FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

(Mark One)

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

For the quarterly period ended September 30, 2005

OR

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

For the Transition Period from to

Commission File Number 001-32157

ADVENTRX Pharmaceuticals, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**84-1318182**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

6725 Mesa Ridge Road, Suite 100
San Diego, California 92121
858-552-0866
(Address of principal executive offices, zip code and telephone number, including area code)

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

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12-b-2 of the Exchange Act): Yes o No ☑

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

The number of shares outstanding of the registrant's common stock, $.001 par value, as of November 9, 2005 was 67,142,447.

ADVENTRX PHARMACEUTICALS, INC. AND SUBSIDIARY

FORM 10-Q QUARTERLY REPORT
For the Period Ended September 30, 2005

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PART I — FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

ADVENTRX PHARMACEUTICALS, INC. AND SUBSIDIARY
(A Development Stage Enterprise)
Condensed Consolidated Balance Sheets

	September 30, 2005 (unaudited)	December 31, 2004
Assets		
Current assets:		
Cash and cash equivalents	$ 18,506,914	$ 13,032,263
Accrued interest income	9,365	10,808
Prepaid expenses	537,400	115,144
Short-term investments	7,007,637	
Other current assets	88,755	—
Assets available for sale	—	108,000
Total current assets	26,150,071	13,266,215
Property and equipment, net	348,142	285,304
Other assets	58,386	57,268
Total assets	$ 26,556,599	$ 13,608,787
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 417,309	$ 532,327
Accrued liabilities	1,088,272	628,754
Accrued salary and related taxes	186,804	57,315
Total current liabilities	1,692,385	1,218,396
Long-term liabilities	62,429	—
Total liabilities	1,754,814	1,218,396
Commitments and contingencies	—	—
Shareholders' equity:		
Common stock, $0.001 par value. Authorized 100,000,000 shares; issued 67,146,298 shares in 2005 and 53,834,237 shares in 2004	67,147	53,835
Additional paid-in capital	69,611,168	47,553,497
Accumulated other comprehensive loss	(1,625)	—
Deficit accumulated during the development stage	(44,840,158)	(35,182,194)
Treasury stock, 23,165 shares at cost	(34,747)	(34,747)
Total shareholders' equity	24,801,785	12,390,391
Total liabilities and shareholders' equity	$ 26,556,599	$ 13,608,787

See accompanying notes to unaudited condensed consolidated financial statements.

ADVENTRX PHARMACEUTICALS, INC. AND SUBSIDIARY
(A Development Stage Enterprise)
Condensed Consolidated Statements of Operations
(unaudited)

	Three months ended September 30,		Nine months ended September 30,		Inception (June 12, 1996) through September 30,
	2005	2004	2005	2004	2005
Net sales	$ —	$ —	$ —	$ —	$ 174,830
Cost of goods sold	—	—	—	—	51,094
Gross margin	—	—	—	—	123,736
Grant revenue	—	—	—	—	129,733
Interest income	159,373	28,055	261,292	44,742	463,570
	159,373	28,055	261,292	44,742	717,039
Operating expenses:					
Research and development	1,720,257	983,665	5,661,663	2,053,131	13,135,917
General and administrative	1,887,260	1,155,716	4,161,171	2,315,936	16,594,468
Depreciation and amortization	34,331	12,481	96,422	19,199	10,236,438
Impairment loss — write off of goodwill	—	—	—	—	5,702,130
Interest expense	—	—	—	—	179,090
Equity in loss of investee	—	—	—	—	178,936
Total operating expenses	3,641,848	2,151,862	9,919,256	4,388,266	46,026,979
Loss before cumulative effect of change in accounting principle	(3,482,475)	(2,123,807)	(9,657,964)	(4,343,524)	(45,309,940)
Cumulative effect of change in accounting principle	—	—	—	—	(25,821)
Net loss	(3,482,475)	(2,123,807)	(9,657,964)	(4,343,524)	(45,335,761)
Preferred stock dividends	—	—	—	—	(621,240)
Net loss applicable to common stock	$ (3,482,475)	$ (2,123,807)	$ (9,657,964)	$ (4,343,524)	$ (45,957,001)
Loss per common share - basic and diluted	$ (.06)	$ (.04)	$ (.17)	$ (.09)	
Weighted average number of common shares outstanding - basic and diluted	63,255,407	53,811,072	57,346,039	49,715,980	

See accompanying notes to unaudited condensed consolidated financial statements.

ADVENTRX PHARMACEUTICALS, INC. AND SUBSIDIARY
(A Development Stage Enterprise)
Condensed Consolidated Statements of Shareholders' Equity (Deficit)
Inception (June 12, 1996) through June 30, 2005

	Cumulative convertible preferred stock, series A		Cumulative convertible preferred stock, series B		Cumulative convertible preferred stock, series C		Common stock		Additional paid-in capital	Accumulated other comprehensive loss	Deficit accumulated during the development stage	Treasury Stock, at cost	Total shareholders' equity (deficit)
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount					
Balances at June 12, 1996 (date of incorporation)	—	$ —	—	$ —	—	$ —	—	$ —	$ —	$ —	$ —	$ —	$ —
Sale of common stock without par value	—	—	—	—	—	—	503	5	5	—	—	—	10
Change in par value of common stock	—	—	—	—	—	—	—	(4)	4	—	—	—	—
Issuance of common stock and net liabilities assumed in acquisition	—	—	—	—	—	—	1,716,132	1,716	3,224	—	(18,094)	—	(13,154)
Issuance of common stock	—	—	—	—	—	—	2,010,111	2,010	456	—	(2,466)	—	—
Net loss	—	—	—	—	—	—	—	—	—	—	(259,476)	—	(259,476)
Balances at December 31, 1996	—	—	—	—	—	—	3,726,746	3,727	3,689	—	(280,036)	—	(272,620)
Sale of common stock, net of offering costs of $9,976	—	—	—	—	—	—	1,004,554	1,004	1,789,975	—	—	—	1,790,979
Issuance of common stock in acquisition	—	—	—	—	—	—	375,891	376	887,874	—	—	—	888,250
Minority interest deficiency at acquisition charged to the Company	—	—	—	—	—	—	—	—	—	—	(45,003)	—	(45,003)
Net loss	—	—	—	—	—	—	—	—	—	—	(1,979,400)	—	(1,979,400)
Balances at December 31, 1997	—	—	—	—	—	—	5,107,191	5,107	2,681,538	—	(2,304,439)	—	382,206
Rescission of acquisition	—	—	—	—	—	—	(375,891)	(376)	(887,874)	—	561,166	—	(327,084)
Issuance of common stock at conversion of notes payable	—	—	—	—	—	—	450,264	451	363,549	—	—	—	364,000
Expense related to stock warrants issued	—	—	—	—	—	—	—	—	260,000	—	—	—	260,000
Net loss	—	—	—	—	—	—	—	—	—	—	(1,204,380)	—	(1,204,380)
Balances at December 31, 1998	—	—	—	—	—	—	5,181,564	5,182	2,417,213	—	(2,947,653)	—	(525,258)
Sale of common stock	—	—	—	—	—	—	678,412	678	134,322	—	—	—	135,000
Expense related to stock warrants issued	—	—	—	—	—	—	—	—	212,000	—	—	—	212,000
Net loss	—	—	—	—	—	—	—	—	—	—	(1,055,485)	—	(1,055,485)
Balances at December 31, 1999	—	—	—	—	—	—	5,859,976	5,860	2,763,535	—	(4,003,138)	—	(1,233,743)

	Cumulative convertible preferred stock, series A		Cumulative convertible preferred stock, series B		Cumulative convertible preferred stock, series C		Common stock		Additional paid-in capital	Accumulated other comprehensive loss	Deficit accumulated during the development stage	Treasury Stock, at cost	Total shareholders' equity (deficit)
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount					
Sale of preferred stock, net of offering costs of $76,500	3,200	32	—	—	—	—	—	—	3,123,468	$ —	—	—	3,123,500
Issuance of common stock at conversion of notes and interest payable	—	—	—	—	—	—	412,487	412	492,085	—	—	—	492,497
Issuance of common stock at conversion of notes payable	—	—	—	—	—	—	70,354	70	83,930	—	—	—	84,000
Issuance of common stock to settle obligations	—	—	—	—	—	—	495,111	496	1,201,664	—	—	—	1,202,160
Issuance of common stock for acquisition	—	—	—	—	—	—	6,999,990	7,000	9,325,769	—	—	—	9,332,769
Issuance of warrants for acquisition	—	—	—	—	—	—	—	—	4,767,664	—	—	—	4,767,664
Stock issued for acquisition costs	—	—	—	—	—	—	150,000	150	487,350	—	—	—	487,500
Expense related to stock warrants issued	—	—	—	—	—	—	—	—	140,000	—	—	—	140,000
Dividends payable on preferred stock	—	—	—	—	—	—	—	—	(85,000)	—	—	—	(85,000)
Cashless exercise of warrants	—	—	—	—	—	—	599,066	599	(599)	—	—	—	—
Net loss	—	—	—	—	—	—	—	—	—	—	(3,701,084)	—	(3,701,084)
Balances at December 31, 2000	3,200	32	—	—	—	—	14,586,984	14,587	22,299,866	—	(7,704,222)	—	14,610,263
Dividends payable on preferred stock	—	—	—	—	—	—	—	—	(256,000)	—	—	—	(256,000)
Repurchase of warrants	—	—	—	—	—	—	—	—	(55,279)	—	—	—	(55,279)
Sale of warrants	—	—	—	—	—	—	—	—	47,741	—	—	—	47,741
Cashless exercise of warrants	—	—	—	—	—	—	218,493	219	(219)	—	—	—	—
Issuance of common stock to pay preferred dividends	—	—	—	—	—	—	93,421	93	212,907	—	—	—	213,000
Detachable warrants issued with notes payable	—	—	—	—	—	—	—	—	450,000	—	—	—	450,000
Issuance of warrants to pay operating expenses	—	—	—	—	—	—	—	—	167,138	—	—	—	167,138
Issuance of common stock to pay operating expenses	—	—	—	—	—	—	106,293	106	387,165	—	—	—	387,271
Issuance of preferred stock to pay operating expenses	137	1	—	—	—	—	—	—	136,499	—	—	—	136,500
Net loss	—	—	—	—	—	—	—	—	—	—	(16,339,120)	—	(16,339,120)
Balances at December 31,	3,337	33	—	—	—	—	15,005,191	15,005	23,389,818	—	(24,043,342)	—	(638,486)

ADVENTRX PHARMACEUTICALS, INC. AND SUBSIDIARY
(A Development Stage Enterprise)
Condensed Consolidated Statements of Shareholders' Equity (Deficit)
Inception (June 12, 1996) through June 30, 2005
CONTINUED FROM PREVIOUS PAGE

	Cumulative convertible preferred stock, series A		Cumulative convertible preferred stock, series B		Cumulative convertible preferred stock, series C		Common stock		Additional paid-in capital	Accumulated other comprehensive loss	Deficit accumulated during the development stage	Treasury Stock, at cost	Total shareholders' equity (deficit)
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount					
Dividends payable on preferred stock	—	—	—	—	—	—	—	—	(242,400)	—	—	—	(242,400)
Repurchase of warrants	—	—	—	—	—	—	—	—	—	—	—	—	—
Sale of warrants	—	—	—	—	—	—	240,000	240	117,613	—	—	—	117,853
Cashless exercise of warrants	—	—	—	—	—	—	100,201	100	(100)	—	—	—	—
Exercise of warrants	—	—	—	—	—	—	344,573	345	168,477	—	—	—	168,822
Sale of preferred stock at $1.50	—	—	200,000	2,000	—	—	—	—	298,000	—	—	—	300,000
Sale of preferred stock at $10.00	—	—	—	—	70,109	701	—	—	700,392	—	—	—	701,093
Conversion of preferred stock into common stock	(3,000)	(30)	—	—	—	—	1,800,000	1,800	(1,770)	—	—	—	—
Preferred stock dividends forgiven	—	—	—	—	—	—	—	—	335,440	—	—	—	335,440
Issuance of warrants to pay operating expenses	—	—	—	—	—	—	—	—	163,109	—	—	—	163,109
Issuance of common stock to pay operating expenses	—	—	—	—	—	—	6,292	6	12,263	—	—	—	12,269
Issuance of preferred stock to pay operating expenses	136	1	—	—	—	—	—	—	6,000	—	—	—	6,001
Issuance of stock options to employees	—	—	—	—	—	—	—	—	329,296	—	—	—	329,296
Net loss	—	—	—	—	—	—	—	—	—	—	(2,105,727)	—	(2,105,727)
Balances at December 31, 2002	473	4	200,000	2,000	70,109	701	17,496,257	17,496	25,276,138	—	(26,149,069)	—	(852,730)
Dividends payable on preferred stock	—	—	—	—	—	—	—	—	(37,840)	—	—	—	(37,840)
Conversion of Series C preferred stock into common stock	—	—	—	—	(70,109)	(701)	14,021,860	14,022	(13,321)	—	—	—	—
Issuance of common stock to pay interest on Bridge Notes	—	—	—	—	—	—	165,830	165	53,326	—	—	—	53,491
Sale of common stock at $0.40 per share, net of issuance costs	—	—	—	—	—	—	6,640,737	6,676	2,590,656	—	—	—	2,597,332
Sale of common stock at $1.00	—	—	—	—	—	—	3,701,733	3,668	3,989,181	—	—	—	3,992,849

per share, net of issuance costs													
Exchange of warrants	—	—	—	—	—	—	235,291	235	49,486	—	—	—	49,721
Issuance of common stock to pay operating expenses	—	—	—	—	—	—	230,000	230	206,569	—	—	—	206,799
Issuance of warrants to pay operating expenses	—	—	—	—	—	—	—	—	156,735	—	—	—	156,735
Issuance of stock options to employees	—	—	—	—	—	—	—	—	286,033	—	—	—	286,033
Net loss	—	—	—	—	—	—	—	—	—	—	(2,332,077)	—	(2,332,077)

	Cumulative convertible preferred stock, series A		Cumulative convertible preferred stock, series B		Cumulative convertible preferred stock, series C		Common stock		Additional paid-in capital	Accumulated Other Comprehensive Loss	Deficit accumulated during the development stage	Treasury Stock, at cost	Total shareholders' equity (deficit)
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount					
Balances at December 31, 2003	473	4	200,000	2,000	—	—	42,491,708	42,492	32,556,963	—	(28,481,146)	—	4,120,313
Extinguishment of dividends payable on preferred stock	—	—	—	—	—	—	—	—	72,800	—	—	—	72,800
Conversion of Series A cumulative preferred stock	(473)	(4)	—	—	—	—	236,500	236	(232)	—	—	—	—
Conversion of Series B preferred stock	—	—	(200,000)	(2,000)	—	—	200,000	200	1,800	—	—	—	—
Cashless exercise of warrants							464,573	465	(465)	—	—	—	—
Exercise of warrants	—	—	—	—	—	—	23,832	23	27,330	—	—	—	27,353
Issuance of warrants in settlement of a claim	—	—	—	—	—	—	—	—	86,375	—	—	—	86,375
Sale of common stock at $1.50 per share	—	—	—	—	—	—	10,417,624	10,419	15,616,031	—	—	—	15,626,450
Payment of financing and offering costs	—	—	—	—	—	—	—	—	(1,366,774)	—	—	—	(1,366,774)
Issuance of stock options to employees	—	—	—	—	—	—	—	—	524,922	—	—	—	524,922
Acquisition of treasury stock	—	—	—	—	—	—	—	—	34,747	—	—	(34,747)	—
Net loss	—	—	—	—	—	—	—	—	—	—	(6,701,048)	—	(6,701,048)
Balances at December 31, 2004	—	—	—	—	—	—	53,834,237	53,835	47,553,497	—	(35,182,194)	(34,747)	12,390,391
Comprehensive income:													
Net Loss	—	—	—	—	—	—	—	—	—	—	(9,657,964)	—	(9,657,964)
Effect of change in fair value of available for sale securities	—	—	—	—	—	—	—	—	—	(1,625)	—	—	(1,625)
Total comprehensive loss	—	—	—	—	—	—	—	—	—	—	—	—	(9,659,589)
Sale of common stock at $1.85 per share, net of issuance costs	—	—	—	—	—	—	10,810,809	10,811	17,908,614	—	—	—	17,919,425
Exercise of warrants	—	—	—	—	—	—	2,376,252	2,376	3,060,486	—	—	—	3,062,862
Issuance of stock options to employees	—	—	—	—	—	—	—	—	757,133	—	—	—	757,133
Issuance of stock options to non-employee	—	—	—	—	—	—	—	—	73,063	—	—	—	73,063
Issuance of stock to vendor	—	—	—	—	—	—	125,000	125	258,375	—	—	—	258,500
Balances at September 30, 2005 (unaudited)	—	$ —	—	$ —	—	$ —	67,146,398	$67,147	$69,611,168	$ (1,625)	$(44,840,158)	$(34,747)	$24,801,785

See accompanying notes to unaudited condensed consolidated financial statements.

ADVENTRX PHARMACEUTICALS, INC. AND SUBSIDIARY
(A Development Stage Enterprise)
Condensed Consolidated Statements of Cash Flows
(unaudited)

	Nine months ended September 30,		Inception (June 12, 1996) through September 30,
	2005	2004	2005
Cash flows from operating activities:			
Net loss	$ (9,657,964)	$ (4,343,524)	$ (45,335,761)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	96,422	19,199	9,786,438
Amortization of debt discount	—	—	450,000
Forgiveness of employee receivable	—	—	30,036
Impairment loss — write-off of goodwill	—	—	5,702,130
Expenses paid by warrants	—	86,375	573,357
Expenses paid by preferred stock	—	—	142,501
Expenses related to stock warrants issued	—	—	612,000
Expenses related to employee stock options issued	757,133	412,271	1,897,383
Expense related to stock options issued to non-employee	73,063	—	73,063
Expenses paid by issuance of common stock	82,250	—	1,076,048
Equity in loss of investee	—	—	178,936
Write-off of license agreement	—	—	152,866
Write-off of assets available for sale	108,000	—	108,000
Cumulative effect of change in accounting principle	—	—	25,821
Changes in assets and liabilities , net of effect of acquisitions:			
(Increase) decrease in prepaid and other assets	(334,436)	(257,174)	(941,273)
Increase (decrease) in accounts payable and accrued liabilities	473,989	603,435	1,171,114
Increase (decrease) in other long-term liabilities	62,429		62,429
Increase in sponsored research payable and license obligation	—	—	924,318
Net cash used in operating activities	(8,339,114)	(3,479,418)	(23,310,594)
Cash flows from investing activities:			
Purchase of certificate of deposit	—	—	(1,016,330)
Maturity of certificate of deposit	—	—	1,016,330
Purchases of property and equipment	(159,260)	(289,884)	(587,502)
Purchases of short-term investments	(7,009,262)	—	(7,009,262)
Payment on obligation under license agreement	—	—	(106,250)
Cash acquired in acquisition of subsidiary	—	—	64,233
Issuance of note receivable — related party	—	—	(35,000)
Payments on note receivable	—	—	405,993
Advance to investee	—	—	(90,475)
Cash transferred in rescission of acquisition	—	—	(19,475)
Cash received in rescission of acquisition	—	—	230,000
Net cash used in investing activities	(7,168,522)	(289,884)	(7,147,738)
Cash flows from financing activities:			
Proceeds from sale of preferred stock	—	—	4,200,993
Proceeds from sale of common stock	19,999,997	15,626,450	44,152,593
Proceeds from sale or exercise of warrants	3,062,862	27,353	3,474,452
Repurchase of warrants	—	—	(55,279)
Payment of financing and offering costs	(2,080,572)	(1,354,541)	(3,546,322)
Payments of notes payable and long-term debt	—	—	(605,909)
Proceeds from issuance of notes payable and detachable warrants	—	—	1,344,718
Net cash provided by financing activities	20,982,287	14,299,262	48,965,246
Net increase in cash and cash equivalents	5,474,651	10,529,960	18,506,914
Cash and cash equivalents at beginning of period	13,032,263	4,226,397	—
Cash and cash equivalents at end of period	$ 18,506,914	$ 14,756,357	$ 18,506,914

See accompanying notes to unaudited condensed consolidated financial statements.

ADVENTRX Pharmaceuticals, Inc.

Notes to Condensed Consolidated Financial Statements

1. Description of the Company

ADVENTRX Pharmaceuticals, Inc., a Delaware corporation, (the Company), is a biopharmaceutical research and development company focused on introducing new technologies for anticancer and antiviral treatments that improve the performance and safety of existing drugs by addressing significant problems such as drug metabolism, toxicity, bioavailability and resistance. The Company currently does not manufacture, market, sell or distribute any products. Pursuant to license agreements with University of Southern California National Institutes of Health and SD Pharmaceuticals, Inc. the Company has rights to drug candidates in varying stages of development.

On May 30, 2003, the Company merged its wholly owned subsidiary, Biokeys, Inc., into itself and changed the name of the Company from Biokeys Pharmaceuticals, Inc. to ADVENTRX Pharmaceuticals, Inc. The merger had no effect on the financial statements of the Company.

In July 2004, the Company formed a wholly owned subsidiary, ADVENTRX (Europe) Ltd., in the United Kingdom for the purpose of conducting drug trials in the European Union.

2. Unaudited interim financial statements

In the opinion of management, the accompanying unaudited condensed consolidated financial statements reflect all adjustments, consisting of normal recurring adjustments, necessary to present fairly the financial position of the Company as of September 30, 2005 and its results of operations and cash flows for the three and/or nine months ended September 30, 2005 and 2004 and for the period from inception (June 12, 1996) through September 30, 2005. Information included in the consolidated balance sheet as of December 31, 2004 has been derived from the audited consolidated financial statements of the Company as of December 31, 2004 (the “Audited Financial Statements”) included in the Company’s Annual Report on Form 10-KSB (the “10-KSB”) for the year ended December 31, 2004 that was previously filed with the Securities and Exchange Commission (the “SEC”). Pursuant to the rules and regulations of the SEC, certain information and disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted from these financial statements unless significant changes have taken place since the end of the most recent fiscal year. Accordingly, these unaudited condensed consolidated financial statements should be read in conjunction with the Audited Financial Statements and the other information also included in the 10-KSB.

The results of the Company’s operations for the nine months ended September 30, 2005 are not necessarily indicative of the results of operations for the full year ending December 31, 2005.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities as of the dates of the condensed consolidated balance sheets and reported amount of revenues and expenses for the periods presented. Accordingly, actual results could materially differ from those estimates.

Supplementary Cash Flow Information

Noncash investing and financing transactions excluded from the condensed statements of cash flows for the nine months ended September 30, 2005 and 2004 and for the period from inception (June 12, 1996) through September 30, 2005 are as follows:

	Nine months ended September 30,		Inception (June 12, 1996) through September 30, 2005
	2005	2004	
Issuance of warrants, common stock and preferred stock for:			
Conversion of notes payable and accrued interest	$ —	$ —	$ 1,213,988
Payment of operating expenses	258,500	—	1,482,781
Conversion of preferred stock	—	2,000	2,705
Acquisitions	—	—	14,617,603
Payment of dividends	—	—	213,000
Financial advisor services in conjunction with private placement	—	1,137,456	1,137,456
Settlement of claim	—	—	86,375
Acquisition of treasury stock in settlement of a claim	—	—	34,747
Assumptions of liabilities in acquisitions	—	—	1,009,567
Acquisition of license agreement for long-term debt	—	—	161,180
Cashless exercise of warrants	130	465	3,872
Dividends accrued	—	—	621,040
Trade asset converted to available for sale asset	—	—	108,000
Dividends extinguished	—	72,800	408,240
Trade payable converted to note payable	—	—	83,948
Issuance of warrants for return of common stock	—	—	50,852
Detachable warrants issued with notes payable	—	—	450,000
Unrealized loss on short-term investments	1,625	—	1,625

3. Net Loss Per Common Share

Net loss per common share is calculated according to Statement of Financial Accounting Standards No. 128, Earnings per Share, using the weighted average number of shares of common stock outstanding during the period.

The following potentially dilutive shares were not included in the computation of net loss per common share — diluted, as their effect would have been antidilutive due to the Company's net losses as of September 30, 2005 and 2004:

	September 30, 2005	September 30, 2004
Warrants	19,668,012	11,154,964
Options	2,742,000	3,456,000
Total	22,410,012	14,610,964

4. Stock Compensation Plans

On May 24, 2005, at the Company's annual meeting of stockholders, the Company's stockholders approved the 2005 Equity Incentive Plan (the "2005 Plan") and the 2005 Employee Stock Purchase Plan. The 2005 Plan is intended to encourage ownership of shares of common stock by directors, officers, employees, consultants and advisors of the Company and its affiliates and to provide additional incentive for them to promote the success of the Company's business through the grant of equity-based awards. The 2005 Plan permits the Company to issue options, share appreciation rights, restricted shares, restricted share units, performance awards, annual incentive awards and other share-based awards and cash-based awards. The maximum aggregate number of shares of common stock which may be issued pursuant to or subject to the foregoing types of awards granted under the 2005 Plan currently is 8,000,000. This maximum number is subject to an annual increase beginning on January 1, 2006 equal to the lesser of (i) one percent of the number of outstanding shares of common stock on such day, (ii) 750,000 and (iii) such other amount as the Company's board of directors may specify. The 2005 Plan is intended to comply with applicable securities law requirements, permit performance-based awards that qualify for deductibility under Section 162(m) of the Internal Revenue Code and allow for the issuance of incentive stock options.

The Company applies Statement of Financial Accounting Standards No. 123 (revised) and related interpretations in accounting for employee stock-based compensation.

In July 2005, the Company granted 1,625,000 options to employees under the 2005 Plan under pre-existing option agreements. In addition in July 2005, the Company granted 1,103,000 new options to employees under the 2005 Plan. For purposes of Black-Scholes pricing model the following assumptions were used to estimate a fair value for these option grants: no dividend yield, expected volatility 81% to 90%, risk-free interest rates 3.30% to 4.74% and expected lives of 3 to 5 years. The Company cancelled 100,000 options in the nine months ended September 30, 2005 related to terminated employees.

In July 2005, the Company granted 114,000 options to consultants. These option grants were valued as of September 30, 2005 using the Black-Scholes pricing model with the following assumptions: no dividend yield, expected volatility of 90%, risk-free interest rate 4% and expected life of 3 or 5 years. The Company recognized $73,063 in compensation expense for these options in the three and nine months ended September 30, 2005.

The Company recognized compensation expense of $526,973 and $230,971 in the three months ended September 30, 2005 and 2004, respectively, and $757,132 and $412,271 in the nine months ended September 30, 2005 and 2004, respectively, related to the portion of employee stock options which vested in those periods.

5. Equity Transactions

In the nine months ended September 30, 2005, the Company's warrant holders exercised warrants for an aggregate of 2,376,253 shares of common stock, with proceeds to the Company of $3,062,863.

On April 14, 2005, the Company issued 25,000 shares of common stock as partial payment for services rendered by a consulting firm. Those shares were recognized at fair market value as of the date of obligation and resulted in compensation expense of $23,500 in the first quarter of 2005, when the services were performed.

On July 13, 2005, the Company issued 100,000 shares of common stock pursuant to a consulting agreement entered into in January 2005. Those shares were recognized at fair market value as of the date of issuance and resulted in compensation expense of $58,750 in the third quarter of 2005.

On July 28, 2005 the Company issued 10,810,809 shares in conjunction with a private placement which resulted in net proceeds of $17,919,425. The Company also issued warrants to purchase 10,810,809 shares of common stock with this placement.

6. Commitments and Contingencies

Litigation

In the normal course of business, the Company may become subject to lawsuits and other claims and proceedings. Such matters are subject to uncertainty and outcomes are often not predictable with assurance. Management is not aware of any pending or threatened lawsuit or preceding that would have a material adverse effect on the Company's financial position, results of operations or cash flows. Notwithstanding the foregoing, in March 2005, the Company received a letter from counsel to a former executive in which the former executive claimed that the Company constructively terminated him, discriminated against him on the basis of age and committed various torts against him. No settlement demand was specifically made by the former executive in this letter and the letter otherwise did not state any specific monetary damages that this former executive had purportedly sustained. The Company believes that these claims lack merit. In October 2005, the Company executed a binding settlement memorandum with this former executive to settle this dispute and currently expects to execute a fully-negotiated settlement agreement and release of claims in November 2005. In consideration of this settlement, the Company agreed to pay this former executive $180,000 and the parties agreed to execute a mutual release of claims. This settlement has been accrued for at September 30, 2005 and is included in accrued liabilities.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with the financial statements and related notes contained elsewhere in this report. See "Risk Factors" regarding certain factors known to us that could cause reported financial information not to be necessarily indicative of future results.

Forward Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which include, without limitation, statements about the market for our technology, our strategy, competition, expected financial performance and other aspects of our business identified in this Quarterly Report, as well as other reports that we file from time to time with the Securities and Exchange Commission. Any statements about our business, financial results, financial condition and operations contained in this Quarterly Report that are not statements of historical fact may be deemed to be forward-looking statements. Without limiting the foregoing, the words "believes," "anticipates," "expects," "intends," "projects," or similar expressions are intended to identify forward-looking statements. Our actual results could differ materially from those expressed or implied by these forward-looking statements as a result of various factors, including the risk factors described under the heading "Risk Factors" and elsewhere in this report. We undertake no obligation to update publicly any forward-looking statements for any reason, except as required by law, even as new information becomes available or other events occur in the future.

Overview

We are a biopharmaceutical research and development company focused on introducing new technologies for anticancer and antiviral treatments that improve the performance and safety of existing drugs by addressing significant problems such as drug metabolism, toxicity, bioavailability and resistance. We do not manufacture, market, sell or distribute any product. Pursuant to license agreements with University of Southern California, the National Institutes of Health and SD Pharmaceuticals, Inc., we have rights to drug candidates in varying stages of development. Our current drug candidates are CoFactor, ANX-530, Selone, Thiovir and BlockAide/CR. All of these drug candidates, other than ANX-530, are described in our Annual Report on Form 10-KSB for the fiscal year ended December 31, 2004. ANX-530 is a novel emulsion formulation of vinorelbine tartrate. Vinorelbine is currently used as a monotherapy or in combination with other chemotherapeutic agents for the treatment of non-small-cell lung, breast, ovarian and other cancers. Severe phlebitis, an injection site reaction, is a known complication of standard vinorelbine therapy. In preclinical testing, ANX-530 demonstrated markedly reduced vein irritation following repeated intravenous injections compared with Navelbine, GlaxoSmithKline's form of vinorelbine that the US Food and Drug Administration (the "FDA") has approved for marketing. We currently plan to pursue a 505(b)(2) regulatory path for ANX-530. We have initiated discussions with the FDA for the clinical trial design and are preparing for a pre-Investigational New Drug (IND) meeting with the FDA scheduled for December 2005.

On May 30, 2003, we merged our wholly-owned subsidiary, Biokeys, Inc., into the Company and changed our name from Biokeys Pharmaceuticals, Inc. to ADVENTRX Pharmaceuticals, Inc. The merger had no effect on our financial statements.

In July 2004, we formed a wholly-owned subsidiary, ADVENTRX (Europe) Ltd., in the United Kingdom for the purpose of conducting drug trials in the European Union.

We have incurred net losses since our inception. As of September 30, 2005, our accumulated deficit was approximately $45 million. We expect to incur substantial and increasing losses for the next several years as we continue development and possible commercialization of new products.

To date, we have funded our operations primarily through sales of equity securities.

Our business is subject to significant risks, including risks inherent in our ongoing clinical trials, the regulatory approval processes, the results of our research and development efforts, commercialization, and competition from other pharmaceutical companies.

Critical Accounting Policies

Our discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of the consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities and expenses and the related disclosure of contingent assets and liabilities. We review our estimates on an on-going basis, including those

related to valuation of goodwill, intangibles and other long-lived assets. 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 bases for making judgments about the carrying values of assets and liabilities. Actual results may differ from these estimates under different assumptions or conditions. Our accounting policies are described in more detail in Note 1 to our consolidated financial statements included in our Annual Report on Form 10-KSB. We have identified the following as the most critical accounting policies and estimates used in the preparation of our consolidated financial statements.

Stock Compensation Plans. In December 2004, the FASB issued Statement of Financial Accounting Standards No. 123 (revised 2004), Share-Based Payment (SFAS 123R). We currently recognize our option grants and associated expenses in accordance with SFAS 123R guidance.

Results of Operations

Three Months Ended Septmember 30, 2005

Research and Development Expenses. Total research and development expenses were $1.7 million for the three months ended September 30, 2005 compared to $984,000 for the comparable period in 2004, an increase of $737,000 or 75%. The quarter to quarter increase in research and development expenses was primarily related to an increase of $336,000 in clinical trial expenses for our Phase IIb clinical trials of CoFactor which commenced in May 2005. Other factors include an increase of $185,000 in headcount and personnel costs due to hiring related to expansion of our clinical operations, an increase of $149,000 in pre-clinical costs related to our drug candidates and an increase in consulting fees of $73,000. These increases were partially offset by individually minor items.

We currently expect that our research and development expenses will significantly increase from the level of expenses in the quarter ended September 30, 2005 as we ramp up our Phase III pivotal clinical trial of CoFactor for the treatment of metastatic colorectal cancer in the United States, and continue enrolling patients in our Phase IIb clinical trial of CoFactor for the treatment of metastatic colorectal cancer in Europe. The timing of the increase in expense will be directly related to the launch of the Phase III trial, and the amount of increase will be directly related to the success and speed of patient enrollment in the Phase IIb and Phase III trials.

General and Administrative Expenses. General and administrative expenses were $1.9 million for the three months ended September 30, 2005 compared to $1.2 million for the comparable period in 2004, an increase of $732,000 or 63%. The quarter to quarter increase in general and administrative expenses was due to a $58,000 compensation charge resulting from the issuance of shares of common stock pursuant to a consulting agreement, a one time charge of $204,000 to record the fair value and related expense for employee options granted in July 2005 with retroactive vesting dates, an increase in employee stock option expense of $92,000, a $73,000 expense for options issued to non-employees and a $180,000 accrual for a legal settlement which was executed in October of 2005. The remainder of the fluctuation in general and administrative expenses was caused by individually minor items. We currently expect our general and administrative expenses excluding non-recurring charges to continue at current levels through the fourth quarter as we continue evaluating, testing and documenting our system of internal controls over financial reporting and preparing to comply with Section 404 of the Sarbanes-Oxley Act of 2002.

Interest Income. Interest income for the three months ended September 30, 2005 was $159,000 compared to $28,000 of net interest income for the comparable period in 2004. The increase is attributable to higher invested balances from funds received in July 2005 from our most recent financing and from the exercise of warrants during the quarter and higher interest rate yield on these balances.

Nine Months Ended September 30, 2005

Research and Development Expenses. Total research and development expenses were $5.7 million for the nine months ended September 30, 2005 compared to $2.1 million for the comparable period in 2004, an increase of $3.6 million or 176%. The year over year increase in research and development expenses was primarily related to an increase of $2.6 million of clinical trial expenses for our Phase II and Phase IIb clinical trials of CoFactor, which commenced in May 2005. Other factors include an increase of $419,000 in headcount and personnel costs and an increase of $699,000 in preclinical costs related to our drug candidates . These increases were partially offset by individually minor items.

As stated above, we currently expect that our research and development expenses will significantly increase from the level of expenses in the nine months ended September 30, 2005 as we ramp up our Phase III pivotal clinical trial of CoFactor for the treatment of metastatic colorectal cancer in the United States, and continue enrolling patients in our Phase IIb clinical trial of CoFactor for the treatment of metastatic colorectal cancer in Europe.

General and Administrative Expenses. General and administrative expenses were $4.2 million for the nine months ended September 30, 2005 compared to $2.3 million for the comparable period in 2004, an increase of $1.8 million or 80%. The year over year increase in general and administrative expenses was primarily due to the following increases: $491,000 due to the hiring of additional personnel in the finance and marketing and business development departments, $58,000 due a compensation charge resulting from the issuance of shares of common stock pursuant to a consulting agreement, a one time charge of $204,000 to record the fair value and related expense for employee options granted in July 2005 with retroactive vesting dates, $141,000 in expense for employee options, $73,000 expense for options issued to non-employees, $217,000 in consulting expenses primarily due to SOX compliance efforts and a related systems implementation, $180,000 due to an accrual for a legal settlement which executed in October 2005, $150,000 in rent and facilities costs and $103,000 in legal fees. We expect that our general and administrative expenses will maintain these levels in the fourth quarter as we continue evaluating, testing and documenting of our system of internal controls over financial reporting and preparing to comply with Section 404 of the Sarbanes-Oxley Act of 2002 .

Interest Income. Interest income for the nine months ended September 30, 2005 was $262,000 compared to $45,000 of net interest income for the comparable period in 2004. This increase is primarily due to interest earned on funds received from our latest financing which closed in July 2005 and warrants exercised during this period and higher interest rate yield on these balances.

Liquidity and Capital Resources

As of September 30, 2005, our principal sources of liquidity were our cash and cash equivalents and short-term investments which totaled $25.5 million as compared to $13.0 million as of December 31, 2004. This increase is primarily due to the closing of a financing round in July 2005 which raised $17.9 million net of issuance costs and the exercise of warrants during this period pursuant to which we received $3.1 million. As of September 30, 2005 we held $18.5 million in cash and $7.0 million in short-term investments. As of September 30, 2005, our short-term investments consisted primarily of commercial paper and U.S. Govt Agencies.

Net cash used in operating activities was $8.3 million during the nine months ended September 30, 2005, compared with $3.5 million during the nine months ended September 30, 2004. The increase in net cash used in operating activities was due to increased funding for clinical trials, and our increased operating expenses as we added additional personnel in general and administrative functions to support our expanded research and development activities and business development activities.

Net cash used in investing activities was $7.2 million during the nine months ended September 30, 2005 compared with $290,000 during the nine months ended September 30, 2004. The increase in cash used for investing activities was caused primarily by the purchase of short-term investments with the proceeds of our financing round which closed in July 2005 and from the exercise of warrants during this period.

Net cash provided by financing activities was $21 million during the nine months ended September 30, 2005 compared with net cash provided by financing activities of $14.3 million during the nine months ended September 30, 2004. The cash flows from financing activities for the nine months ended September 30, 2005 were primarily proceeds from our sale of common stock in a private placement financing which closed in July 2005 and proceeds from the exercise of warrants. The cash flows from financing activities for the nine months ended September 30, 2004 were primarily due to the sale of common stock in a private placement financing which occurred in April 2004.

Our future capital uses and requirements depend on numerous forward-looking factors and cannot be budgeted with any reasonable certainty. These factors include but are not limited to the following:

- the timing and results of our clinical trials;
- the progress of our research activities;
- the number and scope of our research programs;
- the progress of our preclinical development activities;
- our ability to establish and maintain strategic collaborations;
- the costs involved in enforcing or defending patent claims and other intellectual property rights;
- the costs and timing of regulatory approvals;

- the costs of establishing or expanding manufacturing, sales and distribution capabilities;
- the success of the commercialization of our products; and
- the extent to which we license, acquire or invest in other products, technologies and businesses.

To date, we have funded our operations primarily through the sale of equity securities. Through September 30, 2005, we had an accumulated deficit of approximately $45 million, with total additional paid-in capital of approximately $70 million. The $70 million of additional paid-in capital is comprised of $48 million in net proceeds from the sale of equity securities, plus non-cash equity issuances for acquisitions of $15 million, plus other non-cash equity transactions for operating expenses of $7 million. As a result of our private placement which closed on July 28, 2005, we believe that our existing cash and cash equivalents as of September 30, 2005 will be sufficient to meet our projected operating requirements through December 31, 2006.

We intend to finance our operations and capital expenditure needs through the sale of additional equity securities, debt financing or strategic collaboration agreements. We cannot be sure that additional financing will be available when needed or that, if available, financing will be obtained on favorable terms. If we raise additional funds by issuing equity securities, substantial dilution to existing stockholders would likely result. If we raise additional funds by incurring debt financing, which is not likely given our lack of operating revenue, the terms of the debt may involve significant cash payment obligations as well as covenants and specific financial ratios that may restrict our ability to operate our business. In addition, we may not be successful in obtaining collaboration agreements, or in receiving milestone or royalty payments under those agreements. Having insufficient funds may require us to delay, scale back or eliminate some or all of our research or development programs or to relinquish greater or all rights to product candidates at an earlier stage of development or on less favorable terms than we would otherwise choose. Failure to obtain adequate financing also may adversely affect our ability to operate as a going concern.

Risk Factors

If any of the following risks actually occur, our business, results of operations and financial condition could suffer significantly.

We have a substantial accumulated deficit.

We had an accumulated deficit of $45 million as of September 30, 2005. Since we presently have no source of revenues and are committed to continuing our product research and development program, significant expenditures and losses will continue until development of new products is completed and such products have been clinically tested, approved by the FDA or other regulatory agencies and successfully marketed. In addition, we fund our operations primarily through the sale of securities, and have had limited working capital for our product development and other activities. We do not believe that debt financing from financial institutions will be available until at least the time that one of our products is approved for commercial production.

We have no current product sales revenues or profits.

We have devoted our resources to developing a new generation of therapeutic drug products, but such products cannot be marketed until clinical testing is completed and governmental approvals have been obtained. Accordingly, there is no current source of revenues, much less profits, to sustain our present activities, and no revenues will likely be available until, and unless, the new products are clinically tested, approved by the FDA or other regulatory agencies and successfully marketed, either by us or a marketing partner, an outcome which we are not able to guarantee.

It is uncertain that we will have access to future capital.

It is not expected that we will generate positive cash flow from operations for at least the next several years. As a result, substantial additional equity or debt financing for research and development or clinical development will be required to fund our activities. Although we have raised such equity financing in April 2004 and July 2005, we cannot be certain that we will be able to continue to obtain such financing on favorable or satisfactory terms, if at all, or that it will be sufficient to meet our cash requirements. Any additional equity financing could result in substantial dilution to stockholders, and debt financing, if available, will most likely involve restrictive covenants that preclude us from making distributions to stockholders and taking other actions beneficial to stockholders. If adequate funds are not available, we may be required to delay or reduce the scope of our drug development program or attempt to continue development by entering into arrangements with collaborative partners or others that may require us to relinquish some or all of our rights to proprietary drugs. The inability to fund our capital requirements would have a material adverse effect on us.

We are not certain that we will be successful in the development of our drug candidates.

The successful development of any new drug is highly uncertain and is subject to a number of significant risks. Our drug candidates, all of which are in a development stage, require significant, time-consuming and costly development, testing and regulatory clearance. This process typically takes several years and can require substantially more time. Risks include, among others, the possibility that a drug candidate will (i) be found to be ineffective or unacceptably toxic, (ii) have unacceptable side effects, (iii) fail to receive necessary regulatory clearances, (iv) not achieve broad market acceptance, (v) be subject to competition from third parties who may market equivalent or superior products, (vi) be affected by third parties holding proprietary rights that will preclude us from marketing a drug product, or (vii) not be able to be immediately manufactured by manufacturers in a timely manner in accordance with required standards of quality. There can be no assurance that the development of our drug candidates will demonstrate the efficacy and safety of our drug candidates as therapeutic drugs, or, even if demonstrated, that there will be sufficient advantages to their use over other drugs or treatments so as to render the drug product commercially viable. In the past, we have been faced with limiting the scope and/or delaying the launch of preclinical and clinical drug trials due to limited cash and personnel resources. We have also chosen to terminate licenses of some drug candidates that were not showing sufficient promise to justify continued expense and development. In the event that we are not successful in developing and commercializing one or more drug candidates, investors are likely to realize a loss of their entire investment.

We have been delayed at certain times in the past in the development of our drug products by limited funding. In addition, if certain of our scientific and technical personnel resigned at or about the same time, the development of our drug products would probably be delayed until new personnel were hired and became familiar with the development programs.

Positive results in preclinical and clinical trials do not ensure that future clinical trials will be successful or that drug candidates will receive any necessary regulatory approvals for the marketing, distribution or sale of such drug candidates.

Success in preclinical and clinical trials does not ensure that large-scale clinical trials will be successful. Clinical results are frequently susceptible to varying interpretations that may delay, limit or prevent regulatory approvals. The length of time necessary to complete clinical trials and to submit an application for marketing approval for a final decision by a regulatory authority varies significantly and may be difficult to predict. In the past, we have terminated licenses of drug candidates when our preclinical trials did not support or verify earlier preclinical data. There is a significant risk that any of our drug candidates could fail to show satisfactory results in continued trials, and would not justify further development.

We will face intense competition from other companies in the pharmaceutical industry.

We are engaged in a segment of the pharmaceutical industry that is highly competitive and rapidly changing. If successfully developed and approved, any of our drug candidates will likely compete with several existing therapies. CoFactor, our leading drug candidate, would likely compete against a well-established product, leucovorin. In addition, there are numerous companies with a focus in oncology and/or anti-viral therapeutics that are pursuing the development of new pharmaceuticals that target the same diseases as are targeted by the drugs being developed by us. We anticipate that we will face intense and increasing competition in the future as new products enter the market and advanced technologies become available. We cannot assure that existing products or new products developed by competitors will not be more effective, or more effectively marketed and sold than those we may market and sell. Competitive products may render our drugs obsolete or noncompetitive prior to our recovery of development and commercialization expenses.

Many of our competitors such as Merck and Pfizer will also have significantly greater financial, technical and human resources and will likely be better equipped to develop, manufacture and market products. In addition, many of these competitors have extensive experience in preclinical testing and clinical trials, obtaining FDA and other regulatory approvals and manufacturing and marketing pharmaceutical products. A number of these competitors also have products that have been approved or are in late-stage development and operate large, well-funded research and development programs. Smaller companies may also prove to be significant competitors, particularly through collaborative arrangements with large pharmaceutical and biotechnology companies. Furthermore, academic institutions, government agencies and other public and private research organizations are becoming increasingly aware of the commercial value of their inventions and are actively seeking to commercialize the technology they have developed. Companies such as Gilead, Roche, GlaxoSmithKline all have drugs in various stages of development that could become competitors. Accordingly, competitors may succeed in commercializing products more rapidly or effectively than us, which would have a material adverse effect on us.

There is no assurance that our products will have market acceptance.

Our success will depend in substantial part on the extent to which a drug product, once approved, achieves market acceptance. The degree of market acceptance will depend upon a number of factors, including (i) the receipt and scope of regulatory approvals, (ii) the establishment and demonstration in the medical community of the safety and efficacy of a drug product, (iii) the product's potential advantages over existing treatment methods and (iv) reimbursement policies of government and third party payors. We cannot predict or guarantee that physicians, patients, healthcare insurers or maintenance organizations, or the medical community in general, will accept or utilize any of our drug products.

The unavailability of health care reimbursement for any of our products will likely adversely impact our ability to effectively market such products and whether health care reimbursement will be available for any of our products is uncertain.

Our ability to commercialize our technology successfully will depend in part on the extent to which reimbursement for the costs of such products and related treatments will be available from government health administration authorities, private health insurers and other third-party payors. Significant uncertainty exists as to the reimbursement status of newly approved medical products. We cannot guarantee that adequate third-party insurance coverage will be available for us to establish and maintain price levels sufficient for realization of an appropriate return on our investments in developing new therapies. If we are successful in getting FDA approval for CoFactor, we will be competing against a generic drug, leucovorin, which has a lower cost and a long, established history of reimbursement. Receiving sufficient reimbursement for purchase costs of CoFactor will be necessary to make it cost effective and competitive versus the established drug, leucovorin. Government, private health insurers, and other third-party payors are increasingly attempting to contain health care costs by limiting both coverage and the level of reimbursement for new therapeutic products approved for marketing by the FDA. Accordingly, even if coverage and reimbursement are provided by government, private health insurers, and third-party payors for use of our products, the market acceptance of these products would be adversely affected if the amount of reimbursement available for the use of our therapies proved to be unprofitable for health care providers.

Uncertainties related to health care reform measures may affect our success.

There have been some federal and state proposals in the past to subject the pricing of health care goods and services, including prescription drugs, to government control and to make other changes to the U.S. health care system. None of the proposals seems to have affected any of the drugs in our programs. However, it is uncertain if future legislative proposals would be adopted that might affect the drugs in our programs or what actions federal, state, or private payors for health care treatment and services may take in response to any such health care reform proposals or legislation. Any such health care reforms could have a material adverse effect on the marketability of any drugs for which we ultimately require FDA approval.

Further testing of our drug candidates will be required and there is no assurance of FDA approval.

The FDA and comparable agencies in foreign countries impose substantial requirements upon the introduction of medical products, through lengthy and detailed laboratory and clinical testing procedures, sampling activities and other costly and time-consuming procedures. Satisfaction of these requirements typically takes several years or more and varies substantially based upon the type, complexity, and novelty of the product.

The effect of government regulation and the need for FDA approval will delay marketing of new products for a considerable period of time, impose costly procedures upon our activities, and provide an advantage to larger companies that compete with us. There can be no assurance that the FDA or other regulatory approval for any products developed by us will be granted on a timely basis or at all. Any such delay in obtaining or failure to obtain, such approvals would materially and adversely affect the marketing of any contemplated products and the ability to earn product revenue. Further, regulation of manufacturing facilities by state, local, and other authorities is subject to change. Any additional regulation could result in limitations or restrictions on our ability to utilize any of our technologies, thereby adversely affecting our operations.

Human pharmaceutical products are subject to rigorous preclinical testing and clinical trials and other approval procedures mandated by the FDA and foreign regulatory authorities. Various federal and foreign statutes and regulations also govern or influence the manufacturing, safety, labeling, storage, record keeping and marketing of pharmaceutical products. The process of obtaining these approvals and the subsequent compliance with appropriate U.S. and foreign statutes and regulations are time-consuming and require the expenditure of substantial resources. In addition, these requirements and processes vary widely from country to country.

Among the uncertainties and risks of the FDA approval process are the following: (i) the possibility that studies and clinical trials will fail to prove the safety and efficacy of the drug, or that any demonstrated efficacy will be so limited as to significantly reduce or altogether eliminate the acceptability of the drug in the marketplace, (ii) the possibility that the costs of development, which can far exceed the best of estimates, may render commercialization of the drug marginally profitable or altogether unprofitable, and (iii) the possibility that the amount of time required for FDA approval of a drug may extend for years beyond that which is originally estimated. In addition, the FDA or similar foreign regulatory authorities may require additional clinical trials, which could result in increased costs and significant development delays. Delays or rejections may also be encountered based upon changes in FDA policy and the establishment of additional regulations during the period of product development and FDA review. Similar delays or rejections may be encountered in other countries.

Our success will depend on licenses and proprietary rights we receive from other parties, and on any patents we may obtain.

Our success will depend in large part on our ability and our licensors' ability to (i) maintain license and patent protection with respect to their drug products, (ii) defend patents and licenses once obtained, (iii) maintain trade secrets, (iv) operate without infringing upon the patents and proprietary rights of others and (iv) obtain appropriate licenses to patents or proprietary rights held by third parties if infringement would otherwise occur, both in the U.S. and in foreign countries. We have obtained licenses to patents and other proprietary rights from University of Southern California, the National Institutes of Health and SD Pharmaceuticals, Inc.

The patent positions of pharmaceutical companies, including ours, are uncertain and involve complex legal and factual questions. There is no guarantee that we or our licensors have or will develop or obtain the rights to products or processes that are patentable, that patents will issue from any of the pending applications or that claims allowed will be sufficient to protect the technology licensed to us. In addition, we cannot be certain that any patents issued to or licensed by us will not be challenged, invalidated, infringed or circumvented, or that the rights granted thereunder will provide competitive disadvantages to us.

Litigation, which could result in substantial cost, may also be necessary to enforce any patents to which we have rights, or to determine the scope, validity and unenforceability of other parties' proprietary rights, which may affect our rights. U.S. patents carry a presumption of validity and generally can be invalidated only through clear and convincing evidence. There can be no assurance that our licensed patents would be held valid by a court or administrative body or that an alleged infringer would be found to be infringing. The mere uncertainty resulting from the institution and continuation of any technology-related litigation or interference proceeding could have a material adverse effect on us pending resolution of the disputed matters.

We may also rely on unpatented trade secrets and know-how to maintain our competitive position, which we seek to protect, in part, by confidentiality agreements with employees, consultants and others. There can be no assurance that these agreements will not be breached or terminated, that we will have adequate remedies for any breach, or that trade secrets will not otherwise become known or be independently discovered by competitors.

Our license agreements can be terminated in the event of a breach.

The license agreements pursuant to which we license our core technologies for our potential drug products permit the licensors, respectively National Institutes of Health, the University of Southern California and SD Pharmaceuticals, Inc., to terminate the agreement under certain circumstances, such as the failure by us to use our reasonable best efforts to commercialize the subject drug or the occurrence of any other uncured material breach by us. The license agreements also provide that the licensor is primarily responsible for obtaining patent protection for the technology licensed, and we are required to reimburse the licensor for the costs it incurs in performing these activities. The license agreements also require the payment of specified royalties. Any inability or failure to observe these terms or pay these costs or royalties could result in the termination of the applicable license agreement in certain cases. In the past, we have let lapse certain licenses for drug candidates when we determined that the expense and risk of continued development outweighed the likely benefits of that continued development. The termination of any license agreement could have a material adverse effect on us.

Protecting our proprietary rights is difficult and costly.

The patent positions of pharmaceutical and biotechnology companies can be highly uncertain and involve complex legal and factual questions. Accordingly, we cannot predict the breadth of claims allowed in these companies' patents or whether we may infringe or be infringing these claims. Although we have not been notified of any patent infringement, nor notified others of patent infringement, such patent disputes are common and could preclude the commercialization of our products. Patent litigation is costly in its own right and could subject us to significant liabilities to third parties. In addition, an adverse decision could force us to either obtain third-party licenses at a material cost or cease using the technology or product in dispute.

We may be unable to retain skilled personnel and executives and maintain key relationships.

The success of our business depends, in large part, on our ability to attract and retain highly qualified management, scientific and other personnel, and on our ability to develop and maintain important relationships with leading research institutions and consultants and advisors. Competition for these types of personnel and relationships is intense from numerous pharmaceutical and biotechnology companies, universities and other research institutions. We are currently dependent upon our scientific staff, which has a deep background in our drug candidates and the ongoing preclinical and clinical trials. Recruiting and retaining senior employees with relevant drug development experience in oncology and anti-viral therapeutics is costly and time-consuming. There can be no assurance that we will be able to attract and retain such individuals on an uninterrupted basis and on commercially acceptable terms, and the failure to do so could have a material adverse effect on us by significantly delaying one or more of our drug development programs. The loss of any of our senior executive officers, including our chief executive officer and chief financial officer, in particular, could have a material adverse effect on the company and the market for our common stock, particularly if such loss was abrupt or unexpected. All of our employees are employed on an at-will basis under offer letters. We do not have non-competition agreements with any of our employees.

We currently have no sales capability, and limited marketing capability.

We currently do not have sales personnel. We have limited marketing and business development personnel. We will have to develop a sales force, or rely on marketing partners or other arrangements with third parties for the marketing, distribution and sale of any drug product which is ready for distribution. There is no guarantee that we will be able to establish marketing, distribution or sales capabilities or make arrangements with third parties to perform those activities on terms satisfactory to us, or that any internal capabilities or third party arrangements will be cost-effective.

In addition, any third parties with which we may establish marketing, distribution or sales arrangements may have significant control over important aspects of the commercialization of a drug product, including market identification, marketing methods, pricing, composition of sales force and promotional activities. There can be no assurance that we will be able to control the amount and timing of resources that any third party may devote to our products or prevent any third party from pursuing alternative technologies or products that could result in the development of products that compete with, or the withdrawal of support for, our products.

We do not have manufacturing capabilities and may not be able to efficiently develop manufacturing capabilities or contract for such services from third parties on commercially acceptable terms.

We do not have any manufacturing capacity. When required, we will seek to establish relationships with third-party manufacturers for the manufacture of clinical trial material and the commercial production of drug products as we have with our current manufacturing partners. There can be no assurance that we will be able to establish relationships with third-party manufacturers on commercially acceptable terms or that third-party manufacturers will be able to manufacture a drug product on a cost-effective basis in commercial quantities under good manufacturing practices mandated by the FDA.

The dependence upon third parties for the manufacture of products may adversely affect future costs and the ability to develop and commercialize a drug product on a timely and competitive basis. Further, there can be no assurance that manufacturing or quality control problems will not arise in connection with the manufacture of our drug products or that third party manufacturers will be able to maintain the necessary governmental licenses and approvals to continue manufacturing such products. Any failure to establish relationships with third parties for our manufacturing requirements on commercially acceptable terms would have a material adverse effect on us.

We are dependent in part on third parties for drug development and research facilities.

We do not possess research and development facilities necessary to conduct all of our drug development activities. We engage consultants and independent contract research organizations to design and conduct clinical trials in connection with the development

of our drugs. As a result, these important aspects of a drug's development will be outside our direct control. In addition, there can be no assurance that such third parties will perform all of their obligations under arrangements with us or will perform those obligations satisfactorily.

In the future, we anticipate that we will need to obtain additional or increased product liability insurance coverage and it is uncertain that such increased or additional insurance coverage can be obtained on commercially reasonable terms.

Our business will expose us to potential product liability risks that are inherent in the testing, manufacturing and marketing of pharmaceutical products. There can be no assurance that product liability claims will not be asserted against us. We intend to obtain additional limited product liability insurance for our clinical trials, directly or through our marketing development partners or contract research organization (CRO) partners, when they begin in the U.S. and to expand our insurance coverage if and when we begin marketing commercial products. However, there can be no assurance that we will be able to obtain product liability insurance on commercially acceptable terms or that we will be able to maintain such insurance at a reasonable cost or in sufficient amounts to protect against potential losses. A successful product liability claim or series of claims brought against us could have a material adverse effect on us.

The market price of our shares, like that of many biotechnology companies, is highly volatile.

Market prices for the our Common Stock and the securities of other medical and biomedical technology companies have been highly volatile and may continue to be highly volatile in the future. Factors such as announcements of technological innovations or new products by us or our competitors, government regulatory action, litigation, patent or proprietary rights developments, and market conditions for medical and high technology stocks in general can have a significant impact on any future market for the Common Stock.

Changes in laws and regulations that affect the governance of public companies has increased our operating expenses and will continue to do so.

Recently enacted changes in the laws and regulations affecting public companies, including the provisions of the Sarbanes-Oxley Act of 2002 and the listing requirements for American Stock Exchange have imposed new duties on us and on our executives, directors, attorneys and independent accountants. In order to comply with these new rules, we have hired and expect to hire additional personnel and use additional outside legal, accounting and advisory services, which have increased and are likely to continue increasing our operating expenses. In particular, we expect to incur additional administrative expenses as we implement Section 404 of the Sarbanes-Oxley Act, which requires management to report on, and our independent registered public accounting firm to attest to, our internal controls. For example, we expect to incur significant expenses in connection with the implementation, documentation and testing of our existing and newly implemented control systems. Management time associated with these compliance efforts necessarily reduces time available for other operating activities, which could adversely affect operating results. If we are unable to achieve full and timely compliance with these regulatory requirements, we could be required to incur additional costs, expend additional money and management time on remedial efforts which could adversely affect our results of operations.

Failure to implement effective control systems, or failure to complete our assessment of the effectiveness of our internal control over financial reporting, may subject us to regulatory sanctions and could result in a loss of public confidence, which could harm our operating results.

Pursuant to Section 404 of the Sarbanes-Oxley Act, beginning with our year ending December 31, 2005, we will be required to include in our annual report our assessment of the effectiveness of our internal control over financial reporting and our audited financial statements as of the end of that fiscal year. Furthermore, our independent registered public accounting firm will be required to attest to whether our assessment of the effectiveness of our internal control over financial reporting is fairly stated in all material

respects and separately report on whether it believes we maintained, in all material respects, effective internal control over financial reporting as of December 31, 2005.

If we fail to remedy these material weaknesses, fail to timely complete our assessment, or if our independent registered public accounting firm cannot timely attest to our assessment, we could be subject to regulatory sanctions and a loss of public confidence in our internal control. In addition, any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm our operating results or cause us to fail to timely meet our regulatory reporting obligations.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The primary objective of our investment activities is to preserve principal while maximizing the income we receive from our investments without significantly increasing the risk of loss. Some of the investable securities permitted under our cash management policy may be subject to market risk for changes in interest rates. To mitigate this risk, we maintain a portfolio of cash equivalent and short-term investments in a variety of securities which may include investment grade commercial paper, money market funds, government debt issued by the United States of America, state debt, certificates of deposit and investment grade corporate debt. Presently, we are exposed to minimal market risks associated with interest rate changes because of the relatively short maturities of our investments and we do not expect interest rate fluctuations to materially affect the aggregate value of our financial instruments. We manage the sensitivity of our results of operations to these risks by maintaining investment grade short-term investments. Our cash management policy does not allow us to purchase or hold derivative or commodity instruments or other financial instruments for trading purposes. Additionally, our policy stipulates that we periodically monitor our investments for adverse material holdings related to the underlying financial solvency of the issuer. As of September 30, 2005, our investments consisted mostly of cash, commercial paper and U.S. government debt. Our results of operations and financial condition would not be significantly impacted by either a 10% increase or decrease in interest rates due mainly to the short-term nature of our investment portfolio. We have not used derivative financial instruments in our investment portfolio. Additionally, we do not invest in foreign currencies or other foreign investments.

Item 4. Controls and Procedures.

Evaluation of disclosure controls and procedures.

Under the supervision of our Chief Executive Officer and our Chief Financial Officer, we evaluated the effectiveness of our disclosure controls and procedures as of September 30, 2005. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that as of September 30, 2005, our disclosure controls and procedures were effective to ensure that management is alerted to material information required to be disclosed by us in the reports we file with the SEC and that such material information is recorded and reported within the time periods specified in the SEC's rules and forms.

As of July 1, 2005 we concluded our implementation of a new accounting system which corrected previously identified limitations that may not have allowed us to ensure that prior period financial information was not changed. In addition, we implemented a formal journal entry review and approval process effective July 1, 2005.

We have engaged a consulting firm to assist us in assessing and structuring our internal controls and procedures for financial reporting in compliance with Section 404 under the Sarbanes-Oxley Act of 2002. Management has also implemented a formal review and documentation process based on current industry best-practices, and will continue to implement this throughout the remainder of the year. While we believe that these efforts will be successful and allow us to fully comply with the Section 404 of the Sarbanes-Oxley Act as of December 31, 2005, we cannot be certain of this. During the course of our compliance effort and related audit, other weaknesses could be identified and we may not have adequate time to remediate such weaknesses prior to December 31, 2005.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

In the normal course of business, we may become subject to lawsuits and other claims and proceedings. Such matters are subject to uncertainty and outcomes are often not predictable with assurance. We are not aware of any pending or threatened lawsuit or proceeding that would have a material adverse effect on our financial position, results of operations or cash flows. Notwithstanding the foregoing, in March 2005, we received a letter from counsel to a former executive in which the former executive claimed that we constructively terminated him, discriminated against him on the basis of age and committed various torts against him. No settlement demand was specifically made by the former executive in this letter and the letter otherwise did not state any specific monetary damages that this former executive has purportedly sustained. We believe that these claims lack merit. In October 2005, the Company executed a binding settlement memorandum with this former executive to settle this dispute and currently expects to execute a fully-negotiated settlement agreement and release of claims in November 2005. In consideration of this settlement, the Company agreed to pay this former executive $180,000 and the parties agreed to execute a mutual release of claims.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

During the three months ended September 30, 2005, we issued 1,189,403 shares of common stock to warrant holders in connection with their exercise of 34 outstanding warrants totaling 1,258,540 shares. We received gross proceeds of $1,721,459 upon exercise of these warrants. In addition, from October 1, 2005 through October 31, 2005, we issued 19,314 shares of common stock to one of our warrant holders in connection with their net exercise of outstanding warrants. We received no gross proceeds upon exercise of these warrants. Pursuant to the terms of an agreement we entered into with Burnham Hill Partners, a division of Pali Capital, Inc., in March 2004, we are obligated to pay a 4% cash commission on each cash exercise of warrants issued in a financing that we consummated in April 2004. In accordance with this obligation, we paid Burnham Hill Partners approximately $49,402 in connection with the exercises of warrants during the three months ended September 30, 2005, and we do not owe Burnham Hill Partners any commissions in connection with the exercises of warrants from October 1, 2005 through October 31, 2005. No other commission or other remuneration was paid or given directly or indirectly in connection with these warrant exercises. The issuances of shares of common stock upon exercise of these warrants were not registered under the Securities Act of 1933 in reliance upon Section 4(2) of such Act.

Item 6. Exhibits.

An Exhibit Index has been attached as part of this quarterly report and is incorporated herein by reference.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: November 14, 2005

ADVENTRX Pharmaceuticals, Inc.

By: /s/ Evan M. Levine

Evan M. Levine
President and Chief Executive Officer (principal executive officer)

Date: November 14, 2005

ADVENTRX Pharmaceuticals, Inc.

By: /s/ Carrie Carlander

Carrie Carlander
Chief Financial Officer, Vice President, Finance Secretary and Treasurer (principal financial officer)

Exhibit Index

Exhibit	Description
10.14	License Agreement, effective April 29, 2005, between the Company and SD Pharmaceuticals, Inc.*
31.1	Rule 13a-14(a)/15d-14(a) Certification
31.2	Rule 13a-14(a)/15d-14(a) Certification
32.1	Section 1350 Certifications

* Confidential treatment has been requested for certain portions of this exhibit.

Exhibit 10.14

Note: Confidential treatment has been requested with respect to certain redacted portions of this agreement that are identified herein by three bracketed asterisks, i.e. [***].

LICENSE AGREEMENT

between

SD PHARMACEUTICALS, Inc.

and

ADVENTRX PHARMACEUTICALS, INC.

for

SDP-012 (vinorelbine)

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CONFIDENTIAL

LICENSE AGREEMENT

This agreement ("Agreement") is made by and between ADVENTRX Pharmaceuticals, Inc., a California corporation having an address at 6725 Mesa Ridge Road, Ste. 100, San Diego, California, 92121 ("ADVENTRX") and SD PHARMACEUTICALS, INC., a California corporation having an address at 7402 Cadencia Street, Carlsbad CA, 92009 ("SD PHARMA").

This Agreement is effective on the date of the last signature ("Effective Date").

RECITALS

WHEREAS, SD PHARMA has submitted a patent application which describes an invention relating to an emulsion composition for delivering highly water-soluble Vinca Alkaloid Drugs (the "Invention") (a copy of said patent application is appended hereto as Exhibit "A");

WHEREAS, ADVENTRX is desirous of obtaining certain rights from SD PHARMA for commercial development, use, and sale of the Invention, and the SD PHARMA is willing to grant such rights;

NOW, THEREFORE, the parties agree:

ARTICLE 1. DEFINITIONS

The terms, as defined herein, shall have the same meanings in both their singular and plural forms.

1.1 "Affiliate" means any corporation or other business entity in which ADVENTRX owns or controls, directly or indirectly, at least fifty percent (50%) of the outstanding stock or other voting rights entitled to elect directors, or in which ADVENTRX is owned or controlled directly or indirectly by at least fifty percent (50%) of the outstanding stock or other voting rights entitled to elect directors; but in any country where the local law does not permit foreign equity participation of at least fifty percent (50%), then an "Affiliate" includes any company in which ADVENTRX owns or controls or is owned or controlled by, directly or indirectly, the maximum percentage of outstanding stock or voting rights permitted by local law.

1.2 "Clinical Trial" shall mean that portion of the clinical development program that provides for the continued trials of a pharmaceutical product on a number of patients to establish either safety, efficacy and/or dose of a pharmaceutical product for the desired indication(s).

1.3 "FDA" shall mean the US Food and Drug Administration and any successor Agency thereof.

1.4 "Field" means development and use of Vinca Alkaloid Drug formulations for the treatment and/or prevention of human disease.

1.5 "Know-How" shall mean any non-public information known to SD PHARMA and related to the Patent Rights or the exercise thereof.

1.6 “Licensed Method” means any method that is covered by Patent Rights, the use of which would constitute, but for the license granted to ADVENTRX under this Agreement, an infringement of any pending or issued and unexpired claim within Patent Rights.

1.7 “Licensed Product” means any Vinca Alkaloid Drug composition or product that is covered by the claims of Patent Rights, or that is produced by the Licensed Method, or the manufacture, use, sale, offer for sale, or importation of which would constitute, but for the license granted to ADVENTRX by SD PHARMA herein, an infringement of any pending or issued and unexpired claim within the Patent Rights, for use in the Field.

1.8 “NDA” shall mean a New Drug Application for a product (or a Biologics License Application in the case of a biologic product), as defined in the U.S. Food, Drug and Cosmetic Act and the regulations promulgated thereunder.

1.9 “Net Sales” means the total of the gross invoice prices of Licensed Products sold by ADVENTRX, its Sublicensees and/or its Affiliates, less the sum of the following actual and customary deductions where applicable and separately listed as part of the gross invoice prices: cash, trade or quantity discounts; sales, use, tariff, import/export duties or other excise taxes imposed on particular sales (except for value-added and income taxes imposed on the sales of Product in foreign countries); transportation charges; or credits to customers because of rejections or returns. For purposes of calculating Net Sales, transfers to a Sublicensee or an Affiliate of Licensed Product under this Agreement for (i) end use (but not resale) by the Sublicensee or Affiliate shall be treated as sales by ADVENTRX at list price of ADVENTRX, or (ii) resale by a Sublicensee or an Affiliate shall be treated as sales at the list price of the Sublicensee or Affiliate.

1.10 “Patent Costs” means all out-of-pocket expenses of SD PHARMA for the preparation, filing, prosecution, and maintenance of all United States patents included in Patent Rights.

1.11 “Patent Rights” means any pending or future US patent applications disclosing and claiming the Invention, assigned to SD PHARMA; and continuing applications thereof including divisions, substitutions, and continuations-in-part (but only to extent the claims thereof are enabled by disclosure of the parent application[s]); any patents issuing on said applications including reissues, reexaminations and extensions; and any corresponding US patent applications and patents that relate to Vinca Alkaloid Drug formulations.

1.12 “Sublicense” means (i) any instrument ADVENTRX enters into with a third party to whom ADVENTRX grants or promises to grant certain rights granted to ADVENTRX by SD PHARMA under this Agreement, and (ii) any instrument pursuant to which a Sublicensee grants or promises to grant to a third party sublicensee rights under this Agreement.

1.13 “Sublicense Fees” means consideration paid by a Sublicensee to ADVENTRX for a Sublicense, and consideration paid by a sub-tier Sublicensee to a Sublicensee for a Sublicense, but excluding earned royalties based on Net Sales. Examples of Sublicense Fees include upfront license fees, maintenance fees, milestone fees, success fees, etc., whether payable in cash, in-kind, in stock, or in other types of consideration paid by the Sublicensee in exchange for the Sublicense rights.

1.14 “Sublicensee” means a third party, including an Affiliate, to whom ADVENTRX grants or promises to grant a Sublicense. Sublicensee also means any sub-tier sublicensee who is granted any rights under this Agreement.

1.15 “Term” means the period of time beginning on the Effective Date and ending on the expiration date of the longest-lived Patent Rights covering the Invention.

1.16 “Territory” means United States of America.

1.17 “Vinca Alkaloid Drug(s)” means those certain generic pharmaceutical drugs which are commonly known as vinca alkaloid drugs, including without limitation to vinorelbine.

ARTICLE 2. GRANTS

2.1 **License.** Subject to the limitations set forth in this Agreement, SD PHARMA hereby grants to ADVENTRX, and ADVENTRX hereby accepts, an exclusive license under Patent Rights and Know-How, to make, use, sell, offer for sale, and import Licensed Products and to practice Licensed Methods in the Field within the Territory and during the Term. During the Term, SD PHARMA shall not grant any license rights to any third parties under the Patent Rights and shall not exercise the Patent Rights itself within the Field within the Territory.

2.2 **Sublicense.**

(a) The license granted in Paragraph 2.1 includes the right of ADVENTRX to grant Sublicenses to third parties during the Term but only subject to the prior written approval from SD PHARMA, which approval will not be withheld or delayed unreasonably.

(b) With respect to Sublicenses granted pursuant to Paragraph 2.2(a), ADVENTRX shall:

(i) to the extent applicable, include all of the rights of and obligations due to SD PHARMA and contained in this Agreement; and,

(ii) collect and/or guarantee payment of all payments due, directly or indirectly, to SD PHARMA from Sublicensees and deliver all reports due, directly or indirectly, to SD PHARMA from Sublicensees.

ARTICLE 3. CONSIDERATION

3.1 **Fees and Royalties.** The parties hereto understand that the fees and royalties payable by ADVENTRX to SD PHARMA under this Agreement are full consideration for the license granted herein to ADVENTRX under Patent Rights. ADVENTRX shall pay SD PHARMA:

(a) a **license issue fee** of [***] upon execution of this Agreement;

(b) a **license maintenance fee** of [***] payable within [***] following the Effective Date; provided however, that ADVENTRX has not terminated the agreement pursuant to Paragraph 8.2(a);

(c) **milestone payments** in the amounts set forth below, payable within thirty (30) days after the occurrence of each of the following events:

	Amount	Date or Event
(i)	[***]	[***;]
(ii)	[***]	[***]
	or	
(ii)	[***]	[***]
(iii)	[***]	[***]
(iv)	[***]	[***]

(d) an earned royalty of [***] on Net Sales of Licensed Products sold by ADVENTRX and/or a Sublicensees.

3.2 **Sublicense Fees.** ADVENTRX shall pay to SD PHARMA a specified percentage of all Sublicense Fees received by ADVENTRX; and each Sublicensee shall pay to SD PHARMA a specified percentage of all Sublicense Fees received by the Sublicensee. To the extent that a sub-tier Sublicensee pays Sublicense Fees to a Sublicensee, and some or all of that same Sublicense Fee is in turn paid to a higher tier Sublicensee or to ADVENTRX, then SD PHARMA shall receive its specified percentage share of only the net amount of the Sublicense Fee which is retained by ADVENTRX and each Sublicensee. The specified percentage shall be:

(a) [***]% from Sublicense agreements entered into within [***] after the Effective Date; and

(b) [***]% from Sublicense agreements entered into within [***] after the Effective Date; and

(c) [***]% from Sublicense agreements entered into after [***] after the Effective Date.

3.3 **Patent Costs.** ADVENTRX shall reimburse SD PHARMA all future (on or after the Effective Date) Patent Costs within thirty (30) days following receipt by ADVENTRX of an itemized invoice from SD PHARMA for said Patent Costs. Additionally, ADVENTRX shall pay to SD PHARMA a patent service fee equal to [***]% of the Patent Costs, to be listed separately on each invoice, and payable by ADVENTRX with thirty (30) days after receipt of the invoice.

ARTICLE 4. DILIGENT COMMERCIALIZATION

4.1 **General Diligence.** ADVENTRX (by itself and/or through its Affiliates and Sublicensees) shall use commercially reasonable and diligent efforts to (i) research and develop commercially viable Licensed Products, (ii) seek and obtain regulatory approval to market Licensed Products in the Territory in the Field, and (iii) market and sell Licensed Products in the Territory in the Field.

4.2 **Specific Diligence.** ADVENTRX (by itself and/or through its Affiliates and Sublicensees) shall use commercially reasonable and diligent efforts to achieve each of the Performance Goals as listed on Exhibit B by the Performance Date as listed on Exhibit B; and if that is achieved, then ADVENTRX shall be deemed to have also satisfied its obligations under Paragraph 4.1 through the date of the specified Performance Date. If a particular Performance Goal is not achieved by its specified Performance Date, and if said failure is not

cured within the Grace Period specified on Exhibit B, then SD PHARMA may terminate this Agreement if SD PHARMA reasonably determines that ADVENTRX (and its Affiliates and Sublicensees) have not devoted commercially reasonable and diligent efforts for achieving the failed Performance Goal. Notwithstanding the foregoing, if SD PHARMA reasonably concludes that there is a high probability that the particular Performance Goal will be achieved within an additional three (3) months after the Grace Period, then SD PHARMA will not exericise its termination right.

4.3 **Performance Reports.** Upon written request by SD PHARMA, ADVENTRX shall furnish to SD PHARMA a semi-annual written report which lists the recently completed efforts, and the near term planned efforts, and the progress results, applicable to achieving the Performance Goals. Said reports shall be due and furnished by the first day of January and July of each year, commencing with January 1, 2006, and continuing until the Performance Goals are achieved.

4.4 **Progress Meetings.** Upon written request by SD PHARMA, ADVENTRX and SD PHARMA shall meet on a quarterly basis for ADVENTRX to orally report and discuss its activities, plans and progress for achieving the Performance Goals, until the Performance Goals are achieved. Said meetings shall occur within 30 days after receipt by ADVENTRX of the written request, but no more frequently than one meeting per calendar quarter, unless otherwise agreed by both parties.

ARTICLE 5. REPORTS, RECORDS AND PAYMENTS

5.1 **Reports.**

(a) **Commercial Sale Reports.**

(i) ADVENTRX shall report to SD PHARMA the date of first commercial sale of each Licensed Product in the United States.

(b) **Data Reports.** At each progress meeting specified in Section 4.4, and thereafter upon request, ADVENTRX shall furnish to SD PHARMA copies of all pre-clinical and clinical studies performed by or on behalf of ADVENTRX and its Affiliates and Sublicensees applicable to the Patents Right or the Licensed Products, including without limitation, study protocols, study data, study results, safety studies, dosage studies, pharmacology studies, etc. (the “Data”). If this Agreement is terminated for any reason other than a default by SD PHARMA, SD PHARMA shall be entitled to use the Data as it deems appropriate.

(c) **Royalty Reports.** After the first commercial sale of a Licensed Product, ADVENTRX shall submit to SD PHARMA quarterly royalty reports on or before each February 28, May 31, August 31 and November 30 of each year. Each royalty report shall cover ADVENTRX’s (and each Affiliate’s and Sunlicensee’s) most recently completed calendar quarter and shall show:

(i) the Net Sales (together with the detailed calculations therefore) during the most recently completed calendar quarter, and the royalties payable with respect thereto, which royalties shall be paid with each report; and

(ii) the number of each type of Licensed Product sold.

If no sales of Licensed Products have been made during any reporting period, ADVENTRX shall so report.

(d) **Sublicense Fees Report**. Within thirty (30) days after receipt of any Sublicense Fees, ADVENTRX (and its Affiliates and Sublicensees who receive Sublicense Fees) shall report the same in writing to SD PHARMA, together with payment to SD PHARMA of the share thereof as specified in Paragraph 3.2.

5.2 **Records & Audits.**

(a) ADVENTRX shall keep, and shall require its Affiliates and Sublicensees to keep, accurate and correct records of all Licensed Products manufactured, used, and sold, and Sublicense Fees received under this Agreement. Such records shall be retained by ADVENTRX (and its Affiliates and Sublicensees) for at least five (5) years following a given reporting period.

(b) All records shall be available during normal business hours for inspection at the expense of SD PHARMA by SD PHARMA's Internal Audit Department or by a Certified Public Accountant selected by SD PHARMA and in compliance with the other terms of this Agreement for the sole purpose of verifying reports and payments or other compliance issues, by providing ten (10) business days written notice to ADVENTRX (or its Affiliates and Sublicensees, as the case may be). Such inspector shall not disclose to SD PHARMA any information other than information relating to the accuracy of reports and payments made under this Agreement or other compliance issues. In the event that any such inspection shows an under reporting and underpayment in excess of [***]%) for any twelve (12)-month period, then ADVENTRX (or its Affiliates and Sublicensees, as the case may be) shall pay the cost of the audit. In all events, ADVENTRX (or its Affiliates and Sublicensees, as the case may be) shall promptly pay any additional sum that would have been payable to SD PHARMA had the ADVENTRX (or its Affiliates and Sublicensees, as the case may be) reported correctly, plus an interest charge at a rate of [***]%) per year. Such interest shall be calculated from the date the correct payment was due to SD PHARMA up to the date when such payment is actually paid.

5.3 **Payments**.

(a) All fees and royalties due SD PHARMA shall be paid in United States dollars and all checks shall be made payable to "SD PHARMACEUTICALS, Inc".

(b) Royalty Payments.

(i) Royalties shall accrue upon the receipt of payment for the sale of Licensed Products.

(ii) ADVENTRX shall pay earned royalties quarterly on or before February 28, May 31, August 31 and November 30 of each calendar year. Each such payment shall be for earned royalties accrued within the most recently completed calendar quarter.

(iii) In the event that any patent or patent claim within Patent Rights is held invalid in a final decision by a patent office from which no appeal or additional patent prosecution has been or can be taken, or by a court of competent jurisdiction and last resort and from which no appeal has or can be taken, all obligation to pay royalties based solely on that patent or claim or any claim patentably indistinct therefrom shall cease as of the date of such final decision. ADVENTRX shall not, however, be relieved from paying any royalties that accrued before the date of such final decision, or that are based on another patent or claim not involved in such final decision.

(c) Late Payments. In the event any payment owed under this Agreement is not received by SD PHARMA when due, ADVENTRX shall pay to SD PHARMA interest charges at a rate of [***]%) per year. Such interest shall be calculated from the date payment was due until actually received by SD PHARMA.

ARTICLE 6. PATENT MATTERS

6.1 **Patent Prosecution and Maintenance**.

(a) SD PHARMA shall diligently prosecute and maintain the United States Patent Rights using counsel of its choice, after consultation with ADVENTRX. SD PHARMA shall provide ADVENTRX with copies of all relevant documentation relating to such prosecution and ADVENTRX shall keep this documentation confidential. All patents and patent applications in Patent Rights shall be assigned solely to SD PHARMA.

(b) SD PHARMA shall give reasonable consideration to amending any patent application in Patent Rights to include claims reasonably requested by ADVENTRX to protect the Licensed Products contemplated to be sold by ADVENTRX under this Agreement.

6.2 **Patent Infringement.**

(a) If ADVENTRX learns of any substantial infringement of Patent Rights applicable to License Products, ADVENTRX shall so inform SD PHARMA and provide SD PHARMA with reasonable evidence of the infringement. Both parties shall use reasonable efforts and cooperation to terminate infringement without litigation.

(b) ADVENTRX may request SD PHARMA to take legal action against such third party for the infringement of Patent Rights applicable to Licensed Products. Such request shall be made in writing and shall include reasonable evidence of such infringement and damages to ADVENTRX. If the infringing activity has not abated ninety (90) days following ADVENTRX's request, SD PHARMA shall elect either to commence suit on its own account, or not to do so. SD PHARMA shall give notice of its election in writing to ADVENTRX by the end of the one-hundredth (100th) day after receiving notice of such request from ADVENTRX. ADVENTRX may thereafter bring suit for patent infringement at its own expense, if and only if SD PHARMA elects not to commence suit and the infringement occurred in a jurisdiction where ADVENTRX has an exclusive license under this Agreement. If ADVENTRX elects to bring suit, SD PHARMA may join that suit at its own expense.

(c) Recoveries from actions brought pursuant to Paragraph 5.2(b) shall be used first to reimburse the parties for their out-of-pocket expenses incurred to pursue the litigation, plus 20% per annum accrual on said expenses; and the remainder, if any, shall be [***].

(d) Each party shall cooperate with the other in litigation proceedings at the expense of the party bringing suit. Litigation shall be controlled by the party who is bearing the majority of the litigation expenses.

6.3 **Patent Marking.** ADVENTRX shall mark all Licensed Products made, used or sold under the terms of this Agreement, or their containers, in accordance with the applicable patent marking laws.

ARTICLE 7. GOVERNMENTAL MATTERS

7.1 **Governmental Approval or Registration.** If this Agreement or any associated transaction is required by the law of any nation to be either approved or registered with any governmental agency, ADVENTRX shall assume all legal obligations to do so.

7.2 **Compliance With Laws.** ADVENTRX (and its Affiliates and Sublicensees) shall comply with all applicable laws and regulations related to all activities performed with respect to this Agreement, including the development, manufacture, marketing, sale, and use of Licensed Products, and including all FDA regulatory matters.

ARTICLE 8. TERMINATION OF THE AGREEMENT

8.1 **Termination by SD Pharma.** If ADVENTRX fails to perform or violates any term of this Agreement, then SD PHARMA may give written notice of default ("Notice of Default") to ADVENTRX. If ADVENTRX fails to cure a default to pay money owed to SD PHARMA within thirty (30) days of the Notice of Default, or a default to perform non-payment obligations within sixty (60) days of the Notice of Default, SD PHARMA may terminate this Agreement and the license granted herein by a second written notice ("Notice of Termination") to ADVENTRX. If a Notice of Termination is sent to ADVENTRX, this Agreement shall automatically terminate on the effective date of that notice. Termination shall not relieve ADVENTRX of its obligation to pay any fees owed at the time of termination and shall not impair any accrued right of SD PHARMA. Any termination of this Agreement shall also automatically terminate any Sublicense under this Agreement. For avoidance of doubt, the "grace period" specified on Exhibit B is in lieu of (and not in addition to) the cure period specified in this Paragraph 8.1.

8.2 **Termination by ADVENTRX.**

(a) ADVENTRX shall have the right within fifty-nine (59) days following the Effective Date to immediately terminate this Agreement upon written notice. Thereafter, ADVENTRX shall have the right at any time and for any reason to terminate this Agreement upon a thirty (30)-day written notice to SD PHARMA.

(b) Any termination under Paragraph 8.2(a) shall not relieve ADVENTRX of any obligation or liability accrued under this Agreement prior to the effective date of the termination. Termination shall not affect in any manner any rights of SD PHARMA arising under this Agreement prior to termination.

8.3 **Survival on Termination.** The following Paragraphs and Articles shall survive the termination of this Agreement:

(a) Article 5 (REPORTS, RECORDS AND PAYMENTS);

(b) Article 10 (USE OF NAMES AND TRADEMARKS); and

(c) Article 11 (MISCELLANEOUS PROVISIONS).

ARTICLE 9. LIMITED WARRANTY

9.1 **Limited Warranty.**

(a) SD PHARMA warrants that it has the lawful right to grant this license.

(b) The license granted herein is provide "AS IS" and without WARRANTY OF MERCHANTABILITY or WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE or any other warranty, express or implied. SD PHARMA makes no representation or warranty that the Licensed Product, Licensed Method or the use of Patent Rights will not infringe any other patent or other proprietary rights.

(c) In no event shall either party be liable for any incidental, special or consequential damages resulting from exercise of the license granted herein or the use of the Invention, Licensed Product, or Licensed Method.

(d) Nothing in this Agreement shall be construed as:

(i) a warranty or representation by SD PHARMA as to the validity or scope of any Patent Rights;

(ii) a warranty or representation that anything made, used, sold or otherwise disposed of under any license granted in this Agreement is or shall be free from infringement of patents of third parties;

(iii) an obligation to bring or prosecute actions or suits against third parties for patent infringement except as provided in Paragraph 6.2 hereof;

(iv) conferring by implication, estoppel or otherwise any license or rights under any patents of SD PHARMA other than Patent Rights as defined in this Agreement, regardless of whether those patents are dominant or subordinate to Patent Rights.

ARTICLE 10. USE OF NAMES AND TRADEMARKS

10.1 **No Use**. Nothing contained in this Agreement confers any right to use in advertising, publicity, or other promotional activities any name, trade name, trademark, or other designation of either party hereto (including contraction, abbreviation or simulation of any of the foregoing). Unless required by law, the use by ADVENTRX of the name, "SD PHARMACEUTICALS" is prohibited without the express written consent of SD PHARMA.

ARTICLE 11. MISCELLANEOUS PROVISIONS

11.1 **Correspondence.** Any notice or payment required to be given to either party under this Agreement shall be deemed to have been properly given and effective:

(a) on the date of delivery if delivered in person, or

(b) one (1) business day after given by fax, e-mail, or overnight delivery service, or

(c) five (5) days after mailing if mailed by first-class or certified mail, postage paid, to the respective addresses given below, or to such other address as is designated by written notice given to the other party.

If sent to ADVENTRX:

6725 Mesa Ridge Rd, Ste 100
San Diego, California 92121
Attention: CEO

If sent to SD PHARMACEUTICALS:

SD PHARMA
7402 Cadencia Street
Carlsbad CA, 92009
Attention: CEO

11.2 **Mutual Secrecy.**

(a) "Confidential Information" shall mean information and Data relating to the Invention and disclosed by SD PHARMA to ADVENTRX and vice versa during the term of this Agreement, which if disclosed in writing shall be marked "Confidential", or if first disclosed otherwise, shall within thirty (30) days of such disclosure be summarized in writing by the disclosing party and sent to the receiving party:

(b) ADVENTRX shall:

(i) use the Confidential Information only for the sole purpose of performing under the terms of this Agreement;

(ii) safeguard Confidential Information against disclosure to others with the same degree of care as it exercises with its own data of a similar nature;

(iii) not disclose Confidential Information to others (except to its employees, agents or consultants who are bound to ADVENTRX by a like obligation of confidentiality) without the express written permission of SD PHARMA, except that ADVENTRX shall not be prevented from using or disclosing any of the Confidential Information that:

(A) ADVENTRX can demonstrate by written records was previously known to it, and not subject to a confidentiality obligation in favor of SD PHARMA; or

(B) is now, or becomes in the future, public knowledge other than through acts or omissions of ADVENTRX; or

(C) is lawfully obtained by ADVENTRX from sources independent of SD PHARMA and not subject to a confidentiality obligation in favor of SD PHARMA; or

(D) ADVENTRX can demonstrate were independently developed by ADVENTRX or its employees having no knowledge of the Confidential Information; or

(E) ADVENTRX is required to disclose by law or pursuant to the direction of a court or government agency, but only to the limited extent as so required by the court or government agency.

(c) The secrecy obligations of ADVENTRX with respect to Confidential Information shall continue for a period ending five (5) years from the termination date of this Agreement.

(d) Each party may acknowledge the existence of this Agreement and the extent of the license grant in Article 2 to third parties, but neither party shall disclose the financial terms of this Agreement to third parties, except where the party is required by law to do so, or except under a confidentiality agreement to the party's investors or lenders (and prospective investors and lenders), prospective acquirers of the party, and others with whom the party has a business relationship and reasonable need to know.

11.3 **Assignability.** This Agreement may not be assigned by ADVENTRX without the prior written consent of SD PHARMA; provided however, in the event ADVENTRX is acquired by a third party (e.g., via merger or purchase of substantially all assets or stock of ADVENTRX), then this Agreement may be assigned to the acquirer so long as the acquirer assumes all obligations of ADVENTRX under this Agreement.

11.4 **No Waiver.** No waiver by either party of any breach or default of any covenant or agreement set forth in this Agreement shall be deemed a waiver as to any subsequent and/or similar breach or default.

11.5 **Attorneys Fees.** In the event of a failure of performance due under this Agreement and if it becomes necessary for either party to undertake legal action against the other on account thereof, then the prevailing party shall be entitled to reasonable attorney's fees in addition to costs and necessary disbursements.

11.6 **Governing Laws.** THIS AGREEMENT SHALL BE INTERPRETED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA, but the scope and validity of any patent or patent application shall be governed by the applicable US patent laws.

11.7 **Force Majeure.** A party to this Agreement may be excused from any performance required herein if such performance is rendered impossible or unfeasible due to any catastrophe or other major event beyond its reasonable control, including, without limitation, war, riot, and insurrection; laws, proclamations, edicts, ordinances, or regulations; strikes, lockouts, or other serious labor disputes; and floods, fires, explosions, or other natural disasters. When such events have abated, the non-performing party's obligations herein shall resume. However, in no event will a force majeure event postpone the scheduled due date for payments to SD PHARMA by more than thirty (30) days.

11.8 **Headings.** The headings of the several sections are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

11.9 **Entire Agreement.** This Agreement embodies the entire understanding of the parties and supersedes all previous communications, representations or understandings, either oral or written, between the parties relating to the subject matter hereof. However, that certain Mutual Non-Disclosure Agreement, between the parties, dated December 7, 2004, shall continue to remain in effect.

11.10 **Amendments.** No amendment or modification of this Agreement shall be valid or binding on the parties unless made in writing and signed on behalf of each party.

11.11 **Severability.** In the event that any of the provisions contained in this Agreement is held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, and this Agreement shall be construed as if the invalid, illegal, or unenforceable provisions had never been contained in it, so long as each party is still able to realize the essential benefits bestowed upon the parties pursuant to the stated terms of this Agreement.

IN WITNESS WHEREOF, both SD PHARMA and ADVENTRX have executed this Agreement, in duplicate originals, by their respective and duly authorized officers on the day and year written.

ADVENTRX PHARMACEUTICALS, Inc.:	**SD PHARMACEUTICALS, Inc.**:
By: /s/ Evan M. Levine	By: /s/ Paul J. Marangos
(Signature)	(Signature)
Evan M. Levine President & CEO	Paul J. Marangos Chairman & CEO
Date: 4-29-05	Date: 4-29-05

CONFIDENTIAL

EXHIBIT A

PATENT APPLICATION ATTACHED AS "VINORELBINE PATENT UTILITY APPLICATION 20040712.PDF"

[***]

CONFIDENTIAL

EXHIBIT B

PERFORMANCE GOALS

Performance Goals	Performance Date	Grace Period
[***]		
[***]		
[***]		

Exhibit 31.1

CERTIFICATION PURSUANT TO RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934 AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Evan Levine, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ADVENTRX Pharmaceuticals, Inc. (the "Company");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c. Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter (the Company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: November 14, 2005

/S/ EVAN LEVINE
Evan Levine
Chief Executive Officer and President

EXHIBIT 31.2

CERTIFICATION PURSUANT TO RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934 AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Carrie Carlander, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ADVENTRX Pharmaceuticals, Inc. (the "Company");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c. Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter (the Company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: November 14, 2005

/S/ CARRIE CARLANDER
Carrie Carlander
Chief Financial Officer, Vice President, Finance, Treasurer
and Secretary

Exhibit 32.1

CERTIFICATION OF CEO AND CFO FURNISHED PURSUANT TO
18 U.S.C. § 1350,
AS ADOPTED PURSUANT TO
§ 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of ADVENTRX Pharmaceuticals, Inc. (the "Company") for the quarterly period ended September 30, 2005 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of Evan Levine, Chief Executive Officer and President of the Company, and Carrie Carlander, Chief Financial Officer, Treasurer and Vice President, Finance, of the Company, hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to the best of his knowledge, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: November 14, 2005 /S/ EVAN LEVINE
Evan Levine
Chief Executive Officer and President

Date: November 14, 2005 /S/ CARRIE CARLANDER
Carrie Carlander
Chief Financial Officer, Vice President, Finance, Treasurer and Secretary

This certification accompanies this Report pursuant to § 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, or otherwise required, be deemed filed by the Company for purposes of § 18 of the Securities Exchange Act of 1934, as amended.