, Oxis shall have the right to credit up to fifty percent (50%) of such expenses against any royalties or other fees owing by Oxis pursuant to Section 4 above.

9.4 Cooperation. In any suit to enforce and/or defend the License Patent Rights pursuant to this Section 9, the party not in control of such suit shall, at the request and expense of the controlling party, reasonably cooperate and, to the extent possible, have its employees testify when requested and make available relevant records, papers, information, samples, specimens, and the like.

Text marked [****] has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested for the omitted information.

10. TERMINATION

10.1 Expiration. Subject to Sections 10.2 and 10.3 below, this Agreement shall expire on the expiration of Oxis' obligation to pay royalties to Licensor under Section 4.1 above. The license grant under Section 3.1 shall be effective at all times prior to such expiration and following such expiration of this Agreement (a) Oxis shall have a fully paid-up, non-exclusive license under the Licensed Know-How Rights to conduct research and to develop, make, have made, use, sell, offer for sale and import Products in the Territory for use in the Field, and (b) Sections 3.4 and 3.5 shall survive.

10.2 Termination by Oxis. Oxis may terminate this Agreement, in its sole discretion, upon thirty (30) days prior written notice to Licensor. This includes and is not limited to the failure of U.S. Patent Application Serial No. 13/256,812 to issue as a U.S. patent, or for Product to fail during clinical development.

10.3 Termination for Cause. Except as otherwise provided in Section 12, Licensor may terminate this Agreement upon or after the breach of any material provision of this Agreement by Oxis if Oxis has not cured such breach within ninety (90) days after receipt of express written notice thereof by Licensor; provided, however, if any default is not capable of being cured within such ninety (90) day period and Oxis is diligently undertaking to cure such default as soon as commercially feasible thereafter under the circumstances, Licensor shall have no right to terminate this Agreement.

10.3.1 Termination by Licensor: Estimated costs associated with DT2219 ARL are estimated to be **[****]** as per the University of Minnesota Clinical Trial Office's 3 year budget, hereby included as Exhibit A. Licensor may terminate this agreement if Oxis does not fund over the next three years all costs associated with the **[****]** subjects (patients) needed to finish the Phase 1-2 trial estimated to be **[****].** Oxis's obligations to Licensor shall be considered to be in compliance once the **[****]** subjects have been treated or if Oxis has paid [****] towards the budget for the Clinical trial, or the Clinical Trial is cancelled.

10.4 : Expiration or termination of this Agreement shall not relieve the parties of any obligation accruing prior to such expiration or termination, and the provisions of Sections 8, 11, 13 shall survive the expiration or termination of this Agreement brought about by a default or non-compliance by Licensor of any portion or provision of this agreement. Upon termination of this agreement, Licensor shall grant a direct license to any sublicense of Oxis hereunder having the same scope as such sublicense and on terms and conditions no less favorable to such sublicensee than the terms and conditions of this Agreement, provided that such sublicensee is not in default of any applicable obligations under this Agreement and agrees in writing to be bound by the terms and conditions of such direct license. However, upon any termination of this agreement brought about by a default or non-compliance of any portion or provision of this agreement by Licensee shall result in the revocation of Oxis's license and any sublicenses for DT2219 ARL (Product).

11. INDEMNIFICATION

11.1 Indemnification. Oxis shall defend, indemnify and hold Licensor harmless from all losses, liabilities, damages and expenses (including attorneys' fees and costs) incurred as a result of any claim, demand, action or proceeding arising out of any breach of this Agreement by Oxis, or the gross negligence or willful misconduct of Oxis in the performance of its obligations under this Agreement, except in each case to the extent arising from the gross negligence or willful misconduct of Licensor or the breach of this Agreement by Licensor.

11.2 Procedure. Licensor promptly shall notify Oxis of any liability or action in respect of which Licensor intends to claim such indemnification, and Oxis shall have the right to assume the defense thereof with counsel selected by Oxis. The indemnity agreement in this Section 11 shall not apply to amounts paid in settlement of any loss, claim, damage, liability or action if such settlement is effected without the consent of Oxis, which consent shall not be withheld unreasonably. The failure to deliver notice to Oxis within a reasonable time after the commencement of any such action, if prejudicial to its ability to defend such action, shall relieve Oxis of any liability to Licensor under this Section 11, but the omission so to deliver notice to Oxis will not relieve it of any liability that it may have to Licensor otherwise than under this Section 11. Licensor under this Section 11, its employees and agents, shall cooperate fully with Oxis and its legal representatives in the investigation and defense of any action, claim or liability covered by this indemnification.

11.3 Insurance. Oxis shall maintain product liability insurance with respect to the research, development, manufacture and sales of Products by Oxis in such amount as Oxis customarily maintains with respect to the research, development, manufacture and sales of its similar products. Oxis shall maintain such insurance for so long as it continues to research, develop, manufacture or sell any Products, and thereafter for so long as Oxis customarily maintains insurance covering the research, development, manufacture or sale of its similar products.

12. FORCE MAJEURE

Neither party shall be held liable or responsible to the other party nor be deemed to have defaulted under or breached this Agreement for failure or delay in fulfilling or performing any term of this Agreement to the extent, and for so long as, such failure or delay is caused by or results from causes beyond the reasonable control of the affected party including but not limited to fire, floods, embargoes, war, acts of war (whether war be declared or not), acts of terrorism, insurrections, riots, civil commotions, strikes, lockouts or other labor disturbances, acts of God or acts, omissions or delays in acting by any governmental authority or the other party.

13. MISCELLANEOUS

13.1 Notices. Any consent, notice or report required or permitted to be given or made under this Agreement by one of the parties hereto to the other party shall be in writing, delivered by any lawful means to such other party at its address indicated below, or to such other address as the addressee shall have last furnished in writing to the addressor and (except as otherwise provided in this Agreement) shall be effective upon receipt by the addressee.

Licensor: Daniel A. Vallera, Ph.D.

_____
_____

Jeffrey Lion

_____
_____

Oxis: Anthony Cataldo
Chairman & CEO
Oxis Biotech, Inc.
1402 North Beverly Drive
Beverly Hills, CA 90210

with a copy to: DLA Piper US
4365 Executive Drive, Suite 1100
San Diego, California 92130
Attention: Lisa A. Haile, Ph.D, Esq.

13.2 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to the conflicts of law principles thereof. All legal fees attributed to completion of any lawsuits brought on be either party will be the responsibility of the loosing party.

13.3 Assignment. Oxis shall not assign its rights or obligations under this Agreement without the prior written consent of Licensor; provided, however, that Oxis may, without such consent, assign this Agreement and its rights and obligations hereunder (a) to any Affiliate, or (b) in connection with the transfer or sale of all or substantially all of its business to which this Agreement relates, or in the event of its merger, consolidation, change in control or similar transaction. Any permitted assignee shall assume all obligations of its assignor under this Agreement.

13.4 Waivers and Amendments. No change, modification, extension, termination or waiver of this Agreement, or any of the provisions herein contained, shall be valid unless made in writing and signed by duly authorized representatives of the parties hereto.

13.5 Entire Agreement. This Agreement embodies the entire agreement between the parties and supersedes any prior representations, understandings and agreements between the parties regarding the subject matter hereof. There are no representations, understandings or agreements, oral or written, between the parties regarding the subject matter hereof that are not fully expressed herein.

13.6 Severability. Any of the provisions of this Agreement which are determined to be invalid or unenforceable in any jurisdiction shall be ineffective to the extent of such invalidity or unenforceability in such jurisdiction, without rendering invalid or unenforceable the remaining provisions hereof and without affecting the validity or enforceability of any of the terms of this Agreement in any other jurisdiction.

13.7 Waiver. The waiver by either party hereto of any right hereunder or the failure to perform or of a breach by the other party shall not be deemed a waiver of any other right hereunder or of any other breach or failure by said other party whether of a similar nature or otherwise.

13.8 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

13.10 Bankruptcy. In the event Company enters into voluntary bankruptcy, involuntary bankruptcy, or such similar proceeding or order that would adversely affect its ability to perform its obligations hereunder, this Agreement shall terminate.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the Effective Date.

For LICENSOR:

By: /s/ Daniel A. Vallera
Name: Daniel A.Vallera, Ph.D.

By: /s/ Jeffrey Lion
Name: Jeffrey Lion

For Oxis Biotech Inc.:

By: /s/ Anthony J. Cataldo
Name: Anthony J. Cataldo
Title: Chairman & Chief Executive Officer

SCHEDULE A

LICENSED PATENT RIGHTS

1. USSN 13/256,812

Masonic Cancer Center, University of Minnesota, Clinical Trials Office

Exhibit "A"

Sponsor Protocol #:	HM2014-26
CPRC#:	2014LS093
TASCS	140244
MT#:	
Protocol Version Date:	4/28/2015
Full title:	DT2219L Immunotoxin for the Treatment of Relapsed or Refractory CD19 (+) and/or CD 22 (+) B-Lineage Leukemia or Lymphoma
Short ID:	*Bachanova/UMCC/DT2219ARL/2014LS093/T 140244*
Funding Source:	LOI to Sponsor
PI:	Veronica Bachanova, M.D.
PM:	Roby Nicklow

		TOTAL 3 year BUDGET	
	No. Subjects	**30**	3 year enrollment period
UMN One time startup/close out			
UMN Study Staff startup/closeout	$	7,696.00	
OMI/OnCore	$	17,820.00	
UMN Regulatory startup/closeout	$	5,000.00	
Subtotal UMN one time startup/closeout	**$**	**30,516.00**	
UMN Annual study expenses			
Principal Investigator efforts	$	91,290.58	7% efforts per year over 2 years, 5% over 1 year see PI efforts tab for
UMN Regulatory annual IND maintenance (Year 1: $3,533.50 plus 5% for subsequent yrs)	$	11,139.36	
UMN Regulatory annual study review (Year 1: $2,073.79 plus 5% for subsequent yrs)	$	6,537.62	
UMN Clinical staff study maintenance (Year 1: $1617 plus 5% for subsequent yrs)	$	5,097.59	
OMI/OnCore Support (Year 1: $5,500 plus 5% for subsequent yrs)	$	17,338.75	
IDS annual renewal (Year 1: $444 plus 5% for subsequent years)	$	1,399.71	
Outside Safety Report processing (Year 1: $30 per report plus 5% for subsequent yrs)	$	4,728.75	estimate 50 per year
UMN Staff with Monitor (Year 1: $732 plus 5% for subsequent yrs)	$	4,615.26	2 visit per year
Subtotal UMN annual study expenses	**$**	**142,147.63**	
Subject costs for 30 subjects (Year 1: $8,964.49 per pts plus 5% for subsequent yrs)	**$**	**287,858.24**	see subject cost details tab
Screen Fail (Year 1: $569 plus 5% for subsequent yrs)	**$**	**5,381.32**	estimate 3 pts per year
SAE reportings (Year 1: $439 per SAE plus 5% for subsequent yrs)	**$**	**41,518.43**	estimate 3 per patient
Total direct clinical study expenses	$	507,421.61	
F&A - 26% TDC	$	131,929.62	
TOTAL clinical study budget costs	**$**	**639,351.23**	

SCHEDULE B

ASSIGNMENT DOCUMENTS

1. Assignment document from University of Minnesota to Licensor granting exclusive ownership to patent family of USSN 13/256,812 to Licensor.

Schedule C

Clinical Services Agreement (To Be Added Upon Execution of the CSA as per 7.1.1)

Text marked [****] has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested for the omitted information.

LICENSE AGREEMENT

THIS LICENSE AGREEMENT (the "Agreement"), effective as of March 10, 2015 (the "Effective Date"), is made by and between Oxis Biotech, Inc., a Delaware corporation, having a place of business at 1407 North Beverly Drive, Beverly Hills, CA 90210 ("OXIS") and MultiCell Immunotherapeutics, Inc., a Delaware corporation, having a place of business at 68 Cumberland Street, Suite 301, Woonsocket, RI 02895 (hereinafter "MCIT").

WHEREAS, MCIT owns technology and patent rights in the field of antibody-drug conjugates;

WHEREAS, OXIS desires to obtain a license under MCIT's rights in the field of antibody-drug conjugates on the terms and conditions set forth below; and,

WHEREAS, MCIT and OXIS have entered into a Research Agreement ("RA"), effective March 10, 2015, to which this License Agreement is an Exhibit.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants herein contained, the parties hereby agree as follows:

1. DEFINITIONS

For purposes of this Agreement, the terms defined in this Section 1 shall have the respective meanings set forth below:

1.1 "Affiliate" shall mean, with respect to any Person, any other Person which directly or indirectly controls, is controlled by, or is under common control with, such Person. A Person shall be regarded as in control of another Person if it owns, or directly or indirectly controls, at least fifty percent (50%) of the voting stock or other ownership interest of the other Person, or if it directly or indirectly possesses the power to direct or cause the direction of the management and policies of the other Person by any means whatsoever.

1.2 "Competent Authority(ies)" shall mean, collectively, (a) the governmental entities in each country or supranational organization that is responsible for the regulation of any Licensed Human Therapeutic Product intended for use in the Exclusive Field or the establishment, maintenance and/or protection of rights related to the Licensed IP Rights (including the FDA, the EMEA and the MHLW), or (b) any other applicable regulatory or administrative agency in any country or supranational organization that is comparable to, or a counterpart of, the foregoing.

1.3 "Deliverables" shall means the **[****]** antibody-drug conjugates delivered by MCIT pursuant to the RA.

1.4 "EMEA" shall mean the European Medicines Agency which is responsible for evaluation of human medicinal products for the European Union, or the successor thereto.

1.5 "Exclusive Field" shall mean the use of Licensed Human Therapeutic Products for *in vivo* treatment of triple negative breast cancer or multiple myeloma/secondary osteoporosis in humans.

1.6 "FDA" shall mean the Food and Drug Administration of the United States, or the successor thereto.

1.7 "MCIT IP Rights" shall mean, collectively, the MCIT Patent Rights and the MCIT Technology Know-How Rights.

1.8 "MCIT Technology Know-How Rights" shall mean all MCIT trade secret and other know-how rights in and to all data, information, compositions and other technology (including, but not limited to, formulae, procedures, protocols, techniques and results of experimentation and testing arising from the Developed Results under the RA, as defined therein) which are necessary or useful for OXIS to make, have made, use, have used, develop, sell, have sold, or seek regulatory approval to market Licensed Human Therapeutic Products, or to practice any method or process, at any time claimed or disclosed in any issued patent or pending patent application within the Licensed Patent Rights or which otherwise relates to the Technology.

Text marked [****] has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested for the omitted information.

1.9 "MCIT Patent Rights" shall mean MCIT's patent application listed in Appendix A hereto including all issues, reissues, renewals, extensions, continuations, continuations-in-part, divisions and foreign counterparts.

1.10 "Licensed Human Therapeutic Product" shall mean a Licensed Product that is synthesized for and intended for *in vivo* therapeutic use in humans.

1.11 "Licensed Product" shall mean an antibody-drug conjugate therapeutic product containing [****] that if made, used, sold, offered for sale or imported by OXIS or its Affiliate absent the license granted hereunder would infringe a Valid Claim of the Licensed Patent Rights, or otherwise use or incorporate the Licensed Technology Know-How Rights. For convenience, the chemical structures and alternative names for **[****]** as shown in Appendix 2 attached hereto.

1.12 "Licensed Research Product" shall mean a Licensed Product that is synthesized for and intended for research use only in preclinical studies and IND enabling studies *in* vitro and *in vivo* in mammals, other than humans.

1.13 "NDA" shall mean a New Drug Application, or a Biological License Application ("BLA"), or similar application for marketing approval of a Licensed Human Therapeutic Product submitted to the FDA, or its foreign equivalent.

1.14 "Net Sales" shall mean, with respect to any Licensed Human Therapeutic Product, the gross sales price of such Licensed Human Therapeutic Product invoiced by OXIS or its Affiliate to customers who are not Affiliates (or are Affiliates but are the end users of such Licensed Human Therapeutic Product) less, to the extent actually paid or accrued by OXIS or its Affiliate (as applicable), (a) credits, allowances, discounts and rebates to, and chargebacks from the account of, such customers for nonconforming, damaged, out dated and returned Licensed Human Therapeutic Product; (b) freight and insurance costs incurred by OXIS or its Affiliate (as applicable) in transporting such Licensed Human Therapeutic Product to such customers; (c) cash, quantity and trade discounts, rebates and other price reductions for such Licensed Human Therapeutic Product given to such customers under price reduction programs, provided that all such discounts shall not exceed 3% of gross sales price on an annual basis; (d) sales, use, value-added and other direct taxes incurred on the sale of such Licensed Human Therapeutic Product to such customers; and (e) customs duties, tariffs, surcharges and other governmental charges incurred in exporting or importing such Licensed Human Therapeutic Product to such customers.

1.15 "Net Sublicensing Revenues" shall mean, with respect to any Licensed Human Therapeutic Product, the aggregate cash consideration received by OXIS or its Affiliates in consideration for the sublicense under the Licensed Patent Rights or Licensed Know-How Rights by OXIS or its Affiliates to a Third Party sub-licensee with respect to such Licensed Human Therapeutic Product including royalties received by OXIS or its Affiliates based on sales of such Licensed Human Therapeutic Product by such sub-licensee, but excluding amounts received to reimburse OXIS' or its Affiliates' cost to perform research, development or similar services conducted for such Licensed Human Therapeutic Product after signing the agreement with the Third Party, in reimbursement of patent or other out-of-pocket expenses relating to such Licensed Human Therapeutic Product, or in consideration for the purchase of any debt or securities of OXIS or its Affiliates.

1.16 "Person" shall mean an individual, corporation, partnership, limited liability company (LLC), trust, business trust, association, joint stock company, joint venture, pool, syndicate, sole proprietorship, unincorporated organization, governmental authority or any other form of entity not specifically listed herein.

1.17 "Phase I Clinical Trial" shall mean a human clinical trial that is intended to initially evaluate the safety and/or pharmacological effect of a Licensed Human Therapeutic Product in subjects or that would otherwise satisfy requirements of 21 C.F.R. 312.21(a), or its foreign equivalent.

1.18 "Phase II Clinical Trial" shall mean a human clinical trial in any country that is intended to initially evaluate the effectiveness of a Licensed Human Therapeutic Product for a particular indication or indications in patients with the disease or indication under study or would otherwise satisfy requirements of 21 CFR 312.21(b), or its foreign equivalent.

1.19 "Phase III Clinical Trial" shall mean a human clinical trial in any country, the results of which could be used to establish safety and efficacy of a Licensed Human Therapeutic Product as a basis for an NDA or would otherwise satisfy requirements of 21 CFR 312.21(c), or its foreign equivalent.

1.20 "Registration(s)" shall mean any and all permits, licenses, authorizations, registrations or regulatory approvals including an NDA required or granted by any Competent Authority as a prerequisite to the development, manufacturing, packaging, marketing and selling of any product.

1.21 "Research Field" shall mean the use of Licensed Research Products to conduct pre-clinical and IND enabling studies *in* vitro and *in vivo* in mammals, other than humans, to target and treat triple negative breast cancer or multiple myeloma/secondary osteoporosis.

1.22 "Royalty Term" shall mean, with respect to each Licensed Human Therapeutic Product in each country, the longer of (i) the term for which a Valid Claim remains in effect and would be infringed but for the license granted by this Agreement, by the use, offer for sale, sale or import of such Licensed Human Therapeutic Product in such country; or (ii) the term during which Licensed Human Therapeutic Products made with, using or incorporating the Licensed Technology Know-How Rights are offered for sale, sold or imported in such country.

1.23 "Successful Completion" means with respect to a specified human clinical trial the achievement as determined by the sponsor of such trial of the primary clinical endpoint identified in the protocol for such trial.

1.24 "Territory" shall mean worldwide.

1.25 "Third Party" shall mean any Person other than MCIT, OXIS and their respective Affiliates

1.26 "Valid Claim" shall mean a claim of an issued and unexpired patent included within the Licensed Patent Rights, which has not been held permanently revoked, unenforceable or invalid by a decision of a court or other governmental agency of competent jurisdiction, unappealable or unappealed within the time allowed for appeal, and which has not been admitted to be invalid or unenforceable through reissue or disclaimer or otherwise.

2. Representations and Warranties

2.1 Each party hereby represents and warrants to the other party as follows:

2.1.1 Such party is a corporation duly organized, validly existing and in good standing under the laws of the state in which it is incorporated.

2.1.2 Such party (a) has the corporate power and authority and the legal right to enter into this Agreement and to perform its obligations hereunder, and (b) has taken all necessary corporate action on its part to authorize the execution and delivery of this Agreement and the performance of its obligations hereunder. This Agreement has been duly executed and delivered on behalf of such party, and constitutes a legal, valid, binding obligation, enforceable against such party in accordance with its terms.

2.1.3 All necessary consents, approvals and authorizations of all governmental authorities and other Persons required to be obtained by such party in connection with this Agreement have been obtained.

2.1.4 The execution and delivery of this Agreement and the performance of such party's obligations hereunder (a) do not conflict with or violate any requirement of applicable laws or regulations, and (b) do not conflict with, or constitute a default under, any contractual obligation of it.

2.2 MCIT Representations and Warranties. MCIT hereby represents, warrants and covenants on its and its Affiliates' behalf that:

2.2.1 To its knowledge, (i) the inventors identified in the Licensed Patent Rights represent all the inventors of the Licensor Patent Rights in accordance with United States patent law; and (ii) the inventors have assigned their full right, title and interest in the MCIT Patent Rights to MCIT;

2.2.2 MCIT is the sole owner of the MCIT Patent Rights and the MCIT Technology Know-How Rights;

2.2.3 The execution and delivery of this Agreement and its performance by MCIT will not result in any breach or violation of, or constitute a default under, any agreement, instrument, judgment or order to which MCIT is bound.

2.2.5 There are no invention disclosures, patent applications, or issued patents other than MCIT Patent Rights in which MCIT has an ownership interest which discloses or claims any inventions which are reasonably necessary for the use, manufacture and sale of Licensed Human Therapeutic Products.

2.2.6 To its knowledge, sale, offer for sale or importation of any Licensed Human Therapeutic Product, or the practice of any MCIT Patent Rights or use of any MCIT Technology Know-How does not infringe or misappropriate any Third Party patent or other intellectual property rights, it being acknowledged and agreed by OXIS that neither MCIT nor OXIS has engaged outside patent counsel to conduct a freedom to operate search with respect to any MCIT Patent Rights or any MCIT Technology Know-How.

2.2.7 MCIT has not received any claim in writing from any Third Party contesting the validity, enforceability, licensability, use or ownership of any MCIT Patent Rights or MCIT Technology Know-How.

2.2.8 There are no pending declaratory judgment actions, interferences, oppositions, reissue proceedings or re-examinations involving the MCIT Patent Rights or MCIT Technology Know-How.

2.3 OXIS Representations and Warranties. OXIS hereby represents, warrants and covenants on its and its Affiliates' behalf that:

2.3.1 Neither OXIS nor its Affiliates shall use MCIT Patent Rights or MCIT Technology Know-How other than as expressly set forth herein and neither OXIS nor its Affiliates shall misappropriate MCIT Patent Rights or MCIT Technology Know-How at any time.

2.3.2 OXIS and its Affiliates shall comply with the intellectual property, confidentiality and non-use provisions set forth herein.

2.3.3 OXIS and its Affiliates shall not attempt to reverse engineer MCIT Technology Know-How or any Licensed Products manufactured by or on behalf of MCIT.

2.3.4 The execution and delivery of this Agreement and its performance by OXIS will not result in any breach or violation of, or constitute a default under, any agreement, instrument, judgment or order to which OXIS is bound.

2.4 EXCEPT AS SET FORTH IN SECTION 2.2, MCIT MAKES NO GUARANTEES OR WARRANTIES, EITHER EXPRESS OR IMPLIED, TO OXIS AND SPECIFICALLY EXCLUDES, WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR USE WITH RESPECT TO MCIT PATENT RIGHTS OR MCIT TECHNOLOGY KNOW-HOW AND ANY INFORMATION OR DATA FURNISHED HEREUNDER OR UNDER THE RA, AND NOTHING IN THIS AGREEMENT SHALL BE CONSTRUED AS:

(I) A WARRANTY OR REPRESENTATION THAT ANYTHING MADE, USED, SOLD OR OTHERWISE DISPOSED OF UNDER ANY LICENSE UNDER THIS AGREEMENT IS OR WILL BE FREE FROM INFRINGEMENT OF VALID, ISSUED PATENTS OF THIRD PARTIES;

(II) A REQUIREMENT THAT MCIT SHALL FILE ANY PATENT APPLICATION, SECURE ANY PATENT OR MAINTAIN OR DEFEND ANY PATENT OR PATENT APPLICATION IN FORCE;

(III) GRANTING BY IMPLICATION, ESTOPPEL OR OTHERWISE, ANY LICENSES OR RIGHTS UNDER PATENTS OF MCIT, REGARDLESS OF WHETHER SUCH OTHER PATENTS ARE DOMINANT OF OR SUBORDINATE TO ANY OTHER PATENTS;

(IV) AN OBLIGATION TO BRING OR PROSECUTE ACTIONS OR SUITS AGAINST THIRD PARTIES FOR INFRINGEMENT; OR

(V) CONFERRING A RIGHT TO USE IN ADVERTISING, PUBLICITY, OR OTHERWISE ANY TRADEMARK OR TRADENAME OF MCIT.

2.5 MCIT MAKES NO REPRESENTATION OR WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, AND ASSUMES NO RESPONSIBILITIES WHATSOEVER WITH RESPECT TO MANUFACTURE, USE, SALE, OFFER FOR SALE, IMPORT, TRANSFER, OR OTHER DISPOSITION OF LICENSED PRODUCTS.

2.6 NOTHING HEREIN WILL BE CONSTRUED AS A WARRANTY AND/OR REPRESENTATION AS TO THE SCOPE AND/OR VALIDITY OF ANY CLAIM OF ANY MCIT PATENT RIGHTS OR THAT ANY MCIT PATENT RIGHT IS ENFORCEABLE.

3. License Grant.

3.1 Subject to all terms of this Agreement, MCIT hereby grants OXIS:

(i) a fee-bearing, terminable, indivisible, non-transferable, right and license, with the right to grant sublicenses, to use and consume the Deliverables solely as necessary to conduct studies within the Research Field; and

(ii) a fee-bearing, royalty-bearing, terminable, indivisible, non-transferable, exclusive right and license, with the right to grant sublicenses, to sell Licensed Human Therapeutic Products in the Territory within the Exclusive Field. MCIT shall not assert any MCIT Patent Rights against OXIS or any permitted sublicensee so long as such parties exercise the rights in the preceding sentence as permitted. Nothing contained in this Agreement shall grant OXIS any interest in MCIT Patent Rights or MCIT Technology Know-How or, until exercise of the option under Section 4.4 and payment of all amounts due thereunder, any license to use any of the MCIT Patent Rights or MCIT Technology Know-How.

3.2 OXIS' right to grant sublicenses of license in Section 3.1 above to its Affiliates and to third parties is contingent upon (i) the sublicensee agreeing to abide by all the terms and provisions of this Agreement; (ii) OXIS remains fully liable for the performance of its and its sublicensee's obligations hereunder; and (iii) OXIS notifying MCIT of any grant of a sublicense and providing to MCIT upon MCIT request a copy of any sublicense agreement.

3.3 Subject to all terms of this Agreement, and effective only upon exercise of the Option under Section 4.4 and payment of all amounts due thereunder, MCIT shall additionally grant to OXIS a fee-bearing, royalty-bearing, terminable, indivisible, non-transferable, worldwide right and license, without the right to sublicense, to use the MCIT Patent Rights and MCIT Technology Know-How solely to extent required to make or have made Licensed Human Therapeutic Products for sale and use only in the Exclusive Field in the Territory.

3.4 For a period of one (1) year following the date of this Agreement, MCIT shall provide such technical assistance to OXIS as OXIS reasonably requests regarding the Licensed Products. OXIS shall pay to MCIT its documented reasonable out-of-pocket costs of providing such technical assistance.

Text marked [****] has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested for the omitted information.

3.5 MCIT acknowledges and agrees that OXIS shall own all Registrations for Licensed Human Therapeutic Products for sale in the Exclusive Field in each country in the Territory. Additionally, MCIT acknowledges and agrees that OXIS shall have the right to conduct pre-clinical and clinical development activities for Licensed Human Therapeutic Products in the Territory by using Licensed Research Products incident to such research activities *in* vitro and *in vivo* in mammals (other than humans) as permitted in Section 3.1(i) above. For the avoidance of doubt, OXIS shall have no rights to use any Licensed Research Products to treat humans *in vivo*. MCIT hereby grants to OXIS the right to reference, use, and have full access to all other Registrations and all other regulatory documents that relate to Licensed Human Therapeutic Products, including INDs, BLAs, NDAs and DMFs (whether as an independent document or as part of any NDA, and all chemistry, manufacturing and controls information), and any supplements, amendments or updates to the foregoing (for the purposes of this Section, the "Right of Reference"). OXIS shall have the right to sub-license the Right of Reference to its sub-licensees and Affiliates provided said sub-licensees and Affiliates comply fully with all applicable terms herein. MCIT shall promptly notify OXIS of any written or oral notices received from, or inspections by any Competent Authority relating to any such Registrations, and shall promptly inform OXIS of any responses to such written notices or inspections and the resolution of any issue raised by such Competent Authority. OXIS shall be entitled to attend any and all meetings and participate in telephone calls with the Competent Authorities, including without limitation any meeting preparation, meeting co-ordination and preparation of minutes.

3.6 Notwithstanding anything to the contrary herein, all rights not specifically and expressly granted in the license above to OXIS shall be reserved and remain always with MCIT.

4. Financial Considerations.

4.1 Technology and License Fees.

4.1.1 As consideration, *inter alia*, for the licenses in Section 3.1 herein, OXIS shall pay MCIT a non-refundable technology and license fee of FIVE HUNDRED THOUSAND DOLLARS ($500,000) which shall be due and payable according to the following payment schedule:

(a) **[****]** shall be paid to MCIT immediately upon the Effective Date of this Agreement.

(b) [****] shall be paid to MCIT thirty (30) calendar days after the Effective Date of this Agreement.

(c) [****] shall be paid to MCIT sixty (60) calendar days after the Effective Date of this Agreement.

4.2 Royalties.

4.2.1 Subject to the Royalty Term and the terms and conditions of this Agreement, OXIS shall pay to MCIT royalties, with respect to each Licensed Human Therapeutic Product, equal to (a) THREE PERECENT (3%) of Net Sales of such Licensed Human Therapeutic Product by OXIS and its Affiliates, and (b) [****] of Net Sub-licensing Revenues for such Licensed Human Therapeutic Product.

4.2.2 If a Licensed Human Therapeutic Product and its components are not covered by any Valid Claim but are covered by Licensed Technology Know-How Rights, then OXIS shall pay to MCIT royalties, with respect to each such Licensed Human Therapeutic Product, equal to (a) [****] of Net Sales of such Licensed Human Therapeutic Product by OXIS and its Affiliates, and (b) **[****]** of Net Sub-licensing Revenues for such Licensed Human Therapeutic Product.

4.2.3 Third Party Royalties. If OXIS, its Affiliates or sub-licensees is required to pay royalties to any Third Party in order to exercise its rights hereunder to sell, offer to sale or import any Licensed Human Therapeutic Product, then OXIS shall have the right to credit [****] of such Third Party royalty payments against the royalties owing to MCIT under Section 4.2.1 above with respect to sales of such Licensed Human Therapeutic Product in such country; provided, however, that OXIS shall not reduce the amount of the royalties paid to MCIT under Section 4.2.1 above by reason of this Section 4.2.2, with respect to sales of such Licensed Human Therapeutic Product in such country, to less than **[****]** of Net Sales of such Licensed Human Therapeutic Product in such country.

Text marked [****] has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested for the omitted information.

4.3 OXIS shall pay to MCIT the following milestone payments within THIRTY (30) days following the first achievement of the applicable milestone:

4.3.1 [****]upon dosing of the first patient in a Phase I clinical trial for each Licensed Human Therapeutic Product anywhere in the Territory.

4.3.2 [****] upon dosing of the first patient in a Phase II clinical trial for each Licensed Human Therapeutic Product anywhere in the Territory.

4.3.3 [****] upon dosing of the first patient in a Phase III clinical trial for each Licensed Human Therapeutic Product anywhere in the Territory.

4.3.4 [****] upon filing of an NDA or equivalent for each Licensed Human Therapeutic Product anywhere in the Territory.

4.3.5 [****] upon the first marketing approval by a competent regulatory authority for each Licensed Human Therapeutic Product anywhere in the Territory.

4.4 Manufacturing Rights to Licensed Human Therapeutic Products.

4.4.1 MCIT hereby grants to OXIS the option to obtain a worldwide license to make or have made Licensed Human Therapeutic Products for sale in the Exclusive Field ("Option").

4.4.2 The Option shall expire THREE (3) YEARS from the Effective Date ("Option Period") and must be exercised in full prior to the lapse of the foregoing Option Period.

4.4.3 OXIS may exercise the Option, during the term of this Agreement, by delivering to MCIT, prior to the lapse of the Option Period, (i) a written notice of its election to exercise the Option; and (ii) the sum of [****]. Failure to deliver both (i) and (ii) in the preceding sentence during the term of this Agreement and prior to the lapse of the Option Period shall void the Option.

5. Reports and Payments.

5.1. On or before the last business day of January, April, July, and October of each calendar year of this Agreement, OXIS shall submit to MCIT a written report with respect to the preceding calendar quarter (the "Payment Report") stating:

(i) Net Sales made by OXIS or any Affiliate during such quarter;

(ii) In the case of transfers of Licensed Human Therapeutic Products to an Affiliate by OXIS for sale, rental, or lease of such Licensed Human Therapeutic Products by the Affiliate to third parties, Net Sales by OXIS to the Affiliate and Net Sales by the Affiliate to third parties during such quarter;

(iii) Net Sales by sublicensees during such quarter;

(iv) Amounts accruing to, and received by, OXIS from its sublicensees during such quarter; and,

(v) A calculation under Section 4 of the amounts due to LICENSOR, making reference to the applicable subsection thereof.

5.2. Within thirty (30) days of the submission of each Payment Report, OXIS shall make payments to MCIT of the amounts due for the calendar quarter covered by the Payment Report. All amounts shall be paid in United States Dollars. Payments shall be made by OXIS by bank wire transfer to MCIT's bank. Payment Reports shall be mailed to the following address:

MultiCell Immunotherapeutics, Inc.
68 Cumberland Street, Suite 301
Woonsocket, RI 02895
Attn: Chief Executive Officer

6. Payments.

6.1 Royalties shown to have accrued by each royalty report provided for under Section 5 above shall be due on the date such royalty report is due. Payment of royalties in whole or in part may be made in advance of such due date.

6.2 If at any time legal restrictions prevent the prompt remittance of part or all royalties with respect to any country in the Territory where the Licensed Human Therapeutic Product is sold, OXIS shall have the right, in its sole discretion, to make such payments by depositing the amount thereof in local currency to MCIT's account in a bank or other depository institution in such country. If the royalty rate specified in this Agreement should exceed the permissible rate established in any country, the royalty rate for sales in such country shall be adjusted to the highest legally permissible or government-approved rate.

6.3 OXIS shall be entitled to deduct the amount of any withholding taxes, value-added taxes or other taxes, levies or charges with respect to such amounts, other than United States taxes, payable by OXIS, its Affiliates or sub-licensees, or any taxes required to be withheld by OXIS, its Affiliates or sub-licensees, to the extent OXIS, its Affiliates or sub-licensees pay to the appropriate governmental authority on behalf of [Licensor] such taxes, levies or charges. OXIS shall use reasonable efforts to minimize any such taxes, levies or charges required to be withheld on behalf of Licensor by OXIS, its Affiliates or sub-licensees. OXIS promptly shall deliver to Licensor proof of payment of all such taxes, levies and other charges, together with copies of all communications from or with such governmental authority with respect thereto.

7. Research and Development Obligations.

7.1 OXIS shall conduct such research, development and preclinical and human clinical trials as OXIS determines are necessary or desirable to obtain regulatory approval to manufacture and market such Licensed Human Therapeutic Products as OXIS determines are commercially feasible in the Territory and as otherwise required to commence a Phase I clinical trial for a Licensed Human Therapeutic Product on or before the 3rd anniversary of the Effective Date, and shall use its commercially reasonable efforts to obtain regulatory approval to market, and following approval to commence marketing and market each such Licensed Human Therapeutic Product in such countries in the Territory as OXIS determines are commercially feasible.

7.2 OXIS shall maintain records, in sufficient detail and in good scientific manner, which shall reflect all work done and results achieved in the performance of its research and development regarding the Licensed Human Therapeutic Products.

7.3 No less often than every SIX (6) MONTH anniversary after the Effective Date OXIS shall report in writing to MCIT on progress made toward the objectives set forth above.

7.4 Notwithstanding anything else to the contrary, OXIS shall be required to commence a Phase I clinical trial for a Licensed Human Therapeutic Product anywhere in the Territory on or before the 3rd anniversary of the Effective Date.

8. Patents.

8.1 If OXIS determines that it desires a patent application to be made covering Licensed Human Therapeutic Products, OXIS will appoint qualified counsel after reasonable consultation with MCIT and to whom MCIT has no reasonable objection, and in consultation with patent counsel appointed by MCIT, OXIS will prepare and prosecute such application in MCIT's name and in countries designated by OXIS. OXIS will handle the filing of the patent applications with the appropriate patent offices. OXIS shall promptly provide copies to MCIT of any proposed patent application filing. OXIS shall in good faith take into consideration the advice and suggestions of MCIT and its patent counsel with regard to each such proposed patent application or communication. OXIS will reimburse MCIT for reasonable expenses it has incurred and will pay reasonable expenses incurred in the future in so filing and prosecuting such applications, including attorneys' fees, taxes, annuities, issue fees, working fees, maintenance fees and renewal charges. Each party hereto agrees to cooperate with the other party to execute all lawful papers and instruments, to make all rightful oaths and declarations and to provide consultation and assistance as may be necessary in the preparation, prosecution, maintenance, and reinforcement of all such patent applications and patents. All such patent applications and any letters patent issued thereupon shall be added to MCIT Patent Rights and subject to the licenses herein.

8.2 Each party shall notify the other party of any substantial infringement in the Territory known to such party of any MCIT Patent Rights, and shall provide the other party with the available evidence, if any, of such infringement.

8.3 MCIT shall have the right to exclusively determine the appropriate course of action to enforce MCIT Patent Rights or otherwise abate the infringement thereof, to take (or refrain from taking) appropriate action to enforce MCIT Patent Rights, to defend any declaratory judgments seeking to invalidate or hold the MCIT Patent Rights unenforceable, to control any litigation or other enforcement action and to enter into, or permit, the settlement of any such litigation, declaratory judgments or other enforcement action with respect to MCIT Patent Rights, in each case in MCIT's own name. If MCIT does not, within one hundred twenty (120) days of receipt of notice from OXIS, abate the infringement or file suit to enforce the MCIT Patent Rights against at least one infringing party in the Territory, OXIS shall have the right to take whatever action it deems appropriate to enforce the MCIT Patent Rights; provided, however, that, within thirty (30) days after receipt of notice of OXIS' intent to file such suit, MCIT shall have the right to jointly prosecute such suit and to fund up to one-half (½) the costs of such suit. The party controlling any such enforcement action shall not settle the action or otherwise consent to an adverse judgment in such action that diminishes the rights or interests of the non-controlling party without the prior written consent of the other party. All monies recovered upon the final judgment or settlement of any such suit to enforce the Licensed Patent Rights shall be shared, after reimbursement of each party's legal expenses, on a 50%/50% basis by each party.

8.4 In any suit to enforce and/or defend the MCIT Patent Rights pursuant to this Section 8, the party not in control of such suit shall, at the request and expense of the controlling party, reasonably cooperate and, to the extent possible, have its employees testify when requested and make available relevant records, papers, information, samples, specimens, and the like.

9. Confidentiality.

9.1 During the term of this Agreement, and for a period of five (5) years following the expiration or earlier termination hereof, each party shall maintain in confidence all information of the other party that is disclosed by the other party and identified as, or acknowledged to be, confidential at the time of disclosure (the "Confidential Information"), and shall not use, disclose or grant the use of the Confidential Information except (i) with respect to OXIS, as expressly permitted below; and (ii) with respect to MCIT except on a need-to-know basis to those directors, officers, affiliates, employees, permitted licensees, permitted assignees and agents, consultants, clinical investigators or contractors, to the extent such disclosure is reasonably necessary in connection MCIT's performing its obligations or exercising its rights under this Agreement. To the extent that disclosure is authorized by this Agreement, prior to disclosure, each party hereto shall obtain agreement of any such Person to hold in confidence and not make use of the Confidential Information for any purpose other than those permitted by this Agreement. Each party shall notify the other promptly upon discovery of any unauthorized use or disclosure of the other party's Confidential Information.

Text marked [****] has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested for the omitted information.

9.1.1 Notwithstanding anything else to the contrary herein, any disclosure by OXIS of Confidential Information to any employee, officer or director of OXIS is prohibited unless (i) said individual needs to know the information in order for OXIS to perform its obligations or exercise its rights under this Agreement; and (ii) said individual is bound by written obligations of confidentiality, non-use and intellectual property ownership to OXIS, no less restrictive as the corresponding obligations binding OXIS hereunder and under the RA; and

9.1.2 Notwithstanding anything else to the contrary herein, any disclosure by OXIS of Confidential Information to any Third Party including but not limited to consultants, agents, independent contractors, investors, or business partners is prohibited, except that OXIS is permitted to disclose portions of Confidential Information to employees of the **[****]** who have a need to know the information in order for OXIS to be able to exercise the rights licensed to OXIS under Section 3.1(i) but only provided the minimum information is disclosed as required for such purpose; and (ii) each such recipient is, in each case, bound to OXIS by written obligations of confidentiality, non-use and intellectual property ownership, no less restrictive as the corresponding obligations binding OXIS hereunder and under the RA.

9.2 The confidentiality obligations contained in Section 9.1 above shall not apply to the extent that (a) any receiving party (the "Recipient") is required (i) to disclose information by law, regulation or order of a governmental agency or a court of competent jurisdiction, or (ii) to disclose information to any governmental agency for purposes of obtaining approval to test or market a product, provided in either case that the Recipient shall provide written notice thereof to the other party and sufficient opportunity to object to any such disclosure or to request confidential treatment thereof; or (b) the Recipient can demonstrate that (i) the disclosed information was public knowledge at the time of such disclosure to the Recipient, or thereafter became public knowledge, other than as a result of actions of the Recipient in violation hereof; (ii) the disclosed information was rightfully known by the Recipient (as shown by its written records) prior to the date of disclosure to the Recipient by the other party hereunder; (iii) the disclosed information was disclosed to the Recipient on an unrestricted basis from a source unrelated to any party to this Agreement and not under a duty of confidentiality to the other party; or (iv) the disclosed information was independently developed by the Recipient without use of the Confidential Information disclosed by the other party or breach of this Agreement.

9.3 Disclosure of Terms of this Agreement.

9.3.1 Except as otherwise provided in Section 9.3.2 , MCIT and OXIS shall not disclose any terms or conditions of this Agreement to any Third Party without the prior consent of the other party hereto provided, however, that each party hereto may indicate the existence of this license with the other party and its terms and conditions in any of its filings with U.S. Securities Exchange Commission ("SEC").

9.3.2 Each party may issue a press release stating that they have entered into this Agreement. Said party's press release must be approved by the other party in advance of publication, and such approval will not be unreasonably withheld.

10. Prohibition Against Use of the Other Party's Name.

10.1. Neither party will not use the other party's the name, insignia, symbols, or combination thereof, or the name of employee for any purpose whatsoever without the other party's prior written consent, provided, however, that each party hereto may indicate the existence of this license with the other party in any of its SEC filings.

11. Compliance with Governmental Obligations.

11.1 Notwithstanding any provision in this Agreement, MCIT disclaims any obligation or liability arising under the license provisions of this Agreement if OXIS is charged in a governmental action for not complying with or fails to comply with governmental regulations in the course of taking steps to bring any Licensed Human Therapeutic Product to a point of practical application.

11.2. OXIS shall comply with all governmental requests directed to OXIS or (upon reasonable notice from MCIT) to LICENSOR and provide all information and assistance reasonably necessary to comply with legitimate governmental requests.

11.3 OXIS shall insure that research, development, and marketing under this Agreement complies with all government regulations in force and effect including, but not limited to, Federal, state, and municipal legislation.

12. Indemnification.

12.1 OXIS shall defend, indemnify and hold MCIT and its directors, officers, employees, agents and affiliates harmless from all losses, liabilities, damages and expenses (including attorneys' fees and costs) incurred as a result of any claim, demand, action or proceeding arising out of (i) any breach of the representations, warranties and covenants of OXIS in Section 2.2; (ii) any use of the MCIT Patent Rights and/or MCIT Technology Know-How by OXIS, whether authorized or not; (iii) any manufacture, storage, transportation, sale or use or Licensed Human Therapeutic Products; (iv) the use of any Licensed Research Products *in vivo* in humans; and (v) the negligence or willful misconduct of OXIS in the performance of its obligations under this Agreement.

12.2 MCIT promptly shall notify OXIS of any liability or action in respect of which MCIT intends to claim such indemnification and OXIS shall have the right to assume the defense thereof with counsel selected by OXIS. The indemnity agreement in this Section 12 shall not apply to amounts paid in settlement of any loss, claim, damage, liability or action if such settlement is effected without the consent of OXIS, which consent shall not be withheld unreasonably. The failure to deliver notice to OXIS within a reasonable time after the commencement of any such action, if prejudicial to its ability to defend such action, shall relieve OXIS of any liability to Licensor under this Section 12, but the omission so to deliver notice to OXIS will not relieve it of any liability that it may have to Licensor otherwise than under this Section 12. MCIT under this Section 12, its employees and agents, shall cooperate fully with OXIS and its legal representatives in the investigation and defense of any action, claim or liability covered by this indemnification.

12.3 OXIS shall maintain product liability insurance with respect to the research, development, manufacture and sales of Licensed Human Therapeutic Products by OXIS in such amount as OXIS customarily maintains with respect to the research, development, manufacture and sales of its similar products. OXIS shall maintain such insurance for so long as it continues to research, develop, manufacture or sell any Licensed Human Therapeutic Products, and thereafter for so long as OXIS customarily maintains insurance covering the research, development, manufacture or sale of its similar products.

12.4 NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, EXCEPT FOR OXIS' VIOLATION OF MCIT'S INTELLECTUAL PROPERTY RIGHTS OR EXCEEDING SCOPE OF ANY LICENSE RIGHTS HEREIN, NO PARTY SHALL BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES, WHETHER FORESEEABLE OR NOT, THAT ARE IN ANY WAY RELATED TO THIS AGREEMENT OR THE BREACH THEREOF, ANY TRANSACTIONS RESULTING FROM THIS AGREEMENT, LOSS OF GOODWILL OR PROFITS, LOST BUSINESS HOWEVER CHARACTERIZED AND/OR FROM ANY OTHER CAUSE WHATSOEVER, EVEN THOUGH THE PARTY MAY HAVE BEEN ADVISED OR MAY OTHERWISE KNOW OF THE POSSIBILITY OF SUCH DAMAGES.

13. Force Majeure.

13.1. Neither party shall be held liable or responsible to the other party nor be deemed to have defaulted under or breached this Agreement for failure or delay in fulfilling or performing any term of this Agreement to the extent, and for so long as, such failure or delay is caused by or results from causes beyond the reasonable control of the affected party including but not limited to fire, floods, embargoes, war, acts of war (whether war be declared or not), acts of terrorism, insurrections, riots, civil commotions, strikes, lockouts or other labor disturbances, acts of God or acts, omissions or delays in acting by any governmental authority or the other party.

14. Export Control Laws.

14.1. This Agreement is made subject to any restrictions concerning the export of products or technical information from the United States of America which may be imposed from time to time by the government of the United States of America. Furthermore, each party hereto agrees that it will not export or re-export, directly or indirectly, any technical information acquired from the other under this Agreement or any products using such technical information to any country for which the United States government or any agency thereof at the time of export requires an export license or other governmental approval, without first obtaining the written consent to do so from the Department of Commerce or other agency of the United States government when required by an applicable statute or regulation.

15. Termination.

15.1 Subject to Sections 15.2 and 15.3 below, this Agreement shall expire on the expiration of OXIS' obligation to pay royalties to MCIT under Section 4 above. The licenses granted under Section 3.1, and if the Option is fully exercised as permitted herein, 3.3, shall be effective at all times prior to such expiration.

15.2 OXIS may terminate this Agreement, in its sole discretion, upon THIRTY (30) DAYS prior written notice to MCIT.

15.3. Except as otherwise provided in Section 13, MCIT may terminate this Agreement upon or after the breach of any provision of this Agreement by OXIS if OXIS has not cured such breach within THIRTY (30) DAYS after receipt of express written notice thereof by MCIT.

15.4 Expiration or termination of this Agreement shall not relieve the parties of any obligation accruing prior to such expiration or termination, and the provisions of Sections 8, 9, 10, 11, 12, 14, and 15 and any other provisions which, by their terms, survive termination in order to give effect to their terms, shall survive the expiration or termination of this Agreement.

16. Miscellaneous.

16.1 Any consent, notice or report required or permitted to be given or made under this Agreement by one of the parties hereto to the other party shall be in writing, delivered by any lawful means to such other party's Chief Executive Officer at the address indicated below, or to such other address as one party shall have last furnished in writing to the other party, and (except as otherwise provided in this Agreement) shall be effective upon receipt by the receiving party.

If to: MultiCell Immunotherapeutics, Inc.
68 Cumberland Street, Suite 301
Woonsocket, RI 02895

If to: Oxis Biotech, Inc.
1407 North Beverly Drive
Beverly Hills, CA 90210

16.2 All payments made to MCIT required or permitted under this Agreement shall be made as follows by bank wire transfer:

ACCOUNT NAME: MULTICELL IMMUNOTHERAPEUTICS, INC.
ACCOUNT NUMBER: 229048413977
BANK NAME: BANK OF AMERICA NT & SA
BANK ADDRESS: BANK OF AMERICA FLA
100 MADRID BLVD.
PUNTA GORDA, FL 33950
BANK WIRE TRANSFER ROUTING NUMBER: 026009593

16.3 Neither party shall assign its rights or obligations under this Agreement without the prior written consent of the other party; provided, however, that either party may, without such consent, assign this Agreement and its rights and obligations hereunder (a) to any Affiliate, or (b) in connection with the transfer or sale of all or substantially all of its business to which this Agreement relates, or in the event of its merger, consolidation, change in control or similar transaction. Any permitted assignee shall assume all obligations of its assignor under this Agreement.

16.3 This Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to the conflicts of law principles thereof.

16.4 Any dispute, controversy or claim initiated by either party arising out of, resulting from or relating to this Agreement, or the performance by either party of its obligations under this Agreement (other than (a) any dispute, controversy or claim regarding the validity, enforceability, claim construction or infringement of any patent rights, or defenses to any of the foregoing, or (b) any bona fide third party action or proceeding filed or instituted in an action or proceeding by a Third Party against a party to this Agreement), whether before or after termination of this Agreement, shall be finally resolved by binding arbitration. Whenever a party shall decide to institute arbitration proceedings, it shall give written notice to that effect to the other party. Any such arbitration shall be conducted under the Commercial Arbitration Rules of the American Arbitration Association by a panel of three arbitrators appointed in accordance with such rules. Any such arbitration shall be held in San Francisco, California. The method and manner of discovery in any such arbitration proceeding shall be governed by California Code of Civil Procedure § 1282 et seq. (including without limitation California Code of Civil Procedure § 1283.05). The arbitrators shall have the authority to grant specific performance and to allocate between the parties the costs of arbitration in such equitable manner as they determine. Judgment upon the award so rendered may be entered in any court having jurisdiction or application may be made to such court for judicial acceptance of any award and an order of enforcement, as the case may be. In no event shall a demand for arbitration be made after the date when institution of a legal or equitable proceeding based upon such claim, dispute or other matter in question would be barred by the applicable statute of limitations. Notwithstanding the foregoing, either party shall have the right, without waiving any right or remedy available to such party under this Agreement or otherwise, to seek and obtain from any court of competent jurisdiction any interim or provisional relief that is necessary or desirable to protect the rights or property of such party, pending the selection of the arbitrators hereunder or pending the arbitrators' determination of any dispute, controversy or claim hereunder.

16.5 OXIS will inform MCIT within five (5) business days of any regulatory approval for a Licensed Human Therapeutic Product, and will assist MCIT to apply for applicable extension of exclusivity, whether by patent extension, special protection certificate, data exclusivity, or the like.

16.6 No change, modification, extension, termination or waiver of this Agreement, or any of the provisions herein contained, shall be valid unless made in writing and signed by duly authorized representatives of the parties hereto.

16.7 This Agreement embodies the entire agreement between the parties and supersedes any prior representations, understandings and agreements between the parties regarding the subject matter hereof. There are no representations, understandings or agreements, oral or written, between the parties regarding the subject matter hereof that are not fully expressed herein.

16.8 Any of the provisions of this Agreement which are determined to be invalid or unenforceable in any jurisdiction shall be ineffective to the extent of such invalidity or unenforceability in such jurisdiction, without rendering invalid or unenforceable the remaining provisions hereof and without affecting the validity or enforceability of any of the terms of this Agreement in any other jurisdiction.

16.9 The waiver by either party hereto of any right hereunder or the failure to perform or of a breach by the other party shall not be deemed a waiver of any other right hereunder or of any other breach or failure by said other party whether of a similar nature or otherwise.

16.10 This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS THEREOF, MCIT and OXIS have caused this Agreement to be executed by their duly authorized representatives as of the day and year first written above.

For MultiCell Immunotherapeutics, Inc.:	**For Oxis Biotech, Inc.:**
/s/ W. Gerald Newmin	/s/ Anthony J. Cataldo
W. Gerald Newmin	Anthony J. Cataldo
Chairman & Chief Executive Officer	Chairman & Chief Executive Officer
Title	Title

EXHIBIT 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in this Registration Statement on Form S-1/A of Oxis International, Inc. of our report dated March 30, 2016, relating to our audit of the consolidated financial statements as of and for the years ended December 2015 and 2014, which appears in the Annual Report on Form 10-K of Oxis International, Inc. for the year ended December 31, 2015. Our report included an explanatory paragraph expressing substantial doubt about the ability of Oxis International, Inc. to continue as a going concern.

We also consent to the reference to our Firm under the caption "Experts" in the Prospectus, which is part of this Registration Statement.

/s/Seligson & Giannattasio, LLP
Seligson & Giannattasio, LLP

White Plains, New York
October 28, 2016