GeoVax Labs, Inc.
Form 424B3
May 04, 2016

Prospectus Supplement No. 1 **Filed Pursuant to Rule 424(b)(3)**
To Prospectus dated March 31, 2016 **Registration Statement No. 333-193172**

GEOVAX LABS, INC.

Up to 285,714 Shares of Common Stock

We are supplementing the prospectus dated March 31, 2016 covering the sale of up to 285,714 shares of our common stock, $0.001 par value, that may be sold from time to time by the selling stockholders named in the prospectus, to add certain information contained in our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2016, which was filed with the Securities and Exchange Commission on May 4, 2016.

This prospectus supplement supplements information contained in the prospectus dated March 31, 2016 and should be read in conjunction therewith, including any previous supplements and amendments thereto, which are to be delivered with this prospectus supplement.

This prospectus supplement is not complete without, and may not be delivered or utilized except in connection with, the prospectus dated March 31, 2016, including any previous supplements and amendments thereto.

Investing in our common stock involves certain risks. See “Risk Factors” beginning on page 3 of the prospectus dated March 31, 2016 for a discussion of these risks.

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

The date of this Prospectus Supplement is May 4, 2016.

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Part I -- FINANCIAL INFORMATION

Item 1 Financial Statements

GEOVAX LABS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2016 (unaudited)	December 31, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	$669,482	$1,060,348
Grant funds receivable	-	119,978
Prepaid expenses and other current assets	39,547	56,649
Total current assets	709,029	1,236,975
Property and equipment, net	76,413	83,608
Deposits	11,010	11,010
Total assets	$796,452	$1,331,593
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$102,690	$100,935
Accrued expenses	28,755	4,055
Amounts due to related parties (Note 10)	35,000	22,000
Total current liabilities	166,445	126,990
Commitments (Note 6)		
Stockholders' equity:		
Preferred stock, $.01 par value:		
Authorized shares – 10,000,000 Series B convertible preferred stock, $1,000 stated value; 100 shares issued and outstanding at March 31, 2016 and December 31, 2015	76,095	76,095
Series C convertible preferred stock, $1,000 stated value; 2,868 and 3,000 shares issued and outstanding at March 31, 2016 and December 31, 2015, respectively	940,705	983,941

Common stock, $.001 par value:		
Authorized shares – 150,000,000 Issued and outstanding shares – 37,015,401 and 31,950,813 at March 31, 2016 and December 31, 2015, respectively	37,015	31,951
Additional paid-in capital	33,347,398	32,587,543
Accumulated deficit	(33,771,206)	(32,474,927)
Total stockholders' equity	630,007	1,204,603
Total liabilities and stockholders' equity	$796,452	$1,331,593

See accompanying notes to condensed consolidated financial statements.

GEOVAX LABS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	Three Months Ended March 31,	
	2016	2015
Grant revenue	$47,600	$103,424
Operating expenses:		
Research and development	438,004	403,629
General and administrative	906,505	401,441
Total operating expenses	1,344,509	805,070
Loss from operations	(1,296,909)	(701,646)
Other income:		
Interest income	630	1,192
Net loss	$(1,296,279)	$(700,454)
Basic and diluted:		
Loss per common share	$(0.04)	$(0.02)
Weighted average shares outstanding	34,599,625	31,950,813

See accompanying notes to condensed consolidated financial statements.

GEOVAX LABS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

	Three Months Ended March 31,	
	2016	2015
Cash flows from operating activities:		
Net loss	$(1,296,279)	$(700,454)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	7,195	7,234
Stock-based compensation expense	483,485	16,902
Changes in assets and liabilities:		
Grant funds receivable	119,978	31,386
Prepaid expenses and other current assets	17,102	(3,657)
Accounts payable and accrued expenses	39,455	29,707
Total adjustments	667,215	81,572
Net cash used in operating activities	(629,064)	(618,882)
Cash flows from investing activities:		
Purchase of property and equipment	-	(15,850)
Net cash used in investing activities	-	(15,850)
Cash flows from financing activities:		
Net proceeds from sale of preferred stock	-	2,679,809
Net proceeds from sale of common stock	238,198	-
Net cash provided by financing activities	238,198	2,679,809
Net increase (decrease) in cash and cash equivalents	(390,866)	2,045,077
Cash and cash equivalents at beginning of period	1,060,348	1,101,651
Cash and cash equivalents at end of period	$669,482	$3,146,728

Supplemental disclosure of cash flow information:

During the three months ended March 31, 2016, 132 shares of Series C Convertible Preferred Stock were converted into 1,400,000 shares of common stock (Note 7).

See accompanying notes to condensed consolidated financial statements.

GEOVAX LABS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2016

(unaudited)

1. Description of Business

GeoVax Labs, Inc. ("GeoVax" or the "Company"), is a clinical-stage biotechnology company developing human vaccines using our novel vaccine platform. Our vaccine delivery technology generates virus-like particles (VLPs) that are effective at eliciting safe and effective immune responses. Our current development programs are focused on vaccines against Human Immunodeficiency Virus (HIV), hemorrhagic fever viruses (Ebola, Marburg, and Lassa) and Zika virus, and for use in cancer immunotherapy. We believe our technology and vaccine development expertise is well-suited for a variety of human infectious diseases and we intend to pursue further expansion of our product pipeline. Our HIV vaccine technology was developed in collaboration with Emory University, the National Institutes of Health (NIH), and the Centers for Disease Control and Prevention (CDC) and is exclusively licensed to us. GeoVax is incorporated under the laws of the State of Delaware and our principal offices are located in Smyrna, Georgia (metropolitan Atlanta area).

Our vaccine development activities have been, and continue to be, financially supported by the U.S. government. This support has been both in the form of research grants awarded directly to us, as well as indirect support for preclinical animals studies and for the conduct of our human clinical trials.

We operate in a highly regulated and competitive environment. The manufacturing and marketing of pharmaceutical products require approval from, and are subject to, ongoing oversight by the Food and Drug Administration (FDA) in the United States, by the European Medicines Agency (EMA) in the European Union, and by comparable agencies in other countries. Obtaining approval for a new pharmaceutical product is never certain and may take many years and may involve expenditure of substantial resources. Our goal is to build a profitable company by generating income from products we develop and commercialize, either alone or with one or more potential strategic partners.

GeoVax is incorporated under the laws of the State of Delaware and our principal offices are located in Smyrna, Georgia (metropolitan Atlanta area).

2. Basis of Presentation

The accompanying condensed consolidated financial statements at March 31, 2016 and for the three month periods ended March 31, 2016 and 2015 are unaudited, but include all adjustments, consisting of normal recurring entries, which we believe to be necessary for a fair presentation of the dates and periods presented. Interim results are not necessarily indicative of results for a full year. The financial statements should be read in conjunction with our audited financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2015. We expect our operating results to fluctuate for the foreseeable future; therefore, period-to-period comparisons should not be relied upon as predictive of the results in future periods.

Our financial statements have been prepared assuming that we will continue as a going concern, which contemplates realization of assets and the satisfaction of liabilities in the normal course of business for the twelve-month period following the date of the financial statements. We are devoting substantially all of our present efforts to research and development of our vaccine candidates. We have funded our activities to date from government grants and clinical trial assistance, and from sales of our equity securities. We will continue to require substantial funds to continue these activities.

We believe that our existing cash resources and grant commitments will be sufficient to fund our planned operations through the third quarter of 2016, but due to our history of operating losses and our continuing need for capital to conduct our research and development activities, there is substantial doubt concerning our ability to operate as a going concern beyond that date. We are currently exploring sources of capital through government grants and clinical trial support and through philanthropic foundation support. We may also secure additional funds through sales of our equity securities or the exercise of currently outstanding stock purchase warrants. Management believes that it will be successful in securing the additional capital required to continue the Company’s planned operations, but that its plans do not fully alleviate the substantial doubt about the Company’s ability to operate as a going concern. Additional funding may not be available on favorable terms or at all. If we fail to obtain additional capital when needed, we may be required to delay, scale back, or eliminate some or all of our research and development programs as well as reduce our general and administrative expenses.

3. Significant Accounting Policies and Recent Accounting Pronouncements

We disclosed in Note 2 to our financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2015 those accounting policies that we consider significant in determining our results of operations and financial position. There have been no material changes to, or in the application of, the accounting policies previously identified and described in the Form 10-K.

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In March 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-09, *Improvements to Employee Share-Based Payment Accounting* ("ASU 2016-09"), which amends Accounting Standards Codification Topic 718, Compensation – Stock Compensation. ASU 2016-09 is an attempt to simplify several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. ASU 2016-09 is effective for the Company beginning in 2017 and allows for early adoption. We are currently evaluating the impact of the adoption of ASU 2016-09 on our financial statements.

There have been no other recent accounting pronouncements or changes in accounting pronouncements during the three months ended March 31, 2016, as compared to the recent accounting pronouncements described in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015, which we expect to have a material impact on our financial statements.

4. Basic and Diluted Loss Per Common Share

Basic net loss per share is computed using the weighted-average number of common shares outstanding during the period. Diluted net loss per share is computed using the weighted-average number of common shares and potentially dilutive common share equivalents outstanding during the period. Potentially dilutive common share equivalents consist of convertible preferred stock, stock options and stock purchase warrants. Common share equivalents which potentially could dilute basic earnings per share in the future, and which were excluded from the computation of diluted loss per share, as the effect would be anti-dilutive, totaled approximately 85.2 million and 74.6 million shares at March 31, 2016 and 2015, respectively.

5. Property and Equipment

Property and equipment as shown on the accompanying Condensed Consolidated Balance Sheets is composed of the following as of March 31, 2016 and December 31, 2015:

	March 31, 2016	December 31, 2015
Laboratory equipment	$525,956	$525,956
Leasehold improvements	115,605	115,605
Other furniture, fixtures & equipment	28,685	28,685
Total property and equipment	670,246	670,246

Accumulated depreciation and amortization	(593,833)	(586,638)
Property and equipment, net	$76,413	$83,608

6. Commitments

Lease Agreement

We lease approximately 8,400 square feet of office and laboratory space located in Smyrna, Georgia (metropolitan Atlanta), pursuant to an operating lease which expires on December 31, 2016, with an additional 12-month renewal option. As of March 31, 2016, our future minimum lease payments for the current lease term (not including the renewal period) total $111,782 for the remainder of 2016.

Other Commitments

In the normal course of business, we may enter into various firm purchase commitments related to production and testing of our vaccine material, conduct of our clinical trials, and other research-related activities. As of March 31, 2016, we had approximately $5,000 of unrecorded outstanding purchase commitments to our vendors and subcontractors, all of which we expect will be due in 2016.

7. Stockholders' Equity

Preferred Stock Transactions

During January and February 2016 we issued an aggregate of 1,400,000 shares of our common stock related to conversions of 132 shares our Series C Convertible Preferred Stock. As of March 31, 2016, there are 100 shares of our Series B Convertible Preferred Stock outstanding, and 2,868 shares of our Series C Convertible Preferred Stock outstanding, convertible into 285,714 and 30,460,662 shares of our common stock, respectively.

Common Stock Transactions

In addition to common stock issued pursuant to the conversion of our Series C Convertible Preferred Stock described above, in February 2016 we issued an aggregate of 3,664,588 shares of our common stock related to exercises of stock purchase warrants as described below.

Stock Options

We maintain a stock option plan that provides the Board of Directors broad discretion in creating equity incentives for employees, officers, directors and consultants. The following table presents a summary of stock option transactions during the three months ended March 31, 2016:

	Number of Shares	Weighted Average Exercise Price
Outstanding at December 31, 2015	1,705,500	$ 2.41
Granted	--	--
Exercised	--	--
Forfeited or expired	--	--
Outstanding at March 31, 2016	1,705,500	$ 2.41
Exercisable at March 31, 2016	915,561	$ 4.35

Stock Purchase Warrants

The following table presents a summary of stock purchase warrant transactions during the three months ended March 31, 2016:

	Number of Shares	Weighted Average Exercise Price
Outstanding at December 31, 2015	56,442,157	$ 0.14

Granted	--	--
Exercised	(3,664,588)	0.065
Forfeited or expired	--	--
Outstanding at March 31, 2016	52,777,569	$ 0.14
Exercisable at March 31, 2016	39,775,491	$ 0.15

On February 15, 2016, we entered into an agreement with certain warrant holders (the “Holders”) with respect to amending the terms of our Series E Warrants. Pursuant to the agreement, we agreed to extend the term of the Series E Warrants to August 27, 2016, and we agreed to the payment to each Holder of a warrant exercise fee of $0.02916 per share for each share purchased upon exercise of the Series E Warrants. The Holders agreed to promptly exercise an aggregate of 3,664,588 Series E Warrants, for which we received $238,198 in total net proceeds (after deduction of the warrant exercise fee). We recorded non-cash general and administrative expense of $469,799 associated with the warrant modifications.

Stock-Based Compensation Expense

As described above, during the three month period ended March 31, 2016, we recorded $238,198 of stock-based compensation expense related to warrant modifications. During the three month periods ended March 31, 2016 and 2015, we recorded stock-based compensation expense related to stock options of $13,686 and $16,902, respectively. Stock-based compensation expense related to stock options is recognized on a straight-line basis over the requisite service period for the award and is allocated to research and development expense or general and administrative expense based upon the related employee classification. As of March 31, 2016, there was $81,658 of unrecognized compensation expense related to stock options, which is expected to be recognized over a weighted average period of 2.0 years.

Common Stock Reserved

A summary of our common stock reserved for future issuance is as follows as of March 31, 2016:

Series B Convertible Preferred Stock	285,714
Series C Convertible Preferred Stock	30,460,663
Common Stock Purchase Warrants	52,777,569
Equity Incentive Plans	1,722,529
Total	85,246,475

8. Income Taxes

Because of our historically significant net operating losses, we have not paid income taxes since inception. We maintain deferred tax assets that 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. These deferred tax assets are comprised primarily of net operating loss carryforwards and also include amounts relating to nonqualified stock options and research and development credits. The net deferred tax asset has been fully offset by a valuation allowance because of the uncertainty of our future profitability and our ability to utilize the deferred tax assets. Utilization of operating losses and credits will be subject to substantial annual limitations due to ownership change provisions of Section 382 of the Internal Revenue Code. The annual limitation will result in the expiration of net operating losses and credits before utilization.

9. Government Grants

We record revenue associated with government grants as the related costs and expenses are incurred and such revenue is reported as a separate line item in our statements of operations. Grant revenues recorded during the three months ended March 31, 2016 and 2015 relate to grants from the NIH in support of our HIV vaccine development activities. There is $52,869 in approved grant funds remaining and available for use as of March 31, 2016, which we anticipate recognizing as revenue during the remainder of 2016.

In April 2016, the NIH awarded us a Small Business Innovative Research (SBIR) grant entitled “Enhancing Protective Antibody Responses for a DNA/MVA HIV Vaccine.” The initial grant award was $740,456 for the first year of a two year project period beginning April 15, 2016, with a total budget of $1,398,615.

10. Related Party Transactions

We are obligated to reimburse Emory University (a significant stockholder of the Company) for certain prior and ongoing costs in connection with the filing, prosecution and maintenance of patent applications subject to our technology license agreement from Emory. During the three months ended March 31, 2016 and 2015, we recorded $58,001 and $41,315, respectively, of general and administrative expense associated with these patent cost reimbursements to Emory.

Item 2 Management’s Discussion and Analysis of Financial Condition And Results of Operations

FORWARD LOOKING STATEMENTS

In addition to historical information, the information included in this Form 10-Q contains forward-looking statements. Forward-looking statements involve numerous risks and uncertainties, including but not limited to the risk factors set forth under the heading “Risk Factors” in the Annual Report on Form 10-K for the year ended December 31, 2015, and should not be relied upon as predictions of future events. Certain such forward-looking statements can be identified by the use of forward-looking terminology such as ‘‘believes,’’ ‘‘expects,’’ ‘‘may,’’ ‘‘will,’’ ‘‘should,’’ ‘‘seeks,’’ ‘‘approximately,” ‘‘intends,’’ ‘‘plans,’’ ‘‘pro forma,’’ ‘‘estimates,’’ or ‘‘anticipates’’ or other variations thereof or comparable terminology, or by discussions of strategy, plans or intentions. Such forward-looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise and may be incapable of

being realized. The following factors, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements:

whether we can raise additional capital as and when we need it;
whether we are successful in developing our products;
whether we are able to obtain regulatory approvals in the United States and other countries for sale of our products;
whether we can compete successfully with others in our market; and
whether we are adversely affected in our efforts to raise cash by the volatility and disruption of local and national economic, credit and capital markets and the economy in general.

Readers are cautioned not to place undue reliance on forward-looking statements, which reflect our management's analysis only. We assume no obligation to update forward-looking statements.

Overview

GeoVax is a clinical-stage biotechnology company developing human vaccines using our novel platform technology. Our current development programs are focused on HIV, hemorrhagic fever viruses, Zika virus, and cancer immunotherapy. Our HIV vaccine technology was developed in collaboration with researchers at Emory University, the NIH, and the CDC, and is exclusively licensed to us from Emory University. We also have nonexclusive licenses to certain patents owned by the NIH. Our hemorrhagic fever and Zika vaccines, and our cancer immunotherapy program, are being developed with technology licensed to us from the NIH.

Our most advanced HIV vaccine development efforts are focused on a preventive vaccine to address the clade B subtype of the HIV virus that is most prevalent in the developed world (primarily North America and Western Europe). All of the clinical trials for our preventive HIV vaccine (through Phase 2a) have been conducted by the HIV Vaccine Trials Network (HVTN) with funding from the NIH, and we expect additional clinical trials for this program to be funded by the NIH. We have also begun preclinical studies to develop an HIV vaccine candidate for the clade C subtype of HIV prevalent in the developing world (primarily sub-Saharan Africa and India); this work is currently being supported by NIH grants.

Our hemorrhagic fever vaccine development effort began in 2014 and we are currently conducting preclinical animal studies through a collaboration with the NIH. Our cancer immunotherapy program began in late 2015 and we are currently constructing vaccines to be evaluated and tested through a collaboration with the University of Pittsburgh. Our Zika virus vaccine development effort began in early 2016 and we are currently constructing vaccines to be evaluated and tested through a collaborations with the University of Georgia and with the CDC.

We have neither received regulatory approval for any of our vaccine candidates, nor do we have any commercialization capabilities; therefore, it is possible that we may never successfully derive significant product revenues from any of our existing or future development programs or product candidates.

Critical Accounting Policies and Estimates

This discussion and analysis of our financial condition and results of operations is based on the accompanying unaudited condensed consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. On an ongoing basis, management evaluates its estimates and adjusts the estimates as necessary. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ materially from these estimates under different assumptions or conditions.

Our significant accounting policies are summarized in Note 2 to our financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2015. We believe the following critical accounting policies affect our more significant judgments and estimates used in the preparation of our financial statements:

Revenue Recognition

We recognize revenue in accordance with the Securities and Exchange Commission's (SEC) Staff Accounting Bulletin No. 101, *Revenue Recognition in Financial Statements,* as amended by Staff Accounting Bulletin No. 104, *Revenue Recognition,* ("SAB 104"). SAB 104 provides guidance in applying U.S. generally accepted accounting principles ("GAAP") to revenue recognition issues, and specifically addresses revenue recognition for upfront, nonrefundable fees received in connection with research collaboration agreements. During 2015 and 2014, our revenue consisted of grant funding received from the NIH. Revenue from these arrangements is approximately equal to the costs incurred and is recorded as income as the related costs are incurred.

In May 2014, the FASB issued Accounting Standards Update 2014-09, *Revenue from Contracts with Customers* ("ASU 2014-09"), which creates a new Topic, Accounting Standards Codification Topic 606. The standard is principle-based and provides a five-step model to determine when and how revenue is recognized. The core principle is that an entity should recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 is effective for the Company beginning in 2017 and allows for either full retrospective adoption or modified retrospective adoption. We are currently evaluating the impact of the adoption of ASU 2014-09 on our financial statements.

Stock-Based Compensation

We account for stock-based transactions in which the Company receives services from employees, directors or others in exchange for equity instruments based on the fair value of the award at the grant date. Compensation cost for awards of common stock is estimated based on the price of the underlying common stock on the date of issuance. Compensation cost for stock options or warrants is estimated at the grant date based on each instrument's fair value as calculated by the Black-Scholes option pricing model. We recognize stock-based compensation cost as expense ratably on a straight-line basis over the requisite service period for the award.

Liquidity and Capital Resources

We have funded our activities to date primarily from government grants and clinical trial assistance, and from sales of our equity securities. Due to our significant research and development expenditures, we have not been profitable and have generated operating losses since our inception in 2001. We will continue to require substantial funds to continue these activities. Our primary sources of cash are from sales of our equity securities and from government grant funding. We believe that our existing cash resources, combined with the proceeds from the NIH grants discussed below will be sufficient to fund our planned operations into the third quarter of 2016. We will require additional funds to continue our planned operations beyond that date. We are currently seeking sources of non-dilutive capital through

government grant programs and clinical trial support, and we may also conduct additional offerings of our equity securities. However, additional funding may not be available on favorable terms or at all and if we fail to obtain additional capital when needed, we may be required to delay, scale back, or eliminate some or all of our research and development programs as well as reduce our general and administrative expenses.

At March 31, 2016, we had cash and cash equivalents of $669,482 and working capital of $542,584, as compared to $1,060,348 and $1,109,985, respectively, at December 31, 2015. As of March 31, 2016, we had an accumulated deficit of $33.8 million and we expect for the foreseeable future our operations will result in a net loss on a quarterly and annual basis.

Net cash used in operating activities was $629,064 and $618,882 for the three month periods ended March 31, 2016 and 2015, respectively.

The NIH has funded the costs of conducting all of our human clinical trials (Phase 1 and Phase 2a) to date for our preventive HIV vaccines, with GeoVax incurring certain costs associated with manufacturing the clinical vaccine supplies and other study support. We expect the NIH to fund the cost of another Phase 1 trial (HVTN 114) of our preventive HIV vaccine to begin in mid-2016, which will investigate the effect of adding a “protein boost” component to our vaccine. The HVTN and NIH are continuing to consider future efficacy studies. The plans for large-scale clinical trials may change as researchers continue to gather information from our earlier studies and are influenced by results from other vaccine trials. Trial start dates are dependent on many factors and are likely to change. While efforts are underway to evaluate the protein boost concept, we are also seeking funding to expedite our vaccine (without the additional protein boost) directly into a Phase 2b efficacy trial. There is no assurance we will be successful in securing the funding for advancing directly to a Phase 2b trial.

Our operations have been partially funded by NIH research grants for our HIV program. As of March 31, 2016, there was $52,869 of unused grant funds available for use during the remainder of 2016. In April 2016, the NIH awarded us a Small Business Innovative Research (SBIR) grant entitled “Enhancing Protective Antibody Responses for a DNA/MVA HIV Vaccine.” The initial grant award was $740,456 for the first year of a two year project period beginning April 15, 2016, with a total budget of $1,398,615. We are pursuing additional grants from the federal government for our vaccine development programs but cannot be assured of success.

Net cash used in investing activities was $-0- and $15,850 for the three month periods ended March 31, 2016 and 2015, respectively.

Net cash provided by financing activities was $238,198 and $2,679,809 for the three month periods ended March 31, 2016 and 2015, respectively.

On February 15, 2016, we entered into an agreement with certain warrant holders (the “Holders”) with respect to amending the terms of our Series E Warrants. Pursuant to the agreement, we agreed to extend the term of the Series E

Warrants to August 27, 2016, and we agreed to the payment to each Holder of a warrant exercise fee of $0.02916 per share for each share purchased upon exercise of the Series E Warrants. The Holders agreed to promptly exercise an aggregate of 3,664,588 Series E Warrants, for which we received $238,198 in total net proceeds (after deduction of the warrant exercise fee). The cash provided by financing activities for the three month period ended March 31, 2015 is related to the sale of shares of our Series C. convertible preferred stock.

We have no off-balance sheet arrangements that are likely or reasonably likely to have a material effect on our financial condition or results of operations.

Contractual Obligations

As of March 31, 2016, we had noncancellable lease obligations and other firm purchase obligations totaling approximately $112,000, as compared to approximately $149,000 at December 31, 2015. We have no committed lines of credit and no other committed funding or long-term debt. We have employment agreements with our senior management team, each of which may be terminated with 30 days advance notice. There have been no other material changes to the table presented in our Annual Report on Form 10-K for the year ended December 31, 2015.

Results of Operations

Net Loss

We recorded a net loss of $1,296,279 for the three months ended March 31, 2016, as compared to $700,454 for the three months ended March 31, 2015. Our net losses will typically fluctuate due to the timing of activities and related costs associated with our vaccine research and development activities and our general and administrative costs, as described in more detail below.

Grant Revenue

During the three months ended March 31, 2016, we recorded aggregate grant revenues of $47,600, as compared to $103,424 during the comparable period of 2015. Grant revenues for these periods relate to grants from the NIH in support of our HIV vaccine development activities. We record revenue associated with these grants as the related costs and expenses are incurred. The difference in our grant revenues from period to period is directly related to our expenditures for activities supported by the grants, and can fluctuate significantly based on the timing of the related expenditures.

In September 2007, the NIH awarded us a grant entitled “GM-CSF-Adjuvanted Clade C DNA/MVA and MVA/MVA Vaccines”. The aggregate award (including subsequent amendments) totaled approximately $20.4 million. We recorded grant revenues of $-0- and $60,628 for the three months ended March 31, 2016 and 2015, respectively, related to this grant, and all funding pursuant to this grant has been utilized as of March 31, 2016.

In July 2013, the NIH awarded us a Small Business Innovative Research (SBIR) grant entitled “Enhancing Protective Antibody Responses for a GM-CSF Adjuvanted HIV Vaccine.” The initial grant award was $276,690 for the first year of a two year project period beginning August 1, 2013. In July 2014, the NIH awarded us $289,641 for the second year of the project period. We recorded grant revenues of $-0- and $42,796 for the three months ended March 31, 2016 and 2015, respectively, related to this grant, and all funding pursuant to this grant has been utilized as of March 31, 2016.

In June 2015, the NIH awarded us an SBIR grant entitled “Directed Lineage Immunizations for Eliciting Broadly Neutralizing Antibody.” The initial grant award was $299,585 for the first year of a two year project period beginning

July 1, 2015. We recorded grant revenues of $47,600 and $-0- for the three months ended March 31, 2016 and 2015, respectively, related to this grant, and there is approximately $52,869 in remaining grant funds available as of March 31, 2016.

In April 2016, the NIH awarded us an SBIR grant entitled “Enhancing Protective Antibody Responses for a DNA/MVA HIV Vaccine.” The initial grant award was $740,456 for the first year of a two year project period beginning April 15, 2016, with a total budget of $1,398,615.

Research and Development

During the three months ended March 31, 2016, we recorded $438,004 of research and development expense, as compared to $403,629 during the three months ended March 31, 2015. Research and development expense for these periods includes stock-based compensation expense of $5,893 and $5,316 for the 2016 and 2015 periods, respectively (see discussion under “Stock-Based Compensation Expense” below). Our research and development expenses can fluctuate considerably on a period-to-period basis, depending on our need for vaccine manufacturing by third parties, the timing of expenditures related to our grants from the NIH, the timing of costs associated with clinical trials being funding directly by us, and other factors.

We cannot predict the level of support we may receive from the HVTN, NIH, or other federal agencies (or divisions thereof) for our future clinical trials. We expect that our research and development costs will increase in the future as we progress into the later stage human clinical trials for our HIV vaccines and as we expand our other vaccine development programs.

Our vaccine candidates still require significant, time-consuming and costly research and development, testing and regulatory clearances. Completion of clinical development will take several years or more, but the length of time generally varies substantially according to the type, complexity, novelty and intended use of a product candidate. The NIH has funded the costs of conducting all of our human clinical trials to date for our preventive HIV vaccine, with GeoVax incurring costs associated with manufacturing the clinical vaccine supplies and other study support. We are having discussions with the HVTN and NIH with regard to the conduct of an additional trial of our preventive vaccine, and we expect the NIH will provide support for this trial as well. We intend to seek government and/or third party support for future clinical human trials and for production of our vaccine product for use in clinical trials, but there can be no assurance that we will be successful.

The duration and the cost of future clinical trials may vary significantly over the life of the project as a result of differences arising during development of the human clinical trial protocols, including, among others:

- the number of patients that ultimately participate in the clinical trial;

the duration of patient follow-up that seems appropriate in view of the results;
the number of clinical sites included in the clinical trials; and
the length of time required to enroll suitable patient subjects.

Due to the uncertainty regarding the timing and regulatory approval of clinical trials and pre-clinical studies, our future expenditures are likely to be highly volatile in future periods depending on the outcomes of the trials and studies. From time to time, we will make determinations as to how much funding to direct to these programs in response to their scientific, clinical and regulatory success, anticipated market opportunity and the availability of capital to fund our programs.

In developing our product candidates, we are subject to a number of risks that are inherent in the development of products based on innovative technologies. For example, it is possible that our vaccines may be ineffective or toxic, or will otherwise fail to receive the necessary regulatory clearances, causing us to delay, extend or terminate our product development efforts. Any failure by us to obtain, or any delay in obtaining, regulatory approvals could cause our research and development expenditures to increase which, in turn, could have a material adverse effect on our results of operations and cash flows. Because of the uncertainties of clinical trials, estimating the completion dates or cost to complete our research and development programs is highly speculative and subjective. As a result of these factors, we are unable to accurately estimate the nature, timing and future costs necessary to complete the development of our product candidates. In addition, we are unable to reasonably estimate the period when material net cash inflows could commence from the sale, licensing or commercialization of such product candidates, if ever.

General and Administrative Expense

Our general and administrative expenses were $906,505 during the three months ended March 31, 2016, as compared to $401,441 during the three months ended March 31, 2015. General and administrative costs include officers' salaries, legal and accounting costs, patent costs, amortization expense associated with intangible assets, and other general corporate expenses. General and administrative expense includes stock-based compensation expense of $477,592 and $11,586 for the three months ended March 31, 2016 and 2015, respectively (see discussion under "Stock-Based Compensation Expense" below). Excluding stock-based compensation expense, general and administrative expenses were $428,913 during the three months ended March 31, 2016, as compared to $389,855 during the three months ended March 31, 2015. We expect that our general and administrative costs may increase in the future as we expand our research and development activities.

Stock-Based Compensation Expense

For the three months ended March 31, 2016 and 2015, the components of stock-based compensation expense were as follows:

	Three Months Ended March 31,	
	2016	2015
Stock option expense	$13,686	$16,902
Warrant modification expense	469,799	-
Total stock-based compensation expense	$483,485	$16,902

In general, stock-based compensation expense is allocated to research and development expense or general and administrative expense according to the classification of cash compensation paid to the employee, consultant or director to whom the stock compensation was granted. For the three months ended March 31, 2016 and 2015, stock-based compensation expense was allocated as follows:

	Three Months Ended March 31,	
	2016	2015
General and administrative expense	$477,592	$11,586
Research and development expense	5,893	5,316
Total stock-based compensation expense	$483,485	$16,902

Other Income

Interest income for the three months ended March 31, 2016 and 2015 was $630 and $1,192, respectively. The variances between periods are primarily attributable to cash available for investment and interest rate fluctuations.

Item 3 Quantitative and Qualitative Disclosures About Market Risk

Our exposure to market risk is limited primarily to interest income sensitivity, which is affected by changes in the general level of United States interest rates, particularly because a significant portion of our investments are in institutional money market funds. The primary objective of our investment activities is to preserve principal while at the same time maximizing the income received without significantly increasing risk. Due to the nature of our short-term investments, we believe that we are not subject to any material market risk exposure.

Item 4 Controls and Procedures

Evaluation of disclosure controls and procedures

Disclosure controls and procedures are controls and other procedures that are designed to ensure that the information required to be disclosed in reports filed or submitted under the Securities Exchange Act of 1934, as amended (Exchange Act), is (1) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (2) accumulated and communicated to management, including the Chief Executive Officer and Principal Financial and Accounting Officer, as appropriate to allow timely decisions regarding required disclosure.

Our management has carried out an evaluation, under the supervision and with the participation of our Principal Executive Officer and our Principal Financial and Accounting Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Exchange Act Rules 13a-15 and 15d-15 as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this report, our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

Changes in internal control over financial reporting

There was no change in our internal control over financial reporting that occurred during the three months ended March 31, 2016 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II -- OTHER INFORMATION

Item 1 Legal Proceedings

None.

Item 1A Risk Factors

For information regarding factors that could affect the our results of operations, financial condition or liquidity, see the risk factors discussed under "Risk Factors" in Item 1A of our most recent Annual Report on Form 10-K. See also "Forward-Looking Statements," included in Item 2 of this Quarterly Report on Form 10-Q. There have been no material changes from the risk factors previously disclosed in our most recent Annual Report on Form 10-K.

Item 2 Unregistered Sales of Equity Securities and Use of Proceeds

None not previously disclosed on Form 8-K.

Item 3 Defaults Upon Senior Securities

None.

Item 4 Mine Safety Disclosures

Not applicable

Item 5 Other Information

During the period covered by this report, there was no information required to be disclosed by us in a Current Report on Form 8-K that was not so reported, nor were there any material changes to the procedures by which our security holders may recommend nominees to our board of directors.

Item 6 Exhibits

The exhibits filed with this report are set forth on the exhibit index following the signature page and are incorporated by reference in their entirety into this item.

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